NEWS RELEASE

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Eastern Interconnection Grid Planning Completes Transmission Analyses and Initiates Study of Gas-Electric Interface

The Eastern Interconnection Planning Collaborative (EIPC) today announced it has completed the transmission analyses as part of an electric system transmission planning effort funded by the U.S. Department of Energy (DOE).

"The EIPC has reached a major milestone with the completion of the electric system transmission analyses of the stakeholder-defined scenarios for the year 2030," said Stephen G. Whitley, president and CEO of the New York Independent System Operator (NYISO) and chair of the EIPC Executive Committee.

Stakeholders had defined three scenarios as part of the first phase of the EIPC's studies. As a result of the scenario analyses conducted as a part of the second phase, three future transmission systems were created to support the chosen scenarios from a reliability perspective. In addition, the capital costs to install the future resources assumed in each scenario and the cost to install the supporting transmission facilities were calculated along with the projected annual production costs. Documentation of these results is included in a comprehensive draft report on the study.

The three scenarios chosen by stakeholders are described in the report as:

1. **Business as Usual**: This scenario represents a continuation of existing conditions, including load growth, existing Renewable Portfolio Standards (RPSs) and proposed environmental regulations as they were understood in the summer of 2011.
2. **National RPS: State and Regional Implementation:** This scenario contemplates meeting 30 percent of the nation's electricity requirements from renewable resources by 2030. This would be achieved by utilizing a regional implementation strategy.
3. **Combined Federal Climate and Energy Policy:** This scenario represents a combination of the following: a reduction of economy-wide carbon emissions by 42 percent from 2005 levels in 2030 and 80 percent in 2050; meeting 30 percent of the nation's electricity requirements from renewable resources by 2030; and significant deployment of energy efficiency measures, demand response, distributed generation, smart grid and other low-carbon technologies. This scenario would be

achieved by utilizing a nationwide/eastern interconnection-wide implementation strategy.

The EIPC project team included transmission planning expertise from EIPC members, stakeholder facilitators from The Keystone Center and technical experts from Charles River Associates to support the capacity expansion planning effort and production cost analyses.

The draft report from the second phase of the project is posted on the EIPC website at: http://www.eipconline.com/Resource_Library.html.

Mr.Whitley added, “DOE has requested that we continue the project to investigate if sufficient natural gas infrastructure exists to support the growing use of natural gas for power production as well as the associated impacts on electric transmission planning.”

The effort to analyze the interface between the natural gas delivery system and the electric transmission system has just begun and supplements the ongoing work of the EIPC. EIPC will be continuing its Eastern Interconnection-wide transmission planning activities in 2013 beginning with a comprehensive update of its Eastern Interconnection power flow model for the years 2018 and 2023 based upon the regional plans of its members. The natural gas study contemplates investigating the increasing reliance on natural gas for generating electricity. The expanding role of natural gas in the nation’s power generation was demonstrated in the capacity expansion analyses and production cost studies completed in 2011 and 2012. The Federal Energy Regulatory Commission (FERC), independent system operators (ISOs), regional transmission organizations (RTOs), market participants and several state regulatory commissions have raised concerns regarding the future ability of the natural gas infrastructure to meet the coincidental requirements of gas utilities and generators under various conditions, especially during the winter heating season. The study will focus on areas of particular concern, including the northeast and midwest regions of the eastern interconnection.

More information on the gas-electric interface study will be posted on the EIPC website in the near future.

About the EIPC

Formed under an agreement by more than two dozen electric system planning authorities from 39 states in the Eastern United States and two provinces in Eastern Canada, the EIPC is focused on a “bottom-up” approach, starting with a roll-up of the existing grid expansion plans of electric system planning authorities in the Eastern Interconnection. The EIPC membership includes Alcoa Power Generating, Inc.; American Transmission Company LLC; Duke Energy Carolinas, LLC; Electric Energy Incorporated; Louisville Gas & Electric Company and Kentucky Utilities Company; Entergy Services, Inc. on behalf of the Entergy Corporation Utility Operating Companies; Florida Power & Light Company; Georgia Transmission Corporation (An Electric Membership Corporation); Independent Electricity System Operator (“IESO”); International Transmission Company; ISO New England, Inc.; JEA; Mid-Continent Area Power Pool, by and through its agent, MAPPCOR; Midwest Independent Transmission System Operator, Inc.; Municipal Electric Authority of Georgia; New York Independent

System Operator, Inc.; PJM Interconnection LLC; PowerSouth Energy Cooperative; Progress Energy Carolinas, Inc.; Progress Energy Florida, Inc.; South Carolina Electric & Gas Company; South Carolina Public Service Authority; Southern Company Services Inc., as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company; Southwest Power Pool, Inc.; and the Tennessee Valley Authority.

For more information, visit eipconline.com.