UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2020**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices and registrants' telephone number	IRS Employer Identification Number
1-8841	**NEXTERA ENERGY, INC.**	59-2449419
2-27612	**FLORIDA POWER & LIGHT COMPANY**	59-0247775

700 Universe Boulevard
Juno Beach, Florida 33408
(561) 694-4000

State or other jurisdiction of incorporation or organization: Florida

Securities registered pursuant to Section 12(b) of the Act:

Registrants	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
NextEra Energy, Inc.	Common Stock, $0.01 Par Value	NEE	New York Stock Exchange
	4.872% Corporate Units	NEE.PRO	New York Stock Exchange
	5.279% Corporate Units	NEE.PRP	New York Stock Exchange
Florida Power & Light Company	None		

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) have been subject to such filing requirements for the past 90 days.

NextEra Energy, Inc. Yes ☑ No ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months.

NextEra Energy, Inc. Yes ☑ No ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark whether the registrants are a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company.

NextEra Energy, Inc.	Large Accelerated Filer ☑	Accelerated Filer ☐	Non-Accelerated Filer ☐	Smaller Reporting Company ☐	Emerging Growth Company ☐
Florida Power & Light Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☑	Smaller Reporting Company ☐	Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Securities Exchange Act of 1934. ☐

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☑

Number of shares of NextEra Energy, Inc. common stock, $0.01 par value, outstanding at June 30, 2020: 489,647,761

Number of shares of Florida Power & Light Company common stock, without par value, outstanding at June 30, 2020, all of which were held, beneficially and of record, by NextEra Energy, Inc.: 1,000

This combined Form 10-Q represents separate filings by NextEra Energy, Inc. and Florida Power & Light Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Florida Power & Light Company makes no representations as to the information relating to NextEra Energy, Inc.'s other operations.

Florida Power & Light Company meets the conditions set forth in General Instruction H.(1)(a) and (b) of Form 10-Q and is therefore filing this Form with the reduced disclosure format.

DEFINITIONS

Acronyms and defined terms used in the text include the following:

Term	Meaning
AFUDC	allowance for funds used during construction
AFUDC - equity	equity component of AFUDC
AOCI	accumulated other comprehensive income
Duane Arnold	Duane Arnold Energy Center
FERC	U.S. Federal Energy Regulatory Commission
Florida Southeast Connection	Florida Southeast Connection, LLC, a wholly owned NextEra Energy Resources subsidiary
FPL	Florida Power & Light Company
FPSC	Florida Public Service Commission
fuel clause	fuel and purchased power cost recovery clause, as established by the FPSC
GAAP	generally accepted accounting principles in the U.S.
Gulf Power	Gulf Power Company
ISO	independent system operator
ITC	investment tax credit
kWh	kilowatt-hour(s)
Management's Discussion	Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
MMBtu	One million British thermal units
MW	megawatt(s)
MWh	megawatt-hour(s)
NEE	NextEra Energy, Inc.
NEECH	NextEra Energy Capital Holdings, Inc.
NEER	a segment comprised of NextEra Energy Resources and NEET
NEET	NextEra Energy Transmission, LLC
NEP	NextEra Energy Partners, LP
NEP OpCo	NextEra Energy Operating Partners, LP
net generating capacity	net ownership interest in plant(s) capacity
net generation	net ownership interest in plant(s) generation
NextEra Energy Resources	NextEra Energy Resources, LLC
Note __	Note __ to condensed consolidated financial statements
NRC	U.S. Nuclear Regulatory Commission
O&M expenses	other operations and maintenance expenses in the condensed consolidated statements of income
OCI	other comprehensive income
OTC	over-the-counter
OTTI	other than temporary impairment
PTC	production tax credit
PV	photovoltaic
Recovery Act	American Recovery and Reinvestment Act of 2009, as amended
regulatory ROE	return on common equity as determined for regulatory purposes
Sabal Trail	Sabal Trail Transmission, LLC, an entity in which a NextEra Energy Resources' subsidiary has a 42.5% ownership interest
Seabrook	Seabrook Station
SEC	U.S. Securities and Exchange Commission
tax reform	Tax Cuts and Jobs Act
U.S.	United States of America

NEE, FPL, NEECH, NextEra Energy Resources and NEET each has subsidiaries and affiliates with names that may include NextEra Energy, FPL, NextEra Energy Resources, NextEra Energy Transmission, NextEra, FPL Group, FPL Energy, FPLE, NEP and similar references. For convenience and simplicity, in this report the terms NEE, FPL, NEECH, NextEra Energy Resources, NEET and NEER are sometimes used as abbreviated references to specific subsidiaries, affiliates or groups of subsidiaries or affiliates. The precise meaning depends on the context.

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FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, strategies, future events or performance (often, but not always, through the use of words or phrases such as may result, are expected to, will continue, is anticipated, believe, will, could, should, would, estimated, may, plan, potential, future, projection, goals, target, outlook, predict and intend or words of similar meaning) are not statements of historical facts and may be forward looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could have a significant impact on NEE's and/or FPL's operations and financial results, and could cause NEE's and/or FPL's actual results to differ materially from those contained or implied in forward-looking statements made by or on behalf of NEE and/or FPL in this combined Form 10-Q, in presentations, on their respective websites, in response to questions or otherwise.

Regulatory, Legislative and Legal Risks

- NEE's and FPL's business, financial condition, results of operations and prospects may be materially adversely affected by the extensive regulation of their business.
- NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected if they are unable to recover in a timely manner any significant amount of costs, a return on certain assets or a reasonable return on invested capital through base rates, cost recovery clauses, other regulatory mechanisms or otherwise.
- Regulatory decisions that are important to NEE and FPL may be materially adversely affected by political, regulatory and economic factors.
- FPL's use of derivative instruments could be subject to prudence challenges and, if found imprudent, could result in disallowances of cost recovery for such use by the FPSC.
- Any reductions or modifications to, or the elimination of, governmental incentives or policies that support utility scale renewable energy, including, but not limited to, tax laws, policies and incentives, renewable portfolio standards or feed-in tariffs, or the imposition of additional taxes or other assessments on renewable energy, could result in, among other items, the lack of a satisfactory market for the development and/or financing of new renewable energy projects, NEER abandoning the development of renewable energy projects, a loss of NEER's investments in renewable energy projects and reduced project returns, any of which could have a material adverse effect on NEE's business, financial condition, results of operations and prospects.
- NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected as a result of new or revised laws, regulations, interpretations or ballot or regulatory initiatives.
- NEE and FPL are subject to numerous environmental laws, regulations and other standards that may result in capital expenditures, increased operating costs and various liabilities, and may require NEE and FPL to limit or eliminate certain operations.
- NEE's and FPL's business could be negatively affected by federal or state laws or regulations mandating new or additional limits on the production of greenhouse gas emissions.
- Extensive federal regulation of the operations and businesses of NEE and FPL exposes NEE and FPL to significant and increasing compliance costs and may also expose them to substantial monetary penalties and other sanctions for compliance failures.
- Changes in tax laws, guidance or policies, including but not limited to changes in corporate income tax rates, as well as judgments and estimates used in the determination of tax-related asset and liability amounts, could materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.
- NEE's and FPL's business, financial condition, results of operations and prospects may be materially adversely affected due to adverse results of litigation.

Development and Operational Risks

- NEE's and FPL's business, financial condition, results of operations and prospects could suffer if NEE and FPL do not proceed with projects under development or are unable to complete the construction of, or capital improvements to, electric generation, transmission and distribution facilities, gas infrastructure facilities or other facilities on schedule or within budget.
- NEE and FPL face risks related to project siting, financing, construction, permitting, governmental approvals and the negotiation of project development agreements that may impede their development and operating activities.
- The operation and maintenance of NEE's and FPL's electric generation, transmission and distribution facilities, gas infrastructure facilities, retail gas distribution system in Florida and other facilities are subject to many operational risks, the consequences of which could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

- NEE's and FPL's business, financial condition, results of operations and prospects may be negatively affected by a lack of growth or slower growth in the number of customers or in customer usage.
- NEE's and FPL's business, financial condition, results of operations and prospects can be materially adversely affected by weather conditions, including, but not limited to, the impact of severe weather.
- Threats of terrorism and catastrophic events that could result from terrorism, cyberattacks, or individuals and/or groups attempting to disrupt NEE's and FPL's business, or the businesses of third parties, may materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.
- The ability of NEE and FPL to obtain insurance and the terms of any available insurance coverage could be materially adversely affected by international, national, state or local events and company-specific events, as well as the financial condition of insurers. NEE's and FPL's insurance coverage does not provide protection against all significant losses.
- NEE invests in gas and oil producing and transmission assets through NEER's gas infrastructure business. The gas infrastructure business is exposed to fluctuating market prices of natural gas, natural gas liquids, oil and other energy commodities. A prolonged period of low gas and oil prices could impact NEER's gas infrastructure business and cause NEER to delay or cancel certain gas infrastructure projects and could result in certain projects becoming impaired, which could materially adversely affect NEE's results of operations.
- If supply costs necessary to provide NEER's full energy and capacity requirement services are not favorable, operating costs could increase and materially adversely affect NEE's business, financial condition, results of operations and prospects.
- Due to the potential for significant volatility in market prices for fuel, electricity and renewable and other energy commodities, NEER's inability or failure to manage properly or hedge effectively the commodity risks within its portfolios could materially adversely affect NEE's business, financial condition, results of operations and prospects.
- Reductions in the liquidity of energy markets may restrict the ability of NEE to manage its operational risks, which, in turn, could negatively affect NEE's results of operations.
- NEE's and FPL's hedging and trading procedures and associated risk management tools may not protect against significant losses.
- If price movements significantly or persistently deviate from historical behavior, NEE's and FPL's risk management tools associated with their hedging and trading procedures may not protect against significant losses.
- If power transmission or natural gas, nuclear fuel or other commodity transportation facilities are unavailable or disrupted, the ability for subsidiaries of NEE, including FPL, to sell and deliver power or natural gas may be limited.
- NEE and FPL are subject to credit and performance risk from customers, hedging counterparties and vendors.
- NEE and FPL could recognize financial losses or a reduction in operating cash flows if a counterparty fails to perform or make payments in accordance with the terms of derivative contracts or if NEE or FPL is required to post margin cash collateral under derivative contracts.
- NEE and FPL are highly dependent on sensitive and complex information technology systems, and any failure or breach of those systems could have a material adverse effect on their business, financial condition, results of operations and prospects.
- NEE's and FPL's retail businesses are subject to the risk that sensitive customer data may be compromised, which could result in a material adverse impact to their reputation and/or have a material adverse effect on the business, financial condition, results of operations and prospects of NEE and FPL.
- NEE and FPL could recognize financial losses as a result of volatility in the market values of derivative instruments and limited liquidity in OTC markets.
- NEE and FPL may be materially adversely affected by negative publicity.
- NEE's and FPL's business, financial condition, results of operations and prospects may be adversely affected if they are unable to maintain, negotiate or renegotiate franchise agreements on acceptable terms with municipalities and counties in Florida.
- NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected by work strikes or stoppages and increasing personnel costs.
- NEE's ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including, but not limited to, the effect of increased competition for acquisitions resulting from the consolidation of the energy industry.

Nuclear Generation Risks

- The operation and maintenance of NEE's and FPL's nuclear generation facilities involve environmental, health and financial risks that could result in fines or the closure of the facilities and in increased costs and capital expenditures.
- In the event of an incident at any nuclear generation facility in the U.S. or at certain nuclear generation facilities in Europe, NEE and FPL could be assessed significant retrospective assessments and/or retrospective insurance premiums as a result of their participation in a secondary financial protection system and nuclear insurance mutual companies.

- NRC orders or new regulations related to increased security measures and any future safety requirements promulgated by the NRC could require NEE and FPL to incur substantial operating and capital expenditures at their nuclear generation facilities and/or result in reduced revenues.
- The inability to operate any of NEE's or FPL's nuclear generation units through the end of their respective operating licenses, or in the case of Duane Arnold through expected shutdown, could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.
- NEE's and FPL's nuclear units are periodically removed from service to accommodate planned refueling and maintenance outages, and for other purposes. If planned outages last longer than anticipated or if there are unplanned outages, NEE's and FPL's results of operations and financial condition could be materially adversely affected.

Liquidity, Capital Requirements and Common Stock Risks

- Disruptions, uncertainty or volatility in the credit and capital markets, among other factors, may negatively affect NEE's and FPL's ability to fund their liquidity and capital needs and to meet their growth objectives, and can also materially adversely affect the results of operations and financial condition of NEE and FPL.
- NEE's, NEECH's and FPL's inability to maintain their current credit ratings may materially adversely affect NEE's and FPL's liquidity and results of operations, limit the ability of NEE and FPL to grow their business, and increase interest costs.
- NEE's and FPL's liquidity may be impaired if their credit providers are unable to fund their credit commitments to the companies or to maintain their current credit ratings.
- Poor market performance and other economic factors could affect NEE's defined benefit pension plan's funded status, which may materially adversely affect NEE's and FPL's business, financial condition, liquidity and results of operations and prospects.
- Poor market performance and other economic factors could adversely affect the asset values of NEE's and FPL's nuclear decommissioning funds, which may materially adversely affect NEE's and FPL's liquidity, financial condition and results of operations.
- Certain of NEE's investments are subject to changes in market value and other risks, which may materially adversely affect NEE's liquidity, financial condition and results of operations.
- NEE may be unable to meet its ongoing and future financial obligations and to pay dividends on its common stock if its subsidiaries are unable to pay upstream dividends or repay funds to NEE.
- NEE may be unable to meet its ongoing and future financial obligations and to pay dividends on its common stock if NEE is required to perform under guarantees of obligations of its subsidiaries.
- NEP may not be able to access sources of capital on commercially reasonable terms, which would have a material adverse effect on its ability to consummate future acquisitions and on the value of NEE's limited partner interest in NEP OpCo.
- Disruptions, uncertainty or volatility in the credit and capital markets may exert downward pressure on the market price of NEE's common stock.

Coronavirus Pandemic Risks

- The coronavirus pandemic may have a material adverse impact on NEE's and FPL's business, financial condition, liquidity and results of operations.

These factors should be read together with the risk factors included in Part I, Item 1A. Risk Factors in NEE's and FPL's Annual Report on Form 10-K for the year ended December 31, 2019 (2019 Form 10-K) and Part II, Item 1A. Risk Factors in NEE's and FPL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (March 2020 Form 10-Q), and investors should refer to those sections of the 2019 Form 10-K and the March 2020 Form 10-Q. Any forward-looking statement speaks only as of the date on which such statement is made, and NEE and FPL undertake no obligation to update any forward-looking statement to reflect events or circumstances, including, but not limited to, unanticipated events, after the date on which such statement is made, unless otherwise required by law. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained or implied in any forward-looking statement.

Website Access to SEC Filings. NEE and FPL make their SEC filings, including the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, available free of charge on NEE's internet website, www.nexteraenergy.com, as soon as reasonably practicable after those documents are electronically filed with or furnished to the SEC. The information and materials available on NEE's website (or any of its subsidiaries' or affiliates' websites) are not incorporated by reference into this combined Form 10-Q.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

NEXTERA ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(millions, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
OPERATING REVENUES	**$ 4,204**	$ 4,970	**$ 8,817**	$ 9,044
OPERATING EXPENSES (INCOME)				
Fuel, purchased power and interchange	**731**	1,074	**1,552**	2,041
Other operations and maintenance	**904**	900	**1,734**	1,715
Depreciation and amortization	**981**	1,181	**1,829**	1,952
Gains on disposal of businesses/assets - net	**(17)**	(354)	**(290)**	(380)
Taxes other than income taxes and other - net	**419**	422	**825**	834
Total operating expenses - net	**3,018**	3,223	**5,650**	6,162
OPERATING INCOME	**1,186**	1,747	**3,167**	2,882
OTHER INCOME (DEDUCTIONS)				
Interest expense	**(320)**	(601)	**(1,630)**	(1,315)
Equity in earnings (losses) of equity method investees	**154**	(6)	**(236)**	10
Allowance for equity funds used during construction	**20**	12	**42**	37
Interest income	**11**	13	**23**	25
Gains on disposal of investments and other property - net	**2**	8	**26**	31
Change in unrealized gains (losses) on equity securities held in NEER's nuclear decommissioning funds - net	**218**	39	**(110)**	156
Other net periodic benefit income	**47**	35	**99**	86
Other - net	**(4)**	16	**4**	31
Total other income (deductions) - net	**128**	(484)	**(1,782)**	(939)
INCOME BEFORE INCOME TAXES	**1,314**	1,263	**1,385**	1,943
INCOME TAX EXPENSE (BENEFIT)	**185**	124	**(51)**	198
NET INCOME	**1,129**	1,139	**1,436**	1,745
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	**146**	95	**259**	169
NET INCOME ATTRIBUTABLE TO NEE	**$ 1,275**	$ 1,234	**$ 1,695**	$ 1,914
Earnings per share attributable to NEE:				
Basic	**$ 2.60**	$ 2.58	**$ 3.46**	$ 4.00
Assuming dilution	**$ 2.59**	$ 2.56	**$ 3.45**	$ 3.97

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2019 Form 10-K.

NEXTERA ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(millions)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
NET INCOME	**$ 1,129**	$ 1,139	**$ 1,436**	$ 1,745
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX				
Reclassification of unrealized losses on cash flow hedges from accumulated other comprehensive income (loss) to net income (net of $1 tax benefit, less than $1 tax expense, $2 tax benefit and $3 tax expense, respectively)	**3**	8	**5**	18
Net unrealized gains (losses) on available for sale securities:				
Net unrealized gains on securities still held (net of $6, $3, $2 and $6 tax expense, respectively)	**14**	7	**6**	15
Reclassification from accumulated other comprehensive income (loss) to net income (net of less than $1 tax benefit, less than $1 and $1 tax expense, respectively)	**—**	(1)	**(1)**	1
Defined benefit pension and other benefits plans:				
Net unrealized gain (loss) and unrecognized prior service benefit (cost) (net of less than $1 and $16 tax benefit, respectively)	**—**	(1)	**—**	(53)
Reclassification from accumulated other comprehensive income (loss) to net income (net of less than $1, less than $1 and less than $1 tax benefit, respectively)	**(2)**	—	**1**	(1)
Net unrealized gains (losses) on foreign currency translation	**17**	8	**(18)**	18
Other comprehensive income related to equity method investees (net of less than $1 tax expense)	**—**	1	**—**	—
Total other comprehensive income (loss), net of tax	**32**	22	**(7)**	(2)
IMPACT OF DISPOSAL OF A BUSINESS (NET OF $19 TAX BENEFIT)	**—**	—	**10**	—
COMPREHENSIVE INCOME	**1,161**	1,161	**1,439**	1,743
COMPREHENSIVE LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	**143**	95	**262**	169
COMPREHENSIVE INCOME ATTRIBUTABLE TO NEE	**$ 1,304**	$ 1,256	**$ 1,701**	$ 1,912

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2019 Form 10-K.

NEXTERA ENERGY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions, except par value)
(unaudited)

	June 30, 2020	December 31, 2019
PROPERTY, PLANT AND EQUIPMENT		
Electric plant in service and other property	**$ 99,955**	$ 96,093
Nuclear fuel	**1,690**	1,755
Construction work in progress	**10,553**	9,330
Accumulated depreciation and amortization	**(25,872)**	(25,168)
Total property, plant and equipment - net ($12,580 and $11,893 related to VIEs, respectively)	**86,326**	82,010
CURRENT ASSETS		
Cash and cash equivalents	**1,009**	600
Customer receivables, net of allowances of $41 and $19, respectively	**2,391**	2,282
Other receivables	**476**	525
Materials, supplies and fossil fuel inventory	**1,367**	1,328
Regulatory assets	**413**	335
Derivatives	**708**	762
Other	**1,217**	1,576
Total current assets	**7,581**	7,408
OTHER ASSETS		
Special use funds	**6,800**	6,954
Investment in equity method investees	**6,957**	7,453
Prepaid benefit costs	**1,500**	1,437
Regulatory assets	**3,253**	3,287
Derivatives	**1,762**	1,624
Goodwill	**4,213**	4,204
Other	**3,569**	3,314
Total other assets	**28,054**	28,273
TOTAL ASSETS	**$ 121,961**	$ 117,691
CAPITALIZATION		
Common stock ($0.01 par value, authorized shares - 800; outstanding shares - 490 and 489, respectively)	**$ 5**	$ 5
Additional paid-in capital	**11,720**	11,970
Retained earnings	**25,511**	25,199
Accumulated other comprehensive loss	**(163)**	(169)
Total common shareholders' equity	**37,073**	37,005
Noncontrolling interests ($4,496 and $4,350 related to VIEs, respectively)	**4,501**	4,355
Total equity	**41,574**	41,360
Redeemable noncontrolling interests	**291**	487
Long-term debt ($495 and $498 related to VIEs, respectively)	**42,667**	37,543
Total capitalization	**84,532**	79,390
CURRENT LIABILITIES		
Commercial paper	**101**	2,516
Other short-term debt	**708**	400
Current portion of long-term debt ($27 and $27 related to VIEs, respectively)	**3,068**	2,124
Accounts payable	**4,097**	3,631
Customer deposits	**497**	499
Accrued interest and taxes	**885**	558
Derivatives	**337**	344
Accrued construction-related expenditures	**1,006**	1,152
Regulatory liabilities	**276**	320
Other	**1,390**	2,309
Total current liabilities	**12,365**	13,853
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	**3,512**	3,457
Deferred income taxes	**8,070**	8,361
Regulatory liabilities	**9,756**	9,936
Derivatives	**1,715**	863
Other	**2,011**	1,831
Total other liabilities and deferred credits	**25,064**	24,448
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	**$ 121,961**	$ 117,691

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2019 Form 10-K.

NEXTERA ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)
(unaudited)

	Six Months Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 1,436**	$ 1,745
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	**1,829**	1,952
Nuclear fuel and other amortization	**125**	172
Unrealized losses (gains) on marked to market derivative contracts – net	**730**	(16)
Foreign currency transaction losses (gains)	**(22)**	12
Deferred income taxes	**(133)**	102
Cost recovery clauses and franchise fees	**(171)**	(103)
Equity in losses (earnings) of equity method investees	**236**	(10)
Distributions of earnings from equity method investees	**209**	233
Gains on disposal of businesses, assets and investments – net	**(316)**	(411)
Other - net	**207**	(111)
Changes in operating assets and liabilities:		
Current assets	**(206)**	(123)
Noncurrent assets	**(153)**	(157)
Current liabilities	**26**	(20)
Noncurrent liabilities	**(5)**	16
Net cash provided by operating activities	**3,792**	3,281
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	**(3,098)**	(2,302)
Acquisition and capital expenditures of Gulf Power	**(508)**	(4,704)
Independent power and other investments of NEER	**(2,532)**	(2,560)
Nuclear fuel purchases	**(131)**	(169)
Other capital expenditures, acquisitions and other investments	**(9)**	(165)
Sale of independent power and other investments of NEER	**151**	1,034
Proceeds from sale or maturity of securities in special use funds and other investments	**2,107**	2,059
Purchases of securities in special use funds and other investments	**(2,215)**	(2,105)
Other - net	**50**	21
Net cash used in investing activities	**(6,185)**	(8,891)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt, including premiums and discounts	**8,470**	7,549
Retirements of long-term debt	**(2,332)**	(1,876)
Net change in commercial paper	**(2,415)**	1,632
Proceeds from other short-term debt	**2,158**	—
Repayments of other short-term debt	**(1,850)**	(4,600)
Payments from related parties under a cash sweep and credit support agreement – net	**46**	671
Issuances of common stock/equity units - net	**(51)**	26
Dividends on common stock	**(1,371)**	(1,197)
Other - net	**68**	(153)
Net cash provided by financing activities	**2,723**	2,052
Effects of currency translation on cash, cash equivalents and restricted cash	**(2)**	8
Net increase (decrease) in cash, cash equivalents and restricted cash	**328**	(3,550)
Cash, cash equivalents and restricted cash at beginning of period	**1,108**	5,253
Cash, cash equivalents and restricted cash at end of period	**$ 1,436**	$ 1,703
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued property additions	**$ 3,881**	$ 1,514
Increase in property, plant and equipment related to an acquisition	**$ 353**	$ —
Decrease in joint venture investments related to an acquisition	**$ 145**	$ —

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2019 Form 10-K.

NEXTERA ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(millions, except per share amounts)
(unaudited)

	Common Stock Shares	Common Stock Aggregate Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Common Shareholders' Equity	Non-controlling Interests	Total Equity	Redeemable Non-controlling Interests
Balances, December 31, 2019	489	$ 5	$ 11,970	$ (169)	$ 25,199	$ 37,005	$ 4,355	$ 41,360	$ 487
Net income (loss)	—	—	—	—	421	421	(112)		(1)
Premium on equity units	—	—	(253)	—	—	(253)	—		—
Share-based payment activity	—	—	4	—	—	4	—		—
Dividends on common stock[a]	—	—	—	—	(685)	(685)	—		—
Other comprehensive loss	—	—	—	(33)	—	(33)	(6)		—
Issuances of common stock/equity units - net	—	—	(51)	—	—	(51)	—		—
Impact of disposal of a business[b]	—	—	—	10	—	10	—		—
Adoption of accounting standards update[c]	—	—	—	—	(11)	(11)	—		—
Other differential membership interests activity	—	—	(2)	—	—	(2)	219		(248)
Other	—	—	—	—	(2)	(2)	16		—
Balances, March 31, 2020	489	5	11,668	(192)	24,922	36,403	4,472	$ 40,875	238
Net income (loss)	—	—	—	—	1,275	1,275	(144)		(2)
Share-based payment activity	1	—	55	—	—	55	—		—
Dividends on common stock[a]	—	—	—	—	(686)	(686)	—		—
Other comprehensive income	—	—	—	29	—	29	3		—
Other differential membership interests activity	—	—	(5)	—	—	(5)	153		55
Other	—	—	2	—	—	2	17		—
Balances, June 30, 2020	490	$ 5	$ 11,720	$ (163)	$ 25,511	$ 37,073	$ 4,501	$ 41,574	$ 291

(a) Dividends per share were $1.40 for each of the three months ended June 30, 2020 and March 31, 2020.
(b) See Note 11 - Disposal of Businesses.
(c) See Note 11 - Measurement of Credit Losses on Financial Instruments.

	Common Stock Shares	Common Stock Aggregate Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Common Shareholders' Equity	Non-controlling Interests	Total Equity	Redeemable Non-controlling Interests
Balances, December 31, 2018	478	$ 5	$ 10,490	$ (188)	$ 23,837	$ 34,144	$ 3,269	$ 37,413	$ 468
Net income (loss)	—	—	—	—	680	680	(74)		—
Share-based payment activity	1	—	30	—	—	30	—		—
Dividends on common stock[a]	—	—	—	—	(598)	(598)	—		—
Other comprehensive loss	—	—	—	(24)	—	(24)	—		—
Other differential membership interests activity	—	—	—	—	—	—	389		(394)
Other	—	—	(5)	(1)	—	(6)	30		(3)
Balances, March 31, 2019	479	5	10,515	(213)	23,919	34,226	3,614	$ 37,840	71
Net income (loss)	—	—	—	—	1,234	1,234	(95)		—
Share-based payment activity	—	—	47	—	—	47	—		—
Dividends on common stock[a]	—	—	—	—	(599)	(599)	—		—
Other comprehensive income	—	—	—	22	—	22	—		—
Other differential membership interests activity	—	—	—	—	—	—	(146)		—
Other	—	—	(20)	—	—	(20)	143		(3)
Balances, June 30, 2019	479	$ 5	$ 10,542	$ (191)	$ 24,554	$ 34,910	$ 3,516	$ 38,426	$ 68

(a) Dividends per share were $1.25 for each of the three months ended June 30, 2019 and March 31, 2019.

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2019 Form 10-K.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(millions)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
OPERATING REVENUES	**$ 2,825**	$ 3,158	**$ 5,365**	$ 5,776
OPERATING EXPENSES (INCOME)				
Fuel, purchased power and interchange	**511**	806	**1,096**	1,535
Other operations and maintenance	**361**	387	**677**	727
Depreciation and amortization	**550**	776	**952**	1,152
Taxes other than income taxes and other - net	**338**	335	**660**	650
Total operating expenses - net	**1,760**	2,304	**3,385**	4,064
OPERATING INCOME	**1,065**	854	**1,980**	1,712
OTHER INCOME (DEDUCTIONS)				
Interest expense	**(151)**	(152)	**(304)**	(291)
Allowance for equity funds used during construction	**14**	10	**30**	35
Other - net	**1**	2	**2**	2
Total other deductions - net	**(136)**	(140)	**(272)**	(254)
INCOME BEFORE INCOME TAXES	**929**	714	**1,708**	1,458
INCOME TAXES	**180**	51	**317**	207
NET INCOME[(a)]	**$ 749**	$ 663	**$ 1,391**	$ 1,251

(a) FPL's comprehensive income is the same as reported net income.

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2019 Form 10-K.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions, except share amount)
(unaudited)

	June 30, 2020	December 31, 2019
ELECTRIC UTILITY PLANT AND OTHER PROPERTY		
Plant in service and other property	**$ 56,210**	$ 54,523
Nuclear fuel	**1,180**	1,153
Construction work in progress	**3,513**	3,351
Accumulated depreciation and amortization	**(14,007)**	(13,953)
Total electric utility plant and other property - net	**46,896**	45,074
CURRENT ASSETS		
Cash and cash equivalents	**67**	77
Customer receivables, net of allowances of $22 and $3, respectively	**1,183**	1,024
Other receivables	**341**	333
Materials, supplies and fossil fuel inventory	**763**	722
Regulatory assets	**284**	227
Other	**159**	136
Total current assets	**2,797**	2,519
OTHER ASSETS		
Special use funds	**4,690**	4,771
Prepaid benefit costs	**1,515**	1,477
Regulatory assets	**2,488**	2,549
Goodwill	**300**	300
Other	**644**	498
Total other assets	**9,637**	9,595
TOTAL ASSETS	**$ 59,330**	$ 57,188
CAPITALIZATION		
Common stock (no par value, 1,000 shares authorized, issued and outstanding)	**$ 1,373**	$ 1,373
Additional paid-in capital	**12,752**	10,851
Retained earnings	**10,564**	9,174
Total common shareholder's equity	**24,689**	21,398
Long-term debt	**14,340**	14,131
Total capitalization	**39,029**	35,529
CURRENT LIABILITIES		
Commercial paper	**89**	1,482
Current portion of long-term debt	**79**	30
Accounts payable	**799**	768
Customer deposits	**455**	459
Accrued interest and taxes	**556**	266
Accrued construction-related expenditures	**348**	426
Regulatory liabilities	**253**	284
Other	**359**	510
Total current liabilities	**2,938**	4,225
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	**2,316**	2,268
Deferred income taxes	**5,583**	5,415
Regulatory liabilities	**9,064**	9,296
Other	**400**	455
Total other liabilities and deferred credits	**17,363**	17,434
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	**$ 59,330**	$ 57,188

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2019 Form 10-K.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)
(unaudited)

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 1,391**	$ 1,251
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	**952**	1,152
Nuclear fuel and other amortization	**80**	85
Deferred income taxes	**311**	70
Cost recovery clauses and franchise fees	**(135)**	(72)
Other - net	**39**	25
Changes in operating assets and liabilities:		
Current assets	**(202)**	(259)
Noncurrent assets	**(59)**	(37)
Current liabilities	**158**	249
Noncurrent liabilities	**(38)**	(8)
Net cash provided by operating activities	**2,497**	2,456
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(3,098)**	(2,302)
Nuclear fuel purchases	**(111)**	(93)
Proceeds from sale or maturity of securities in special use funds	**1,409**	1,276
Purchases of securities in special use funds	**(1,448)**	(1,333)
Other - net	**(25)**	5
Net cash used in investing activities	**(3,273)**	(2,447)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt, including discounts	**1,557**	1,698
Retirements of long-term debt	**(1,291)**	(49)
Net change in commercial paper	**(1,393)**	(481)
Capital contributions from NEE	**1,900**	250
Dividends to NEE	**—**	(1,400)
Other - net	**(24)**	(21)
Net cash provided by (used in) financing activities	**749**	(3)
Net increase (decrease) in cash, cash equivalents and restricted cash	**(27)**	6
Cash, cash equivalents and restricted cash at beginning of period	**195**	254
Cash, cash equivalents and restricted cash at end of period	**$ 168**	$ 260
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued property additions	**$ 595**	$ 461

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2019 Form 10-K.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDER'S EQUITY
(millions)
(unaudited)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Common Shareholder's Equity
Balances, December 31, 2019	$ 1,373	$ 10,851	$ 9,174	$ 21,398
Net income	**—**	**—**	**642**	
Capital contributions from NEE	**—**	**1,200**	**—**	
Balances, March 31, 2020	**1,373**	**12,051**	**9,816**	**$ 23,240**
Net income	**—**	**—**	**749**	
Capital contributions from NEE	**—**	**700**	**—**	
Other	**—**	**1**	**(1)**	
Balances, June 30, 2020	**$ 1,373**	**$ 12,752**	**$ 10,564**	**$ 24,689**

	Common Stock	Additional Paid-In Capital	Retained Earnings	Common Shareholder's Equity
Balances, December 31, 2018	$ 1,373	$ 10,601	$ 9,040	$ 21,014
Net income	—	—	588	
Capital contributions from NEE	—	250	—	
Other	—	1	—	
Balances, March 31, 2019	1,373	10,852	9,628	$ 21,853
Net income	—	—	663	
Dividends to NEE	—	—	(1,400)	
Other	—	(1)	—	
Balances, June 30, 2019	$ 1,373	$ 10,851	$ 8,891	$ 21,115

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2019 Form 10-K.

NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The accompanying condensed consolidated financial statements should be read in conjunction with the 2019 Form 10-K. In the opinion of NEE and FPL management, all adjustments (consisting of normal recurring accruals) considered necessary for fair financial statement presentation have been made. Certain amounts included in the prior year's condensed consolidated financial statements have been reclassified to conform to the current year's presentation. The results of operations for an interim period generally will not give a true indication of results for the year.

1. Revenue from Contracts with Customers

FPL and NEER generate substantially all of NEE’s operating revenues, which primarily include revenues from contracts with customers, as well as derivative and lease transactions at NEER. For the vast majority of contracts with customers, NEE believes that the obligation to deliver energy, capacity or transmission is satisfied over time as the customer simultaneously receives and consumes benefits as NEE performs. NEE’s revenue from contracts with customers was approximately $4.1 billion ($2.8 billion at FPL) and $4.5 billion ($3.1 billion at FPL) for the three months ended June 30, 2020 and 2019, respectively, and $8.0 billion ($5.3 billion at FPL) and $8.4 billion ($5.7 billion at FPL) for the six months ended June 30, 2020 and 2019, respectively. NEE's and FPL's receivables are primarily associated with revenues earned from contracts with customers, as well as derivative and lease transactions at NEER, and consist of both billed and unbilled amounts, which are recorded in customer receivables and other receivables on NEE's and FPL's condensed consolidated balance sheets. Receivables represent unconditional rights to consideration and reflect the differences in timing of revenue recognition and cash collections. For substantially all of NEE's and FPL's receivables, regardless of the type of revenue transaction from which the receivable originated, customer and counterparty credit risk is managed in the same manner and the terms and conditions of payment are similar.

FPL - FPL’s revenues are derived primarily from tariff-based sales that result from providing electricity to retail customers in Florida with no defined contractual term. Electricity sales to retail customers account for approximately 90% of FPL’s operating revenues, the majority of which are to residential customers. FPL’s retail customers receive a bill monthly based on the amount of monthly kWh usage with payment due monthly. For these types of sales, FPL recognizes revenue as electricity is delivered and billed to customers, as well as an estimate for electricity delivered and not yet billed. The billed and unbilled amounts represent the value of electricity delivered to the customer. At June 30, 2020 and December 31, 2019, FPL's unbilled revenues amounted to approximately $507 million and $389 million, respectively, and are included in customer receivables on NEE's and FPL's condensed consolidated balance sheets.

NEER - NEER’s revenue from contracts with customers is derived primarily from the sale of energy commodities, electric capacity and electric transmission. For these types of sales, NEER recognizes revenue as energy commodities are delivered and as electric capacity and electric transmission are made available, consistent with the amounts billed to customers based on rates stipulated in the respective contracts as well as an accrual for amounts earned but not yet billed. The amounts billed and accrued represent the value of energy or transmission delivered and/or the capacity of energy or transmission available to the customer. Revenues yet to be earned under these contracts, which have maturity dates ranging from 2020 to 2053, will vary based on the volume of energy or transmission delivered and/or available. NEER’s customers typically receive bills monthly with payment due within 30 days. Certain contracts with customers contain a fixed price which primarily relate to electric capacity sales associated with ISO annual auctions through 2024 and certain power purchase agreements with maturity dates through 2034. At June 30, 2020, NEER expects to record approximately $920 million of revenues related to the fixed price components of such contracts over the remaining terms of the related contracts as the capacity is provided.

2. NEP

NextEra Energy Resources provides management, administrative and transportation and fuel management services to NEP and its subsidiaries under various agreements (service agreements). NextEra Energy Resources is also party to a cash sweep and credit support (CSCS) agreement with a subsidiary of NEP. At June 30, 2020 and December 31, 2019, the cash sweep amounts (due to NEP and its subsidiaries) held in accounts belonging to NextEra Energy Resources or its subsidiaries were approximately $58 million and $12 million, respectively, and are included in accounts payable. Fee income related to the CSCS agreement and the service agreements totaled approximately $29 million and $24 million for the three months ended June 30, 2020 and 2019, respectively, and $57 million and $48 million for the six months ended June 30, 2020 and 2019, respectively, and is included in operating revenues in NEE's condensed consolidated statements of income. Amounts due from NEP of approximately $73 million and $53 million are included in other receivables and $35 million and $33 million are included in noncurrent other assets at June 30, 2020 and December 31, 2019, respectively. Under the CSCS agreement, NEECH or NextEra Energy Resources guaranteed or provided indemnifications, letters of credit or surety bonds totaling approximately $650 million at June 30, 2020 primarily related to obligations on behalf of NEP's subsidiaries with maturity dates ranging from 2020 to 2059 and included certain project performance obligations, obligations under financing and interconnection agreements and obligations related to the sale of differential membership interests. Payment guarantees and related contracts with respect to unconsolidated entities for which NEE or one of its subsidiaries are the guarantor are recorded on NEE's condensed consolidated balance sheets at fair value. At June 30, 2020, approximately $31 million related to the fair value of the credit support provided under the CSCS agreement is recorded as noncurrent other liabilities on NEE's condensed consolidated balance sheet.

In June 2019, subsidiaries of NextEra Energy Resources completed the sale of ownership interests in certain wind and solar generation facilities to a NEP subsidiary. See Note 11 - Disposal of Businesses.

Summarized financial information of NEP is as follows:

	Six Months Ended June 30,	
	2020	2019
	(millions)	
Operating revenues	**$ 465**	$ 397
Operating income	**$ 138**	$ 103
Net loss	**$ (593)**	$ (244)
Net loss attributable to NEP	**$ (176)**	$ (49)

3. Employee Retirement Benefits

NEE sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of NEE and its subsidiaries and sponsors a contributory postretirement plan for other benefits for retirees of NEE and its subsidiaries meeting certain eligibility requirements.

The components of net periodic income for the plans are as follows:

	Pension Benefits		Postretirement Benefits		Pension Benefits		Postretirement Benefits	
	Three Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
				(millions)				
Service cost	**$ 21**	$ 20	**$ —**	$ —	**$ 42**	$ 40	**$ 1**	$ —
Interest cost	**23**	28	**2**	3	**46**	57	**3**	5
Expected return on plan assets	**(80)**	(78)	**—**	—	**(161)**	(156)	**—**	—
Amortization of prior service benefit	**—**	—	**(4)**	(4)	**—**	—	**(8)**	(8)
Amortization of actuarial loss	**4**	—	**1**	—	**9**	—	**2**	—
Special termination benefits[(a)]	**7**	16	**—**	—	**9**	16	**—**	—
Net periodic income at NEE	**$ (25)**	$ (14)	**$ (1)**	$ (1)	**$ (55)**	$ (43)	**$ (2)**	$ (3)
Net periodic income allocated to FPL	**$ (19)**	$ (18)	**$ (1)**	$ (1)	**$ (39)**	$ (36)	**$ (1)**	$ (2)

(a) Reflects enhanced early retirement benefits.

4. Derivative Instruments

NEE and FPL use derivative instruments (primarily swaps, options, futures and forwards) to manage the physical and financial risks inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated primarily with outstanding and expected future debt issuances and borrowings, and to optimize the value of NEER's power generation and gas infrastructure assets. NEE and FPL do not utilize hedge accounting for their cash flow and fair value hedges.

With respect to commodities related to NEE's competitive energy business, NEER employs risk management procedures to conduct its activities related to optimizing the value of its power generation and gas infrastructure assets, providing full energy and capacity requirements services primarily to distribution utilities, and engaging in power and gas marketing and trading activities to take advantage of expected future favorable price movements and changes in the expected volatility of prices in the energy markets. These risk management activities involve the use of derivative instruments executed within prescribed limits to manage the risk associated with fluctuating commodity prices. Transactions in derivative instruments are executed on recognized exchanges or via the OTC markets, depending on the most favorable credit terms and market execution factors. For NEER's power generation and gas infrastructure assets, derivative instruments are used to hedge all or a portion of the expected output of these assets. These hedges are designed to reduce the effect of adverse changes in the wholesale forward commodity markets associated with NEER's power generation and gas infrastructure assets. With regard to full energy and capacity requirements services, NEER is required to vary the quantity of energy and related services based on the load demands of the customers served. For this type of transaction, derivative instruments are used to hedge the anticipated electricity quantities required to serve these customers and reduce the effect of unfavorable changes in the forward energy markets. Additionally, NEER takes positions in energy markets based on differences between actual forward market levels and management's view of fundamental market conditions, including supply/demand imbalances, changes in traditional flows of energy, changes in short- and long-term weather patterns and anticipated regulatory and legislative outcomes. NEER uses derivative instruments to realize value from these market dislocations, subject to strict risk management limits around market, operational and credit exposure.

Derivative instruments, when required to be marked to market, are recorded on NEE's and FPL's condensed consolidated balance sheets as either an asset or liability measured at fair value. At FPL, substantially all changes in the derivatives' fair value are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause. For NEE's non-rate regulated operations, predominantly NEER, essentially all changes in the derivatives' fair value for power purchases and sales, fuel sales and trading activities are recognized on a net basis in operating revenues and the equity method investees' related activity is recognized in equity in earnings of equity method investees in NEE's condensed consolidated statements of income. Settlement gains and losses are included within the line items in the condensed consolidated statements of income to which they relate. Transactions for which physical delivery is deemed not to have occurred are presented on a net basis in the condensed consolidated statements of income. For commodity derivatives, NEE believes that, where offsetting positions exist at the same location for the same time, the transactions are considered to have been netted and therefore physical delivery has been deemed not to have occurred for financial reporting purposes. Settlements related to derivative instruments are primarily recognized in net cash provided by operating activities in NEE's and FPL's condensed consolidated statements of cash flows.

For interest rate and foreign currency derivative instruments, all changes in the derivatives' fair value, as well as the transaction gain or loss on foreign denominated debt, are recognized in interest expense and the equity method investees' related activity is recognized in equity in earnings of equity method investees in NEE's condensed consolidated statements of income. In addition, for the six months ended June 30, 2020 and 2019, NEE reclassified from AOCI approximately $23 million ($3 million after tax) to gains on disposal of businesses/assets - net (see Note 11 - Disposal of Businesses) and $6 million ($5 million after tax) to interest expense, respectively, because it became probable that related future transactions being hedged would not occur. At June 30, 2020, NEE's AOCI included amounts related to discontinued interest rate cash flow hedges with expiration dates through March 2035 and foreign currency cash flow hedges with expiration dates through September 2030. Approximately $8 million of net losses included in AOCI at June 30, 2020 are expected to be reclassified into earnings within the next 12 months as the principal and/or interest payments are made. Such amounts assume no change in scheduled principal payments.

Fair Value of Derivative Instruments - The tables below present NEE's and FPL's gross derivative positions at June 30, 2020 and December 31, 2019, as required by disclosure rules. However, the majority of the underlying contracts are subject to master netting agreements and generally would not be contractually settled on a gross basis. Therefore, the tables below also present the derivative positions on a net basis, which reflect the offsetting of positions of certain transactions within the portfolio, the contractual ability to settle contracts under master netting arrangements and the netting of margin cash collateral (see Note 5 - Recurring Fair Value Measurements for netting information), as well as the location of the net derivative position on the condensed consolidated balance sheets.

	June 30, 2020			
	Gross Basis		Net Basis	
	Assets	Liabilities	Assets	Liabilities
	(millions)			
NEE:				
Commodity contracts	$ 5,473	$ 3,428	$ 2,463	$ 546
Interest rate contracts	38	1,470	8	1,440
Foreign currency contracts	—	67	(1)	66
Total fair values	$ 5,511	$ 4,965	$ 2,470	$ 2,052
FPL:				
Commodity contracts	$ 4	$ 13	$ 2	$ 11
Net fair value by NEE balance sheet line item:				
Current derivative assets[(a)]			$ 708	
Noncurrent derivative assets[(b)]			1,762	
Current derivative liabilities[(c)]				$ 337
Noncurrent derivative liabilities				1,715
Total derivatives			$ 2,470	$ 2,052
Net fair value by FPL balance sheet line item:				
Current other assets			$ 2	
Current other liabilities				$ 11
Total derivatives			$ 2	$ 11

(a) Reflects the netting of approximately $1 million in margin cash collateral received from counterparties.
(b) Reflects the netting of approximately $202 million in margin cash collateral received from counterparties.
(c) Reflects the netting of approximately $75 million in margin cash collateral paid to counterparties.

	December 31, 2019			
	Gross Basis		Net Basis	
	Assets	Liabilities	Assets	Liabilities
	(millions)			
NEE:				
Commodity contracts	$ 5,050	$ 3,201	$ 2,350	$ 576
Interest rate contracts	26	742	9	725
Foreign currency contracts	26	38	27	39
Total fair values	$ 5,102	$ 3,981	$ 2,386	$ 1,340
FPL:				
Commodity contracts	$ 4	$ 14	$ 3	$ 13
Net fair value by NEE balance sheet line item:				
Current derivative assets[(a)]			$ 762	
Noncurrent derivative assets[(b)]			1,624	
Current derivative liabilities[(c)]				$ 344
Current other liabilities[(d)]				133
Noncurrent derivative liabilities				863
Total derivatives			$ 2,386	$ 1,340
Net fair value by FPL balance sheet line item:				
Current other assets			$ 3	
Current other liabilities				$ 12
Noncurrent other liabilities				1
Total derivatives			$ 3	$ 13

(a) Reflects the netting of approximately $2 million in margin cash collateral received from counterparties.
(b) Reflects the netting of approximately $139 million in margin cash collateral received from counterparties.
(c) Reflects the netting of approximately $66 million in margin cash collateral paid to counterparties.
(d) See Note 11 - Disposal of Businesses.

At June 30, 2020 and December 31, 2019, NEE had approximately $12 million and $10 million (none at FPL), respectively, in margin cash collateral received from counterparties that was not offset against derivative assets in the above presentation. These amounts are included in current other liabilities on NEE's condensed consolidated balance sheets. Additionally, at June 30, 2020 and December 31, 2019, NEE had approximately $326 million and $360 million (none at FPL), respectively, in margin cash collateral paid to counterparties that was not offset against derivative assets or liabilities in the above presentation. These amounts are included in current other assets on NEE's condensed consolidated balance sheets.

Income Statement Impact of Derivative Instruments - Gains (losses) related to NEE's derivatives are recorded in NEE's condensed consolidated statements of income as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
	(millions)			
Commodity contracts[(a)] - operating revenues	**$ (53)**	$ 276	**$ 572**	$ 272
Foreign currency contracts - interest expense	**16**	11	**(63)**	(8)
Interest rate contracts - interest expense	**64**	(204)	**(841)**	(530)
Losses reclassified from AOCI:				
Interest rate contracts[(b)]	**(1)**	(6)	**(27)**	(18)
Foreign currency contracts - interest expense	**(1)**	(1)	**(2)**	(2)
Total	**$ 25**	$ 76	**$ (361)**	$ (286)

(a) For the three and six months ended June 30, 2020, FPL recorded gains of approximately $1 million and losses of approximately $2 million, respectively, related to commodity contracts as regulatory liabilities and regulatory assets, respectively, on its condensed consolidated balance sheets. For the three and six months ended June 30, 2019, FPL recorded gains of approximately $1 million and $4 million, respectively, related to commodity contracts as regulatory liabilities on its condensed consolidated balance sheets.
(b) For the six months ended June 30, 2020, approximately $23 million was reclassified to gains on disposal of businesses/assets - net (see Note 11 - Disposal of Businesses); remaining balances were reclassified to interest expense on NEE's condensed consolidated statements of income.

Notional Volumes of Derivative Instruments - The following table represents net notional volumes associated with derivative instruments that are required to be reported at fair value in NEE's and FPL's condensed consolidated financial statements. The table includes significant volumes of transactions that have minimal exposure to commodity price changes because they are variably priced agreements. These volumes are only an indication of the commodity exposure that is managed through the use of derivatives. They do not represent net physical asset positions or non-derivative positions and the related hedges, nor do they represent NEE's and FPL's net economic exposure, but only the net notional derivative positions that fully or partially hedge the related asset positions. NEE and FPL had derivative commodity contracts for the following net notional volumes:

	June 30, 2020				December 31, 2019			
Commodity Type	**NEE**		**FPL**		NEE		FPL	
	(millions)							
Power	**(72)**	**MWh**	**—**	**MWh**	(81)	MWh	1	MWh
Natural gas	**(120)**	**MMBtu**	**229**	**MMBtu**	(1,723)	MMBtu	161	MMBtu
Oil	**(13)**	**barrels**	**—**		(13)	barrels	—	

At June 30, 2020 and December 31, 2019, NEE had interest rate contracts with a net notional amount of approximately $8.3 billion and $8.9 billion, respectively, and foreign currency contracts with a net notional amount of approximately $960 million and $1.0 billion, respectively.

Credit-Risk-Related Contingent Features - Certain derivative instruments contain credit-risk-related contingent features including, among other things, the requirement to maintain an investment grade credit rating from specified credit rating agencies and certain financial ratios, as well as credit-related cross-default and material adverse change triggers. At June 30, 2020 and December 31, 2019, the aggregate fair value of NEE's derivative instruments with credit-risk-related contingent features that were in a liability position was approximately $2.5 billion ($12 million for FPL) and $1.7 billion ($12 million for FPL), respectively.

If the credit-risk-related contingent features underlying these derivative agreements were triggered, certain subsidiaries of NEE, including FPL, could be required to post collateral or settle contracts according to contractual terms which generally allow netting of contracts in offsetting positions. Certain derivative contracts contain multiple types of credit-related triggers. To the extent these contracts contain a credit ratings downgrade trigger, the maximum exposure is included in the following credit ratings collateral posting requirements. If FPL's and NEECH's credit ratings were downgraded to BBB/Baa2 (a three level downgrade for FPL and a one level downgrade for NEECH from the current lowest applicable rating), applicable NEE subsidiaries would be required to post collateral such that the total posted collateral would be approximately $130 million (none at FPL) at June 30, 2020 and $215 million (none at FPL) at December 31, 2019. If FPL's and NEECH's credit ratings were downgraded to below investment grade, applicable NEE subsidiaries would be required to post additional collateral such that the total posted collateral would be approximately $1.0 billion ($55 million at FPL) at June 30, 2020 and $1.2 billion ($35 million at FPL) at December 31, 2019. Some derivative contracts do not contain credit ratings downgrade triggers, but do contain provisions that require certain financial measures be maintained and/or have credit-related cross-default triggers. In the event these provisions were triggered, applicable NEE subsidiaries could be required to post additional collateral of up to approximately $1.3 billion ($55 million at FPL) at June 30, 2020 and $590 million ($75 million at FPL) at December 31, 2019.

Collateral related to derivatives may be posted in the form of cash or credit support in the normal course of business. At June 30, 2020 and December 31, 2019, applicable NEE subsidiaries have posted approximately $2 million (none at FPL) and $2 million (none at FPL), respectively, in cash and $84 million (none at FPL) and $88 million (none at FPL), respectively, in the form of letters of credit, each of which could be applied toward the collateral requirements described above. FPL and NEECH have capacity under their credit facilities generally in excess of the collateral requirements described above that would be available to support, among other things, derivative activities. Under the terms of the credit facilities, maintenance of a specific credit rating is not a condition to drawing on these credit facilities, although there are other conditions to drawing on these credit facilities.

Additionally, some contracts contain certain adequate assurance provisions whereby a counterparty may demand additional collateral based on subjective events and/or conditions. Due to the subjective nature of these provisions, NEE and FPL are unable to determine an exact value for these items and they are not included in any of the quantitative disclosures above.

5. Fair Value Measurements

The fair value of assets and liabilities are determined using either unadjusted quoted prices in active markets (Level 1) or pricing inputs that are observable (Level 2) whenever that information is available and using unobservable inputs (Level 3) to estimate fair value only when relevant observable inputs are not available. NEE and FPL use several different valuation techniques to measure the fair value of assets and liabilities, relying primarily on the market approach of using prices and other market information for identical and/or comparable assets and liabilities for those assets and liabilities that are measured at fair value on a recurring basis. NEE's and FPL's assessment of the significance of any particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels. Non-performance risk, including the consideration of a credit valuation adjustment, is also considered in the determination of fair value for all assets and liabilities measured at fair value.

Cash Equivalents and Restricted Cash Equivalents - NEE and FPL hold investments in money market funds. The fair value of these funds is estimated using a market approach based on current observable market prices.

Special Use Funds and Other Investments - NEE and FPL hold primarily debt and equity securities directly, as well as indirectly through commingled funds. Substantially all directly held equity securities are valued at their quoted market prices. For directly held debt securities, multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validations. A primary price source is identified based on asset type, class or issue of each security. Commingled funds, which are similar to mutual funds, are maintained by banks or investment companies and hold certain investments in accordance with a stated set of objectives. The fair value of commingled funds is primarily derived from the quoted prices in active markets of the underlying securities. Because the fund shares are offered to a limited group of investors, they are not considered to be traded in an active market.

Derivative Instruments - NEE and FPL measure the fair value of commodity contracts using a combination of market and income approaches utilizing prices observed on commodities exchanges and in the OTC markets, or through the use of industry-standard valuation techniques, such as option modeling or discounted cash flows techniques, incorporating both observable and unobservable valuation inputs. The resulting measurements are the best estimate of fair value as represented by the transfer of the asset or liability through an orderly transaction in the marketplace at the measurement date.

Most exchange-traded derivative assets and liabilities are valued directly using unadjusted quoted prices. For exchange-traded derivative assets and liabilities where the principal market is deemed to be inactive based on average daily volumes and open interest, the measurement is established using settlement prices from the exchanges, and therefore considered to be valued using other observable inputs.

NEE, through its subsidiaries, including FPL, also enters into OTC commodity contract derivatives. The majority of these contracts are transacted at liquid trading points, and the prices for these contracts are verified using quoted prices in active markets from exchanges, brokers or pricing services for similar contracts.

NEE, through NEER, also enters into full requirements contracts, which, in most cases, meet the definition of derivatives and are measured at fair value. These contracts typically have one or more inputs that are not observable and are significant to the valuation of the contract. In addition, certain exchange and non-exchange traded derivative options at NEE have one or more significant inputs that are not observable, and are valued using industry-standard option models.

In all cases where NEE and FPL use significant unobservable inputs for the valuation of a commodity contract, consideration is given to the assumptions that market participants would use in valuing the asset or liability. The primary input to the valuation models for commodity contracts is the forward commodity curve for the respective instruments. Other inputs include, but are not limited to, assumptions about market liquidity, volatility, correlation and contract duration as more fully described below in Significant Unobservable Inputs Used in Recurring Fair Value Measurements. In instances where the reference markets are deemed to be inactive or do not have transactions for a similar contract, the derivative assets and liabilities may be valued using significant other observable inputs and potentially significant unobservable inputs. In such instances, the valuation for these contracts is established using techniques including extrapolation from or interpolation between actively traded contracts, or estimated basis adjustments from liquid trading points. NEE and FPL regularly evaluate and validate the inputs used to determine fair value by a number of methods, consisting of various market price verification procedures, including the use of pricing services and multiple broker quotes to support the market price of the various commodities. In all cases where there are assumptions and models used to generate inputs for valuing derivative assets and liabilities, the review and verification of the assumptions, models and changes to the models are undertaken by individuals that are independent of those responsible for estimating fair value.

NEE uses interest rate contracts and foreign currency contracts to mitigate and adjust interest rate and foreign currency exchange exposure related primarily to certain outstanding and expected future debt issuances and borrowings when deemed appropriate based on market conditions or when required by financing agreements. NEE estimates the fair value of these derivatives using an income approach based on a discounted cash flows valuation technique utilizing the net amount of estimated future cash inflows and outflows related to the agreements.

Recurring Fair Value Measurements - NEE's and FPL's financial assets and liabilities and other fair value measurements made on a recurring basis by fair value hierarchy level are as follows:

	June 30, 2020				
	Level 1	Level 2	Level 3	Netting[(a)]	Total
			(millions)		
Assets:					
Cash equivalents and restricted cash equivalents:[(b)]					
NEE - equity securities	$ 654	$ —	$ —		$ 654
FPL - equity securities	$ 123	$ —	$ —		$ 123
Special use funds:[(c)]					
NEE:					
Equity securities	$ 1,799	$ 2,025 [(d)]	$ —		$ 3,824
U.S. Government and municipal bonds	$ 525	$ 169	$ —		$ 694
Corporate debt securities	$ 1	$ 881	$ —		$ 882
Mortgage-backed securities	$ —	$ 421	$ —		$ 421
Other debt securities	$ —	$ 100	$ —		$ 100
FPL:					
Equity securities	$ 589	$ 1,837 [(d)]	$ —		$ 2,426
U.S. Government and municipal bonds	$ 415	$ 111	$ —		$ 526
Corporate debt securities	$ —	$ 626	$ —		$ 626
Mortgage-backed securities	$ —	$ 325	$ —		$ 325
Other debt securities	$ —	$ 92	$ —		$ 92
Other investments:[(e)]					
NEE:					
Equity securities	$ 45	$ —	$ —		$ 45
Debt securities	$ 95	$ 112	$ —		$ 207
Derivatives:					
NEE:					
Commodity contracts	$ 1,286	$ 2,429	$ 1,758	$ (3,010)	$ 2,463 [(f)]
Interest rate contracts	$ —	$ 38	$ —	$ (30)	$ 8 [(f)]
Foreign currency contracts	$ —	$ —	$ —	$ (1)	$ (1) [(f)]
FPL - commodity contracts	$ —	$ 2	$ 2	$ (2)	$ 2 [(f)]
Liabilities:					
Derivatives:					
NEE:					
Commodity contracts	$ 1,390	$ 1,606	$ 432	$ (2,882)	$ 546 [(f)]
Interest rate contracts	$ —	$ 1,449	$ 21	$ (30)	$ 1,440 [(f)]
Foreign currency contracts	$ —	$ 67	$ —	$ (1)	$ 66 [(f)]
FPL - commodity contracts	$ —	$ 5	$ 8	$ (2)	$ 11 [(f)]

(a) Includes the effect of the contractual ability to settle contracts under master netting arrangements and the netting of margin cash collateral payments and receipts. NEE and FPL also have contract settlement receivable and payable balances that are subject to master netting arrangements but are not offset within the condensed consolidated balance sheets and are recorded in customer receivables - net and accounts payable, respectively.
(b) Includes restricted cash equivalents of approximately $103 million ($56 million for FPL) in current other assets and $97 million ($46 million for FPL) in noncurrent other assets on the condensed consolidated balance sheets.
(c) Excludes investments accounted for under the equity method and loans not measured at fair value on a recurring basis. See Fair Value of Financial Instruments Recorded at Other than Fair Value below.
(d) Primarily invested in commingled funds whose underlying securities would be Level 1 if those securities were held directly by NEE or FPL.
(e) Included in noncurrent other assets on NEE's condensed consolidated balance sheet.
(f) See Note 4 - Fair Value of Derivative Instruments for a reconciliation of net derivatives to NEE's and FPL's condensed consolidated balance sheets.

	December 31, 2019				
	Level 1	Level 2	Level 3	Netting[(a)]	Total
			(millions)		
Assets:					
Cash equivalents and restricted cash equivalents:[(b)]					
NEE - equity securities	$ 363	$ —	$ —		$ 363
FPL - equity securities	$ 156	$ —	$ —		$ 156
Special use funds:[(c)]					
NEE:					
Equity securities	$ 1,875	$ 2,088 [(d)]	$ —		$ 3,963
U.S. Government and municipal bonds	$ 567	$ 150	$ —		$ 717
Corporate debt securities	$ —	$ 748	$ —		$ 748
Mortgage-backed securities	$ —	$ 517	$ —		$ 517
Other debt securities	$ —	$ 117	$ —		$ 117
FPL:					
Equity securities	$ 596	$ 1,895 [(d)]	$ —		$ 2,491
U.S. Government and municipal bonds	$ 429	$ 106	$ —		$ 535
Corporate debt securities	$ —	$ 533	$ —		$ 533
Mortgage-backed securities	$ —	$ 395	$ —		$ 395
Other debt securities	$ —	$ 111	$ —		$ 111
Other investments:[(e)]					
NEE:					
Equity securities	$ 34	$ 12	$ —		$ 46
Debt securities	$ 82	$ 69	$ —		$ 151
Derivatives:					
NEE:					
Commodity contracts	$ 1,229	$ 2,082	$ 1,739	$ (2,700)	$ 2,350 [(f)]
Interest rate contracts	$ —	$ 24	$ 2	$ (17)	$ 9 [(f)]
Foreign currency contracts	$ —	$ 26	$ —	$ 1	$ 27 [(f)]
FPL - commodity contracts	$ —	$ 3	$ 1	$ (1)	$ 3 [(f)]
Liabilities:					
Derivatives:					
NEE:					
Commodity contracts	$ 1,365	$ 1,446	$ 390	$ (2,625)	$ 576 [(f)]
Interest rate contracts	$ —	$ 598	$ 144	$ (17)	$ 725 [(f)]
Foreign currency contracts	$ —	$ 38	$ —	$ 1	$ 39 [(f)]
FPL - commodity contracts	$ —	$ 5	$ 9	$ (1)	$ 13 [(f)]

(a) Includes the effect of the contractual ability to settle contracts under master netting arrangements and the netting of margin cash collateral payments and receipts. NEE and FPL also have contract settlement receivable and payable balances that are subject to master netting arrangements but are not offset within the condensed consolidated balance sheets and are recorded in customer receivables - net and accounts payable, respectively.
(b) Includes restricted cash equivalents of approximately $60 million ($54 million for FPL) in current other assets and $64 million ($64 million for FPL) in noncurrent other assets on the condensed consolidated balance sheets.
(c) Excludes investments accounted for under the equity method and loans not measured at fair value on a recurring basis. See Fair Value of Financial Instruments Recorded at Other than Fair Value below.
(d) Primarily invested in commingled funds whose underlying securities would be Level 1 if those securities were held directly by NEE or FPL.
(e) Included in noncurrent other assets on NEE's condensed consolidated balance sheet.
(f) See Note 4 - Fair Value of Derivative Instruments for a reconciliation of net derivatives to NEE's and FPL's condensed consolidated balance sheets.

Significant Unobservable Inputs Used in Recurring Fair Value Measurements - The valuation of certain commodity contracts requires the use of significant unobservable inputs. All forward price, implied volatility, implied correlation and interest rate inputs used in the valuation of such contracts are directly based on third-party market data, such as broker quotes and exchange settlements, when that data is available. If third-party market data is not available, then industry standard methodologies are used to develop inputs that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Observable inputs, including some forward prices, implied volatilities and interest rates used for determining fair value are updated daily to reflect the best available market information. Unobservable inputs which are related to observable inputs, such as illiquid portions of forward price or volatility curves, are updated daily as well, using industry standard techniques such as interpolation and extrapolation, combining observable forward inputs supplemented by historical market and other relevant data. Other unobservable inputs, such as implied correlations, block-to-hourly price shaping, customer migration rates from full requirements contracts and some implied volatility curves, are modeled using proprietary models based on historical data and industry standard techniques.

The significant unobservable inputs used in the valuation of NEE's commodity contracts categorized as Level 3 of the fair value hierarchy at June 30, 2020 are as follows:

Transaction Type	Fair Value at June 30, 2020 Assets	Liabilities	Valuation Technique(s)	Significant Unobservable Inputs	Range	Weighted-average[(a)]
	(millions)					
Forward contracts - power	$ 793	$ 102	Discounted cash flow	Forward price (per MWh)	$2 — $215	$28
Forward contracts - gas	263	24	Discounted cash flow	Forward price (per MMBtu)	$1 — $6	$2
Forward contracts - congestion	22	6	Discounted cash flow	Forward price (per MWh)	$(6) — $30	$—
Options - power	45	25	Option models	Implied correlations	40% — 85%	55%
				Implied volatilities	17% — 510%	62%
Options - primarily gas	168	196	Option models	Implied correlations	40% — 100%	59%
				Implied volatilities	16% — 135%	38%
Full requirements and unit contingent contracts	436	62	Discounted cash flow	Forward price (per MWh)	$6 — $790	$47
				Customer migration rate[(b)]	—% — 122%	2%
Forward contracts - other	31	17				
Total	$ 1,758	$ 432				

(a) Unobservable inputs were weighted by volume.
(b) Applies only to full requirements contracts.

The sensitivity of NEE's fair value measurements to increases (decreases) in the significant unobservable inputs is as follows:

Significant Unobservable Input	Position	Impact on Fair Value Measurement
Forward price	Purchase power/gas	Increase (decrease)
	Sell power/gas	Decrease (increase)
Implied correlations	Purchase option	Decrease (increase)
	Sell option	Increase (decrease)
Implied volatilities	Purchase option	Increase (decrease)
	Sell option	Decrease (increase)
Customer migration rate	Sell power[(a)]	Decrease (increase)

(a) Assumes the contract is in a gain position.

The reconciliation of changes in the fair value of derivatives that are based on significant unobservable inputs is as follows:

	Three Months Ended June 30,			
	2020		2019	
	NEE	**FPL**	NEE	FPL
	(millions)			
Fair value of net derivatives based on significant unobservable inputs at March 31	**$ 1,519**	**$ (9)**	$ 844	$ (16)
Realized and unrealized gains (losses):				
Included in earnings[(a)]	**(38)**	**—**	513	—
Included in other comprehensive income (loss)[(b)]	**1**	**—**	(2)	—
Included in regulatory assets and liabilities	**—**	**—**	1	1
Purchases	**39**	**—**	43	—
Settlements	**(176)**	**3**	(81)	2
Issuances	**(40)**	**—**	(37)	—
Transfers out[(c)]	**—**	**—**	(50)	—
Fair value of net derivatives based on significant unobservable inputs at June 30	**$ 1,305**	**$ (6)**	$ 1,231	$ (13)
Gains (losses) included in earnings attributable to the change in unrealized gains (losses) relating to derivatives held at the reporting date[(d)]	**$ (31)**	**$ —**	$ 487	$ —

(a) For the three months ended June 30, 2020 and 2019, realized and unrealized gains (losses) of approximately $(36) million and $509 million, respectively, are included in the condensed consolidated statements of income in operating revenues and the balance is included in interest expense.
(b) Included in net unrealized gains (losses) on foreign currency translation in the condensed consolidated statements of comprehensive income.
(c) Transfers from Level 3 to Level 2 were a result of increased observability of market data.
(d) For the three months ended June 30, 2020 and 2019, unrealized gains (losses) of approximately $(30) million and $482 million, respectively, are included in the condensed consolidated statements of income in operating revenues and the balance is included in interest expense.

	Six Months Ended June 30,			
	2020		2019	
	NEE	**FPL**	NEE	FPL
	(millions)			
Fair value of net derivatives based on significant unobservable inputs at December 31 of prior period	**$ 1,207**	**$ (8)**	$ 647	$ (36)
Realized and unrealized gains (losses):				
Included in earnings[(a)]	**349**	**—**	692	—
Included in other comprehensive income (loss)[(b)]	**1**	**—**	1	—
Included in regulatory assets and liabilities	**(2)**	**(2)**	(1)	(1)
Purchases	**120**	**—**	67	—
Sales[(c)]	**114**	**—**	—	—
Settlements	**(382)**	**4**	(119)	22
Issuances	**(72)**	**—**	(51)	—
Transfers out[(d)]	**(30)**	—	(5)	2
Fair value of net derivatives based on significant unobservable inputs at June 30	**$ 1,305**	**$ (6)**	$ 1,231	$ (13)
Gains (losses) included in earnings attributable to the change in unrealized gains (losses) relating to derivatives held at the reporting date[(e)]	**$ 176**	**$ —**	$ 568	$ —

(a) For the six months ended June 30, 2020 and 2019, realized and unrealized gains of approximately $369 million and $703 million, respectively, are included in the condensed consolidated statements of income in operating revenues and the balance is included in interest expense.
(b) Included in net unrealized gains (losses) on foreign currency translation in the condensed consolidated statements of comprehensive income.
(c) See Note 11 - Disposal of Businesses.
(d) Transfers from Level 3 to Level 2 were a result of increased observability of market data.
(e) For the six months ended June 30, 2020 and 2019, unrealized gains of approximately $188 million and $578 million, respectively, are included in the condensed consolidated statements of income in operating revenues and the balance is included in interest expense.

Fair Value of Financial Instruments Recorded at Other than Fair Value - The carrying amounts of commercial paper and other short-term debt approximate their fair values. The carrying amounts and estimated fair values of other financial instruments recorded at other than fair value are as follows:

	June 30, 2020		December 31, 2019	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
NEE:				
Special use funds[(a)]	$ 879	$ 878	$ 892	$ 891
Other investments[(b)]	$ 24	$ 24	$ 30	$ 30
Long-term debt, including current portion[(c)]	$ 45,735	$ 50,020 [(d)]	$ 39,667	$ 42,928 [(d)]
FPL:				
Special use funds[(a)]	$ 695	$ 694	$ 706	$ 705
Long-term debt, including current portion	$ 14,419	$ 18,007 [(d)]	$ 14,161	$ 16,448 [(d)]

(a) Primarily represents investments accounted for under the equity method and loans not measured at fair value on a recurring basis (Level 2).
(b) Included in noncurrent other assets on NEE's condensed consolidated balance sheets.
(c) Excludes debt totaling approximately $463 million classified as held for sale, which is included in current other liabilities on NEE's condensed consolidated balance sheet at December 31, 2019, for which the carrying amount approximated fair value. See Note 11 - Disposal of Businesses.
(d) At June 30, 2020 and December 31, 2019, substantially all is Level 2 for NEE and all is Level 2 for FPL.

Special Use Funds - The special use funds noted above and those carried at fair value (see Recurring Fair Value Measurements above) consist of NEE's nuclear decommissioning fund assets of approximately $6,724 million and $6,880 million at June 30, 2020 and December 31, 2019, respectively, ($4,614 million and $4,697 million, respectively, for FPL) and FPL's storm fund assets of $76 million and $74 million at June 30, 2020 and December 31, 2019, respectively. The investments held in the special use funds consist of equity and available for sale debt securities which are primarily carried at estimated fair value. The amortized cost of debt securities is approximately $2,001 million and $2,030 million at June 30, 2020 and December 31, 2019, respectively ($1,498 million and $1,523 million, respectively, for FPL).

Effective January 1, 2020, NEE and FPL adopted an accounting standards update that provides a modified version of the other than temporary impairment model for debt securities. The new available for sale debt security impairment model no longer allows consideration of the length of time during which the fair value has been less than its amortized cost basis when determining whether a credit loss exists. Credit losses are required to be presented as an allowance rather than as a write-down on securities not intended to be sold or required to be sold. NEE and FPL adopted this model prospectively. See Note 11 - Measurement of Credit Losses on Financial Instruments.

For FPL's special use funds, changes in fair value of debt and equity securities, including any estimated credit losses of debt securities, result in a corresponding adjustment to the related regulatory asset or liability accounts, consistent with regulatory treatment. For NEE's non-rate regulated operations, changes in fair value of debt securities result in a corresponding adjustment to OCI, except for estimated credit losses and unrealized losses on debt securities intended or required to be sold prior to recovery of the amortized cost basis, which are recognized in other - net in NEE's condensed consolidated statements of income. Changes in fair value of equity securities are recorded in change in unrealized gains (losses) on equity securities held in NEER's nuclear decommissioning funds - net in NEE’s condensed consolidated statements of income.

The unrealized gains (losses) recognized during the three months ended June 30, 2020 and 2019 on equity securities held at June 30, 2020 and 2019 were $602 million and $116 million, respectively ($395 million and $77 million for the three months ended June 30, 2020 and 2019, respectively, for FPL). The unrealized gains (losses) recognized during the six months ended June 30, 2020 and 2019 on equity securities held at June 30, 2020 and 2019 were $(190) million and $481 million, respectively ($(96) million and $311 million for the six months ended June 30, 2020 and 2019, respectively, for FPL). Debt securities included in the nuclear decommissioning funds have a weighted-average maturity at June 30, 2020 of approximately eight years at NEE and nine years at FPL. FPL's storm fund primarily consists of debt securities with a weighted-average maturity at June 30, 2020 of approximately one year. The cost of securities sold is determined using the specific identification method.

Realized gains and losses and proceeds from the sale or maturity of available for sale debt securities are as follows:

	NEE				FPL			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	(millions)							
Realized gains	**$ 26**	$ 17	**$ 56**	$ 25	**$ 20**	$ 9	**$ 45**	$ 15
Realized losses	**$ 16**	$ 11	**$ 33**	$ 20	**$ 13**	$ 5	**$ 28**	$ 9
Proceeds from sale or maturity of securities	**$ 753**	$ 788	**$ 1,491**	$ 1,475	**$ 665**	$ 685	**$ 1,272**	$ 1,227

The unrealized gains and unrealized losses on available for sale debt securities and the fair value of available for sale debt securities in an unrealized loss position are as follows:

	NEE		FPL	
	June 30, 2020	December 31, 2019	**June 30, 2020**	December 31, 2019
	(millions)			
Unrealized gains	**$ 125**	$ 75	**$ 96**	$ 58
Unrealized losses[(a)]	**$ 29**	$ 7	**$ 24**	$ 7
Fair value	**$ 289**	$ 314	**$ 220**	$ 240

(a) Unrealized losses on available for sale debt securities in an unrealized loss position for greater than twelve months at June 30, 2020 and December 31, 2019 were not material to NEE or FPL.

Regulations issued by the FERC and the NRC provide general risk management guidelines to protect nuclear decommissioning funds and to allow such funds to earn a reasonable return. The FERC regulations prohibit, among other investments, investments in any securities of NEE or its subsidiaries, affiliates or associates, excluding investments tied to market indices or mutual funds. Similar restrictions applicable to the decommissioning funds for NEER's nuclear plants are included in the NRC operating licenses for those facilities or in NRC regulations applicable to NRC licensees not in cost-of-service environments. With respect to the decommissioning fund for Seabrook, decommissioning fund contributions and withdrawals are also regulated by the New Hampshire Nuclear Decommissioning Financing Committee pursuant to New Hampshire law.

The nuclear decommissioning reserve funds are managed by investment managers who must comply with the guidelines of NEE and FPL and the rules of the applicable regulatory authorities. The funds' assets are invested giving consideration to taxes, liquidity, risk, diversification and other prudent investment objectives.

6. Income Taxes

NEE's effective income tax rate for the six months ended June 30, 2020 and 2019 was approximately (3.7)% and 10.2%, respectively. NEE's effective income tax rate for the six months ended June 30, 2020 is based on the composition of pretax income and primarily reflects the first quarter of 2020 impact of unfavorable changes in the fair value of interest rate derivative instruments and equity securities held in NEER's nuclear decommissioning funds, and the gain on the sale of the Spain solar projects that was not taxable for federal and state income tax purposes (see Note 11 - Disposal of Businesses).

A reconciliation between the effective income tax rates and the applicable statutory rate is as follows:

	NEE		FPL		NEE		FPL	
	Three Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
Statutory federal income tax rate	**21.0%**	21.0%	**21.0%**	21.0%	**21.0 %**	21.0%	**21.0%**	21.0%
Increases (reductions) resulting from:								
State income taxes - net of federal income tax benefit	**4.2**	2.0	**3.9**	1.6	**0.8**	3.0	**4.1**	3.0
Taxes attributable to noncontrolling interests	**2.4**	1.6	**—**	—	**3.9**	1.8	**—**	—
PTCs and ITCs - NEER	**(5.7)**	(5.2)	**—**	—	**(9.9)**	(6.3)	**—**	—
Amortization of deferred regulatory credit[(a)]	**(3.7)**	(9.2)	**(5.0)**	(15.6)	**(6.4)**	(7.7)	**(5.0)**	(9.6)
Foreign operations	**(0.2)**	(0.1)	**—**	—	**(4.3)**	0.1	**—**	—
Other - net	**(3.9)**	(0.3)	**(0.5)**	0.1	**(8.8)**	(1.7)	**(1.5)**	(0.2)
Effective income tax rate	**14.1%**	9.8%	**19.4%**	7.1%	**(3.7)%**	10.2%	**18.6%**	14.2%

(a) The three and six months ended June 30, 2019 reflect an adjustment of approximately $83 million recorded by FPL to reduce income tax expense for the cumulative amortization of excess deferred income taxes from January 1, 2018 as a result of the FPSC's order in connection with its review of impacts associated with tax reform. One of the provisions of the order requires FPL to amortize approximately $870 million of its excess deferred income taxes over a period not to exceed ten years.

NEE recognizes PTCs as wind energy is generated and sold based on a per kWh rate prescribed in applicable federal and state statutes, which may differ significantly from amounts computed, on a quarterly basis, using an overall effective income tax rate anticipated for the full year. NEE uses this method of recognizing PTCs for specific reasons, including that PTCs are an integral part of the financial viability of most wind projects and a fundamental component of such wind projects' results of operations. PTCs, as well as ITCs, can significantly affect NEE's effective income tax rate depending on the amount of pretax income. The amount of PTCs recognized can be significantly affected by wind generation and by the roll off of PTCs after ten years of production.

7. Acquisitions

Gulf Power - On January 1, 2019, NEE acquired the outstanding common shares of Gulf Power, a rate-regulated electric utility under the jurisdiction of the FPSC. Gulf Power serves approximately 470,000 customers in eight counties throughout northwest Florida, has approximately 9,500 miles of transmission and distribution lines and owns approximately 2,300 MW of net generating capacity. The purchase price included approximately $4.44 billion in cash consideration and the assumption of approximately $1.3 billion of Gulf Power debt. The cash purchase price was funded through $4.5 billion of borrowings by NEECH in December 2018 under certain short-term bi-lateral term loan agreements; the proceeds of which borrowings were restricted and included in noncurrent other assets on NEE's condensed consolidated balance sheet at December 31, 2018. Such borrowings were repaid in April 2019.

Under the acquisition method, the purchase price was allocated to the assets acquired and liabilities assumed on January 1, 2019 based on their fair value. The approval by the FPSC of Gulf Power's rates, which is intended to allow Gulf Power to collect from retail customers total revenues equal to Gulf Power's costs of providing service, including a reasonable rate of return on invested capital, is considered a fundamental input in measuring the fair value of Gulf Power's assets and liabilities and, as such, NEE concluded that the carrying values of all assets and liabilities recoverable through rates are representative of their fair values. As a result, NEE acquired assets of approximately $5.2 billion, primarily relating to property, plant and equipment of $4.0 billion and regulatory assets of $494 million, and assumed liabilities of approximately $3.4 billion, including $1.3 billion of long-term debt, $635 million of regulatory liabilities and $562 million of deferred income taxes. The excess of the purchase price over the fair value of assets acquired and liabilities assumed resulted in approximately $2.7 billion of goodwill which has been recognized on NEE's condensed consolidated balance sheets. Goodwill associated with the Gulf Power acquisition is reflected within Corporate and Other and, for impairment testing, is included in the Gulf Power reporting unit. The goodwill arising from the transaction represents expected benefits from continued expansion of NEE's regulated businesses and the indefinite life of Gulf Power's service territory franchise.

Proposed Merger of FPL and Gulf Power - On May 1, 2020, NEE, together with FPL and Gulf Power, filed an application with the FERC for approval to merge Gulf Power with and into FPL, with FPL as the surviving entity. Subject to FERC approval, the merger would be effective January 1, 2021. A decision from the FERC is expected on or before October 28, 2020.

Trans Bay Cable, LLC - On July 16, 2019, a wholly owned subsidiary of NEET acquired the membership interests of Trans Bay Cable, LLC (Trans Bay), which owns and operates a 53-mile, high-voltage direct current underwater transmission cable system in California extending from Pittsburg to San Francisco, with utility rates set by the FERC and revenues paid by the California Independent System Operator. The purchase price included approximately $670 million in cash consideration and the assumption of debt of approximately $422 million.

Under the acquisition method, the purchase price was allocated to the assets acquired and liabilities assumed based on their fair value. The approval by the FERC of Trans Bay's rates, which is intended to allow Trans Bay to collect total revenues equal to Trans Bay's costs for the development, financing, construction, operation and maintenance of Trans Bay, including a reasonable rate of return on invested capital, is considered a fundamental input in measuring the fair value of Trans Bay's assets and liabilities and, as such, NEE concluded that the carrying values of all assets and liabilities recoverable through rates are representative of their fair values. As a result, NEE acquired assets of approximately $703 million, primarily relating to property, plant and equipment, and assumed liabilities of approximately $643 million, primarily relating to long-term debt. The excess of the purchase price over the fair value of assets acquired and liabilities assumed resulted in approximately $610 million of goodwill which has been recognized on NEE's condensed consolidated balance sheets, of which approximately $572 million is expected to be deductible for tax purposes. Goodwill associated with the Trans Bay acquisition is reflected within NEER and, for impairment testing, is included in the rate-regulated transmission reporting unit. The goodwill arising from the transaction represents expected benefits from continued expansion of NEE's regulated businesses. The valuation of the acquired net assets is subject to change as NEE obtains additional information for its estimates during the measurement period.

8. Variable Interest Entities (VIEs)

NEER - At June 30, 2020, NEE consolidates 34 VIEs within the NEER segment. Subsidiaries within the NEER segment are considered the primary beneficiary of these VIEs since they control the most significant activities of these VIEs, including operations and maintenance, and they have the obligation to absorb expected losses of these VIEs.

NextEra Energy Resources consolidates two VIEs, which own and operate natural gas/oil electric generation facilities with the capability of producing 1,450 MW. These entities sell their electric output to third parties under power sales contracts with expiration dates in 2021 and 2031. The power sales contracts provide the offtaker the ability to dispatch the facilities and require the offtaker to absorb the cost of fuel. The assets and liabilities of these VIEs were approximately $202 million and $27 million, respectively, at June 30, 2020 and $216 million and $25 million, respectively, at December 31, 2019. At June 30, 2020 and December 31, 2019, the assets of these VIEs consisted primarily of property, plant and equipment.

Three indirect subsidiaries of NextEra Energy Resources have an approximately 50% ownership interest in five entities which own and operate solar photovoltaic (PV) facilities with the capability of producing a total of approximately 409 MW. Each of the three subsidiaries is considered a VIE since the non-managing members have no substantive rights over the managing members, and is consolidated by NextEra Energy Resources. These five entities sell their electric output to third parties under power sales contracts with expiration dates ranging from 2035 through 2042. The five entities have third-party debt which is secured by liens against the assets of the entities. The debt holders have no recourse to the general credit of NextEra Energy Resources for the repayment of debt. The assets and liabilities of these VIEs were approximately $784 million and $636 million, respectively, at June 30, 2020 and $776 million and $598 million, respectively, at December 31, 2019. At June 30, 2020 and December 31, 2019, the assets and liabilities of these VIEs consisted primarily of property, plant and equipment and long-term debt.

NEE consolidates a NEET VIE that is constructing an approximately 280-mile electricity transmission line. A NEET subsidiary is the primary beneficiary and controls the most significant activities during the construction period, including controlling the construction budget. NEET is entitled to receive 50% of the profits and losses of the entity. The assets and liabilities of the VIE totaled approximately $254 million and $40 million, respectively, at June 30, 2020, and $173 million and $29 million, respectively, at December 31, 2019. At June 30, 2020 and December 31, 2019, the assets of this VIE consisted primarily of property, plant and equipment.

The other 28 NextEra Energy Resources VIEs that are consolidated relate to certain subsidiaries which have sold differential membership interests in entities which own and operate wind electric generation and solar PV facilities with the capability of producing a total of approximately 7,576 MW and 748 MW, respectively. These entities sell their electric output either under power sales contracts to third parties with expiration dates ranging from 2025 through 2053 or in the spot market. These entities are considered VIEs because the holders of differential membership interests do not have substantive rights over the significant activities of these entities. NextEra Energy Resources has third-party debt which is secured by liens against the generation facilities and the other assets of these entities or by pledges of NextEra Energy Resources' ownership interest in these entities. The debt holders have no recourse to the general credit of NEER for the repayment of debt. The assets and liabilities of these VIEs totaled approximately $11.9 billion and $0.8 billion, respectively, at June 30, 2020. There were 26 of these consolidated VIEs at December 31, 2019, and the assets and liabilities of those VIEs at such date totaled approximately $11.3 billion and $0.8 billion, respectively. At June 30, 2020 and December 31, 2019, the assets and liabilities of these VIEs consisted primarily of property, plant and equipment and accounts payable.

Other - At June 30, 2020 and December 31, 2019, several NEE subsidiaries had investments totaling approximately $3,093 million ($2,601 million at FPL) and $3,247 million ($2,717 million at FPL), respectively, which are included in special use funds and noncurrent other assets on NEE's condensed consolidated balance sheets and in special use funds on FPL's condensed consolidated balance sheets. These investments represented primarily commingled funds and mortgage-backed securities. NEE subsidiaries, including FPL, are not the primary beneficiaries and therefore do not consolidate any of these entities because they do not control any of the ongoing activities of these entities, were not involved in the initial design of these entities and do not have a controlling financial interest in these entities.

Certain subsidiaries of NEE have noncontrolling interests in entities accounted for under the equity method, including NEE's noncontrolling interest in NEP OpCo. These entities are limited partnerships or similar entity structures in which the limited partners or non-managing members do not have substantive rights over the significant activities of these entities, and therefore are considered VIEs. NEE is not the primary beneficiary because it does not have a controlling financial interest in these entities, and therefore does not consolidate any of these entities. NEE’s investment in these entities totaled approximately $3,765 million and $4,254 million at June 30, 2020 and December 31, 2019, respectively. At June 30, 2020, subsidiaries of NEE had commitments to invest additional amounts in five of the entities. Such commitments are included in the NEER amounts in the table in Note 12 - Contracts.

9. Equity

Earnings Per Share - The reconciliation of NEE's basic and diluted earnings per share attributable to NEE is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
	(millions, except per share amounts)			
Numerator:				
Net income attributable to NEE - basic	**$ 1,275**	$ 1,234	**$ 1,695**	$ 1,914
Adjustment for the impact of dilutive securities at NEP[(a)]	**(2)**	—	**—**	—
Net income attributable to NEE - assuming dilution	**$ 1,273**	$ 1,234	**$ 1,695**	$ 1,914
Denominator:				
Weighted-average number of common shares outstanding - basic	**489.7**	478.9	**489.5**	478.6
Equity units, stock options, performance share awards and restricted stock[(b)]	**2.1**	3.9	**2.3**	3.7
Weighted-average number of common shares outstanding - assuming dilution	**491.8**	482.8	**491.8**	482.3
Earnings per share attributable to NEE:				
Basic	**$ 2.60**	$ 2.58	**$ 3.46**	$ 4.00
Assuming dilution	**$ 2.59**	$ 2.56	**$ 3.45**	$ 3.97

(a) The three months ended June 30, 2020 adjustment is related to both the NEP Series A convertible preferred units and the NEP senior unsecured convertible notes.
(b) Calculated using the treasury stock method. Performance share awards are included in diluted weighted-average number of common shares outstanding based upon what would be issued if the end of the reporting period was the end of the term of the award.

Common shares issuable pursuant to stock options, performance share awards and/or equity units, as well as restricted stock which were not included in the denominator above due to their antidilutive effect were approximately 9.5 million and 0.5 million for the three months ended June 30, 2020 and 2019, respectively, and 7.8 million and 0.4 million for the six months ended June 30, 2020 and 2019, respectively.

Accumulated Other Comprehensive Income (Loss) - The components of AOCI, net of tax, are as follows:

	Accumulated Other Comprehensive Income (Loss)					
	Net Unrealized Gains (Losses) on Cash Flow Hedges	Net Unrealized Gains (Losses) on Available for Sale Securities	Defined Benefit Pension and Other Benefits Plans	Net Unrealized Gains (Losses) on Foreign Currency Translation	Other Comprehensive Income (Loss) Related to Equity Method Investees	Total
	(millions)					
Six Months Ended June 30, 2020						
Balances, December 31, 2019	$ (27)	$ 11	$ (114)	$ (42)	$ 3	$ (169)
Other comprehensive loss before reclassifications	**—**	**(8)**	**—**	**(35)**	**—**	**(43)**
Amounts reclassified from AOCI	**2** (a)	**(1)** (b)	**3** (c)	**—**	**—**	**4**
Net other comprehensive income (loss)	**2**	**(9)**	**3**	**(35)**	**—**	**(39)**
Impact of disposal of a business	**23** (d)	**—**	**—**	**(13)** (d)	**—**	**10**
Balances, March 31, 2020	**(2)**	**2**	**(111)**	**(90)**	**3**	**(198)**
Other comprehensive income before reclassifications	**—**	**14**	**—**	**17**	**—**	**31**
Amounts reclassified from AOCI	**3** (a)	**—** (b)	**(2)** (c)	**—**	**—**	**1**
Net other comprehensive income (loss)	**3**	**14**	**(2)**	**17**	**—**	**32**
Balances, June 30, 2020	**$ 1**	**$ 16**	**$ (113)**	**$ (73)**	**$ 3**	**$ (166)**
Attributable to noncontrolling interests	**$ —**	**$ —**	**$ —**	**$ (3)**	**$ —**	**$ (3)**
Attributable to NEE	**$ 1**	**$ 16**	**$ (113)**	**$ (70)**	**$ 3**	**$ (163)**

	Accumulated Other Comprehensive Income (Loss)					
	Net Unrealized Gains (Losses) on Cash Flow Hedges	Net Unrealized Gains (Losses) on Available for Sale Securities	Defined Benefit Pension and Other Benefits Plans	Net Unrealized Gains (Losses) on Foreign Currency Translation	Other Comprehensive Income (Loss) Related to Equity Method Investees	Total
	(millions)					
Six Months Ended June 30, 2019						
Balances, December 31, 2018	$ (55)	$ (7)	$ (65)	$ (63)	$ 2	$ (188)
Other comprehensive income (loss) before reclassifications	—	8	(52)	10	(1)	(35)
Amounts reclassified from AOCI	10 (a)	2 (b)	(1) (c)	—	—	11
Net other comprehensive income (loss)	10	10	(53)	10	(1)	(24)
Acquisition of Gulf Power	(1)	—	—	—	—	(1)
Balances, March 31, 2019	(46)	3	(118)	(53)	1	(213)
Other comprehensive income (loss) before reclassifications	—	7	(1)	8	1	15
Amounts reclassified from AOCI	8 (a)	(1) (b)	— (c)	—	—	7
Net other comprehensive income (loss)	8	6	(1)	8	1	22
Balances, June 30, 2019	$ (38)	$ 9	$ (119)	$ (45)	$ 2	$ (191)

(a) Reclassified to interest expense in NEE's condensed consolidated statements of income. See Note 4 - Income Statement Impact of Derivative Instruments.
(b) Reclassified to gains on disposal of investments and other property - net in NEE's condensed consolidated statements of income.
(c) Reclassified to other net periodic benefit income in NEE's condensed consolidated statements of income.
(d) Reclassified to gains on disposal of businesses/assets - net and interest expense in NEE's condensed consolidated statements of income. See Note 4 - Income Statement Impact of Derivative Instruments. See Note 11 - Disposal of Businesses.

10. Debt

Significant long-term debt issuances and borrowings during the six months ended June 30, 2020 were as follows:

		Principal Amount (millions)	Interest Rate		Maturity Date
FPL:					
First mortgage bonds	$	1,100	2.85%		2025
Senior unsecured notes	$	175	Variable	(a)(b)	2070
NEECH:					
Debentures	$	3,490	2.25% - 3.55%		2025 - 2030
Debentures, related to NEE's equity units	$	2,500	1.84%		2025
Japanese yen denominated term loan	$	530	Variable	(a)(c)	2023

(a) Variable rate is based on an underlying index plus or minus a specified margin.
(b) Allows individual noteholders to require repayment at specified dates prior to maturity.
(c) A cross-currency interest rate swap agreement was entered into with respect to this debt issuance. See Note 4.

In February 2020, NEE sold $2.5 billion of equity units (initially consisting of Corporate Units). Each equity unit has a stated amount of $50 and consists of a contract to purchase NEE common stock (stock purchase contract) and, initially, a 5% undivided beneficial ownership interest in a Series K Debenture due March 1, 2025, issued in the principal amount of $1,000 by NEECH. Each stock purchase contract requires the holder to purchase by no later than March 1, 2023 (the final settlement date) for a price of $50 in cash, a number of shares of NEE common stock (subject to antidilution adjustments) based on a price per share range of $282.04 to $352.55. If purchased on the final settlement date, as of June 30, 2020, the number of shares issued would (subject to antidilution adjustments) range from 0.1773 shares if the applicable market value of a share of common stock is less than or equal to $282.04 to 0.1418 shares if the applicable market value of a share is equal to or greater than $352.55, with applicable market value to be determined using the average closing prices of NEE common stock over a 20-day trading period ending February 24, 2023. Total annual distributions on the equity units are at the rate of 5.279%, consisting of interest on the debentures (1.84% per year) and payments under the stock purchase contracts (3.439% per year). The interest rate on the debentures is expected to be reset on or after August 25, 2022. A holder of an equity unit may satisfy its purchase obligation with proceeds raised from remarketing the NEECH debentures that are part of its equity unit. The undivided beneficial ownership interest in the NEECH debenture that is a component of each Corporate Unit is pledged to NEE to secure the holder's obligation to purchase NEE common stock under the related stock purchase contract. If a successful remarketing does not occur on or before the third business day prior to the final settlement date, and a holder has not notified NEE of its intention to settle the stock purchase contract with cash, the debentures that are components of the Corporate Units will be used to satisfy in full the holders' obligations to purchase NEE common stock under the related stock purchase contracts on the final settlement date. The debentures are fully and unconditionally guaranteed by NEE.

11. Summary of Significant Accounting and Reporting Policies

Restricted Cash - At June 30, 2020 and December 31, 2019, NEE had approximately $427 million ($101 million for FPL) and $508 million ($118 million for FPL), respectively, of restricted cash, of which approximately $306 million ($56 million for FPL) and $411 million ($54 million for FPL), respectively, is included in current other assets and the remaining balance is included in noncurrent other assets on NEE's and FPL's condensed consolidated balance sheets. Restricted cash is primarily related to debt service payments, bond proceeds held for construction at FPL and Gulf Power and margin cash collateral requirements. In addition, where offsetting positions exist, restricted cash related to margin cash collateral of $202 million is netted against derivative assets and $75 million is netted against derivative liabilities at June 30, 2020 and $139 million is netted against derivative assets and $66 million is netted against derivative liabilities at December 31, 2019. See Note 4.

Disposal of Businesses - On February 11, 2020, a subsidiary of NextEra Energy Resources completed the sale of its ownership interest in two solar generation facilities located in Spain with a total generating capacity of 99.8 MW, which resulted in net cash proceeds of approximately €111 million (approximately $121 million). In connection with the sale, a gain of approximately $270 million (pretax and after tax) was recorded in NEE's condensed consolidated statements of income for the six months ended June 30, 2020. The carrying amounts of the major classes of assets related to the facilities that were classified as held for sale, which are included in current other assets on NEE's condensed consolidated balance sheets, were approximately $440 million at December 31, 2019 and primarily represent property, plant and equipment. Liabilities associated with assets held for sale, which are included in current other liabilities on NEE's condensed consolidated balance sheets, were approximately $647 million at December 31, 2019 and primarily represent long-term debt and interest rate derivatives.

In June 2019, subsidiaries of NextEra Energy Resources completed the sale of ownership interests in three wind generation facilities and three solar generation facilities, including noncontrolling interests in two of the solar facilities, located in the Midwest and West regions of the U.S. with a total net generating capacity of 611 MW to a NEP subsidiary for cash proceeds of approximately $1.0 billion, plus working capital of $12 million. A NEER affiliate continues to operate the facilities included in the sale. In connection with the sale, a gain of approximately $351 million ($266 million after tax) was recorded in NEE's condensed consolidated statements of income for the three and six months ended June 30, 2019, which is included in gains on disposal of businesses/assets - net, and noncontrolling interests of approximately $118 million were recorded on NEE's condensed consolidated balance sheet.

Measurement of Credit Losses on Financial Instruments - Effective January 1, 2020, NEE and FPL adopted an accounting standards update that provides for a new methodology, the current expected credit loss (CECL) model, to account for credit losses for certain financial assets measured at amortized cost. On January 1, 2020, NEE recorded a reduction to retained earnings of approximately $11 million representing the cumulative effect of adopting the new standards update, which primarily related to the impact of applying the CECL model to NEER's receivables. The impact of adopting the new standards update was not material to FPL. See also Note 5 - Special Use Funds.

Allowance for Doubtful Accounts - FPL maintains an accumulated provision for uncollectible customer accounts receivable that is estimated using a percentage, derived from historical revenue and write-off trends, of the previous four months of revenue. NEER regularly reviews collectibility of its receivables and establishes a provision for losses estimated as a percentage of accounts receivable based on the historical bad debt write-off trends for its retail electricity provider operations. When necessary, NEER uses the specific identification method for all other receivables. Current events and reasonable and supportable forecasts are considered when reviewing all receivables for collectibility.

Reference Rate Reform - In March 2020, the Financial Accounting Standards Board (FASB) issued an accounting standards update which provides certain options to apply GAAP guidance on contract modifications and hedge accounting as companies transition from the London Inter-Bank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates that are yet to be determined or finalized. NEE's and FPL's contracts that reference LIBOR or other interbank offered rates mainly relate to debt and derivative instruments. The standards update was effective upon issuance but can be applied prospectively through December 31, 2022. NEE and FPL are currently evaluating whether to apply the options provided by the standards update with regard to their contracts that reference LIBOR or other interbank offered rates as an interest rate benchmark.

12. Commitments and Contingencies

Commitments - NEE and its subsidiaries have made commitments in connection with a portion of their projected capital expenditures. Capital expenditures at FPL and Gulf Power include, among other things, the cost for construction of additional facilities and equipment to meet customer demand, as well as capital improvements to and maintenance of existing facilities. At NEER, capital expenditures include, among other things, the cost, including capitalized interest, for construction and development of wind and solar projects, the procurement of nuclear fuel and the cost to maintain existing rate-regulated transmission facilities, as well as equity contributions to joint ventures for the development and construction of natural gas pipeline assets and a rate-regulated transmission facility.

At June 30, 2020, estimated capital expenditures for the remainder of 2020 through 2024 for which applicable internal approvals (and also, if required, regulatory approvals such as FPSC approvals for FPL and Gulf Power) have been received were as follows:

	Remainder of 2020	2021	2022	2023	2024	Total
			(millions)			
FPL:						
Generation:[(a)]						
New[(b)]	$ 660	$ 760	$ 555	$ 485	$ 835	$ 3,295
Existing	535	1,145	1,080	1,090	835	4,685
Transmission and distribution[(c)]	1,590	4,050	3,840	4,180	4,120	17,780
Nuclear fuel	90	220	170	120	145	745
General and other	435	650	690	760	670	3,205
Total	$ 3,310	$ 6,825	$ 6,335	$ 6,635	$ 6,605	$ 29,710
Gulf Power	$ 625	$ 840	$ 645	$ 650	$ 680	$ 3,440
NEER:						
Wind[(d)]	$ 1,700	$ 580	$ 35	$ 15	$ 15	$ 2,345
Solar[(e)]	735	1,065	135	130	—	2,065
Battery storage	310	310	70	—	—	690
Nuclear, including nuclear fuel	90	225	175	125	185	800
Natural gas pipelines[(f)]	450	390	—	—	—	840
Rate-regulated transmission	150	175	30	10	15	380
Other	375	70	60	55	65	625
Total	$ 3,810	$ 2,815	$ 505	$ 335	$ 280	$ 7,745

(a) Includes AFUDC of approximately $20 million, $70 million, $40 million, $20 million and $30 million for the remainder of 2020 through 2024, respectively.
(b) Includes land, generation structures, transmission interconnection and integration and licensing.
(c) Includes AFUDC of approximately $20 million, $55 million, $50 million, $45 million and $35 million for the remainder of 2020 through 2024, respectively.
(d) Consists of capital expenditures for new wind projects, repowering of existing wind projects and related transmission totaling approximately 4,294 MW.
(e) Includes capital expenditures for new solar projects and related transmission totaling approximately 2,231 MW.
(f) Construction of two natural gas pipelines are subject to certain conditions, including applicable regulatory approvals. In addition, completion of another natural gas pipeline is subject to final permitting.

The above estimates are subject to continuing review and adjustment and actual capital expenditures may vary significantly from these estimates.

Contracts - In addition to the commitments made in connection with the estimated capital expenditures included in the table in Commitments above, FPL has firm commitments under long-term contracts primarily for the transportation of natural gas and coal with expiration dates through 2042.

At June 30, 2020, NEER has entered into contracts with expiration dates ranging from late July 2020 through 2033 primarily for the purchase of wind turbines, wind towers and solar modules and related construction and development activities, as well as for the supply of uranium, and the conversion, enrichment and fabrication of nuclear fuel, and has made commitments for the construction of natural gas pipelines and a rate-regulated transmission facility. Approximately $4.1 billion of related commitments are included in the estimated capital expenditures table in Commitments above. In addition, NEER has contracts primarily for the transportation and storage of natural gas with expiration dates ranging from late July 2020 through 2041.

The required capacity and/or minimum payments under contracts, including those discussed above, at June 30, 2020 were estimated as follows:

	Remainder of 2020	2021	2022	2023	2024	Thereafter
			(millions)			
FPL[a]	$ 535	$ 1,010	$ 990	$ 975	$ 965	$ 11,345
NEER[b][c][d]	$ 2,380	$ 1,715	$ 375	$ 195	$ 190	$ 1,420

(a) Includes approximately $210 million, $415 million, $415 million, $410 million, $410 million and $6,765 million for the remainder of 2020 through 2024 and thereafter, respectively, of firm commitments related to the natural gas transportation agreements with Sabal Trail and Florida Southeast Connection. The charges associated with these agreements are recoverable through the fuel clause. For the three and six months ended June 30, 2020, the charges associated with these agreements totaled approximately $97 million and $176 million, respectively, of which $27 million and $54 million, respectively, were eliminated in consolidation at NEE. For the three and six months ended June 30, 2019, the charges associated with these agreements totaled approximately $77 million and $156 million, respectively, of which $26 million and $53 million, respectively, were eliminated in consolidation at NEE.

(b) Includes approximately $50 million, $70 million, $70 million, $70 million and $1,130 million for 2021 through 2024 and thereafter, respectively, of firm commitments related to a natural gas transportation agreement with a joint venture, in which NEER has a 31% equity investment, that is constructing a natural gas pipeline. These firm commitments are subject to the completion of construction of the pipeline, which is expected in early 2021.

(c) Includes approximately $95 million of commitments to invest in technology investments through 2029.

(d) Includes approximately $420 million, $20 million, $20 million, $20 million, $10 million and $15 million for the remainder of 2020 through 2024 and thereafter, respectively, of joint obligations of NEECH and NEER.

Insurance - Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, NEE maintains $450 million of private liability insurance per site, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to $13.3 billion of liability insurance coverage per incident at any nuclear reactor in the U.S. Under the secondary financial protection system, NEE is subject to retrospective assessments of up to $1.1 billion ($550 million for FPL), plus any applicable taxes, per incident at any nuclear reactor in the U.S., payable at a rate not to exceed $164 million ($82 million for FPL) per incident per year. NEE and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook, Duane Arnold and St. Lucie Unit No. 2, which approximates $16 million, $41 million and $20 million, plus any applicable taxes, per incident, respectively.

NEE participates in a nuclear insurance mutual company that provides $2.75 billion of limited insurance coverage per occurrence per site for property damage, decontamination and premature decommissioning risks at its nuclear plants and a sublimit of $1.5 billion for non-nuclear perils, except for Duane Arnold which has a sublimit of $500 million. NEE participates in co-insurance of 10% of the first $400 million of losses per site per occurrence. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. NEE also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service for an extended period of time because of an accident. In the event of an accident at one of NEE's or another participating insured's nuclear plants, NEE could be assessed up to $173 million ($106 million for FPL), plus any applicable taxes, in retrospective premiums in a policy year. NEE and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook, Duane Arnold and St. Lucie Unit No. 2, which approximates $2 million, $4 million and $4 million, plus any applicable taxes, respectively.

Due to the high cost and limited coverage available from third-party insurers, NEE does not have property insurance coverage for a substantial portion of either its transmission and distribution property or natural gas pipeline assets. If either FPL's or Gulf Power's future storm restoration costs exceed their respective storm reserve, FPL and Gulf Power may recover their storm restoration costs, subject to prudence review by the FPSC, through surcharges approved by the FPSC or through securitization provisions pursuant to Florida law.

In the event of a loss, the amount of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered from customers in the case of FPL or Gulf Power, would be borne by NEE and either FPL or Gulf Power, and could have a material adverse effect on NEE's and FPL's financial condition, results of operations and liquidity.

Coronavirus Pandemic - NEE and FPL are closely monitoring the global outbreak of the novel coronavirus (COVID-19) and are taking steps intended to mitigate the potential risks to NEE and FPL posed by COVID-19. NEE, including FPL, has implemented its pandemic plan, which includes putting in place various processes and procedures to limit the impact on its business, as well as the spread of the virus in its workforce. NEE and its subsidiaries, including FPL, have been able to access the capital markets. To date, there has been no material impact on NEE’s or FPL’s workforce, operations, financial performance, liquidity or on their supply chain as a result of COVID-19; however, the ultimate severity or duration of the outbreak or its effects on the global, national or local economy, the capital and credit markets, or NEE’s and FPL’s workforce, customers and suppliers are uncertain. NEE and FPL cannot predict whether COVID-19 will have a material impact on their businesses, financial condition, liquidity or results of operations.

13. Segment Information

The table below presents information for NEE's reportable segments, FPL, a rate-regulated utility business, and NEER, which is comprised of competitive energy and rate-regulated transmission businesses, as well as for Gulf Power, a rate-regulated utility business acquired in January 2019 (see Note 7 - Gulf Power). Corporate and Other represents other business activities and includes eliminating entries. During the fourth quarter of 2019, NEET, which was previously reported in Corporate and Other, was moved to the NEER segment. Prior year amounts for NEER and Corporate and Other were adjusted to reflect this segment change.

	Three Months Ended June 30,									
	2020					2019				
	FPL	**Gulf Power**	**NEER[a]**	**Corporate and Other**	**NEE Consoli-dated**	FPL	Gulf Power	NEER[a]	Corporate and Other	NEE Consoli-dated
	(millions)									
Operating revenues	**$ 2,825**	**$ 333**	**$ 1,077**	**$ (31)**	**$ 4,204**	$3,158	$ 366	$ 1,465	$ (19)	$ 4,970
Operating expenses - net	**$ 1,760**	**$ 259**	**$ 975**	**$ 24**	**$ 3,018**	$2,304	$ 298	$ 597	$ 24	$ 3,223
Net income (loss) attributable to NEE	**$ 749**	**$ 55**	**$ 481** [b]	**$ (10)**	**$ 1,275**	$ 663	$ 45	$ 672 [b]	$ (146)	$ 1,234

	Six Months Ended June 30,									
	2020					2019				
	FPL	**Gulf Power**	**NEER[a]**	**Corporate and Other**	**NEE Consoli-dated**	FPL	Gulf Power	NEER[a]	Corporate and Other	NEE Consoli-dated
	(millions)									
Operating revenues	**$ 5,365**	**$ 660**	**$ 2,849**	**$ (57)**	**$ 8,817**	$5,776	$ 694	$ 2,626	$ (52)	$ 9,044
Operating expenses - net	**$ 3,385**	**$ 527**	**$ 1,681**	**$ 57**	**$ 5,650**	$4,064	$ 569	$ 1,462	$ 67	$ 6,162
Net income (loss) attributable to NEE	**$ 1,391**	**$ 94**	**$ 799** [b]	**$ (589)**	**$ 1,695**	$1,251	$ 81	$ 993 [b]	$ (411)	$ 1,914

(a) Interest expense allocated from NEECH is based on a deemed capital structure of 70% debt and differential membership interests sold by NextEra Energy Resources' subsidiaries. Residual NEECH corporate interest expense is included in Corporate and Other.
(b) See Note 6 for a discussion of NEER's tax benefits related to PTCs.

	June 30, 2020					December 31, 2019				
	FPL	**Gulf Power**	**NEER**	**Corporate and Other**	**NEE Consoli-dated**	FPL	Gulf Power	NEER	Corporate and Other	NEE Consoli-dated
	(millions)									
Total assets	**$ 59,330**	**$ 6,145**	**$ 53,197**	**$ 3,289**	**$121,961**	$57,188	$ 5,855	$ 51,516	$ 3,132	$117,691

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

NEE's operating performance is driven primarily by the operations of its two principal businesses, FPL, which serves more than five million customer accounts in Florida and is one of the largest electric utilities in the U.S., and NEER, which together with affiliated entities is the world's largest generator of renewable energy from the wind and sun based on 2019 MWh produced on a net generation basis. The table below presents net income (loss) attributable to NEE and earnings (loss) per share attributable to NEE, assuming dilution, by reportable segment, FPL and NEER, as well as Gulf Power, acquired in January 2019 (see Note 7 - Gulf Power), and Corporate and Other, which is primarily comprised of the operating results of other business activities, as well as other income and expense items, including interest expense, and eliminating entries. See Note 13 for additional segment information, including a discussion of a change in segment reporting. The following discussions should be read in conjunction with the Notes contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations appearing in the 2019 Form 10-K. The results of operations for an interim period generally will not give a true indication of results for the year. In the following discussions, all comparisons are with the corresponding items in the prior year periods.

	Net Income (Loss) Attributable to NEE		Earnings (Loss) Per Share Attributable to NEE, Assuming Dilution		Net Income (Loss) Attributable to NEE		Earnings (Loss) Per Share Attributable to NEE, Assuming Dilution	
	Three Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	(millions)				(millions)			
FPL	**$ 749**	$ 663	**$ 1.52**	$ 1.37	**$ 1,391**	$ 1,251	**$ 2.83**	$ 2.59
Gulf Power	**55**	45	**0.11**	0.09	**94**	81	**0.19**	0.17
NEER[a][b]	**481**	672	**0.97**	1.39	**799**	993	**1.62**	2.06
Corporate and Other[b]	**(10)**	(146)	**(0.01)**	(0.29)	**(589)**	(411)	**(1.19)**	(0.85)
NEE	**$ 1,275**	$ 1,234	**$ 2.59**	$ 2.56	**$ 1,695**	$ 1,914	**$ 3.45**	$ 3.97

(a) NEER's results reflect an allocation of interest expense from NEECH based on a deemed capital structure of 70% debt and differential membership interests sold by NextEra Energy Resources' subsidiaries.
(b) NEER's and Corporate and Other's results for 2019 were retrospectively adjusted to reflect a segment change. See Note 13.

Adjusted Earnings

NEE prepares its financial statements under GAAP. However, management uses earnings adjusted for certain items (adjusted earnings), a non-GAAP financial measure, internally for financial planning, analysis of performance, reporting of results to the Board of Directors and as an input in determining performance-based compensation under NEE's employee incentive compensation plans. NEE also uses adjusted earnings when communicating its financial results and earnings outlook to analysts and investors. NEE's management believes that adjusted earnings provide a more meaningful representation of NEE's fundamental earnings power. Although these amounts are properly reflected in the determination of net income under GAAP, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing. Adjusted earnings do not represent a substitute for net income, as prepared under GAAP.

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The following table provides details of the after-tax adjustments to net income considered in computing NEE's adjusted earnings discussed above.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
	(millions)			
Net losses associated with non-qualifying hedge activity[(a)]	**$ (127)**	$ (117)	**$ (846)**	$ (483)
Differential membership interests-related - NEER	**$ (21)**	$ (22)	**$ (46)**	$ (44)
NEP investment gains, net - NEER	**$ (36)**	$ 218	**$ (72)**	$ 182
Gain on disposal of a business - NEER[(b)]	**$ 16**	$ —	**$ 274**	$ —
Change in unrealized gains (losses) on NEER's nuclear decommissioning funds and OTTI, net - NEER	**$ 157**	$ 31	**$ (72)**	$ 116
Operating results of solar projects in Spain - NEER	**$ —**	$ 7	**$ 1**	$ 8
Acquisition-related[(c)]	**$ —**	$ (16)	**$ —**	$ (58)

(a) For the three months ended June 30, 2020 and 2019, approximately $166 million and $20 million of losses, respectively, and for the six months ended June 30, 2020 and 2019, $346 million and $195 million of losses, respectively, are included in NEER's net income; the balance is included in Corporate and Other. The change in non-qualifying hedge activity is primarily attributable to changes in forward power and natural gas prices, interest rates and foreign currency exchange rates, as well as the reversal of previously recognized unrealized mark-to-market gains or losses as the underlying transactions were realized.
(b) See Note 11 - Disposal of Businesses for a discussion of the sale of two solar generation facilities in Spain (Spain projects).
(c) For the three months ended June 30, 2019, approximately $13 million and $1 million of costs were included in Gulf Power's and NEER's net income, respectively; the remaining balance is included in Corporate and Other. For the six months ended June 30, 2019, approximately $14 million and $1 million of costs were included in Gulf Power's and NEER's net income, respectively; the remaining balance is included in Corporate and Other.

NEE segregates into two categories unrealized mark-to-market gains and losses and timing impacts related to derivative transactions. The first category, referred to as non-qualifying hedges, represents certain energy derivative, interest rate derivative and foreign currency transactions entered into as economic hedges, which do not meet the requirements for hedge accounting or for which hedge accounting treatment was not elected or has been discontinued. Changes in the fair value of those transactions are marked to market and reported in the condensed consolidated statements of income, resulting in earnings volatility because the economic offset to certain of the positions are generally not marked to market. As a consequence, NEE's net income reflects only the movement in one part of economically-linked transactions. For example, a gain (loss) in the non-qualifying hedge category for certain energy derivatives is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under GAAP. For this reason, NEE's management views results expressed excluding the impact of the non-qualifying hedges as a meaningful measure of current period performance. The second category, referred to as trading activities, which is included in adjusted earnings, represents the net unrealized effect of actively traded positions entered into to take advantage of expected market price movements and all other commodity hedging activities. At FPL, substantially all changes in the fair value of energy derivative transactions are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause. See Note 4.

RESULTS OF OPERATIONS

Summary

Net income attributable to NEE for the three months ended June 30, 2020 was higher than the prior year period by $41 million, reflecting higher results at Corporate and Other, FPL and Gulf Power, partly offset by lower results at NEER. Net income attributable to NEE for the six months ended June 30, 2020 was lower than the prior year period by $219 million reflecting lower results at NEER and Corporate and Other, partly offset by higher results at FPL and Gulf Power.

FPL's increase in net income for the three and six months ended June 30, 2020 was primarily driven by continued investments in plant in service and other property. During both 2020 and 2019, FPL earned an 11.60% regulatory ROE on its retail rate base, based on a trailing thirteen-month average retail rate base as of June 30, 2020 and June 30, 2019.

Gulf Power's results increased for the three and six months ended June 30, 2020, primarily reflecting the absence of 2019 acquisition-related costs.

NEER's results decreased for the three months ended June 30, 2020 primarily reflecting the absence of NEP investment gains recorded upon the sale of ownership interests to NEP in June 2019 and unfavorable non-qualifying hedge activity, partly offset by favorable changes in the fair value of equity securities in NEER's nuclear decommissioning funds compared to 2019 and higher earnings on new investments and existing generation assets. NEER's results decreased for the six months ended June 30, 2020 primarily reflecting the absence of NEP investment gains recorded upon the sale of ownership interests to NEP in June 2019, unfavorable changes in the fair value of equity securities in NEER's nuclear decommissioning funds compared to 2019 and unfavorable non-qualifying hedge activity, partly offset by the gain recognized on the sale of the Spain projects and higher earnings on new investments and existing generation assets.

Corporate and Other's results increased for the three months ended June 30, 2020 primarily due to favorable non-qualifying hedge activity. Corporate and Other's results decreased for the six months ended June 30, 2020 primarily due to unfavorable non-qualifying hedge activity, partly offset by the absence of 2019 acquisition-related costs.

NEE's effective income tax rates for the three months ended June 30, 2020 and 2019 were approximately 14% and 10%, respectively. NEE's effective income tax rates for the six months ended June 30, 2020 and 2019 were approximately (4)% and 10%, respectively. See Note 6 for a discussion of NEE's and FPL's effective income tax rates.

On May 1, 2020, NEE, together with FPL and Gulf Power, filed an application with the FERC for approval to merge Gulf Power with and into FPL, with FPL as the surviving entity. See Note 7 - Proposed Merger of FPL and Gulf Power.

NEE and FPL are closely monitoring the global outbreak of COVID-19 and are taking steps intended to mitigate the potential risks to NEE and FPL posed by COVID-19. See Note 12 - Coronavirus Pandemic.

FPL: Results of Operations

Investments in plant in service and other property grew FPL's average retail rate base for the three and six months ended June 30, 2020 by approximately $3.4 billion and $3.6 billion, respectively, when compared to the same periods in the prior year, reflecting, among other things, solar generation additions and ongoing transmission and distribution additions.

The use of reserve amortization is permitted by a December 2016 FPSC final order approving a stipulation and settlement between FPL and several intervenors in FPL's base rate proceeding (2016 rate agreement). In order to earn a targeted regulatory ROE, subject to limitations associated with the 2016 rate agreement, reserve amortization is calculated using a trailing thirteen-month average of retail rate base and capital structure in conjunction with the trailing twelve months regulatory retail base net operating income, which primarily includes the retail base portion of base and other revenues, net of O&M, depreciation and amortization, interest and tax expenses. In general, the net impact of these income statement line items must be adjusted, in part, by reserve amortization to earn the targeted regulatory ROE. In certain periods, reserve amortization is reversed so as not to exceed the targeted regulatory ROE. The drivers of FPL's net income not reflected in the reserve amortization calculation typically include wholesale and transmission service revenues and expenses, cost recovery clause revenues and expenses, AFUDC - equity as well as revenue and costs not recoverable from retail customers by the FPSC. During the three and six months ended June 30, 2020, FPL recorded reserve amortization of approximately $7 million and $156 million, respectively. During the three and six months ended June 30, 2019, FPL recorded the reversal of reserve amortization of approximately $222 million and $66 million, respectively.

In March 2020, the FPSC approved FPL’s SolarTogether program, a voluntary community solar program that gives FPL customers an opportunity to participate directly in the expansion of solar energy and receive credits on their monthly FPL bill. The program includes the addition of 20 dedicated 74.5 MW solar power plants owned and operated by FPL. As of June 30, 2020, 6 of the 20 plants have been placed into service. The remainder of the plants are expected to be placed into service by mid-2021.

Operating Revenues
During the three and six months ended June 30, 2020, FPL’s operating revenues decreased $333 million and $411 million, respectively. The decreases for the three and six months ended June 30, 2020 reflect lower fuel revenues of approximately $291 million and $431 million, respectively, primarily related to lower fuel and energy prices, including the accelerated flow back of lower expected fuel costs to retail customers in May 2020, and lower storm-related revenues. These decreases for the three and six months ended June 30, 2020 were partly offset by increases of $30 million and $124 million, respectively, in retail base revenues reflecting additional revenues of approximately $11 million and $56 million, respectively, related to retail base rate increases primarily associated with the addition of new solar generation and, for the six months ended June 30, 2020, the Okeechobee Clean Energy Center which achieved commercial operation at the end of the first quarter of 2019. Retail base revenues during the three and six months ended June 30, 2020 were also impacted by a decrease of 2.2% and 0.4%, respectively, in the average usage per retail customer and an increase of 1.5% in the average number of customer accounts for both periods.

Fuel, Purchased Power and Interchange Expense
Fuel, purchased power and interchange expense decreased $295 million and $439 million for the three and six months ended June 30, 2020, respectively, primarily reflecting lower fuel and energy prices.

Depreciation and Amortization Expense
Depreciation and amortization expense decreased $226 million and $200 million during the three and six months ended June 30, 2020, respectively. During the three and six months ended June 30, 2020, FPL recorded reserve amortization of approximately $7 million and $156 million, respectively, compared to the reversal of reserve amortization of approximately $222 million and $66 million during the three and six months ended June 30, 2019, respectively. Reserve amortization, or reversal of such amortization, reflects adjustments to accrued asset removal costs provided under the 2016 rate agreement in order to achieve the targeted regulatory ROE. Reserve amortization is recorded as a reduction (or when reversed as an increase) to accrued asset removal costs which is reflected in noncurrent regulatory liabilities on the condensed consolidated balance sheets. At June 30, 2020, approximately $736 million remains in accrued asset removal costs related to reserve amortization.

Income Taxes
During the three and six months ended June 30, 2020, income taxes increased approximately $129 million and $110 million, respectively, primarily related to the 2019 adjustment to income tax expense recorded pursuant to the FPSC's order in connection with its review of impacts associated with tax reform, as well as higher income before income taxes in 2020.

Gulf Power: Results of Operations

Gulf Power's net income attributable to NEE increased $10 million and $13 million for the three and six months ended June 30, 2020, respectively, primarily reflecting the absence of 2019 acquisition-related costs. Operating revenues decreased $33 million and $34 million for the three and six months ended June 30, 2020, respectively, primarily related to lower fuel revenues. Operating expenses - net decreased $39 million and $42 million for the three and six months ended June 30, 2020, respectively, primarily related to decreases in fuel, purchased power and interchange expense, as well as the absence of 2019 acquisition-related costs.

NEER: Results of Operations

NEER's net income less net loss attributable to noncontrolling interests decreased $191 million and $194 million for the three and six months ended June 30, 2020, respectively. The primary drivers, on an after-tax basis, of the changes are in the following table.

	Increase (Decrease) From Prior Year Period	
	Three Months Ended June 30, 2020	**Six Months Ended June 30, 2020**
	(millions)	
New investments[(a)]	$ 37	$ 74
Existing generation assets[(a)]	25	71
Gas infrastructure[(a)]	1	11
Customer supply and proprietary power and gas trading[(b)]	(22)	(31)
NEET[(b)]	15	35
Interest and other general and administrative expenses[(c)]	2	(27)
Other, including other investment income and income taxes	8	3
Change in non-qualifying hedge activity[(d)]	(146)	(151)
Change in unrealized gains/losses on equity securities held in nuclear decommissioning funds and OTTI, net[(d)]	126	(188)
NEP investment gains, net[(d)]	(254)	(254)
Disposals of businesses/assets[(e)]	16	262
Acquisition-related[(d)]	1	1
Decrease in net income less net loss attributable to noncontrolling interests	$ (191)	$ (194)

(a) Reflects after-tax project contributions, including the net effect of deferred income taxes and other benefits associated with PTCs and ITCs for wind and solar projects, as applicable, but excludes allocation of interest expense or corporate general and administrative expenses. Results from projects and pipelines are included in new investments during the first twelve months of operation or ownership. Project results are included in existing generation assets and pipeline results are included in gas infrastructure beginning with the thirteenth month of operation or ownership.
(b) Excludes allocation of interest expense and corporate general and administrative expenses.
(c) Includes differential membership interest costs. Excludes unrealized mark-to-market gains and losses related to interest rate derivative contracts, which are included in change in non-qualifying hedge activity.
(d) See Overview - Adjusted Earnings for additional information.
(e) Primarily relates to the sale of the Spain projects. See Note 11 - Disposal of Businesses.

New Investments
Results from new investments for the three and six months ended June 30, 2020 increased primarily due to higher earnings, including federal income tax credits, related to new wind generating facilities that entered service during or after the three and six months ended June 30, 2019 as well as investments in pipelines.

Existing Generation Assets
Results from existing generation assets for the three and six months ended June 30, 2020 increased primarily due to higher results from wind generation facilities related to more favorable wind resource as compared to the prior year period and increased tax credits from repowered wind generation facilities, partly offset by lower earnings related to a refueling outage at the Seabrook nuclear facility.

Other Factors
Supplemental to the primary drivers of the changes in NEER's net income less net loss attributable to noncontrolling interests discussed above, the discussion below describes changes in certain line items set forth in NEE's condensed consolidated statements of income as they relate to NEER.

Operating Revenues
Operating revenues for the three months ended June 30, 2020 decreased $388 million primarily due to:
- the impact of non-qualifying commodity hedges (approximately $257 million of losses for the three months ended June 30, 2020 compared to $126 million of gains for the comparable period in 2019),
- lower revenues from existing generation assets of $65 million primarily related to a refueling outage at the Seabrook nuclear facility and the sale of the Spain projects, and
- net decreases in revenues of $17 million from the customer supply and proprietary power and gas trading business and gas infrastructure business,

partly offset by,
- higher revenues of $52 million from NEET, and
- revenues from new investments of $30 million.

Operating revenues for the six months ended June 30, 2020 increased $223 million primarily due to:
- the impact of gains from non-qualifying commodity hedges (approximately $184 million of gains for the six months ended June 30, 2020 compared to $63 million of gains for the comparable period in 2019),
- higher revenues of $98 million from NEET,
- net increases in revenues of $51 million from the customer supply and proprietary power and gas trading business and gas infrastructure business, and
- revenues from new investments of $49 million,

partly offset by,
- lower revenues from existing generation assets of $96 million primarily related to a refueling outage at the Seabrook nuclear facility and the sale of the Spain projects.

Operating Expenses - net
Operating expenses - net for the three months ended June 30, 2020 increased $378 million primarily due to lower gains on the disposal of assets of approximately $336 million primarily related to absence of the June 2019 sale of ownership interests to NEP, as well as higher other operations and maintenance expenses of $35 million and higher depreciation expense of $12 million primarily associated with new investments and acquisitions.

Operating expenses - net for the six months ended June 30, 2020 increased $219 million primarily due to lower gains on the disposal of assets of approximately $88 million primarily related to absence of the June 2019 sale of ownership interests to NEP offset by the gain on the sale of the Spain solar projects in the first quarter of 2020 (see Note 11 - Disposal of Businesses). In addition, increases of $81 million in other operations and maintenance expenses and $40 million in depreciation expense are primarily associated with new investments and acquisitions.

Interest Expense
NEER's interest expense for the three months ended June 30, 2020 decreased approximately $110 million primarily reflecting $60 million of favorable impacts related to changes in the fair value of interest rate derivative instruments as well as the absence of 2019 expenses associated with certain debt repayments and lower interest rates in 2020.

Equity in Earnings (Losses) of Equity Method Investees
NEER recognized $154 million of equity in earnings of equity method investees for the three months ended June 30, 2020 compared to $6 million of equity in losses of equity method investees for the prior year period. The change for the three months ended June 30, 2020 primarily reflects equity in earnings of NEP recorded in 2020 primarily related to favorable impacts related to changes in the fair value of interest rate derivative instruments.

NEER recognized $236 million of equity in losses of equity method investees for the six months ended June 30, 2020 compared to $10 million of equity in earnings of equity method investees for the prior year period. The change for the six months ended June 30, 2020 primarily reflects equity in losses of NEP recorded in 2020 primarily related to unfavorable impacts related to changes in the fair value of interest rate derivative instruments.

Change in Unrealized Gains (Losses) on Equity Securities Held in NEER's Nuclear Decommissioning Funds - net
For the three months ended June 30, 2020, changes in the fair value of equity securities in NEER's nuclear decommissioning funds, primarily equity securities in NEER's special use funds, related to more favorable market conditions as compared to the prior year period. For the six months ended June 30, 2020, changes in the fair value of equity securities in NEER's nuclear decommissioning funds, primarily equity securities in NEER's special use funds, related to unfavorable market conditions overall in 2020 compared to favorable market conditions in 2019.

Tax Credits, Benefits and Expenses
PTCs from wind projects and ITCs from solar and certain wind projects are included in NEER's earnings. PTCs are recognized as wind energy is generated and sold based on a per kWh rate prescribed in applicable federal and state statutes. A portion of the PTCs and ITCs have been allocated to investors in connection with sales of differential membership interests. Also see Note 6 for a discussion of PTCs and ITCs and other income tax impacts.

In May 2020, the IRS issued guidance that extends the safe harbor for continuous efforts and continuous construction requirements to include wind and solar facilities that began construction in 2016 and 2017 and are placed in service no more than five years after the year in which construction of the facilities began.

Corporate and Other: Results of Operations

Corporate and Other is primarily comprised of the operating results of other business activities, as well as corporate interest income and expenses. Corporate and Other allocates a portion of NEECH's corporate interest expense to NEER. Interest expense is allocated based on a deemed capital structure of 70% debt and differential membership interests sold by NextEra Energy Resources' subsidiaries.

Corporate and Other's results increased $136 million and decreased $178 million during the three and six months ended June 30, 2020, respectively. The increase for the three months ended June 30, 2020 was primarily due to favorable after-tax impacts of approximately $136 million related to non-qualifying hedge activity as a result of changes in the fair value of interest rate derivative instruments. The decrease for the six months ended June 30, 2020 primarily reflects higher after-tax losses of approximately $212 million related to non-qualifying hedge activity as a result of unfavorable impacts related to changes in the fair value of interest rate derivative instruments, partly offset by the absence of acquisition and integration costs incurred in 2019.

LIQUIDITY AND CAPITAL RESOURCES

NEE and its subsidiaries require funds to support and grow their businesses. These funds are used for, among other things, working capital, capital expenditures, investments in or acquisitions of assets and businesses, payment of maturing debt obligations and, from time to time, redemption or repurchase of outstanding debt or equity securities. It is anticipated that these requirements will be satisfied through a combination of cash flows from operations, short- and long-term borrowings, the issuance of short- and long-term debt and, from time to time, equity securities, proceeds from differential membership investors and sales of assets to NEP or third parties, consistent with NEE's and FPL's objective of maintaining, on a long-term basis, a capital structure that will support a strong investment grade credit rating. NEE, FPL and NEECH rely on access to credit and capital markets as significant sources of liquidity for capital requirements and other operations that are not satisfied by operating cash flows. The inability of NEE, FPL and NEECH to maintain their current credit ratings could affect their ability to raise short- and long-term capital, their cost of capital and the execution of their respective financing strategies, and could require the posting of additional collateral under certain agreements.

Cash Flows

NEE's sources and uses of cash for the six months ended June 30, 2020 and 2019 were as follows:

	Six Months Ended June 30,	
	2020	2019
	(millions)	
Sources of cash:		
Cash flows from operating activities	**$ 3,792**	$ 3,281
Issuances of long-term debt, including premiums and discounts	**8,470**	7,549
Sale of independent power and other investments of NEER	**151**	1,034
Payments from related parties under a cash sweep and credit support agreement – net	**46**	671
Issuances of common stock - net	**—**	26
Other sources - net	**118**	21
Total sources of cash	**12,577**	12,582
Uses of cash:		
Capital expenditures, acquisitions, independent power and other investments and nuclear fuel purchases[a]	**(6,278)**	(9,900)
Retirements of long-term debt	**(2,332)**	(1,876)
Net decrease in commercial paper and other short-term debt	**(2,107)**	(2,968)
Issuances of common stock/equity units - net	**(51)**	—
Dividends	**(1,371)**	(1,197)
Other uses - net	**(108)**	(199)
Total uses of cash	**(12,247)**	(16,140)
Effects of currency translation on cash, cash equivalents and restricted cash	**(2)**	8
Net increase (decrease) in cash, cash equivalents and restricted cash	**$ 328**	$ (3,550)

(a) 2019 includes the acquisition of Gulf Power. See Note 7 - Gulf Power.

NEE's primary capital requirements are for expanding and enhancing FPL's and Gulf Power's electric system and generation facilities to continue to provide reliable service to meet customer electricity demands and for funding NEER's investments in independent power and other projects. See Note 12 – Commitments for estimated capital expenditures for the remainder of 2020 through 2024 and thereafter. The following table provides a summary of the major capital investments for the six months ended June 30, 2020 and 2019.

	Six Months Ended June 30, 2020	2019
	(millions)	
FPL:		
Generation:		
New	**$ 718**	$ 373
Existing	**410**	594
Transmission and distribution	**1,581**	1,271
Nuclear fuel	**111**	93
General and other	**221**	185
Other, primarily change in accrued property additions and the exclusion of AFUDC - equity	**168**	(121)
Total	**3,209**	2,395
Gulf Power	**508**	248
NEER[a]:		
Wind	**1,081**	1,181
Solar	**855**	443
Nuclear, including nuclear fuel	**59**	103
Natural gas pipelines	**88**	246
Other gas infrastructure	**304**	479
Other	**165**	184
Total	**2,552**	2,636
Corporate and Other (2019 primarily related to the acquisition of Gulf Power, see Note 7)[a]	**9**	4,621
Total capital expenditures, acquisitions, independent power and other investments and nuclear fuel purchases	**$ 6,278**	$ 9,900

(a) Amounts for 2019 were retrospectively adjusted to reflect a segment change. See Note 13.

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Liquidity

At June 30, 2020, NEE's total net available liquidity was approximately $13.0 billion. The table below provides the components of FPL's, Gulf Power's and NEECH's net available liquidity at June 30, 2020:

	FPL	Gulf Power	NEECH	Total	Maturity Date FPL	Maturity Date Gulf Power	Maturity Date NEECH
		(millions)					
Syndicated revolving credit facilities[(a)]	$ 2,913	$ 900	$ 5,282	$ 9,095	2021 - 2025	2025	2021 - 2025
Issued letters of credit	(3)	—	(301)	(304)			
	2,910	900	4,981	8,791			
Bilateral revolving credit facilities	1,630	300	2,000	3,930	2020 - 2022	2020 - 2021	2021 - 2023
Borrowings	—	—	—	—			
	1,630	300	2,000	3,930			
Letter of credit facilities[(b)]	—	—	900	900			2021
Issued letters of credit	—	—	(794)	(794)			
	—	—	106	106			
Subtotal	4,540	1,200	7,087	12,827			
Cash and cash equivalents	67	11	930	1,008			
Commercial paper and other short-term borrowings outstanding	(89)	(212)	(508)	(809)			
Net available liquidity	$ 4,518	$ 999	$ 7,509	$13,026			

(a) Provide for the funding of loans up to the amount of the credit facility and the issuance of letters of credit up to $2,525 million ($575 million for FPL, $75 million for Gulf Power and $1,875 million for NEECH). The entire amount of the credit facilities is available for general corporate purposes and to provide additional liquidity in the event of a loss to the companies' or their subsidiaries' operating facilities (including, in the case of FPL, a transmission and distribution property loss). FPL's syndicated revolving credit facilities are also available to support the purchase of $948 million of pollution control, solid waste disposal and industrial development revenue bonds (tax exempt bonds) in the event they are tendered by individual bondholders and not remarketed prior to maturity, as well as the repayment of approximately $411 million of floating rate notes in the event an individual noteholder requires repayment at specified dates prior to maturity. Gulf Power's syndicated revolving credit facilities are also available to support the purchase of approximately $361 million of its tax exempt bonds in the event they are tendered by individual bondholders and not remarketed prior to maturity. Approximately $2,314 million of FPL's and $4,062 million of NEECH's syndicated revolving credit facilities expire in 2025.

(b) Only available for the issuance of letters of credit.

Capital Support

Guarantees, Letters of Credit, Surety Bonds and Indemnifications (Guarantee Arrangements)

Certain subsidiaries of NEE issue guarantees and obtain letters of credit and surety bonds, as well as provide indemnities, to facilitate commercial transactions with third parties and financings. Substantially all of the guarantee arrangements are on behalf of NEE's consolidated subsidiaries, as discussed in more detail below. NEE is not required to recognize liabilities associated with guarantee arrangements issued on behalf of its consolidated subsidiaries unless it becomes probable that they will be required to perform. At June 30, 2020, NEE believes that there is no material exposure related to these guarantee arrangements.

NEE subsidiaries issue guarantees related to equity contribution agreements associated with the development, construction and financing of certain power generation facilities, engineering, procurement and construction agreements and equity contributions associated with natural gas pipeline projects under development and construction and a related natural gas transportation agreement. Commitments associated with these activities are included in the contracts table in Note 12.

In addition, at June 30, 2020, NEE subsidiaries had approximately $3.6 billion in guarantees related to obligations under purchased power agreements, nuclear-related activities, payment obligations related to PTCs, as well as other types of contractual obligations.

In some instances, subsidiaries of NEE elect to issue guarantees instead of posting other forms of collateral required under certain financing arrangements, as well as for other project-level cash management activities. At June 30, 2020, these guarantees totaled approximately $419 million and support, among other things, cash management activities, including those related to debt service and O&M service agreements, as well as other specific project financing requirements.

Subsidiaries of NEE also issue guarantees to support customer supply and proprietary power and gas trading activities, including the buying and selling of wholesale and retail energy commodities. At June 30, 2020, the estimated mark-to-market exposure (the total amount that these subsidiaries of NEE could be required to fund based on energy commodity market prices at June 30, 2020) plus contract settlement net payables, net of collateral posted for obligations under these guarantees totaled approximately $512 million.

At June 30, 2020, subsidiaries of NEE also had approximately $1.6 billion of standby letters of credit and approximately $646 million of surety bonds to support certain of the commercial activities discussed above. FPL's and NEECH's credit facilities are available to support the amount of the standby letters of credit.

In addition, as part of contract negotiations in the normal course of business, certain subsidiaries of NEE have agreed and in the future may agree to make payments to compensate or indemnify other parties, including those associated with asset divestitures, for possible unfavorable financial consequences resulting from specified events. The specified events may include, but are not limited to, an adverse judgment in a lawsuit or the imposition of additional taxes due to a change in tax law or interpretations of the tax law, or the triggering of cash grant recapture provisions under the Recovery Act. NEE is unable to estimate the maximum potential amount of future payments under some of these contracts because events that would obligate them to make payments have not yet occurred or, if any such event has occurred, they have not been notified of its occurrence.

NEECH, a 100% owned subsidiary of NEE, provides funding for, and holds ownership interests in, NEE's operating subsidiaries other than FPL and Gulf Power. NEE has fully and unconditionally guaranteed certain payment obligations of NEECH, including most of its debt and all of its debentures registered pursuant to the Securities Act of 1933 and commercial paper issuances, as well as most of its payment guarantees and indemnifications, and NEECH has guaranteed certain debt and other obligations of subsidiaries within the NEER segment. Certain guarantee arrangements described above contain requirements for NEECH and FPL to maintain a specified credit rating.

NEE fully and unconditionally guarantees NEECH debentures pursuant to a guarantee agreement, dated as of June 1, 1999 (1999 guarantee) and NEECH junior subordinated debentures pursuant to an indenture, dated as of September 1, 2006 (2006 guarantee). The 1999 guarantee is an unsecured obligation of NEE and ranks equally and ratably with all other unsecured and unsubordinated indebtedness of NEE. The 2006 guarantee is unsecured and subordinate and junior in right of payment to NEE senior indebtedness (as defined therein). No payment on those junior subordinated debentures may be made under the 2006 guarantee until all NEE senior indebtedness has been paid in full in certain circumstances. NEE’s and NEECH’s ability to meet their financial obligations are primarily dependent on their subsidiaries’ net income, cash flows and their ability to pay upstream dividends or to repay funds to NEE and NEECH. The dividend-paying ability of some of the subsidiaries is limited by contractual restrictions which are contained in outstanding financing agreements.

Summarized financial information of NEE and NEECH is as follows:

	Six Months Ended June 30, 2020			Year Ended December 31, 2019		
	Issuer/ Guarantor Combined[(a)]	**NEECH Consolidated[(b)]**	**NEE Consolidated[(b)]**	Issuer/ Guarantor Combined[(a)]	NEECH Consolidated[(b)]	NEE Consolidated[(b)]
			(millions)			
Operating revenues	**$ —**	**$ 2,868**	**$ 8,817**	$ 4	$ 5,671	$ 19,204
Operating income (loss)	**$ (121)**	**$ 1,165**	**$ 3,167**	$ (223)	$ 2,002	$ 5,353
Net income (loss)	**$ (599)**	**$ (71)**	**$ 1,436**	$ (562)	$ 900	$ 3,388
Net income (loss) attributable to NEE/NEECH	**$ (599)**	**$ 188**	**$ 1,695**	$ (562)	$ 1,281	$ 3,769

	June 30, 2020			December 31, 2019		
	Issuer/ Guarantor Combined[(a)]	**NEECH Consolidated[(b)]**	**NEE Consolidated[(b)]**	Issuer/ Guarantor Combined[(a)]	NEECH Consolidated[(b)]	NEE Consolidated[(b)]
			(millions)			
Total current assets	**$ 358**	**$ 4,492**	**$ 7,581**	$ 281	$ 4,637	$ 7,408
Total noncurrent assets	**$ 1,062**	**$ 49,825**	**$ 114,380**	$ 906	$ 47,681	$ 110,283
Noncontrolling interests	**$ —**	**$ 4,501**	**$ 4,501**	$ —	$ 4,355	$ 4,355
Total current liabilities	**$ 3,618**	**$ 8,727**	**$ 12,365**	$ 3,162	$ 8,533	$ 13,853
Total noncurrent liabilities	**$ 24,066**	**$ 33,644**	**$ 67,731**	$ 18,764	$ 27,893	$ 61,991

(a) Excludes intercompany transactions, and investments in, and equity in earnings of, subsidiaries.
(b) Information has been prepared on the same basis of accounting as NEE's condensed consolidated financial statements.

New Accounting Rules and Interpretations

Reference Rate Reform - In March 2020, the FASB issued an accounting standards update which provides certain options to apply GAAP guidance on contract modifications and hedge accounting as companies transition from LIBOR and other interbank offered rates to alternative reference rates. See Note 11 - Reference Rate Reform.

ENERGY MARKETING AND TRADING AND MARKET RISK SENSITIVITY

NEE and FPL are exposed to risks associated with adverse changes in commodity prices, interest rates and equity prices. Financial instruments and positions affecting the financial statements of NEE and FPL described below are held primarily for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in commodity prices, interest rates or equity prices over the next year. Management has established risk management policies to monitor and manage such market risks, as well as credit risks.

Commodity Price Risk

NEE and FPL use derivative instruments (primarily swaps, options, futures and forwards) to manage the physical and financial risks inherent in the purchase and sale of fuel and electricity. In addition, NEE, through NEER, uses derivatives to optimize the value of its power generation and gas infrastructure assets and engages in power and gas marketing and trading activities to take advantage of expected future favorable price movements. See Note 4.

The changes in the fair value of NEE's consolidated subsidiaries' energy contract derivative instruments for the three and six months ended June 30, 2020 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	FPL Cost Recovery Clauses	Gulf Power Cost Recovery Clauses	NEE Total
			(millions)		
Three months ended June 30, 2020					
Fair value of contracts outstanding at March 31, 2020	$ 710	$ 1,566	$ (12)	$ —	$ 2,264
Reclassification to realized at settlement of contracts	**(82)**	**(91)**	**4**	**—**	**(169)**
Value of contracts acquired	**5**	**2**	**—**	**—**	**7**
Net option premium purchases (issuances)	**(4)**	**—**	**—**	**—**	**(4)**
Changes in fair value excluding reclassification to realized	**75**	**(127)**	**(1)**	**—**	**(53)**
Fair value of contracts outstanding at June 30, 2020	**704**	**1,350**	**(9)**	**—**	**2,045**
Net margin cash collateral paid (received)					**(128)**
Total mark-to-market energy contract net assets (liabilities) at June 30, 2020	**$ 704**	**$ 1,350**	**$ (9)**	**$ —**	**$ 1,917**

		Hedges on Owned Assets			
	Trading	Non-Qualifying	FPL Cost Recovery Clauses	Gulf Power Cost Recovery Clauses	NEE Total
			(millions)		
Six months ended June 30, 2020					
Fair value of contracts outstanding at December 31, 2019	$ 651	$ 1,209	$ (10)	$ (1)	$ 1,849
Reclassification to realized at settlement of contracts	**(220)**	**(210)**	**6**	**1**	**(423)**
Value of contracts acquired	**91**	**(38)**	**—**	**—**	**53**
Net option premium purchases (issuances)	**(4)**	**1**	**—**	**—**	**(3)**
Changes in fair value excluding reclassification to realized	**186**	**388**	**(5)**	**—**	**569**
Fair value of contracts outstanding at June 30, 2020	**704**	**1,350**	**(9)**	**—**	**2,045**
Net margin cash collateral paid (received)					**(128)**
Total mark-to-market energy contract net assets (liabilities) at June 30, 2020	**$ 704**	**$ 1,350**	**$ (9)**	**$ —**	**$ 1,917**

NEE's total mark-to-market energy contract net assets (liabilities) at June 30, 2020 shown above are included on the condensed consolidated balance sheets as follows:

	June 30, 2020
	(millions)
Current derivative assets	**$ 701**
Noncurrent derivative assets	**1,762**
Current derivative liabilities	**(265)**
Noncurrent derivative liabilities	**(281)**
NEE's total mark-to-market energy contract net assets	**$ 1,917**

The sources of fair value estimates and maturity of energy contract derivative instruments at June 30, 2020 were as follows:

	Maturity						
	2020	2021	2022	2023	2024	Thereafter	Total
				(millions)			
Trading:							
Quoted prices in active markets for identical assets	$ (276)	$ 30	$ 47	$ 34	$ 12	$ —	$ (153)
Significant other observable inputs	89	23	(24)	(21)	(5)	(59)	3
Significant unobservable inputs	176	52	50	69	59	448	854
Total	(11)	105	73	82	66	389	704
Owned Assets - Non-Qualifying:							
Quoted prices in active markets for identical assets	5	25	7	12	—	—	49
Significant other observable inputs	135	116	147	101	63	260	822
Significant unobservable inputs	17	45	43	34	39	301	479
Total	157	186	197	147	102	561	1,350
Owned Assets - FPL Cost Recovery Clauses:							
Quoted prices in active markets for identical assets	—	—	—	—	—	—	—
Significant other observable inputs	(2)	—	—	—	—	—	(2)
Significant unobservable inputs	(4)	(3)	—	—	—	—	(7)
Total	(6)	(3)	—	—	—	—	(9)
Total sources of fair value	$ 140	$ 288	$ 270	$ 229	$ 168	$ 950	$ 2,045

The changes in the fair value of NEE's consolidated subsidiaries' energy contract derivative instruments for the three and six months ended June 30, 2019 were as follows:

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: FPL Cost Recovery Clauses	Hedges on Owned Assets: Gulf Power Cost Recovery Clauses	NEE Total
			(millions)		
Three months ended June 30, 2019					
Fair value of contracts outstanding at March 31, 2019	$ 609	$ 744	$ (14)	$ (5)	$ 1,334
Reclassification to realized at settlement of contracts	(12)	(52)	4	2	(58)
Value of contracts acquired	—	4	—	—	4
Net option premium purchases (issuances)	2	3	—	—	5
Changes in fair value excluding reclassification to realized	57	219	(1)	(2)	273
Fair value of contracts outstanding at June 30, 2019	656	918	(11)	(5)	1,558
Net margin cash collateral paid (received)					212
Total mark-to-market energy contract net assets (liabilities) at June 30, 2019	$ 656	$ 918	$ (11)	$ (5)	$ 1,770

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: FPL Cost Recovery Clauses	Hedges on Owned Assets: Gulf Power Cost Recovery Clauses	NEE Total
			(millions)		
Six months ended June 30, 2019					
Fair value of contracts outstanding at December 31, 2018	$ 593	$ 794	$ (41)	$ —	$ 1,346
Reclassification to realized at settlement of contracts	(58)	(45)	30	3	(70)
Value of contracts acquired	—	4	—	(6)	(2)
Net option premium purchases (issuances)	12	3	—	—	15
Changes in fair value excluding reclassification to realized	109	162	—	(2)	269
Fair value of contracts outstanding at June 30, 2019	656	918	(11)	(5)	1,558
Net margin cash collateral paid (received)					212
Total mark-to-market energy contract net assets (liabilities) at June 30, 2019	$ 656	$ 918	$ (11)	$ (5)	$ 1,770

With respect to commodities, NEE's Exposure Management Committee (EMC), which is comprised of certain members of senior management, and NEE's chief executive officer are responsible for the overall approval of market risk management policies and the delegation of approval and authorization levels. The EMC and NEE's chief executive officer receive periodic updates on market positions and related exposures, credit exposures and overall risk management activities.

NEE uses a value-at-risk (VaR) model to measure commodity price market risk in its trading and mark-to-market portfolios. The VaR is the estimated loss of market value based on a one-day holding period at a 95% confidence level using historical simulation methodology. The VaR figures are as follows:

	Trading			Non-Qualifying Hedges and Hedges in FPL Cost Recovery Clauses[a]			Total		
	FPL	NEER	NEE	FPL	NEER	NEE	FPL	NEER	NEE
					(millions)				
December 31, 2019	$ —	$ 2	$ 2	$ —	$ 25	$ 25	$ —	$ 26	$ 26
June 30, 2020	**$ —**	**$ 2**	**$ 2**	**$ 1**	**$ 40**	**$ 40**	**$ 1**	**$ 38**	**$ 38**
Average for the six months ended June 30, 2020	**$ —**	**$ 3**	**$ 3**	**$ 1**	**$ 47**	**$ 48**	**$ 1**	**$ 47**	**$ 48**

(a) Non-qualifying hedges are employed to reduce the market risk exposure to physical assets or contracts which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in FPL cost recovery clauses category do not represent the economic exposure to commodity price movements.

Interest Rate Risk

NEE's and FPL's financial results are exposed to risk resulting from changes in interest rates as a result of their respective outstanding and expected future issuances of debt, investments in special use funds and other investments. NEE and FPL manage their respective interest rate exposure by monitoring current interest rates, entering into interest rate contracts and using a combination of fixed rate and variable rate debt. Interest rate contracts are used to mitigate and adjust interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements.

The following are estimates of the fair value of NEE's and FPL's financial instruments that are exposed to interest rate risk:

	June 30, 2020		December 31, 2019	
	Carrying Amount	Estimated Fair Value[(a)]	Carrying Amount	Estimated Fair Value[(a)]
	(millions)			
NEE:				
Fixed income securities:				
Special use funds	$ 2,097	$ 2,097	$ 2,099	$ 2,099
Other investments, primarily debt securities	$ 231	$ 231	$ 181	$ 181
Long-term debt, including current portion	$ 45,735	$ 50,020	$ 39,667	$ 42,928
Interest rate contracts - net unrealized losses	$ (1,432)	$ (1,432)	$ (716)	$ (716)
FPL:				
Fixed income securities - special use funds	$ 1,569	$ 1,569	$ 1,574	$ 1,574
Long-term debt, including current portion	$ 14,419	$ 18,007	$ 14,161	$ 16,448

(a) See Note 5.

The special use funds of NEE and FPL consist of restricted funds set aside to cover the cost of storm damage for FPL and for the decommissioning of NEE's and FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities primarily carried at estimated fair value. At FPL, changes in fair value, including any credit losses, result in a corresponding adjustment to the related regulatory asset or liability accounts based on current regulatory treatment. The changes in fair value for NEE's non-rate regulated operations result in a corresponding adjustment to OCI, except for credit losses and unrealized losses on available for sale securities intended or required to be sold prior to recovery of the amortized cost basis, which are reported in current period earnings. Because the funds set aside by FPL for storm damage could be needed at any time, the related investments are generally more liquid and, therefore, are less sensitive to changes in interest rates. The nuclear decommissioning funds, in contrast, are generally invested in longer-term securities.

At June 30, 2020, NEE had interest rate contracts with a net notional amount of approximately $8.3 billion related to expected future and outstanding debt issuances and borrowings. The net notional amount consists of approximately $9.0 billion to manage exposure to the variability of cash flows associated with expected future and outstanding debt issuances at NEECH and NEER. This is offset by approximately $700 million that effectively convert fixed-rate debt to variable-rate debt instruments at NEECH. See Note 4.

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the fair value of NEE's net liabilities would increase by approximately $1,431 million ($545 million for FPL) at June 30, 2020.

Equity Price Risk

NEE and FPL are exposed to risk resulting from changes in prices for equity securities. For example, NEE’s nuclear decommissioning reserve funds include marketable equity securities carried at their market value of approximately $3,824 million and $3,963 million ($2,426 million and $2,491 million for FPL) at June 30, 2020 and December 31, 2019, respectively. NEE's and FPL’s investment strategy for equity securities in their nuclear decommissioning reserve funds emphasizes marketable securities which are broadly diversified. At June 30, 2020, a hypothetical 10% decrease in the prices quoted on stock exchanges, which is a reasonable near-term market change, would result in an approximately $351 million ($225 million for FPL) reduction in fair value. For FPL, a corresponding adjustment would be made to the related regulatory asset or liability accounts based on current regulatory treatment, and for NEE’s non-rate regulated operations, a corresponding amount would be recorded in change in unrealized gains (losses) on equity securities held in NEER's nuclear decommissioning funds - net in NEE's condensed consolidated statements of income.

Credit Risk

NEE and its subsidiaries, including FPL, are also exposed to credit risk through their energy marketing and trading operations. Credit risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligation. NEE manages counterparty credit risk for its subsidiaries with energy marketing and trading operations through established policies, including counterparty credit limits, and in some cases credit enhancements, such as cash prepayments, letters of credit, cash and other collateral and guarantees.

Credit risk is also managed through the use of master netting agreements. NEE’s credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis. For all derivative and contractual transactions, NEE’s energy marketing and trading operations, which include FPL’s energy marketing and trading division, are exposed to losses in the event of nonperformance by counterparties to these transactions. Some relevant considerations when assessing NEE’s energy marketing and trading operations’ credit risk exposure include the following:

- Operations are primarily concentrated in the energy industry.
- Trade receivables and other financial instruments are predominately with energy, utility and financial services related companies, as well as municipalities, cooperatives and other trading companies in the U.S.
- Overall credit risk is managed through established credit policies and is overseen by the EMC.
- Prospective and existing customers are reviewed for creditworthiness based upon established standards, with customers not meeting minimum standards providing various credit enhancements or secured payment terms, such as letters of credit or the posting of margin cash collateral.
- Master netting agreements are used to offset cash and noncash gains and losses arising from derivative instruments with the same counterparty. NEE’s policy is to have master netting agreements in place with significant counterparties.

Based on NEE’s policies and risk exposures related to credit, NEE and FPL do not anticipate a material adverse effect on their financial statements as a result of counterparty nonperformance. At June 30, 2020, approximately 87% of NEE’s and 100% of FPL’s energy marketing and trading counterparty credit risk exposure is associated with companies that have investment grade credit ratings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See Management's Discussion - Energy Marketing and Trading and Market Risk Sensitivity.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of June 30, 2020, each of NEE and FPL had performed an evaluation, under the supervision and with the participation of its management, including NEE's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)). Based upon that evaluation, the chief executive officer and the chief financial officer of each of NEE and FPL concluded that the company's disclosure controls and procedures were effective as of June 30, 2020.

(b) Changes in Internal Control Over Financial Reporting

NEE and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout NEE and FPL. However, there has been no change in NEE's or FPL's internal control over financial reporting (as defined in the Securities Exchange Act of 1934 Rules 13a-15(f) and 15d-15(f)) that occurred during NEE's and FPL's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, NEE's or FPL's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in the 2019 Form 10-K and the March 2020 Form 10-Q. The factors discussed in Part I, Item 1A. Risk Factors in the 2019 Form 10-K and Part II, Item 1A. Risk Factors in the March 2020 Form 10-Q, as well as other information set forth in this report, which could materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects should be carefully considered. The risks described in the 2019 Form 10-K and March 2020 Form 10-Q are not the only risks facing NEE and FPL. Additional risks and uncertainties not currently known to NEE or FPL, or that are currently deemed to be immaterial, also may materially adversely affect NEE's or FPL's business, financial condition, results of operations and prospects.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Information regarding purchases made by NEE of its common stock during the three months ended June 30, 2020 is as follows:

Period	Total Number of Shares Purchased[(a)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program[(b)]
4/1/20 - 4/30/20	—	—	—	45,000,000
5/1/20 - 5/31/20	1,419	$ 227.85	—	45,000,000
6/1/20 - 6/30/20	426	$ 245.08	—	45,000,000
Total	1,845	$ 231.83	—	

(a) Includes: (1) in May 2020, shares of common stock withheld from employees to pay certain withholding taxes upon the vesting of stock awards granted to such employees under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan; and (2) in June 2020, shares of common stock purchased as a reinvestment of dividends by the trustee of a grantor trust in connection with NEE's obligation under a February 2006 grant under the NextEra Energy, Inc. Amended and Restated Long-Term Incentive Plan to an executive officer of deferred retirement share awards.

(b) In May 2017, NEE's Board of Directors authorized repurchases of up to 45 million shares of common stock over an unspecified period.

Item 6. Exhibits

Exhibit Number	Description	NEE	FPL
*4(a)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated May 12, 2020, creating the 2.25% Debentures, Series due June 1, 2030 (filed as Exhibit 4 to Form 8-K dated May 12, 2020, File No. 1-8841)	x	
22	Guaranteed Securities	x	
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of NextEra Energy, Inc.	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of NextEra Energy, Inc.	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of Florida Power & Light Company		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of Florida Power & Light Company		x
32(a)	Section 1350 Certification of NextEra Energy, Inc.	x	
32(b)	Section 1350 Certification of Florida Power & Light Company		x
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	x	x
101.SCH	Inline XBRL Schema Document	x	x
101.PRE	Inline XBRL Presentation Linkbase Document	x	x
101.CAL	Inline XBRL Calculation Linkbase Document	x	x
101.LAB	Inline XBRL Label Linkbase Document	x	x
101.DEF	Inline XBRL Definition Linkbase Document	x	x
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	x	x

* Incorporated herein by reference

NEE and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that NEE and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

Date: July 24, 2020

NEXTERA ENERGY, INC.
(Registrant)

JAMES M. MAY

James M. May
Vice President, Controller and Chief Accounting Officer
(Principal Accounting Officer)

FLORIDA POWER & LIGHT COMPANY
(Registrant)

KEITH FERGUSON

Keith Ferguson
Controller
(Principal Accounting Officer)

Exhibit 22

GUARANTEED SECURITIES

Pursuant to Item 601(b)(22) of Regulation S-K, set forth below are securities issued by NextEra Energy Capital Holdings, Inc. (Issuer) and guaranteed by NextEra Energy, Inc. (Guarantor).

Issued under the Indenture (For Unsecured Debt Securities), dated as of June 1, 1999
4.50% Debentures, Series due June 1, 2021
3.625% Debentures, Series due June 15, 2023
2.80% Debentures, Series due August 27, 2020
Series H Debentures due September 1, 2020
Series I Debentures due September 1, 2021
3.55% Debentures, Series due May 1, 2027
2.80% Debentures, Series due January 15, 2023
Floating Rate Debentures, Series due May 4, 2021
Floating Rate Debentures, Series due August 28, 2021
3.20% Debentures, Series due February 25, 2022
Floating Rate Debentures, Series due February 25, 2022
3.30% Debentures, Series due August 15, 2022
Floating Rate Debentures, Series due September 28, 2020
2.90% Debentures, Series due April 1, 2022
3.15% Debentures, Series due April 1, 2024
3.25% Debentures, Series due April 1, 2026
3.50% Debentures, Series due April 1, 2029
Series J Debentures due September 1, 2024
2.75% Debentures, Series due November 1, 2029
1.95% Debentures, Series due September 1, 2022
Series K Debentures due March 1, 2025
2.75% Debentures, Series due May 1, 2025
2.25% Debentures, Series due June 1, 2030

Issued under the Indenture (For Unsecured Subordinated Debt Securities), dated as of June 1, 2006
Series B Enhanced Junior Subordinated Debentures due 2066
Series C Junior Subordinated Debentures due 2067
Series I Junior Subordinated Debentures due November 15, 2072
Series J Junior Subordinated Debentures due January 15, 2073
Series K Junior Subordinated Debentures due June 1, 2076
Series L Junior Subordinated Debentures due September 29, 2057
Series M Junior Subordinated Debentures due December 1, 2077
Series N Junior Subordinated Debentures due March 1, 2079
Series O Junior Subordinated Debentures due May 1, 2079

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, James L. Robo, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2020 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2020

JAMES L. ROBO

James L. Robo
Chairman, President and Chief Executive Officer
of NextEra Energy, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Rebecca J. Kujawa, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2020 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2020

REBECCA J. KUJAWA

Rebecca J. Kujawa
Executive Vice President, Finance and
Chief Financial Officer
of NextEra Energy, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Eric E. Silagy, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2020 of Florida Power & Light Company (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2020

ERIC E. SILAGY

Eric E. Silagy
President and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Rebecca J. Kujawa, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2020 of Florida Power & Light Company (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2020

REBECCA J. KUJAWA

Rebecca J. Kujawa
Executive Vice President, Finance
and Chief Financial Officer
of Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, James L. Robo and Rebecca J. Kujawa, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of NextEra Energy, Inc. (the registrant) for the quarterly period ended June 30, 2020 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Dated: July 24, 2020

JAMES L. ROBO

James L. Robo
Chairman, President and Chief Executive Officer
of NextEra Energy, Inc.

REBECCA J. KUJAWA

Rebecca J. Kujawa
Executive Vice President, Finance and
Chief Financial Officer
of NextEra Energy, Inc.

A signed original of this written statement required by Section 906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the registrant under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32(b)

Section 1350 Certification

We, Eric E. Silagy and Rebecca J. Kujawa, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of Florida Power & Light Company (the registrant) for the quarterly period ended June 30, 2020 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Dated: July 24, 2020

ERIC E. SILAGY

Eric E. Silagy
President and Chief Executive Officer
of Florida Power & Light Company

REBECCA J. KUJAWA

Rebecca J. Kujawa
Executive Vice President, Finance
and Chief Financial Officer
of Florida Power & Light Company

A signed original of this written statement required by Section 906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the registrant under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).