



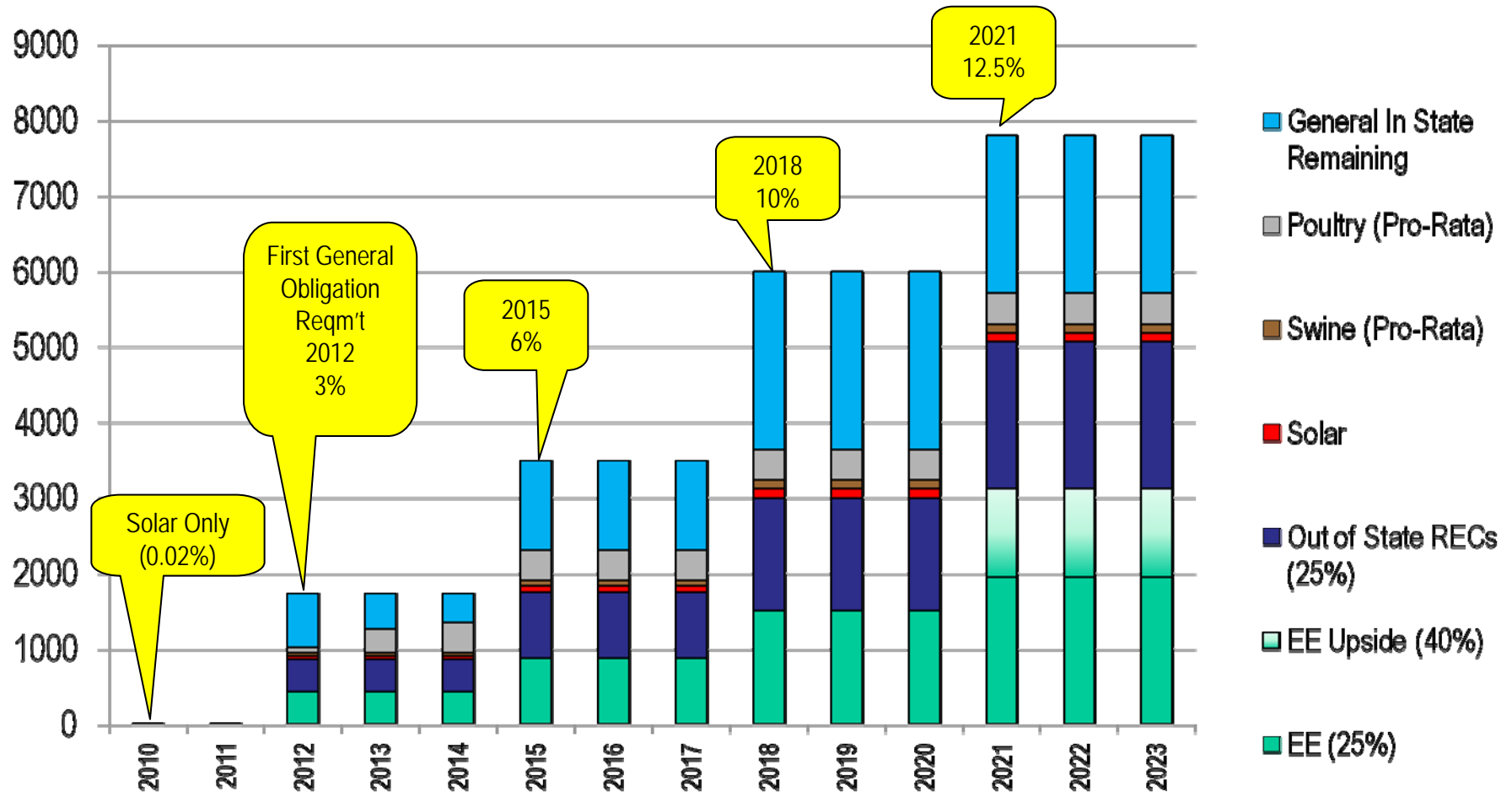
Renewable Energy Discussion

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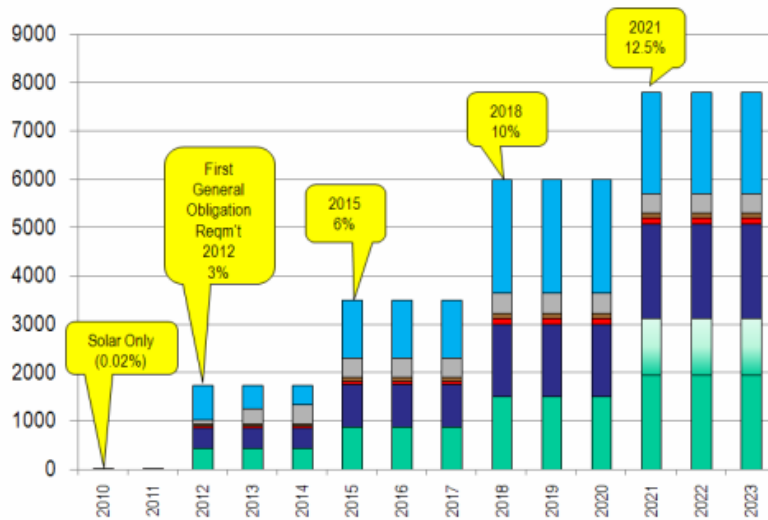
Duke Energy's NC REPS Requirements (GWHrs)



- Out-of-state RECs and EE shown at 25% apiece. Beyond 2021 EE "upside" of up to 40% is shown
- Swine and Poultry reflect an assumption of pro-rata share of the state-wide obligation.



Key Points by Category



- Energy Efficiency
 - Projecting to max out 25% capability through 2021
- Out of State RECs
 - Very low cost
 - No electrical energy delivered into NC
- Solar
 - Many market participants
 - Expensive but declining in cost
- Swine and Poultry
 - Very few market participants
 - Expensive
- General Requirement
 - Definition of biomass
 - Availability of biomass
 - Hydro definitions

Key Duke Energy Initiatives

Solar Distributed Generation Program

1.2 MW Roof Mounted Solar PV System at National Gypsum's Mount Holly Plant



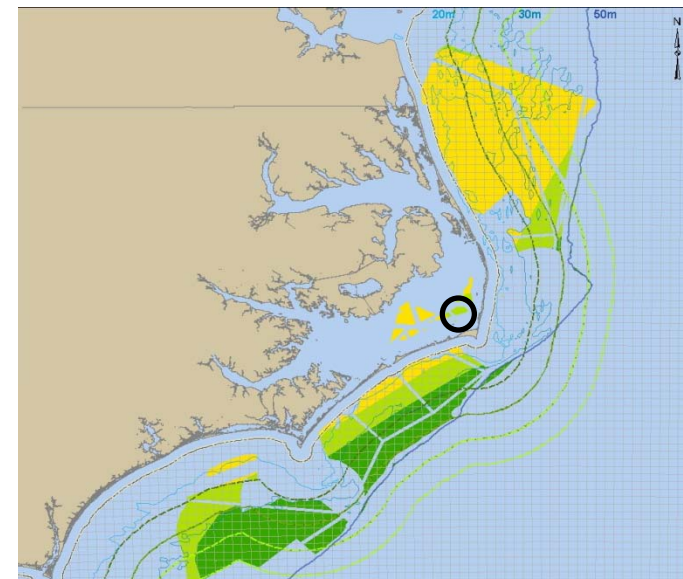
Biomass Cofiring and Repowering

Test Burn at Buck Station, Aug-Sep 2009



Coastal Wind Demonstration

Eastern Pamlico Sound – 7.2 mi west of Avon





Proposed Federal Legislation: American Clean Energy and Security Act of 2009 (ACESA)

- US House passed ACESA, aka Waxman-Markey, June 26 2009
 - Renewable energy and energy efficiency mandate
 - 6% by 2012 and grows to 20% by 2020
 - Includes Alternative Compliance Payment (ACP) beginning at \$25/REC in 2012
- If a Federal RPS is passed, energy providers will have to meet both State and Federal requirements