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ISSUE BRIEF

Progress Energy Plans 15 Years of Rate Hikes, Climate Destruction, Risky Nukes – and Almost No Solar, Wind and Energy Savings

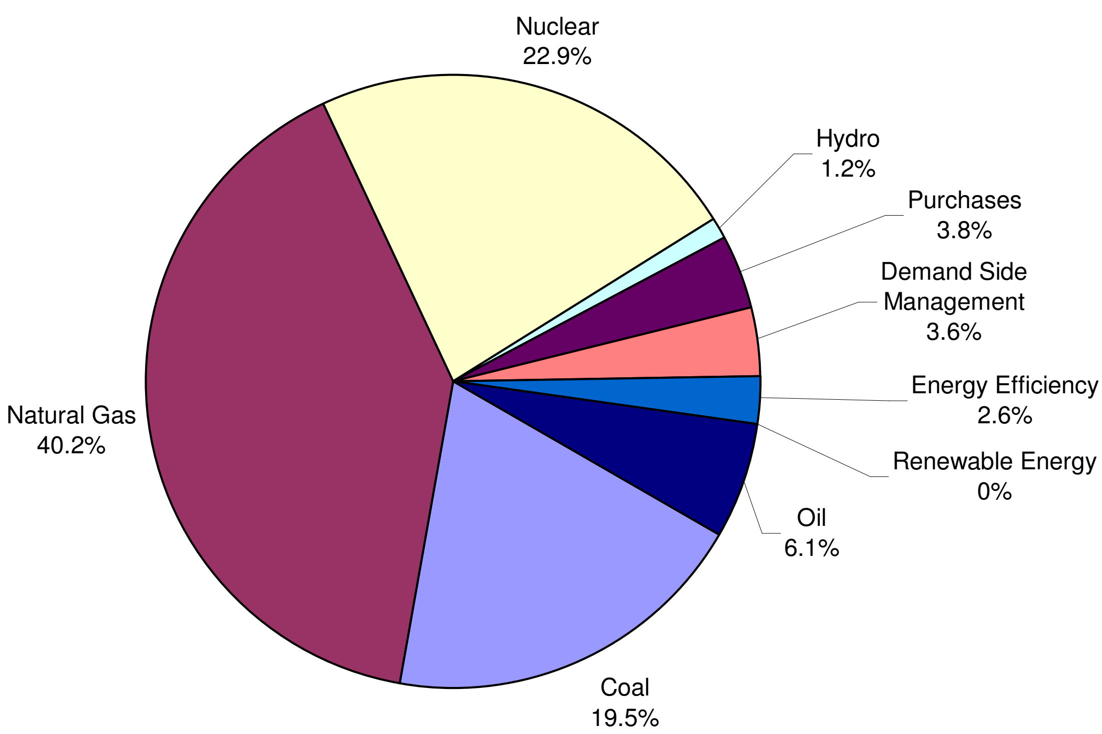
Despite CEO Jim Rogers' PR, Progress' formal plans for the Carolinas hold firmly to state-of-the-art technologies – of the 1960s

As Duke Energy (including subsidiary Progress Energy) continues its six-year PR campaign touting CEO Jim Rogers' concerns about climate change and North Carolina's economic health, long-range plans filed this month with state regulators contradict his professions. The plans reflect serial rate hikes to pay for an aggressive expansion of generating plants, and high carbon emissions for the next two decades.

In an age of enormous, long-term economic challenges and a climate crisis roaring toward a runaway condition, Duke's plans are akin to Ford Motors reintroducing production of its exploding Pinto.

Both of Duke's service companies in the Carolinas – one operated by Progress Energy – plan to develop minuscule levels of solar and wind power and energy-saving programs despite an expensive, years-long ad campaign touting the utilities' green corporate credentials. In fact, Duke very likely spends more money each year trying to manipulate public and political debate than it does on renewables or energy efficiency programs.

NC WARN's initial analysis of both service companies' long-range planning documents, called Integrated Resource Plans, shows Duke and Progress boldly hanging on to the technological advances of the 1960s. Among the highlights:



Progress Energy Carolinas 2027 Resources (MW Capacity)

Serial Rate Increases: On top of plans to seek a large rate hike this fall, Progress projects building over 4,722 MW worth of power plants by 2027, leading to frequent rate hikes. Progress assumes a retail demand growth rate of 1.2% annually after adjusting for load-shifting programs.

Carbon Emissions Could Rise: Progress Carolinas plans to burn 38% less coal in 2027 than in 2013 due to projected low prices of natural gas. However, while building additional gas generation capacity, Progress plans to keep its workhorse coal plants in service in case gas prices rise, thus double-charging ratepayers for generation capacity. Carbon emissions from additional natural gas will almost equal the reductions from the lower use of coal – not counting additional emissions from fracking.

Renewables: Progress Energy Carolinas' IRP does not specify plans for renewable energy in 2027.

Energy Efficiency: Electricity-saving programs in 2027 will equal 3% of Progress' generation capacity in 2027 capacity.

Duke Energy is investing billions in solar and wind in western states with competitive markets, while blocking advances in those clean technologies in the monopoly-plagued Southeast. The reason? The "old guard" of Duke-Progress continue to hope they can build high-profit nuclear plants – despite mounting cost overruns and delays at the only three US nuclear construction projects underway. But this business model moves forward only if they can persuade the NC legislature to force the financial risks onto customers' backs through the proposed Annual Rate Hike Bill.

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** NOTE: For four years Duke has repeatedly gained green PR and news stories by touting plans to close the same coal units. Recent filings show that eight of those units didn't operate at all in the last year, and when combined, all the retirees operated under 10% of the time. Progress has gained a similar green salute by retiring small, old coal units.*

*** The NC Utilities Commission allows Duke and Progress to prepare IRPs with different formatting and content, so direct comparisons are not always possible.*

<u>**Attend the Utilities Commission's public IRP hearing:**</u>

February 11, 2013, 7:00 PM
The Dobbs Building, Room 2115
430 North Salisbury Street
Raleigh, NC