



news release

Progress Energy announces expanded solar energy strategy; 'SunSense' to include incentives for customer-owned PV installations

RALEIGH, N.C. (June 3, 2009) – Progress Energy today unveiled an expanded solar energy strategy in the Carolinas and Florida – including a range of new residential and commercial solar incentives and programs.

The company strategy, launched under the name SunSense, is expected to expand the scope and use of solar energy in the Carolinas and Florida by more than 100 megawatts over the next decade. The cost of implementing the program is expected to have minimal impact on customer bills.

“We are committed to implementing a balanced energy strategy to provide reliable electricity to the homes and businesses that depend on us, while keeping costs to customers as low as possible,” said Bill Johnson, chairman, president and CEO of Progress Energy. “Solar power will play an increasingly important role in providing clean energy for the regions we serve, and as cost-effective technologies continue to develop, we will work to bring new choices for our customers and make smart investments on larger-scale solar projects.”

SunSense includes a number of elements:

Residential solar photovoltaic (PV): This new program will be offered starting late this summer in the Carolinas and in 2010 in Florida. Proposed incentives offer a range of \$1.50 to \$2 per watt for residential customer solar PV installations, which represents about 25 percent of the installed cost of the system.

Residential solar water heating: This program, already established in Florida and under way in the Carolinas, includes rebates for customers who install solar water heating capability.

Commercial solar PV: This program also will be available this summer in the Carolinas and in 2010 in Florida. Commercial customers installing solar PV will be paid per kilowatt-hour for energy produced. Incentive payments for energy production will be market based. The company will provide additional details in the near future.

Commercial solar water heating: This program, providing incentives for commercial customers to install solar water heating capability, is starting this summer in the Carolinas. At this time, there is not a similar program available to Florida customers.

Solar for schools: This program is a partnership to install PV on schools in the company's service areas. Selected schools served by Progress Energy Carolinas and Progress Energy Florida will receive 2-kilowatt solar PV installation at no cost.

Progress Energy (NYSE: PGN), headquartered in Raleigh, N.C., is a Fortune 500 energy company with more than 21,000 megawatts of generation capacity and \$9 billion in annual revenues. Progress Energy includes two major electric utilities that serve approximately 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.