

North Carolina Transmission Planning Collaborative

For Immediate Release, January 19, 2012

Collaborative Regional Transmission Plan IDs 11 major projects

RALEIGH, N.C. -- Participants in the North Carolina Transmission Planning Collaborative (NCTPC) have identified 11 major transmission projects, representing more than \$293 million in investments over the next decade, as part of the 2011-2021 Collaborative Transmission Plan for North Carolina (2011 plan).

The 2010 plan included an estimate of \$473 million for 14 projects. Six of those projects were completed during the last year (four by Progress Energy, one by Duke Energy and one jointly by Progress and Duke), contributing to the decrease in estimated costs for the 2011 plan.

The collaborative was formed in 2005 to develop a shared plan for electric transmission system enhancements in the state. Participants include Duke Energy Carolinas, Progress Energy Carolinas, North Carolina Electric Membership Corporation and Electricities of North Carolina. Since its inception in 2005, projects totaling \$825 million have been identified in the NCTPC plans, with \$276 million placed into service through 2011, \$234 million currently under construction, \$124 million still in the planning stage, and another \$191 million being deferred outside the planning horizon or cancelled as a result of changing system requirements.

The scope of the 2011 planning study included a base reliability analysis for transmission needs to meet load growth between 2012 and 2021 as well as an analysis of various system conditions under a number of hypothetical resource supply option scenarios.

The Resource Supply Options for the 2011 NCTPC Study consisted of three types of scenarios to examine the transmission system impacts of hypothetical transfers and a hypothetical generation resource:

- Option 1 examined injecting 5,000 megawatts (MW) of renewable wind generation energy off the North Carolina coast into the NC transmission grid.
- Option 2 examined the impact of 14 hypothetical transfers (600 to 1,200 MW) in 2021 across the Duke and Progress interfaces with neighboring utilities.
- Option 3 examined injecting 1,000 MW of power into the transmission system from a hypothetical generation resource in Davidson County, N.C., located near the Duke Energy Buck Plant.

The 2011 Plan can be viewed on the NCTPC website at (<http://www.nctpc.org/nctpc/home.jsp>) under the Reference Documents section.

The major transmission projects identified in the 2011 plan report are expected to be implemented over the next 10-year planning period by the transmission owners to preserve system reliability and improve economic transfers. Major projects are defined as those requiring transmission investments of more than \$10 million. These planned projects are subject to change based on evolving system conditions. The plan is updated annually.

“The 2011 NCTPC Plan illustrates the value of collaboration between North Carolina’s electric transmission owners and other electric suppliers,” said Ed Finley, chairman of the North Carolina Utilities Commission. “This work keeps North Carolina well-positioned for the future by ensuring reliable delivery of power to communities across the state and helping rate payers save money.”

The NCTPC was established to provide the participants and other stakeholders an opportunity to participate in the electric transmission planning process for North Carolina, and to develop a single coordinated transmission plan for North Carolina electric utilities that includes reliability and enhanced transmission access considerations. The group’s priority is to appropriately balance costs, benefits and risks associated with the use of transmission and generation resources.

“The NCTPC continues to be a valuable means of driving joint planning and addressing North Carolina’s transmission needs under a variety of potential future states,” said Sam Waters of Progress Energy, chairman of the NCTPC Oversight/Steering Committee (OSC). “The insight that we continue to get from evaluating these scenarios is vital to our ability to help policymakers understand the implications of their decisions.”

The NCTPC process includes active participation of other market participants and other stakeholders through a Transmission Advisory Group (TAG), which is open to all interested parties. Stakeholders interested in joining the TAG or receiving future information related to the NCTPC process, can sign up to become a TAG participant and get on the TAG distribution list at the NCTPC website at (<http://www.nctpc.org/nctpc/home.jsp>).

The NCTPC process includes the use of an Independent Third Party (ITP) consultant to act as a facilitator for the development and conduct of the NCTPC process. This role includes Chairing the TAG and soliciting input from the other stakeholders through the open TAG meetings. The ITP consultant for the NCTPC process is Richard Wodyka, rawodyka@aol.com.

If you have any comments or questions on the NCTPC process or specifically on the 2011-2021 Collaborative Transmission Plan Study Report, please contact Sam Waters, NCTPC OSC chair (via email Samuel.Waters@pgnmail.com or phone 919-546-7889).

For media inquiries, please contact corporate media relations at each entity:

Duke Energy Carolinas

– Betsy Conway, 704-382-6063; Betsy.Conway@duke-energy.com

ElectriCities of NC (municipals)

– Rebecca Agner, (919) 760-6334; ragner@electricities.org

Progress Energy Carolinas

– Mike Hughes, (919) 546-7274; mike.hughes@pgnmail.com

NCEMC (co-ops)

– Jane Pritchard, (919) 875-3104, jane.pritchard@ncemcs.com