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NextEra Energy Inc.

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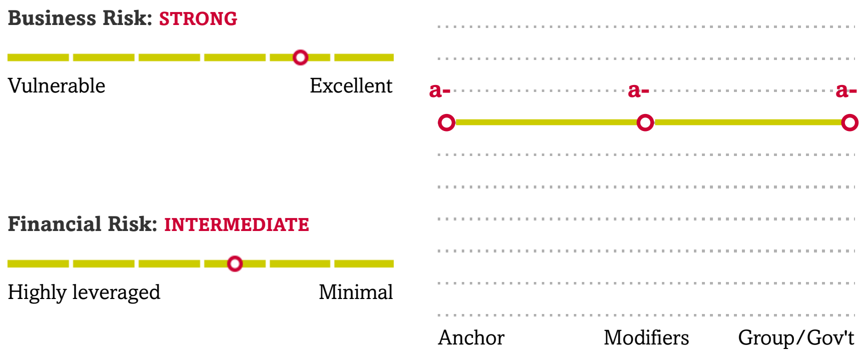

CORPORATE CREDIT RATING

A-/Stable/--

Rationale

Business Risk: Strong	Financial Risk: Intermediate
• Regulated utility operations have low business risk and support the overall credit profile. • Effective management of regulatory risk. • Non-utility operations are primarily engaged in unregulated power generation and materially increase business risk.	• Core credit ratios are at the lower end of the intermediate financial risk profile category. • Large capital spending program. • Financial policy commitment to maintain current financial risk profile.

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Outlook: Stable

The stable rating outlook on NextEra Energy Inc. (NextEra) and its subsidiaries, Florida Power & Light Co. and NextEra Energy Capital Holdings Inc., reflects our expectation that the company will preserve its "strong" business risk profile while ensuring that its financial risk profile remains well within the "intermediate" category at all times, albeit toward the lower end of the category. The stable outlook is also predicated on the company effectively managing its growth and capital spending so that regulated operations continue to contribute about 60% of total operating income. Finally, the stable outlook anticipates that NextEra will fund the proposed merger with Hawaiian Electric Industries, Inc. in a credit-neutral manner while receiving approval to close the merger absent any restrictive regulatory provisions or requirements.

Downside scenario

We could lower the ratings on NextEra and its subsidiaries if financial performance weakens, with funds from operations (FFO) to debt that declines to less than 25% on a consistent basis, absent any reduction of business risk. Moreover, we could lower the ratings on NextEra if business risk increases through the growing contribution of unregulated operations or due to unfavorable regulatory outcomes.

Upside scenario

Under our base-case scenario, we do not anticipate raising the ratings on NextEra and its subsidiaries in the next 12 to 24 months, given the company's business risk profile and expected level of financial performance.

Standard & Poor's Base-Case Scenario

Assumptions

- We assume that NextEra's EBITDA grows by an average of 5% to 7% annually, reflecting recovery of invested capital at the regulated utility operations and margin growth from the renewable energy business.
- Capital spending of about $8 billion in 2015, $9.5 billion in 2016 and about $7 billion in 2017.
- Common dividends grow by an average of about 10% annually, in line with historical trends.

Key Metrics

	2014A	2015E	2016E
FFO/debt (%)	25.2	25-26	24–25
Debt/EBITDA (x)	3.5	3.3–3.5	3.5–3.8
OCF/debt (%)	22.5	24–25	23-24

A--Actual. E—Estimate. FFO—Funds from operations. OCF—Operating cash flow.

Company Description

NextEra conducts its regulated utility operations through Florida Power & Light Co. (FPL) while the company's non-utility operations are managed within NextEra Energy Capital Holdings Inc. (NEECH).

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FPL is a vertically integrated electric utility serving about 4.7 million customers throughout the east coast of Florida, with about 25,100 megawatts (MW) of generation capacity.

The non-utility operations are largely conducted through NextEra Energy Resources LLC (NEER), a wholly owned subsidiary of NECCH. NEER is engaged in un-regulated generation through the ownership of about 19,800 MW of generation capacity with an emphasis on renewable energy sources, proprietary trading and marketing as well as retail supply and wholesale full requirements contracts.

NextEra has entered into an agreement to merge with Hawaiian Electric Industries Inc. (HEI). The companies expect that the merger could close by year-end 2015.

Business Risk: Strong

We assess NextEra's business risk profile as "strong" accounting for the company's regulated utility as well as its non-utility operations.

NextEra's regulated utility operations have low business risk and provide about 60% of consolidated operating income, lending support to the company's overall business risk profile within the "strong" category. The regulated business is conducted through Florida Power & Light (FPL) and benefits from operations under a constructive regulatory framework that provides for timely investment and fuel cost recovery. FPL has historically managed its regulatory risk effectively and this has resulted in earned returns that are consistently close to or at the authorized levels. The customer base is large with no meaningful industrial exposure and demonstrates above-average growth. The company has material exposure to natural-gas-fired generation, which, in combination with low natural gas prices and the company's efficient operations, contributes to overall competitive customer rates.

The company's non-utility operations are conducted under NextEra Energy Capital Holdings Inc. (NEECH). We ascribe significantly higher business risk to these non-utility operations compared to the regulated utility operations because they focus largely on unregulated generation, both merchant and contracted, with an emphasis on renewable energy projects and to a lesser extent on fossil-fired and nuclear generation. Integral to our view of NextEra's business risk profile as "strong" is that all merchant generation projects that are financed in a nonrecourse manner provide NextEra with only residual cash flows, an arrangement that we view as inherently weaker compared to NextEra having full access to all project cash flows. NextEra's non-utility operations also engage in proprietary trading and marketing as well as retail supply and wholesale full requirements contracts, businesses which can have significant liquidity needs and are generally characterized by small margins on a per unit basis, relying on large volumes to generate a meaningful contribution. Moreover, these operations require excellent risk management and disciplined hedging practices to limit a company's exposure to the fluctuation in commodity prices.

NextEra has created a yieldco entity which we expect will grow over time, in large part through asset purchases from NextEra, with NextEra benefiting not only from the asset sale proceeds but also from distributions. We expect that NextEra's ownership in the yieldco will decline over time while the company maintains the general partnership interest resulting in distributions that are disproportionate to the company's actual ownership interest. We view the yieldco structure as somewhat negative for credit quality since it makes cash distributions from the projects even more remote

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compared to direct ownership of the projects, with the detriment offset to some extent from the expected use of proceeds in a credit neutral manner at NextEra, such as supplementing the funding of future capital spending needs.

S&P Base-Case Operating Scenario

- NextEra continues to effectively manage regulatory risk as its regulated utility operations.
- Non-utility operations consistently contribute less than 50% of operating income.
- New renewable energy projects are completed on budget and on schedule.
- Yieldco ownership declines over time, but NextEra maintains ownership of general partner interest.

Peer comparison

NextEra Energy Inc. -- Peer Comparison

Industry Sector: Combo

	NextEra Energy Inc.	Dominion Resources Inc.	Public Service Enterprise Group Inc.	Duke Energy Corp.	Sempra Energy
Rating as of June 12, 2015	A-/Stable/--	A-/Negative/A-2	BBB+/Stable/A-2	A-/Stable/A-2	BBB+/Stable/A-2
	--Average of past three fiscal years--				
(Mil. $)					
Revenues	14,857.5	12,883.0	9,894.0	22,715.7	10,413.0
EBITDA	5,642.4	4,860.2	3,349.3	8,567.2	3,284.0
Funds from operations (FFO)	4,861.1	3,680.5	2,631.3	6,942.4	2,424.1
Net income from cont. oper.	2,032.0	1,141.0	1,364.5	2,279.7	1,007.3
Cash flow from operations	4,585.1	3,674.9	2,756.5	6,425.3	2,035.8
Capital expenditures	7,560.7	4,514.4	2,716.2	5,459.7	2,818.7
Free operating cash flow	(2,975.7)	(839.6)	40.3	965.6	(782.9)
Discretionary cash flow	(4,227.7)	(2,197.4)	(691.0)	(1,100.8)	(1,446.9)
Cash and short-term investments	246.6	47.0	76.6	275.2	114.9
Debt	20,837.7	22,568.6	9,099.4	43,896.1	15,582.5
Equity	21,407.2	13,343.7	11,404.3	41,113.7	11,547.5
Adjusted ratios					
EBITDA margin (%)	38.0	37.7	33.9	37.7	31.5
Return on capital (%)	7.5	8.3	10.0	6.4	7.2
EBITDA interest coverage (x)	6.1	4.2	7.2	4.3	4.0
FFO cash int. cov. (X)	4.6	5.0	7.6	5.7	5.6
Debt/EBITDA (x)	3.7	4.6	2.7	5.1	4.7
FFO/debt (%)	23.3	16.3	28.9	15.8	15.6
Cash flow from operations/debt (%)	22.0	16.3	30.3	14.6	13.1
Free operating cash flow/debt (%)	(14.3)	(3.7)	0.4	2.2	(5.0)

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NextEra Energy Inc. -- Peer Comparison (cont.)					
Discretionary cash flow/debt (%)	(20.3)	(9.7)	(7.6)	(2.5)	(9.3)

Financial Risk: Intermediate

We assess NextEra's financial risk profile as "intermediate" using the medial volatility financial ratio benchmarks. In determining the financial risk profile assessment we back out 75% of the debt that relates to project-financed renewable energy projects, leaving 25% on the balance sheet and viewing the project cash flows on a risk-adjusted basis. The adjustment accounts in part for the nonrecourse nature of the financing involved, but also reflects our view that this is a business which NextEra plans to continue growing but which has achieved enough scale and diversity such that no single project is critical to the parent, reducing the need or motivation to provide support to a failing project, if necessary. Under our base-case scenario we expect that NextEra's core credit ratios will remain in the lower end of the "intermediate" category with FFO to debt that averages about 25% over the next few years and debt to EBITDA of about 3.5x. Our assessment of financial risk also incorporates NextEra's commitment to support its financial profile such that it consistently remains well within the lower end of the "intermediate" category.

NextEra's "strong" business and "intermediate" financial risk profiles lead to an anchor of 'bbb+/a-'. We select the 'a-' anchor to capture primarily both the contribution and strength of NextEra's regulated utility operations to the overall credit profile.

S&P Base-Case Cash Flow And Capital Structure Scenario

- Financial performance continues to support an "intermediate" financial profile assessment, albeit at the low end of the range.
- Commitment to support financial profile within "intermediate" category.
- Debt from nonrecourse renewable energy projects receives partial off-credit treatment.
- Company benefits from asset sales proceeds to the yieldco and from distributions from the yieldco.

Financial summary

Table 2

NextEra Energy Inc.--Financial Summary					
Industry Sector: Combo					
	--Fiscal year ended Dec. 31--				
	2014	**2013**	**2012**	**2011**	**2010**
Rating history	A-/Stable/--	A-/Stable/--	A-/Stable/--	A-/Stable/--	A-/Stable/--
(Mil. $)					
Revenues	15,969.8	14,724.7	13,877.9	14,926.7	15,009.0
EBITDA	6,150.3	5,918.5	4,858.6	5,003.6	5,180.6
Funds from operations (FFO)	5,367.4	5,171.6	4,044.2	4,350.6	4,667.9
Net income from continuing operations	2,465.0	1,720.0	1,911.0	1,923.0	1,935.5

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Table 2

NextEra Energy Inc.--Financial Summary (cont.)					
Cash flow from operations	4,798.6	5,135.1	3,821.4	3,970.8	3,802.0
Capital expenditures	6,957.5	6,578.1	9,146.6	5,937.4	5,281.2
Free operating cash flow	(2,158.9)	(1,443.0)	(5,325.2)	(1,966.5)	(1,479.1)
Dividends paid	1,375.8	1,263.1	1,117.2	1,022.3	905.0
Discretionary cash flow	(3,534.7)	(2,706.0)	(6,442.3)	(2,988.8)	(2,384.1)
Debt	21,310.0	20,087.1	21,116.1	17,660.7	14,988.0
Preferred stock	3,239.0	3,427.1	3,279.5	1,929.5	1,176.5
Equity	23,407.0	21,467.1	19,347.5	16,872.5	16,390.5
Debt and equity	44,717.0	41,554.2	40,463.6	34,533.2	31,378.5
Adjusted ratios					
EBITDA margin (%)	38.5	40.2	35.0	33.5	34.5
EBITDA interest coverage (x)	6.6	6.3	5.4	6.7	7.3
FFO cash int. cov. (x)	4.8	4.9	4.2	4.6	5.6
Debt/EBITDA (x)	3.5	3.4	4.3	3.5	2.9
FFO/debt (%)	25.2	25.7	19.2	24.6	31.1
Cash flow from operations/debt (%)	22.5	25.6	18.1	22.5	25.4
Free operating cash flow/debt (%)	(10.1)	(7.2)	(25.2)	(11.1)	(9.9)
Discretionary cash flow/debt (%)	(16.6)	(13.5)	(30.5)	(16.9)	(15.9)
Net cash flow/Capex (%)	57.4	59.4	32.0	56.1	71.3
Return on capital (%)	7.8	7.5	7.3	8.4	8.7
Return on common equity (%)	12.1	8.7	10.7	12.0	13.5
Common dividend payout ratio (un-adj.) (%)	51.2	65.2	52.5	47.8	42.5

Liquidity: Adequate

We assess NextEra's liquidity as "adequate" to cover its needs over the next 12 months. We expect that the company's liquidity sources will exceed its uses by 1.1x or more, the minimum threshold for an adequate designation under our criteria and that the company will also meet our other criteria for such a designation.

NextEra has $7.85 billion in revolving credit facilities with $1.25 billion maturing in 2016 and the balance maturing in 2020. In addition, the company has a $270 million revolving credit facility and a $650 million letter-of-credit facility.

Principal Liquidity Sources	Principal Liquidity Uses
• Available credit facilities total about $7.5 billion; and • FFO of $6.8 to $7 billion annually.	• Debt maturities and outstanding commercial paper totaling about $4.7 billion in 2015 and debt maturities of about $1.3 billion in 2016; • Maintenance capital spending of about $5.5 billion in 2015 and about $6.7 billion in 2016; and • Dividends of about $1.4 billion to $1.6 billion annually.

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Debt maturities

As of Dec. 31, 2014:

- 2015: $3.515 billion
- 2016: $1.285 billion
- 2017: $2.608 billion
- 2018: $1.440 billion
- 2019: $1.943 billion

Covenant Analysis

As of Dec. 31, 2014, NextEra was in compliance with the funded debt to capitalization covenant included in its revolving credit facilities.

Compliance Expectations

- Although we believe the company will remain in compliance with its covenant under our base-case scenario, covenant headroom could decline absent adequate and timely recovery of capital investments that lead to an increase in debt without a corresponding increase in equity.

Other Credit Considerations

Our assessment of modifiers does not affect the anchor score.

Group Influence

NextEra is subject to the group rating methodology criteria, under which we assess NextEra as the parent of the group whose members are FPL and NEECH, both of which we assess as "core" members of the group. NextEra's group credit profile is 'a-' and its issuer credit rating is 'A-'.

Ratings Score Snapshot

Corporate Credit Rating

A-/Stable/--

Business risk: Strong

- **Country risk:** Very low
- **Industry risk:** Low
- **Competitive position:** Strong

Financial risk: Intermediate

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- **Cash flow/Leverage:** Intermediate

Anchor: a-

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : a-

- **Group credit profile:** a-

Recovery Analysis/Issue Ratings

Senior unsecured debt obligations at NEECH are unconditionally guaranteed by NextEra and are effectively obligations of NextEra. As a result, we rate NEECH's senior unsecured debt one notch below the issuer credit rating to reflect the material amount of priority obligations throughout NextEra that encumbers more than 20% of the company's total assets.

We rate NEECH's commercial paper program 'A-2', accounting for the company's issuer credit rating and our assessment of NextEra's liquidity as "adequate".

Reconciliation

Table 3

Reconciliation Of NextEra Energy Inc. Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. $)

	--Fiscal year ended Dec. 31, 2014--									
NextEra Energy Inc. reported amounts										
	Debt	**Shareholders' equity**	**Revenues**	**EBITDA**	**Operating income**	**Interest expense**	**EBITDA**	**Cash flow from operations**	**Dividends paid**	**Capital expenditures**
Reported	29,024.0	19,916.0	17,021.0	6,946.0	4,384.0	1,261.0	6,946.0	5,500.0	1,261.0	7,017.0
Standard & Poor's adjustments										
Interest expense (reported)	--	--	--	--	--	--	(1,261.0)	--	--	--
Interest income (reported)	--	--	--	--	--	--	80.0	--	--	--
Current tax expense (reported)	--	--	--	--	--	--	29.0	--	--	--
Equity-like hybrids	(1,750.0)	1,750.0	--	--	--	(22.4)	22.4	22.4	22.4	--

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Table 3

Reconciliation Of NextEra Energy Inc. Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. $) (cont.)

Intermediate hybrids reported as debt	(1,489.0)	1,489.0	--	--	--	(92.4)	92.4	92.4	92.4	--
Postretirement benefit obligations/deferred compensation	--	--	--	(122.0)	(122.0)	--	(124.9)	5.3	--	--
Surplus cash	(28.9)	--	--	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	--	128.0	(128.0)	(128.0)	--	(128.0)
Share-based compensation expense	--	--	--	83.0	--	--	83.0	--	--	--
Dividends received from equity investments	--	--	--	33.0	--	--	33.0	--	--	--
Nonrecourse debt	(5,022.0)	--	(979.0)	(979.0)	(477.0)	(477.0)	(502.0)	(502.0)	--	--
Securitized stranded costs	(331.0)	--	(72.2)	(72.2)	(17.2)	(17.2)	(55.0)	(55.0)	--	--
Power purchase agreements	699.9	--	--	117.5	49.0	49.0	68.5	68.5	--	68.5
Asset retirement obligations	--	--	--	108.0	108.0	108.0	48.0	(59.1)	--	--
Non-operating income (expense)	--	--	--	--	409.0	--	--	--	--	--
Non-controlling Interest/Minority interest	--	252.0	--	--	--	--	--	--	--	--
US decommissioning fund contributions	--	--	--	--	--	--	--	(146.0)	--	--
Debt - Accrued interest not included in reported debt	207.0	--	--	--	--	--	--	--	--	--
EBITDA - Valuation gains/(losses)	--	--	--	(309.0)	(309.0)	--	(309.0)	--	--	--
EBITDA - Other	--	--	--	345.0	345.0	--	345.0	--	--	--
D&A - Impairment charges/(reversals)	--	--	--	--	11.0	--	--	--	--	--
D&A - Other	--	--	--	--	(345.0)	--	--	--	--	--
Total adjustments	(7,714.0)	3,491.0	(1,051.2)	(795.7)	(348.2)	(324.1)	(1,578.6)	(701.4)	114.8	(59.5)

Standard & Poor's adjusted amounts

	Debt	Equity	Revenues	EBITDA	EBIT	Interest expense	Funds from operations	Cash flow from operations	Dividends paid	Capital expenditures
Adjusted	21,310.0	23,407.0	15,969.8	6,150.3	4,035.8	936.9	5,367.4	4,798.6	1,375.8	6,957.5

Related Criteria And Research

- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers,

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Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Unregulated Power And Gas Industry, March 28, 2014
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Criteria - Corporates - General: 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	**Intermediate**	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	**a-/bbb+**	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of June 16, 2015)

NextEra Energy Inc.		
Corporate Credit Rating		A-/Stable/--
Junior Subordinated		BBB
Senior Unsecured		BBB
Senior Unsecured		BBB+
Corporate Credit Ratings History		
11-Mar-2010	*Foreign Currency*	A-/Stable/--
14-Jan-2010		A/Watch Neg/--
26-Oct-2006		A/Stable/--
11-Mar-2010	*Local Currency*	A-/Stable/--
14-Jan-2010		A/Watch Neg/--
26-Oct-2006		A/Stable/--
Related Entities		
Florida Power & Light Co.		
Issuer Credit Rating		A-/Stable/A-2
Commercial Paper		
Local Currency		A-2
Preferred Stock		BBB

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Ratings Detail (As Of June 16, 2015) (cont.)	
Senior Secured	A
Senior Secured	A/A-2
FPL Energy American Wind LLC	
Senior Secured	BB/Stable
FPL Energy National Wind LLC	
Senior Secured	BB/Negative
FPL Energy National Wind Portfolio LLC	
Senior Secured	B-/Stable
FPL Energy Wind Funding LLC	
Senior Secured	B-/Stable
FPL Group Capital Trust I	
Preferred Stock	BBB
NextEra Energy Capital Holdings Inc.	
Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
Local Currency	A-2
Junior Subordinated	BBB
Senior Unsecured	BBB+

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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