North Carolina Transmission Planning Collaborative

For Immediate Release, January 19, 2011

Collaborative Regional Transmission Plan IDs major projects

RALEIGH, N.C. -- Participants in the North Carolina Transmission Planning Collaborative (NCTPC) have identified 14 major transmission projects, representing more than $473 million in investments over the next decade, as part of the 2010-2020 Collaborative Transmission Plan for North Carolina (2010 Plan). This compares to the 2009 Plan estimate of $595 million for 18 projects. Some projects from the 2009 Plan have been delayed to reflect the reduced load forecasts resulting from the weak economy, as well as import request changes resulting in reduced transfers across the NC transmission system.

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.

The scope of the 2010 planning study included a base reliability analysis for transmission needs to meet load growth between 2011 and 2020 as well as an analysis of different system conditions under various hypothetical "climate change" legislation scenarios.

The "climate change" legislation scenarios in the study considered the potential impact of the following hypothetical alternatives to meet future load demand forecasts:

- Retire 100% of existing un-scrubbed coal generation plants (approximately 1,500 MW in the PEC control area, 2,000 MW in the Duke control area) by 2015, replace with new generation
- Coastal NC wind sensitivity with wind injections, based on information obtained from the **UNC "Coastal Wind: Energy for North Carolina's Future" report (**http://www.climate.unc.edu/coastal-wind)

The 2010 Study Scope and 2010 Plan analysis can be viewed on the NCTPC Web site at (http://173.201.30.164:8080/nctpc/home.jsp) under the Reference Documents section.

The major transmission projects identified in the 2010 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 in excess of $10 million. These planned projects are subject to change based on evolving system conditions. The plan is updated annually.

"The 2010 NCTPC Plan is the result of continued collaborative efforts between North Carolina's electric transmission owners and other electric suppliers in the state," said Ed Finley, chairman of the North Carolina Utilities Commission. "This critical work ensures reliable delivery of power to communities across North Carolina and ultimately, helps 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 2010 study shows how the NCTPC continues to adapt and improve the planning process to address the challenges of an uncertain energy future," said David Beam, Chairman of the NCTPC Oversight/Steering Committee (OSC). "For example, we believe that evaluating scenarios such as the potential retirement of coal-fired generation and the development of large-scale offshore wind generation will provide useful information to decision-makers considering the implications of policy issues such as climate change."

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://173.201.30.164:8080/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 2010-2020 Collaborative Transmission Plan Study Report, please contact David Beam, NCTPC OSC chair (via email david.beam@ncemcs.com or phone 919-875-3032).

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