



news release

## **Progress Energy awarded \$200 million grant for smart grid projects**

**RALEIGH, N.C. (April 28, 2010)** – Progress Energy has accepted a \$200 million U.S. Department of Energy (DOE) grant awarded as part of the 2009 federal stimulus package. The funds will be used by the company’s two utilities for investments in equipment, systems, technologies and communication infrastructure that will add “intelligence” to the systems used to deliver electricity to more than 3.1 million households and businesses in the Carolinas and Florida.

In addition to providing the utilities real-time information about the state of their electric grids, the smart grid transition will enable customers to better understand and manage their energy use, and will provide for more efficient integration of renewable energy resources.

“The way our customers use electricity is changing,” said Bill Johnson, Progress Energy chairman, president and CEO. “At Progress Energy, we are also changing the way we produce and deliver the power they need to run their daily lives. Our investments in the grid will allow customers greater transparency and control over their energy use, and they will allow our utilities to expand our use of alternative technologies, such as renewable energy and advanced transportation. This is just one of the ways we are increasing the quality and reliability of the essential service we provide.”

The grant being accepted today was originally announced by Lisa Jackson, Environmental Protection Agency administrator, in Raleigh last October. Grant funds will be distributed by the DOE as project work progresses throughout the three-year period.

Supplementing the DOE grant, Progress Energy’s two utilities will invest more than \$300 million in smart grid projects. The total investment could create up to 500 jobs. The utilities have already begun structuring their workforces to best support the transition to a smart grid.

In the Carolinas, the multi-phase smart grid investment will include enhanced capabilities to drive fewer and shorter power outages for customers. In Florida, a residential load control upgrade will make equipment compatible with future smart grid technologies.

Through its EnergyWise<sup>®</sup> program in both the Carolinas and Florida, Progress Energy’s utilities already actively manage about 400,000 of their customers’ energy use during times of high energy demand to help ensure the reliable delivery of power across the company’s service territories. These voluntary programs help customers save energy and money, and they help the utilities delay the need for new power plants. These residential load control programs – some of which have been in place since 1981 – will now be known as EnergyWise Home<sup>SM</sup>.

In an expansion of the EnergyWise program, Progress Energy's utilities will install 160,000 "smart" meters that are capable of two-way communication. Smart meters capture information that, once new technology becomes available, will allow customers to view and control their energy use, among other capabilities. Information also flows to the utility, alerting dispatchers to power outages and other problems, allowing the utility to begin repairs and restore service more quickly, and making it unnecessary for the customer to call to report outages.

Progress Energy's utilities will also invest in additional public infrastructure for plug-in electric vehicles to quickly respond to the customer adoption expected in the company's service territories. Progress Energy is a utility partner in several electric transportation grants awarded by the federal government in 2009. Through its research and development partnerships with automotive manufacturers and other energy industry leaders, Progress Energy currently operates a fleet of 10 plug-in hybrid electric vehicles in the Carolinas and Florida.

The Electric Power Research Institute estimates that the nationwide implementation of smart grid technologies could reduce electricity consumption by more than 4 percent by 2030, representing a savings of more than \$20 billion for American businesses and consumers.

For more information on Progress Energy's smart grid efforts, visit [www.progress-energy.com/energywise](http://www.progress-energy.com/energywise).

*Progress Energy Service Company accepted the \$200 million grant on behalf of Progress Energy Carolinas and Progress Energy Florida.*

### **About Progress Energy**

Progress Energy (NYSE: PGN), headquartered in Raleigh, N.C., is a Fortune 500 energy company with more than 22,000 megawatts of generation capacity and approximately \$10 billion in annual revenues. Progress Energy includes two major electric utilities that serve about 3.1 million customers in the Carolinas and Florida. The company has earned the Edison Electric Institute's Edison Award, the industry's highest honor, in recognition of its operational excellence, and was the first utility to receive the prestigious J.D. Power and Associates Founder's Award for customer service. The company is pursuing a balanced strategy for a secure energy future, which includes aggressive energy-efficiency programs, investments in renewable energy technologies and a state-of-the-art electricity system. Progress Energy celebrated a century of service in 2008. Visit the company's Web site at [www.progress-energy.com](http://www.progress-energy.com).

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