

**PROGRESS ENERGY FLORIDA
REQUEST FOR PROPOSALS
SEPTEMBER 14, 2012**

PURPOSE AND SCOPE

Florida Power Corporation, d/b/a Progress Energy Florida Inc. (“PEF”) is requesting proposals to satisfy PEF’s projected capacity and energy needs. Proposals submitted will be evaluated against each other based on the criteria discussed below. PEF reserves the right, in its sole discretion, to accept or reject any and all proposals for any reason. Further, this request is not intended to contractually bind PEF to any proposals that PEF receives and any proposals received will be subject to further evaluation and negotiation as described below.

DELIVERY TERM

PEF is requesting proposals for a three-year term starting on April 1, 2016. Respondents are encouraged to offer PEF the flexibility to begin the term early or extend the term beyond three years.

RESOURCE

Respondent should provide a description of generating resource(s).

CAPACITY QUANTITY

Up to 500 MW (minimum bid 25 MW).

CAPACITY

PEF is requesting proposals for base, intermediate, peaking and system capacity. Capacity offered should be at a level of firmness that is dedicated to the sole and exclusive use of PEF and should be dispatchable.

FUEL SUPPLY

PEF will consider power purchase agreements, tolling proposals, and system bids. Reliability of fuel supply will be considered as part of evaluation. All proposals should include the information required to complete the evaluation including fuel forecasts.

DELIVERY POINT

Any PEF interface (“into PEF”).

TRANSMISSION

Capacity and energy must be deliverable on a firm path to one of PEF's interfaces. Respondents should describe the transmission arrangements, including all transmission providers, required to deliver the capacity and energy to PEF. Anticipated transmission and ancillary services costs associated with these arrangements should be included in Respondent's proposal. Any agreement resulting from this solicitation will be subject to Respondent's successful acquisition of firm transmission into PEF and PEF's ability to designate the capacity as a network resource.

SCHEDULING RIGHTS

Scheduling flexibility will be a key driver in PEF's economic analysis. Respondent should include the proposed scheduling provisions in their proposal.

PERFORMANCE

PEF will rely on this capacity to help meet its customers' needs for dependable and reliable electric service. Suitable performance provisions will be required in any negotiated purchase agreement and should be included in the proposal.

SECURITY

Security assurances may be required, subject to negotiation.

PRICING

Proposals should include a detailed description of pricing terms and conditions including any environmental costs (SO₂, NO_x, etc.). Respondent should provide a guaranteed heat rate for any tolling proposals.

PROPOSAL SUBMITTAL

Proposals must be received by PEF by 5:00 pm EPT on October 15, 2012. Proposals should be submitted to:

Progress Energy Florida
Michael Keen
299 First Avenue North, PEF155
Saint Petersburg, Florida 33701
727-820-4500
michael.keen@pgnmail.com

Respondents are encouraged to submit proposals electronically.

PROCESS OVERVIEW

PEF will conduct an initial review of each proposal for completeness and may request additional information. PEF will determine a short list by November 16, 2012. Proposals will be evaluated based on economics, location, deliverability, fuel supply, technology, performance guarantees, scheduling flexibility, experience, credit, and other information that PEF deems relevant. Respondents selected for the short list may or may not be requested to enter into negotiations. Short listed Respondents will be asked to enter into a non-disclosure agreement with PEF prior to entering into negotiations.

SCHEDULE

RFP Release Date	September 14, 2012
Proposal Due Date	October 15, 2012
Short List Selection	November 16, 2012
Execute Agreement(s)	First Quarter, 2013

CONFIDENTIALITY

PEF will take reasonable precautions and use reasonable efforts to protect any proprietary and confidential information contained in a proposal provided that such information is clearly identified as "Proprietary and Confidential" on the page on which proprietary and confidential information appears. Such information may, however, be made available under applicable state or federal law to regulatory commission(s), their staff(s), or other governmental agencies having an interest in these matters. PEF reserves the right to release such information to agents, contractors, or to its parent company or to subsidiaries thereof, for the purpose of evaluating the proposal but such companies, agents, or contractors will be required to observe the same care with respect to disclosure as PEF. Under no circumstances will PEF or their subsidiaries, agents, or contractors, be liable for any damages resulting from any disclosure during or after the solicitation process.