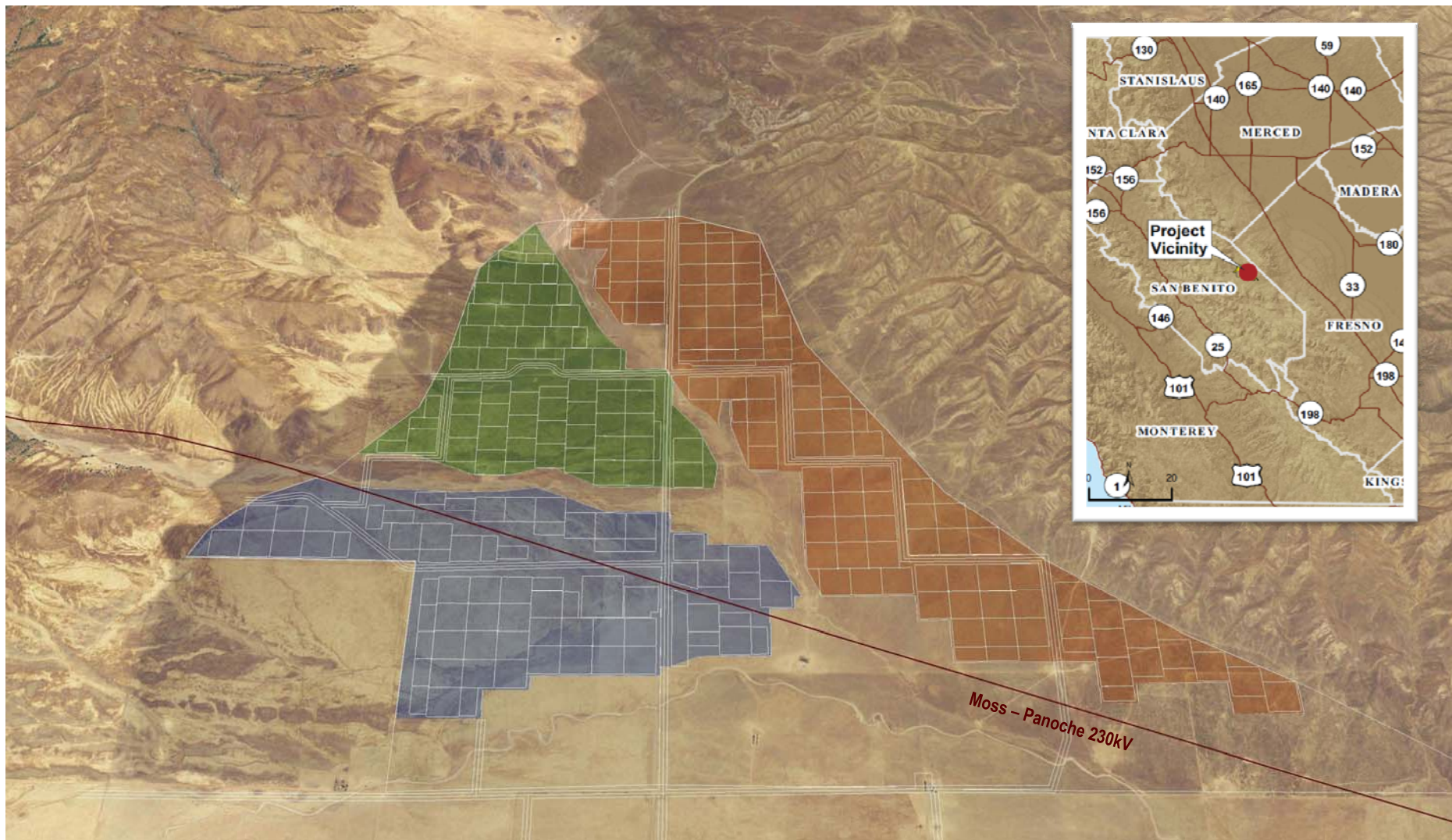




Panoche Valley Solar LLC

Duke Energy Renewables & PV² Energy

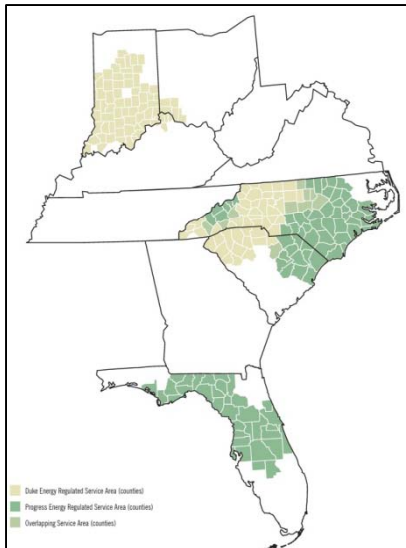
August 2012



399 MW (AC) Panoche Valley Solar LLC



- A regulated electric and gas utility serving 7.1 million customers in six states
- Headquartered in Charlotte, NC
- 150+ years of service
- A Fortune 250 company; NYSE listed (DUK)
- 29,250 employees
- 58 GW of generating capacity
- \$100 B of assets
- Merger with Progress Energy completed in July 2012



- A wholly owned subsidiary of Duke Energy
- Develops, owns and operates renewable energy projects outside Duke Energy's regulated service territory
- Focus on wind and solar PV projects
- 1.1 GW of net operating capacity
- 0.8 GW of projects currently in construction
- 3 GW goal by 2015
- \$3 B of capital invested since 2007





Panoche Valley Solar LLC – Structure



- Developer, owner and operator of renewable energy projects focusing on utility-scale solar PV and wind
 - Currently 14 operating wind facilities totaling 1,072 MW (net) with an additional 640 MW expected online in 2012
 - Currently 11 operating utility-scale solar facilities totaling 50+ MWac with an additional 20+ MWac expected online in 2012
- Provides utility-scale solar development, financing, and operating experience



- Original development team on project since 2008
- Successful developers of renewable energy projects and clean technology:
 - Utility-scale solar, distributed wind, corn ethanol and industrial waste water treatment
- Team includes expertise in engineering, transmission, legal, financing, environmental services and government
- Provides local project management and California specific expertise

Panoche Valley Solar, LLC

- 399 MW solar PV project in San Benito County, California



Panoche Valley Solar LLC – Overview

Site Control

- 26,000 acres of privately owned grazing land
- < 2,500 acres for solar farm, > 23,000 acres for mitigation (9:1 conservation-to-use mitigation ratio)
- Located in San Benito County, California

Solar Resource

- Strong solar resource > 90% of desert regions (3 years on-site data)
- Above San Joaquin valley fog and particulate matter and inland from coastal fog

Transmission

- Located under Moss-Panoche and Coburn-Panoche 230kV transmission lines
- In strategic position to leverage rate payer investment in existing infrastructure and reduce the need to permit, finance and build new transmission lines
- No new rights of way or transmission line construction required

Permits

- Discretionary local permits approved, CEQA Environmental Impact Report completed
- CUP signed, Development Agreement executed, Williamson Act contracts cancelled
- State/Federal non-discretionary permits are in process



Panoche Valley Solar LLC – Benefits

Economic Benefits

- Hundreds of construction jobs
- Priority hiring consideration given to San Benito County residents
- Solar training in coordination with the San Benito County One-Stop Career Center
- Annual contribution to the San Benito County General Fund per the Development Agreement

Land Resource Benefits

- 23,000 acres of mitigation land (9:1 conservation-to-use mitigation ratio)
- Conserves the Silver Creek Ranch
 - ~10,000 acres of land that is extremely valuable to resource agencies
- 20,000 hours of surveys

Environmental Benefits

- Enough power for 90,000 average homes
- Displaces 250,000 tons of CO₂ annually
 - Equivalent to taking 49,000 cars off the road
- Low environmental impact photovoltaic (PV) technology
- No water used for electricity generation



Panoche Valley Solar LLC – Project Timeline (Estimated)

