





NextEra Energy contracted with ICF to review this plan, together with the underlying assumptions and analysis on which it is based. ICF found that the plan presents a viable pathway to meet the goals contained in the plan, subject to regulatory or policy changes, market fluctuations and technological uncertainties. ICF does not make any warranty or representation with respect to any future plan outcomes, and ICF takes no position regarding the long-term accuracy of the assumptions and forecasts NextEra Energy used in its analyses.

ICF is a global consulting services company. It is a non-partisan, non-political company that delivers a broad and diverse range of independent, unbiased, objective analyses and related consulting services to help our clients navigate change and better prepare for the future. ICF does not advocate for or against or endorse any particular public policy position. Rather, ICF's 2,000+ climate, energy, and environment experts worldwide—comprising one of the world's largest science-based climate consultancies—are dedicated to working with business, government, and nonprofit organizations to design and implement programs that drive low-carbon transitions and build resilience against the effects of climate change.

Net zero means reducing carbon and acquiring traditional offsets or credits.

Real Zero™ means eliminating carbon emissions from our operations. →

→ Today, we see a pathway to a completely carbon emissionsfree power sector by 2045 with a combination of zero carbon emissions resources and short-term and long-term energy storage.

We believe that the transition to affordable renewable energy isn't an option – it's the solution. Years before many Fortune 500 companies considered transitioning away from fossil fuels to renewable energy, we were building solar and wind projects, and closing oil and coal-fired power plants. We're now poised to build on our decades of innovation, as we work to fulfill our long-standing vision to be the largest and cleanest energy provider in the world.

economy requires every industry to assess its role and set goals that would lead to the greatest possible impact. As the largest U.S. utility company, we know our sector can lead the way. Today. we're setting an ambitious goal for ourselves as a company that should catalyze progress for our sector and for the U.S. economy. Our goal is to be completely carbon emissions-free by no later than 2045. Our plan includes meaningful milestones in fiveyear increments that would allow us to reach Real Zero emissions by no later than 2045. NextEra Energy has been working to reduce its carbon dioxide (CO₂) emissions rate for decades, and as of 2021 has achieved a 58% reduction, compared to a 2005

The road to decarbonizing the U.S.

→ That time is now.

plan until we could see the

path forward.

adjusted baseline. While we've had emissions reduction goals, we've always said that we did not want to commit to a full decarbonization Our Real Zero goal is the most ambitious target set by an energy producer and the sector's only one to not require carbon offsets for success.

We've been an industry leader for 30 years and our size, scale and expertise position us to lead the energy sector to Real Zero. And Real Zero aligns with our view that our nation must be energy independent, and that America's energy can and should be carbon emissions-free, and affordable.

NextEra Energy's ability to produce power with zero-carbon emissions means our energy customers can meet their emissions reduction goals. We can help make any such goal achievable, affordable and on a faster pace.

For our current and future customers, whatever your emissions reduction goals, NextEra Energy would be prepared to be your partner of choice, using our unmatched expertise to accelerate your success.

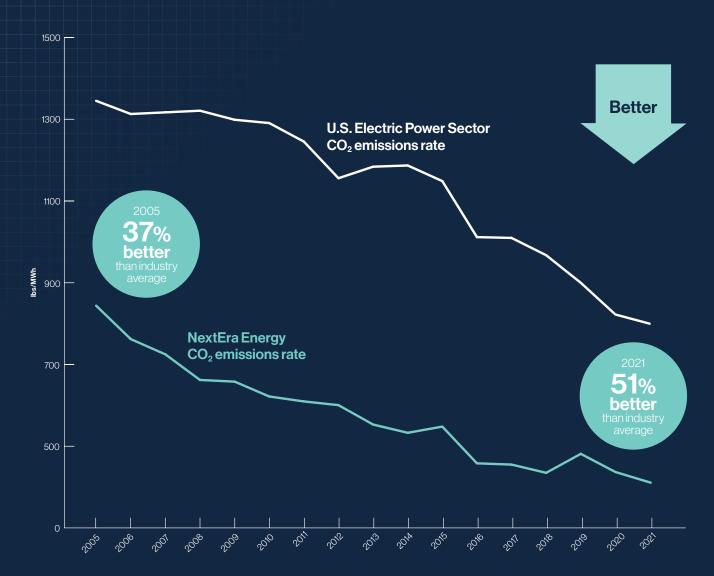
We're in this to lead our industry and to drive change. And we want to bring the U.S. economy with us on this journey.

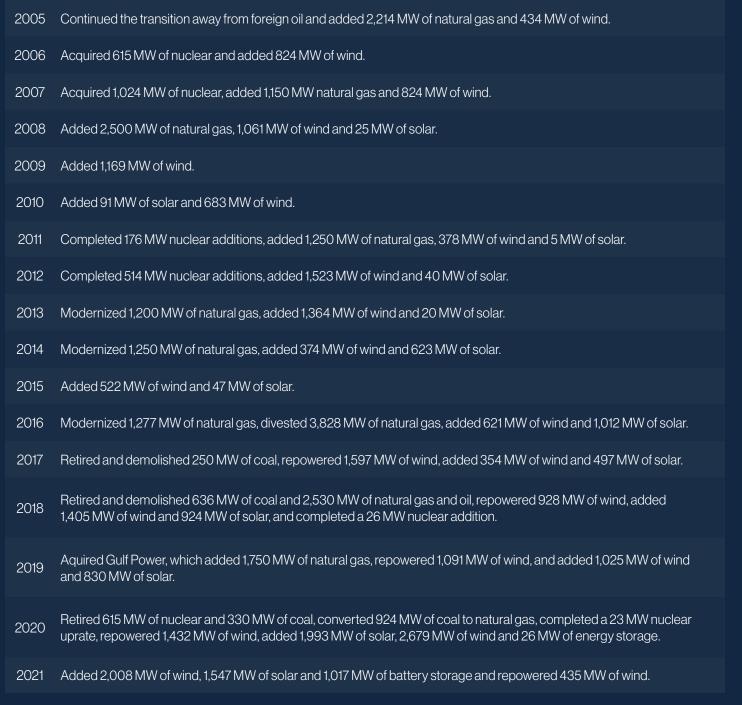






Our CO₂ emissions rate is improving faster than the national average due to our clean energy investments and actions.









NextEra Energy is a leading clean energy company and the world's largest producer of wind and solar energy.

We run two industry-leading businesses, with a total market capitalization of approximately \$150 billion¹: Florida Power & Light Company (FPL), the largest electric utility in the U.S. by energy delivered; and NextEra Energy Resources, the world's largest generator of renewable energy from the wind and sun and a global leader in battery storage. We have invested billions of dollars in energy infrastructure across North America, including new wind and solar, transmission, and gas infrastructure, offering our customers innovative solutions to meet their energy needs.

For more than 30 years, we've pioneered technologies that have transformed our industry. Over the past decade, NextEra Energy has invested and deployed \$110 billion in North American energy infrastructure.

014 As of June 10, 2022

One of the cleanest and most efficient power generation fleets in the country.

Among the first utilities to deploy smart grid technology.

Significantly lower bills than the national average.

Our modernized FPL infrastructure in Florida is one of the cleanest and most efficient power generation fleets in the country, saving our Florida customers more than \$12 billion in fuel costs and avoiding more than 175 million tons of CO₂ emissions since 2001. Our solar expansions and community solar program are the largest in the U.S., helping to rank Florida number three for installed solar capacity after California and Texas.

FPL is among the first utilities to deploy smart grid technology and harden our grid in Florida for improved reliability and resiliency. FPL is investing and innovating in electric vehicle (EV) infrastructure, distributed generation and hydrogen pilots, recently securing approval to develop Florida's first green hydrogen project, coming online in 2023.

Importantly, we've proven that a company can be clean and low-cost at the same time. **FPL's residential customer bills are significantly lower than the national average and among the lowest in Florida.**



NextEra Energy Resources is a renewable energy leader.

Since 2012, we have invested more than \$40 billion in our wind, solar and battery storage portfolio and now offer a combination of energy management solutions and data analytics tools that are unrivaled in our sector. Our renewables portfolio spans virtually the entire U.S., helping businesses and customers across the country meet renewable portfolio standards (RPS) and their emissions reduction goals.

Our strategy continues to focus on cost, reliability, resiliency and customer value, as our business grows.

From Net to Real

By the end of 2021, net zero emission commitments covered 90% of global gross domestic product (GDP)². Many companies in the U.S. have set net zero goals in recent years, including many of the largest utilities. We believe these commitments orient the economy toward a sustainable energy future, and for some sectors, net zero may be a practical solution. This is especially true for hard-to-abate industries.

But as the International Energy Agency (IEA)³ has pointed out, long-term targets alone will not reduce emissions fast enough to reach net zero by mid-century. It will take a total transformation of our energy infrastructure — an undertaking of unprecedented speed and scale calling for decisive action over the next decade.

When thinking about a goal for our own company, we wanted to set a goal that goes beyond the status quo and move the conversation forward for our company, our industry and the U.S. economy.

GHG Scope Definitions



Scope 1

Direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by an organization



Scope 2

Indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling



Scope 3

The result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain

What Does Real Zero Mean?

Real Zero means our power generation would come from 100% carbon emissions-free energy sources at no incremental cost to our customers relative to alternatives.

Decarbonizing the power sector would drive change and help others reach their goals more quickly. This opens the door for the generation of emissions-free power on a scale not previously achievable. This means companies that are setting net zero goals can achieve those goals faster, more reliably and more sustainably.

Real Zero means zero scope 1 direct emissions from owned assets and zero scope 2 indirect emissions from owned or leased assets, by no later than 2045. In 2021, scope 1 emissions represented more than 99% of NextEra Energy's scope 1 and 2 emissions profile⁴. As a leading energy company who owns and operates electricity-generating assets, our focus is where it should be, on scope 1 emissions from power generation. We won't stop there. On scope 2 emissions, we plan to achieve Real Zero for facilities and buildings outside FPL's service territory through direct clean renewable energy procurement or virtual power purchase agreements (VPPAs).

We know that there is a critical need for the global policy community to align on how to identify, measure and report scope 3 emissions across the 15 categories outlined by the <u>Greenhouse Gas Protocol</u>. For NextEra Energy, we currently

report our scope 3 emissions for categories that are measurable and backed by verified data.

NextEra Energy is expanding our capabilities through investments in our software platforms, including NextEra 360TM. We would continue to approach scope 3 as a shared responsibility, committing to work with our supply chain partners and customers on solutions to reduce emissions throughout our entire value chain.

² https://sciencebasedtargets.org/net-zero

³ https://www.iea.org/reports/net-zero-by-2050

Our 2021 GHG emissions inventory was verified by an independent third-party and is available on the ESG Resources page on our Investor Relations website.

Zero Incremental Cost



Real Zero also means zero incremental cost⁵ to our customers relative to alternatives. At NextEra Energy, it means that every project we build would continue to be lower cost for customers than other options to reach our goal subject to approval by regulators.

At NextEra Energy, we believe there is only one path to decarbonizing the U.S. economy: decarbonizing the electricity sector first. That's why we think our sector needs to go further faster to enable other sectors to meet their emissions reduction goals.

NextEra Energy's goal is to achieve Real Zero carbon emissions by no later than 2045 while improving customer affordability and reliability.



Real Zero Emissions

Does not rely on offsets

Direct Emissions (scope 1)Zero emissions from NextEra Energy's operations

Indirect Emissions (scope 2)
Zero emissions from purchased power

Greater transparency on scope 3 emissionsOpportunity to help suppliers



Real Zero Incremental Cost

At FPL:

Build zero-carbon emissions projects at no incremental cost to customers relative to alternatives

Customers benefit from both fuel and operations and maintenance savings as well as lower emissions

At NextEra Energy Resources:

Deliver zero-carbon emissions electricity solutions to our expanding customer base



Leading the Decarbonization of the U.S. Economy



Producing electricity at Real Zero would be a game changer for our customers, the U.S. electric sector and the entire U.S. economy.

NextEra Energy's Real Zero goal would catalyze the decarbonization of the U.S. economy along three parallel paths:

First, we intend to decarbonize our own business, beginning with our goal to reach Real Zero emissions, without the need for carbon offsets, by no later than 2045. We've been prudently investing in decarbonizing our own operations for decades, and this is an extension of our core values.

Second, we plan to help decarbonize more of the U.S. power sector – investor-owned utilities (IOUs), municipalities and cooperatives – through continued investments and innovation in wind, solar, storage and green hydrogen projects.

Third, we would help lead the decarbonization of the U.S. economy – by working to become the preferred partner for customers to help them reduce or eliminate carbon emissions in their own operations. We also would use our experts and data analytics to help our commercial and industrial customers reach their own net zero goal or strive to achieve Real Zero.

Strategy and Measurable Milestones

We plan to decarbonize our company and achieve our Real Zero goal by doubling down on our core businesses at FPL and NextEra Energy Resources. We would continue to smartly invest capital at FPL and increase our investments in renewable energy, storage and innovation. We're also setting clear, interim emissions reduction milestones to hold ourselves accountable and to demonstrate measurable progress to our stakeholders. Value, affordability, reliability and resiliency for our customers would remain our number one goal.





To achieve our Real Zero goal, NextEra Energy would pursue three strategic actions:



O1 Eliminating carbon emissions from NextEra Energy's operations.

O2 Establishing a new industry standard to help our customers in the power sector reach their goals.

O3 Becoming the preferred partner for customers across industries who share our vision to become carbon emissions-free.

O1 Eliminating carbon emissions from NextEra Energy's operations

A significant portion of NextEra Energy's plan to eliminate carbon emissions is designed to take place at FPL, the nation's largest electric utility, serving more than 12 million people across Florida. Over the last 20 years, FPL has improved its carbon emissions rate by 40%, resulting in an emissions profile that today is 28% below the national average. Over that time, FPL has reduced its use of foreign oil by 99% and shuttered all of its coal plants in Florida while saving its customers more than \$12 billion in avoided fuel costs. FPL's Ten-Year Site Plan, for years 2022-2031, forecasts the continued integration and siting of clean, reliable power generation, putting us on a pathway to our 2045 goal.

As part of our Real Zero goal, FPL would accelerate the transformation of the generation mix, reaching 36% decarbonization by 2025; 52% by 2030; 62% by 2035; 83% by 2040; and culminating in 100% decarbonization by no later than 2045⁶.

01 The decarbonization opportunity at FPL addresses 96% of NextEra Energy's scope 1 and scope 2 emissions, based on the 2021 emissions inventory.



FPL Solar & Storage Deployment

Build 90 GW solar and 50 GW battery storage projects that are cost-effective for our customers



Green Hydrogen Deployment

Convert certain FPL natural gas assets for 16 GW of hydrogen (H_2) capacity starting in the early 2040s



T&D Investment

Transmission provides the backbone for significant renewable expansion



Renewable Natural Gas

Renewable fuels reserved for reliability purposes



01 Our pathway to Real Zero:





Significantly expanding the nation's largest solar resource:

Today, FPL generates approximately 4,000 megawatts (MW) of solar energy from nearly 15 million solar panels. By no later than 2045, FPL would significantly expand its solar capacity, increasing the mix of solar generation on FPL's system to more than 90,000 MW from hundreds of millions of solar panels.



Increasing battery storage to supply more energy when the sun isn't shining:

Achieving Real Zero would add more than 50,000 MW of battery storage to FPL's grid, up from 500 MW today. This energy storage would be critical to store the power of the sun and deploy it during times when the sun isn't shining, like in the evening when demand begins to rise as customers return home.



Continuing the use of clean, efficient nuclear power:

FPL presently has more than 3,500 MW of nuclear capacity on its system, and the plan intends for that capacity to remain stable. Nuclear is an important base load generation source which would continue to play an important role in generating affordable, carbon emissions-free electricity for FPL's customers for many decades to come.



Displacing natural gas in some of our existing generating units with green hydrogen:

FPL would convert 16 GW of existing natural gas units to run on green hydrogen. The conversion of these units to green hydrogen would be a cost-effective solution for customers, and their operation would serve as an important and diverse generating source. We plan to generate green hydrogen through solar power to use a zero-carbon emissions fuel for FPL's existing gas generating fleet. We plan to co-locate electrolyzers to generate green hydrogen onsite to create important efficiencies and synergies related to water and to reduce transportation needs, but pipelines may also be used to transport green hydrogen in a cost-effective manner.



Providing renewable fuels capacity reserves for reliability purposes:

To ensure additional generation is available for reliability purposes, FPL would be able to generate up to 6.000 MW of CO2 neutral power from renewable natural gas (RNG) in our existing generating units. RNG is derived from biomass or other renewable resources. and is a pipeline-quality gas that is fully interchangeable with conventional natural gas. CO₂ emissions from the combustion of biogenic renewable fuels are considered zero-emitting, or CO₂ emissions neutral. NextEra Energy has already started investing in RNG and has more opportunities planned in the future.



Bringing in green hydrogen opportunities for Florida's economy:

As part of our plan, FPL would be able to generate additional green hydrogen from otherwise curtailed solar that can be sold to other consumers. If approved by regulators, FPL would be able to return all hydrogen revenues directly to customers. As we look to develop and scale green hydrogen production, our gas pipeline infrastructure could serve as an option to transport green hydrogen in the future.



01 Our pathway to Real Zero:



Continuing the decarbonization of our vehicle fleet:

We are planning to convert 60% of our light-duty vehicle fleet to electric or plug-in hybrid by 2030 and 100% zero-emitting by no later than 2045. Additionally, through our smart grid technology and emerging intelligent devices, such as drones, robots and augmented reality, we are able to monitor and manage power issues without putting additional service vehicles on the road.



Gas infrastructure:

We have identified several decarbonization pathways for the operations of our gas infrastructure businesses. While these businesses comprise only 1.5% of our total emissions portfolio, we are committed to reaching Real Zero, and in addition to considering other means, we would continue to invest in emissions-reduction technology such as zero emitting pneumatic valves, electric compressors, and leak-reduction and elimination technology.



Fully eliminating sulfur hexafluoride (SF₆) emissions from operations:

We currently use SF₆ gas, another potent greenhouse gas, as part of our transmission equipment. We recognize that any emissions from SF₆ need to be reduced and eliminated from our transmission operations. We commit to fully eliminating SF₆ emissions from operations by no later than 2045, if not sooner, Today, we are already partnering with innovative companies that would recycle and reclaim our existing SF₆ gas, which would drastically cut consumption and emissions from SF₆.



Committing to continued investment in energy efficiency:

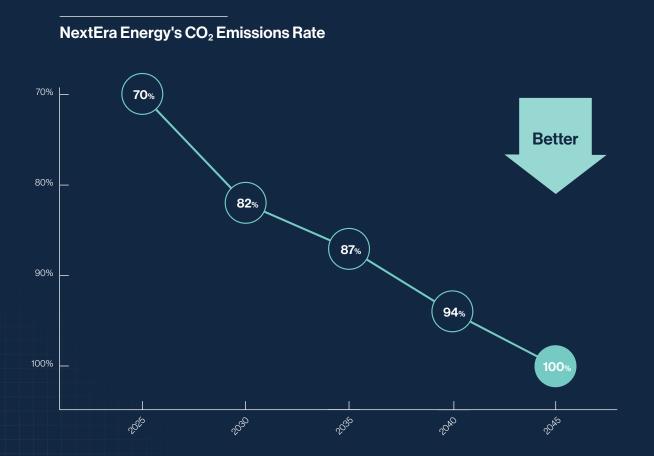
At FPL, energy efficiency services and programs provide a vital resource for our customers. FPL's demand-side management efforts through 2021 have resulted in a cumulative summer peak reduction of nearly 5,500 MW and an estimated cumulative energy savings of approximately 95,000-gigawatt hours (GWh). This has eliminated the need to construct the equivalent of approximately 66 new 100 MW generating units. Our energy efficiency and conservation programs range from air conditioning and insulation rebate programs to our Smart Home Technology, Home Energy Manager and LED Lighting Solutions services. We recognize the need for energy efficiency and remain committed to investing in cost-effective programs that minimize electric rate impacts to help customers year-round.





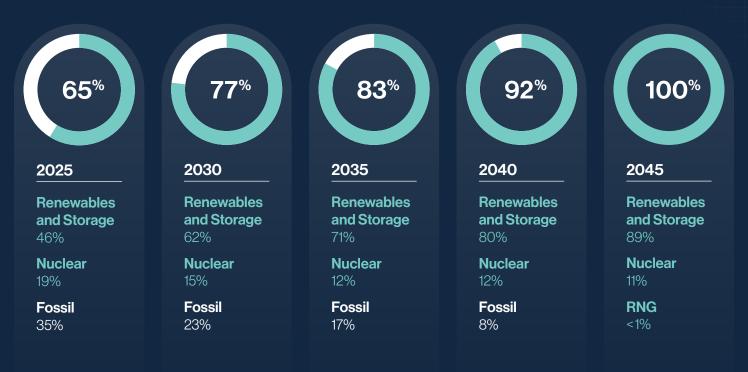
O1 NextEra Energy aims to continuously reduce its CO₂ emissions rate until it reaches Real Zero by no later than 2045. We would hold ourselves accountable to reach short-, medium- and long-term targets and would be held to account with five-year targets. This is a first in our sector.

O1 The decarbonization milestones with projected generation (GWh) by fuel type for NextEra Energy through 2045.



Using NextEra Energy's 2005 adjusted baseline

Projected Generation



We plan to build 16 GW of green hydrogen; however, our generation model treats hydrogen as storage, as such it is not represented in our generation mix.



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O2 Our Real Zero goal establishes a new industry standard for decarbonization, as we continue to lead the power sector in reducing and eliminating carbon emissions from our operations over time, helping our customers in the power sector reach their goals.

Competitive advantages and tailwinds

Multiple demand drivers are accelerating the U.S. renewable energy transition – economics of low-cost renewables, Environmental, Social, Governance (ESG) and sustainability demands, changes in the regulatory landscape, rising natural gas prices, energy independence, and customer demand – to name a few. We're confident that capital investments flowing toward low-cost and emissions-free

renewable energy would be a game changer for our customers, the environment and the U.S. economy, and would support our goal for Real Zero. NextEra Energy's scale is also a significant competitive advantage that allows our company to buy, build, operate and finance large-scale renewable energy projects more efficiently than anyone else in the business. We have a history of successfully managing the complexities of renewables development. Our team, data and analytics expertise, market knowledge, transmission

capabilities, technology and clean energy solutions built over two decades as the world's leader in renewables position us to achieve our Real Zero goal on behalf of our customers. NextEra Energy's Real Zero goal relies on several assumptions for success. While we see a clear path for zero emissions today, the aforementioned competitive advantages, industry dynamics and key assumptions could change in the future leading to an acceleration or deceleration of Real Zero by 2045.

Real Zero represents a tangible value proposition for our commercial and industrial customers.

03 Helping our Customers Reach their Goals

On the path to a decarbonized U.S. economy, we know that our customers face big challenges and tremendous opportunities. It is not just our environment that would benefit from investing in a zero-carbon-emissions future – your business can, too.

The number of Fortune 500 companies citing ESG as a factor in their financial growth rose by 84%⁷ in the fourth quarter of 2020. Our commercial and industrial customers are setting ambitious sustainability and carbon-reduction goals, as demand escalates for sustainability and decarbonization solutions across all sectors. Carbonintensive companies, especially have sights set on economically decarbonizing their own businesses and operations. Rather than follow, they want to lead.

Wherever you are on your journey:

- → We would support you in your energy transition goals.
- → We would help you reach and surpass your emissions reduction goals in the most economical way.
- → We would give you access to our world-class, advanced analytical technology, for end-to-end energy management for your business or enterprise.

Enabling your success

We've set our Real Zero goal, in part, to signal to our current commercial and industrial customers – and to future customers – that whatever your carbon reduction goals, NextEra Energy is prepared to be your partner of choice. We would stand with you and help accelerate your success.

We believe that our goal to reach Real Zero can and would be a game changer, not only for customers, but also for the U.S. electric sector and the entire U.S. economy.







Modeling a 2045 Real Zero Goal



FPL uses the commercial electric utility model, Aurora, in all of its resource planning work, including all of the low-carbon analyses. The model contains many data points relating to how the utility system operates (load forecast, unit data, new unit costs, etc.) This data is supplied and reviewed by our internal subject-matter experts. To determine the cost effectiveness of the carbon target, FPL also develops what is referred to as a "base case." or the same model with the only difference being no carbon target. The Aurora model determines the overall cost of the plan by selecting the lowest-cost resources to meet load given the underlying assumptions and any constraints such as a carbon target. These plans are then reviewed by management to determine the feasibility and overall cost, and the underlying assumptions are then either revised or accepted.

When referencing carbon emissions, this blueprint refers to carbon dioxide equivalent or, CO₂e, representing the number of metric tons of CO₂ emissions with the same global warming potential as one metric ton of another greenhouse gas.

Throughout this blueprint, we

reference a 2005 baseline for our CO₂ emissions rate reduction goal. The 2005 baseline is adjusted to account for acquisitions and divestitures during the goal period.

Goals established for our generation portfolio are based on the performance of those assets. Certain facilities within the NextEra Energy wind and solar generation portfolio produce Renewable Energy Credits (RECs) and other environmental attributes, which are typically sold along with the energy from the plants under long-term contracts or may be sold separately from wind and solar generation not sold under long-term contracts. The purchasing party is solely entitled to the reporting rights and ownership of the environmental attributes. Visit "Reports and Filings" on the investor page of NextEraEnergy.com for more information.

We've taken the bold step to develop a plan to achieve Real Zero. We recognize that technology, costs and policy/regulatory frameworks are likely to change drastically in the next 23 years, and NextEra Energy would likely need to make adjustments over time. We are committed to pursuing our Real Zero goal and adapting our strategies as the market and economy changes over time.



Assumptions

Economics

We assume that:

- → The implementation of Real Zero would deliver clean energy to our customers at zero incremental cost relative to alternatives to reach our goal.
- → For zero-emission generating assets, the technology and efficiency would continue to improve over time, and the cost curves would continue to decline over time.

Policy

We assume that:

- → Renewable technologies, batteries and green hydrogen are afforded constructive federal and state policies and incentives through 2045.
- → Within our scenario modeling, ICF's carbon compliance costs are used as a proxy for future governmental imposed carbon penalty costs.

Regulatory

We assume that:

- → The specific path to Real Zero for FPL could change over time due to advancements in technology and increases in efficiency.
- → The Florida Public Service Commission (FPSC) finds that FPL's plans to reach its carbon reduction goals are prudent and supports FPL's continued investments in innovation and new technology.
- → The FPSC continues to support adoption of cost-effective renewables and allows FPL to continue to pilot and deploy new technologies that can help achieve this goal.
- → The FPSC allows FPL to sell excess green hydrogen and return hydrogen sales revenues to customers.
- → FPL can cost-effectively secure land, permits, equipment and contractors for solar and storage builds in Florida.
- → FPL's four nuclear units continue to operate beyond 2045.

Technology

We assume that:

- → FPL's gas plants are not retired prematurely and are used through end of their useful lives and/or converted to run on green hydrogen.
- → NextEra Energy Resources would invest in electric compressors, vapor recovery units and laser imaging, detection, and ranging (LiDAR) to eliminate greenhouse gas emissions from operations.
- → All non-FPL fossil generation assets would reach end of useful life by 2043.
- → Vehicle fleet conversions are based on the availability of clean fuels, electric trucks and vehicle technologies for utility vehicle fleet industry applications.

