

Progress Energy Carolinas, GreenCo Solutions to pursue swine waste-to-energy projects

RALEIGH, N.C. (Oct. 15, 2008) – Progress Energy Carolinas (NYSE: PGN) and GreenCo Solutions, Inc., have entered into a Memorandum of Understanding (MOU) to jointly pursue new alternative energy projects designed to turn swine waste into electricity. The two companies will work together to identify and support swine waste-to-energy projects in Eastern North Carolina to serve the utility’s customers and those of the state’s electric cooperatives.

“We are committed to developing alternative energy resources in our region to address the challenges of growing energy demand, rising fuel costs and global climate change,” said Lloyd Yates, president and CEO of Progress Energy Carolinas. “We are pleased to partner with GreenCo Solutions, the state’s electric cooperatives and our communities to pursue the innovative use of this swine waste stream.”

The MOU allows the companies involved to share confidential information with each other regarding potential projects, jointly evaluate any proposals and negotiate together on any potential transactions. It is not a binding obligation to enter into any contracts.

GreenCo Solutions and Progress Energy Carolinas are already evaluating one potential swine waste-to-energy project, which would be the first to take advantage of the state’s large swine population. The potential project includes capturing methane from swine waste lagoons and using it to generate up to one megawatt (MW) of electricity. Negotiations are ongoing and more information will be provided once details are finalized.

“The electric cooperatives of North Carolina have maintained a strong commitment to environmental stewardship and economic development within the rural areas of our state,” said Bob Goodson, COO of GreenCo Solutions. “This swine waste-to-energy project has the potential to create green-collar jobs and help the electric cooperatives meet their Renewable Energy Portfolio Standard requirements. We are excited to work with Progress Energy on this project and we believe the MOU will lead to additional opportunities as well.”

Investing in renewable and alternative energy resources is a key part of Progress Energy Carolinas’ balanced approach to meeting current and future energy demands of its customers. Earlier this summer, the company announced three new solar energy projects in North Carolina. These solar arrays will be located in Haywood, Wake and New Hanover counties and will produce more than three MW of electricity. These projects were proposed in response to Progress Energy Carolinas’ request for renewable energy proposals issued in November 2007.

The open-ended request is part of the company’s plan to meet the requirements of North Carolina’s energy law, also passed in 2007. The law established a renewable and energy-efficiency portfolio standard, which requires utilities to provide a portion of their energy sales using renewable energy sources and energy efficiency. For Progress Energy Carolinas, that portion grows from 3 percent of total energy sales in 2012 to 12.5 percent in 2021. For solar-generated energy, the requirement begins in 2010. Progress Energy Carolinas continues to solicit proposals for renewable energy resources. The next bidding deadline is Nov. 11, 2008. Bidding information is available at www.progress-energy.com/renewablerfp.

About GreenCo Solutions

GreenCo Solutions is a member-owned cooperative created in 2008 whose purpose is to develop energy-efficiency programs and renewable resources for the members of North Carolina's electric cooperatives. The not-for-profit company will also provide compliance reporting and tracking for member cooperatives related to the Renewable Energy Portfolio Standards established by Senate Bill 3, enacted by the N.C. General Assembly in 2007. North Carolina's electric cooperatives serve 2.5 million people in 93 of the state's 100 counties.

About Progress Energy

Progress Energy, headquartered in Raleigh, N.C., is a Fortune 250 energy company with more than 21,000 megawatts of generation capacity and \$9 billion in annual revenues. The company is observing its 100th anniversary in 2008. Progress Energy includes two major utilities that serve approximately 3.1 million customers in the Carolinas and Florida. The company is the 2006 recipient of the Edison Electric Institute's Edison Award, the industry's highest honor, in recognition of its operational excellence. The company also is the first utility to receive the prestigious J.D. Power and Associates Founder's Award for customer service. Progress Energy serves two fast-growing areas of the country, and the company is pursuing a balanced strategy for a secure energy future. That balance includes aggressive energy-efficiency programs, investments in renewable energy technologies and a state-of-the-art electricity system. For more information about Progress Energy, visit the company's Web site at www.progress-energy.com.

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