

Duke Energy 2014/2015 Planning Year FRR Plan

As you know, Duke Energy has elected to not participate in the PJM RPM Base Residual Auction to be held in May of this year. Since Duke Energy was included in the PJM Planning Parameters for the 2014/2015 Planning Year, it is not considered part of the transitional Out of Time FRR Period; however, Duke Energy has elected to carry over all options and flexibility offered to CRES providers in the transitional Out of Time FRR periods. These provisions are as follows:

- 1) CRES Suppliers may opt out of the Duke Energy FRR Plan all or a portion of the load that the CRES provider supplies.
- 2) The maximum amount that a CRES provider may opt out of the Duke FRR Plan for 2014/2015 is equal to the amount of their reliability requirement calculated using the supplier Peak Load Contribution (PLC) as of December 31, 2010. This would be the same amount that was used to determine maximum opt out quantity for the transition periods.
- 3) The last day to opt out of the 2014/2015 Duke FRR Plan will be March 31, 2011.
- 4) CRES providers must supply the Opt-Out Resource Plan to Duke and PJM by March 31, 2011.
- 5) Net FRR Reliability Charges will apply as defined in the LSE Instructions Document for Out of Time FRR periods. <http://www.pjm.com/markets-and-operations/market-integration/~media/markets-ops/duke-integration/instructions-to-duke-zones-lses.ashx>
- 6) To opt out, the PJM Opt Out Instructions will apply. <http://www.pjm.com/markets-and-operations/market-integration/~media/markets-ops/duke-integration/instructions-for-submitting-opt-out-resource-plans.ashx>

All questions should be directed to:

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