



# FPL Group's Climate Change Approach

Boulder, Co.

December 4, 2007

M. Archer, QEP

## **Cautionary Statements and Risk Factors That May Affect Future Results**

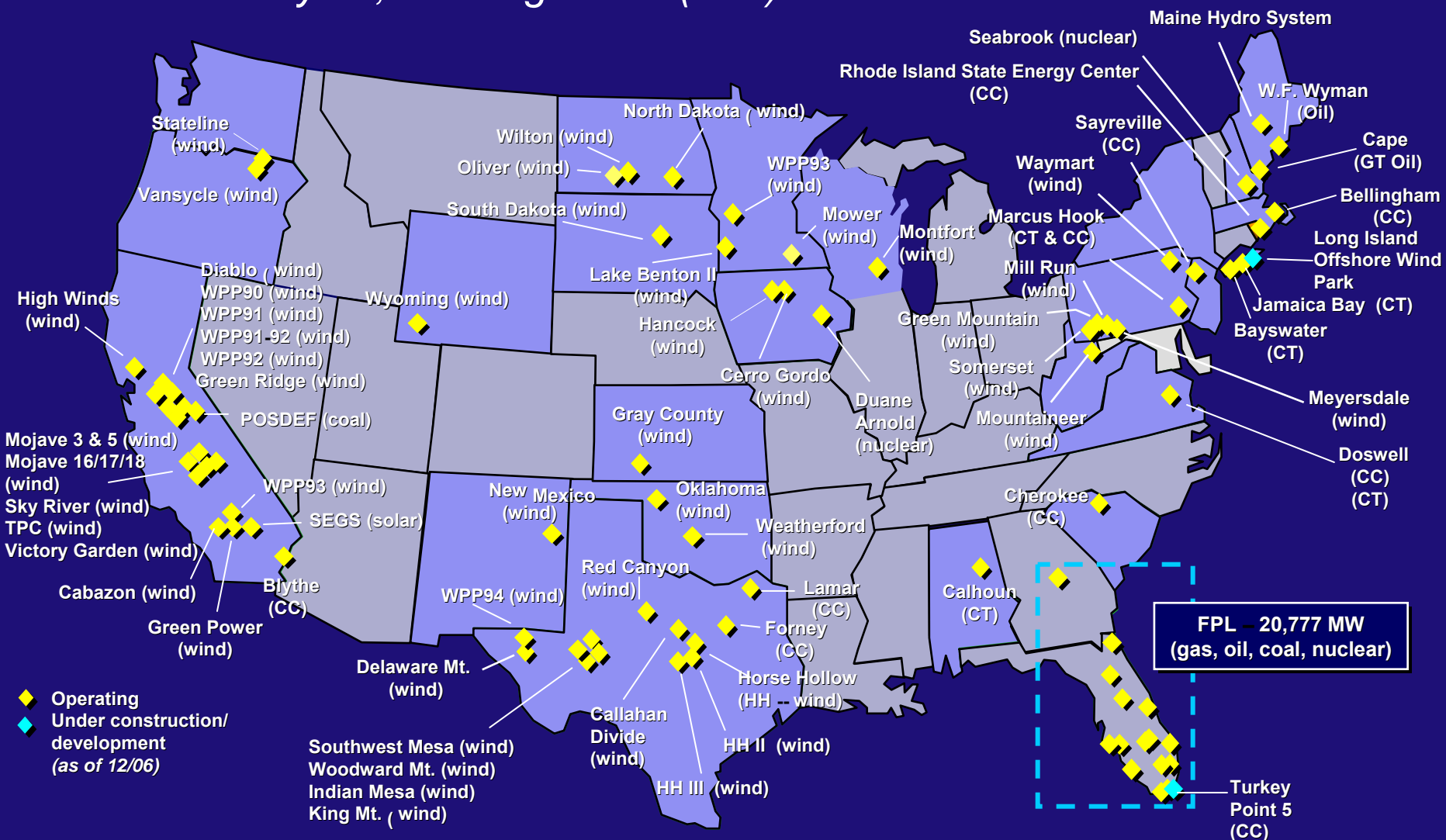
**Any statements made herein about future operating results or other future events are forward-looking statements under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include, for example, statements regarding anticipated future financial and operating performance and results, including estimates for growth. Actual results may differ materially from such forward-looking statements. A discussion of factors that could cause actual results or events to vary is contained in the Appendix and in our SEC filings.**

# *FPL Group Climate Change Program*

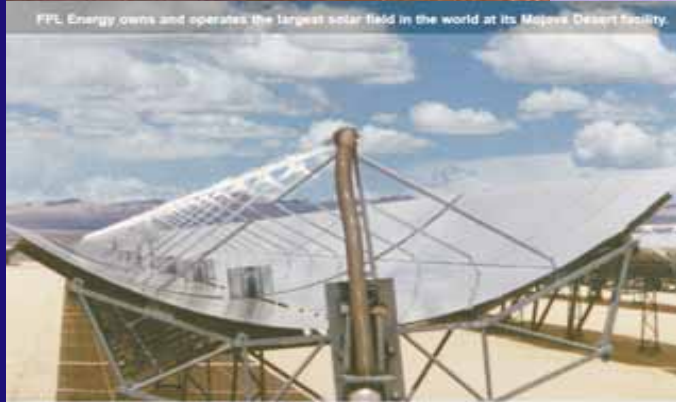
- **FPL Group Perspective**
- **Our Climate Commitments**
- **GHG Reduction Efforts**
- **Summary**

# Leading U.S. Generator

Nearly 34,000 Megawatts (MW)



# *FPL Group Leading U.S. Provider of Electrical Generation and Services*



# Climate Change Focus Is at an All Time High



**The Power of Green**

What does America need to regain global stature?

Environmental Leadership.

By Thomas L. Friedman



Climate change isn't some vague future problem—it's already at it as alarming effects you, your as well

**PING POINT**  
**IS YOUR HEALTH**  
**HA CAN HELP**  
**OR DESTROY IT**  
**READERS**

**Crist looks to make global warming a hot-button issue**

By KRISTI E. SWARTZ  
*Palm Beach Post Staff Writer*

TALLAHASSEE — After Jeb Bush listened to researchers make a case last year for the theory that global warming is causing an increase in the number of strong hurricanes, he remained noncommittal about what he thought of the concept.

But there have been reports of the former governor joking with reporters that he refused to see Al Gore's movie on global warming.

Last week, Gov. Charlie Crist made it clear the state's attitude on that issue is going to change.

Not only is *An Inconvenient Truth* the last movie he saw,




# **FPL Group's View**

***“The threat of major, long-term environmental and economic damage from climate change is real and warrants action to slow, stop and eventually reverse growth in greenhouse gas emissions such as CO2. Because industrial activity is at least partly to blame for the problem, business leaders have a responsibility to be part of the solution. It is critical to put the right policies in place that will be effective in reducing emissions without imposing unacceptable costs or needlessly shocking the economy. Bad policy can be just as damaging as no policy. In addressing this issue, we need to think as Floridians because different potential policies can vary dramatically in their impact on our state.”***

**Lewis Hay, III  
Chairman and CEO  
FPL Group  
Palm Beach Post Op Ed  
May 27, 2007**

# A Leader on the Environment



- FPL Group has committed to a 15% improvement in generation efficiency by 2020 from a baseline year of 2000
- Generation efficiency improvements will result in an estimated 19 million tons of CO<sub>2</sub> reductions in 2020 as compared to the same generation in 2000

FPL Group has committed to an 18% reduction in CO<sub>2</sub> emissions rate by 2008 compared to a 2001 baseline

- Account for global dimensions of climate change
- Recognize the importance of technology
- Be environmentally effective
- Create opportunity and advantage
- Be fair to sectors disproportionately impacted
- Recognize and encourage early action

FPL Group is a member of The Climate Group, whose mission is to catalyze business and government leadership on climate change in order to put the world on track for a low carbon economy.



# *Clinton Global Initiative*

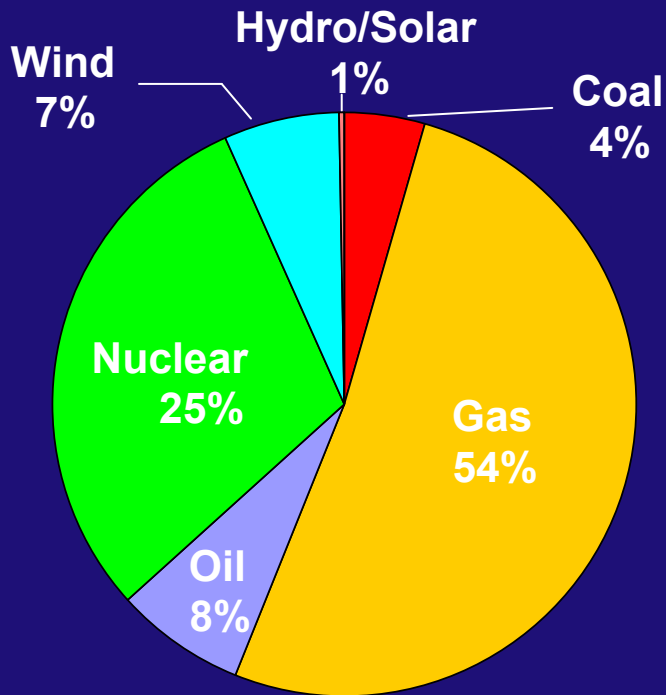
**FPL Group announced in September a \$2.4 billion investment program aimed at increasing U.S. solar thermal energy output and reducing carbon dioxide emissions that contribute to global warming.**



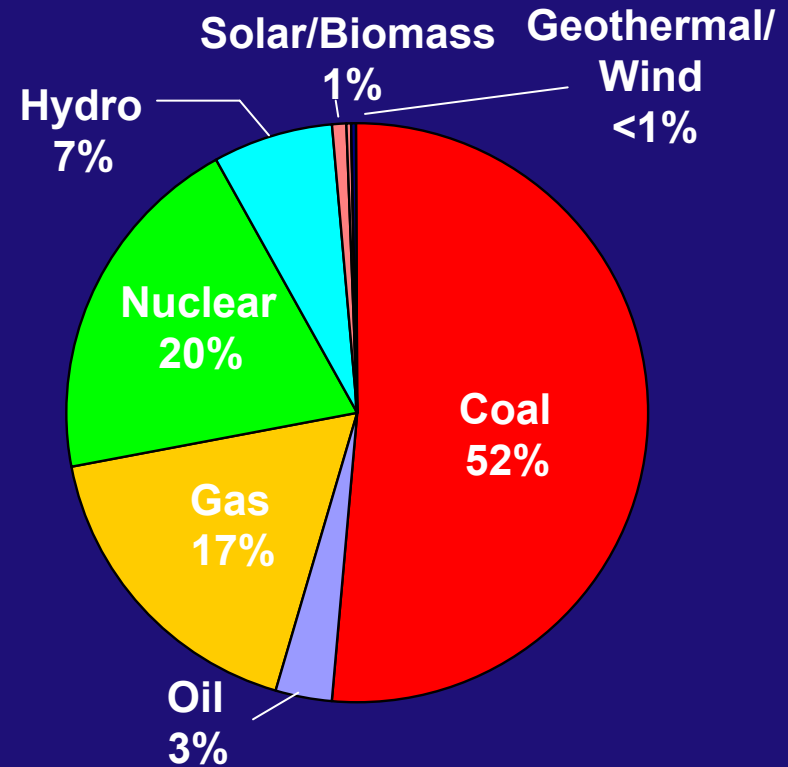
Lew Hay, chairman & CEO of FPL Group, former President Bill Clinton and Florida Governor Charlie Crist.

# FPL Group a clean profile

FPL Group 2006 Fuel Sources  
(MWh produced)



Industry Average <sup>(1)</sup>  
(MWh produced)



## *Florida is among the fastest-growing states in the U.S.*

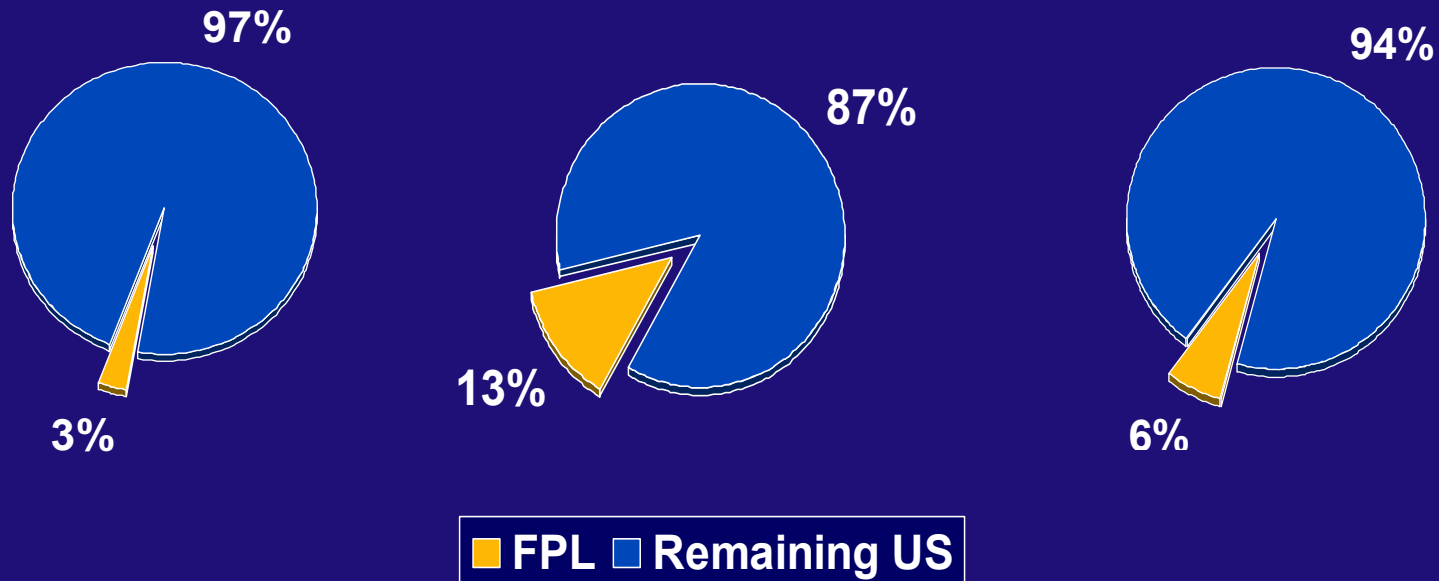
- Adding ~1,000 new residents per day.
- FPL's 2006 Customer growth was 2.9%, compared to 1.9% for the industry.
- Residential customers use about 30% more electricity than 20 years ago.
- To meet Florida's growth FPL needs to add ~600 MW capacity/year



# ***FPL DEMAND SIDE MANAGEMENT PROGRAMS***

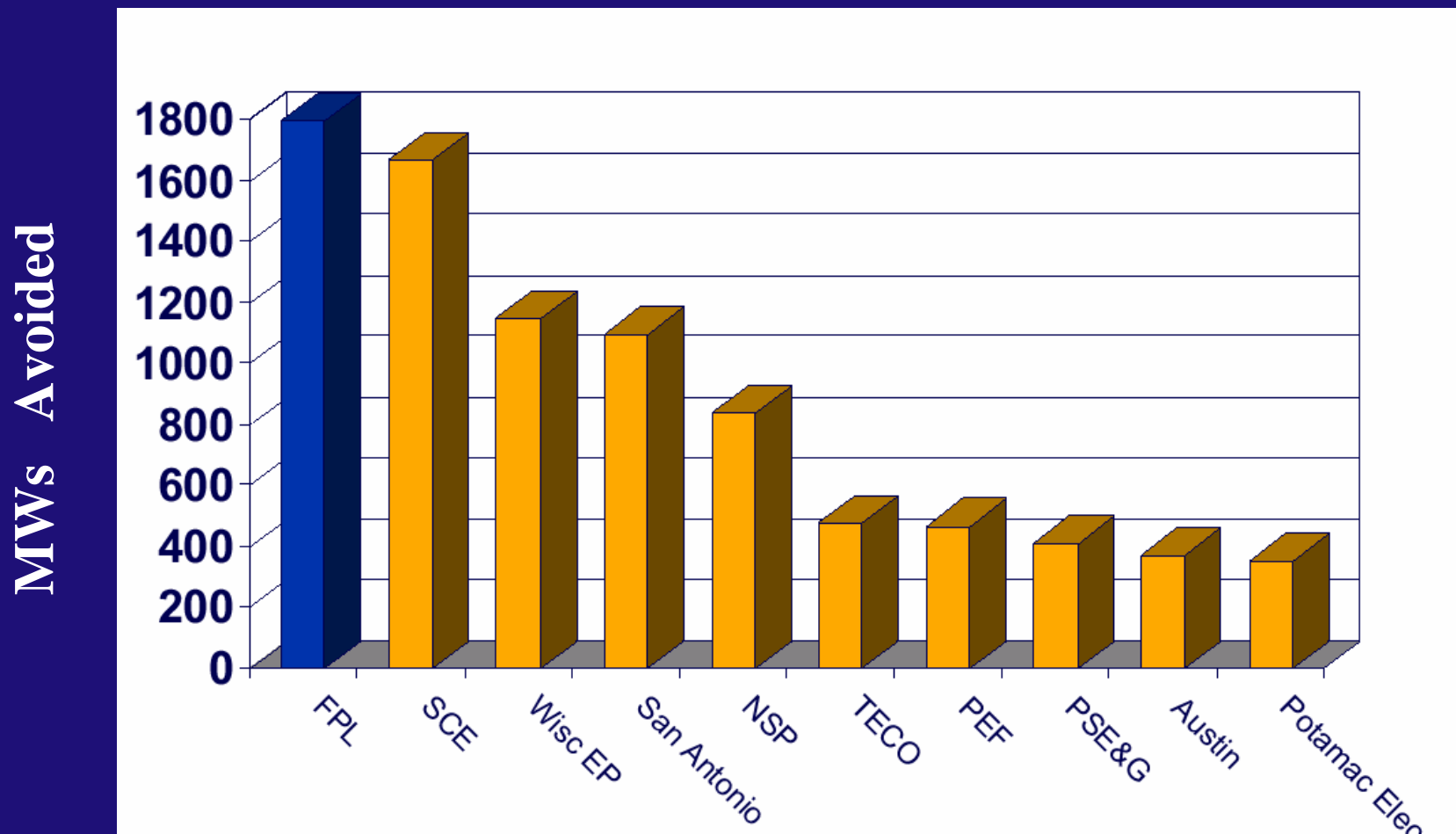
# FPL's DSM Impact & Performance

Percent US Consumers    Percent US Conservation    Percent US Load Management



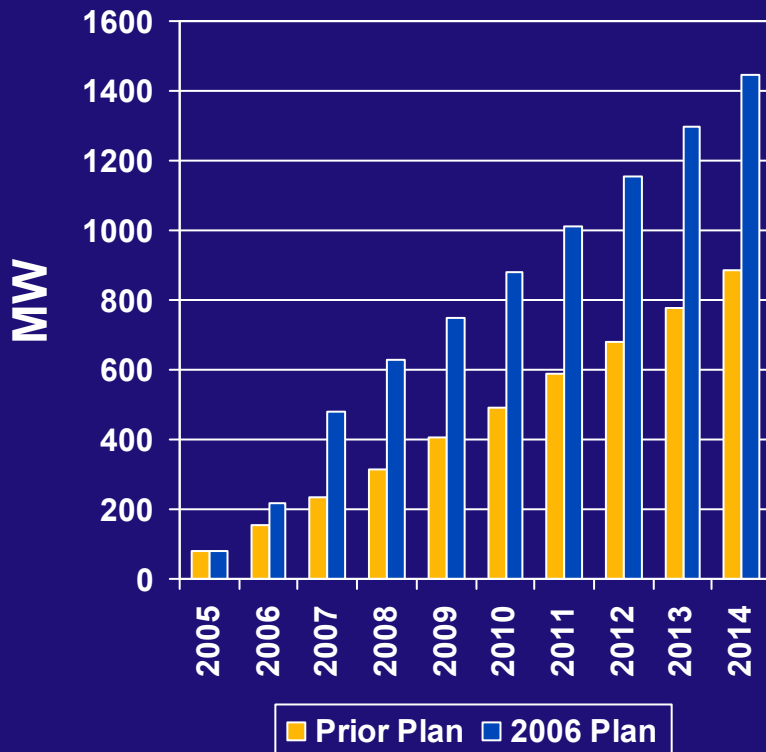
- FPL customer base represents 3% of the total US consumers
- FPL has done 13% of the conservation in the US and 6% of the load management

# *FPL is ranked the # 1 utility in the U.S. for our conservation programs*



# 2006 Plan To Increase DSM

## Cumulative DSM



- Performed comprehensive review of existing DSM programs
- Added 2 new programs for business customers
  - Refrigeration
  - Water Heating
- 1,447 MW of incremental DSM & Curtailable through 2014

# Residential DSM Offerings



## Home Energy Surveys

Field  
Telephone  
Internet

Low Income  
Weatherization  
Room A/C  
HVAC Maintenance



## Duct Testing & Repair

Building Envelope  
Ceiling Insulation  
Reflective Roof  
Roof Coating



HVAC  
Straight Cool  
Heat Pump  
ECM Fan  
A/C Sizing  
Plenum Sealing

On Call®  
- Central A/C  
- Central Heater  
- Water Heater  
- Pool Pump



BuildSmart®  
New Home Construction



# Business DSM Offerings

Building Envelope  
Roof Insulation  
Ceiling Insulation  
Reflective Roof Coating  
Window Treatment



Lighting



Load Management  
Business On Call®  
Commercial Demand  
Reduction



Water Heating  
Refrigeration

Cooling & Heating Systems  
Chillers  
DX HVAC  
Energy Recovery Ventilators  
Demand Control Ventilation  
Thermal Energy Storage  
ECM Fans



Business Energy  
Evaluation



Business Custom Incentives



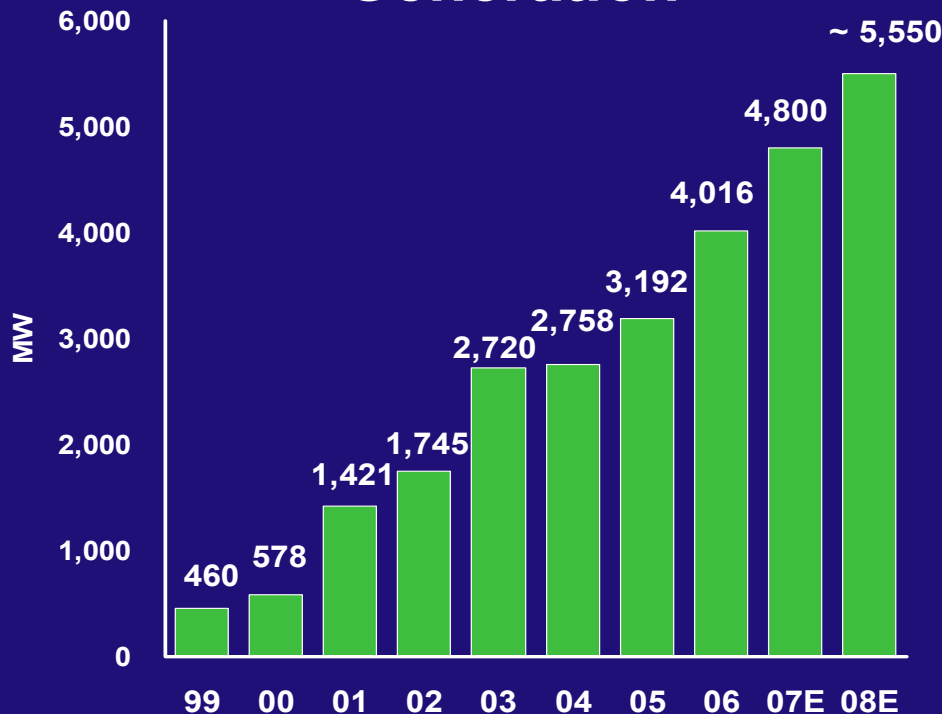
***FPL Group Renewable Energy  
Low and Non-emitting Energy  
Supply & Development***



**FPL GROUP** In the Mohave Desert FPL Energy owns 50% of and operates the largest solar fields in the world.

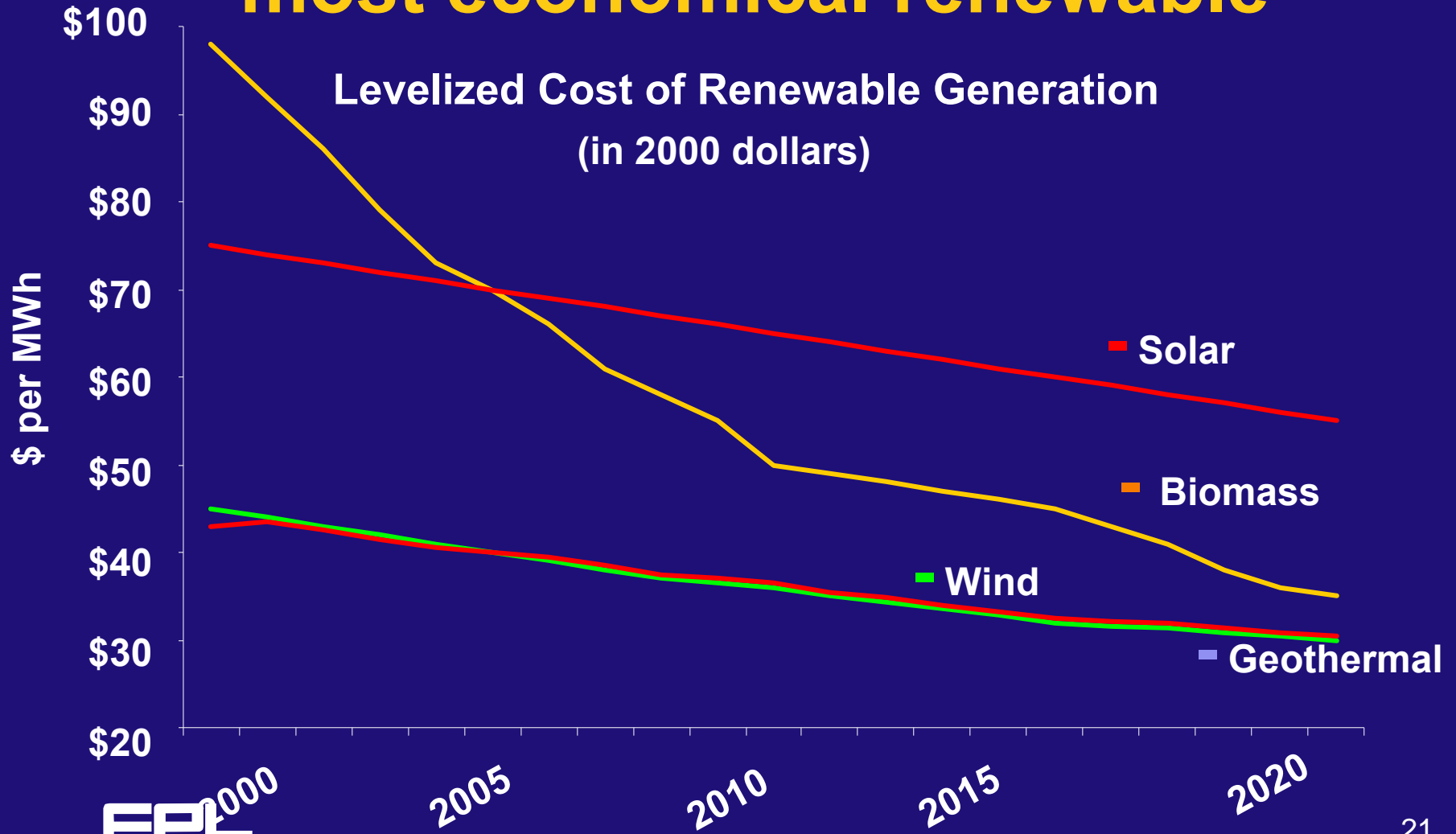
# Wind Energy: Early Participant; Aggressive Expansion

## FPL Energy Wind Generation



- Involved in wind energy since 1989
- Committed to major expansion in 1999
- Approximately 34% of U.S. installed base
- Expect to invest  $\geq$  \$2.8 billion in 2007 and 2008

# As a source of energy, wind is the most economical renewable



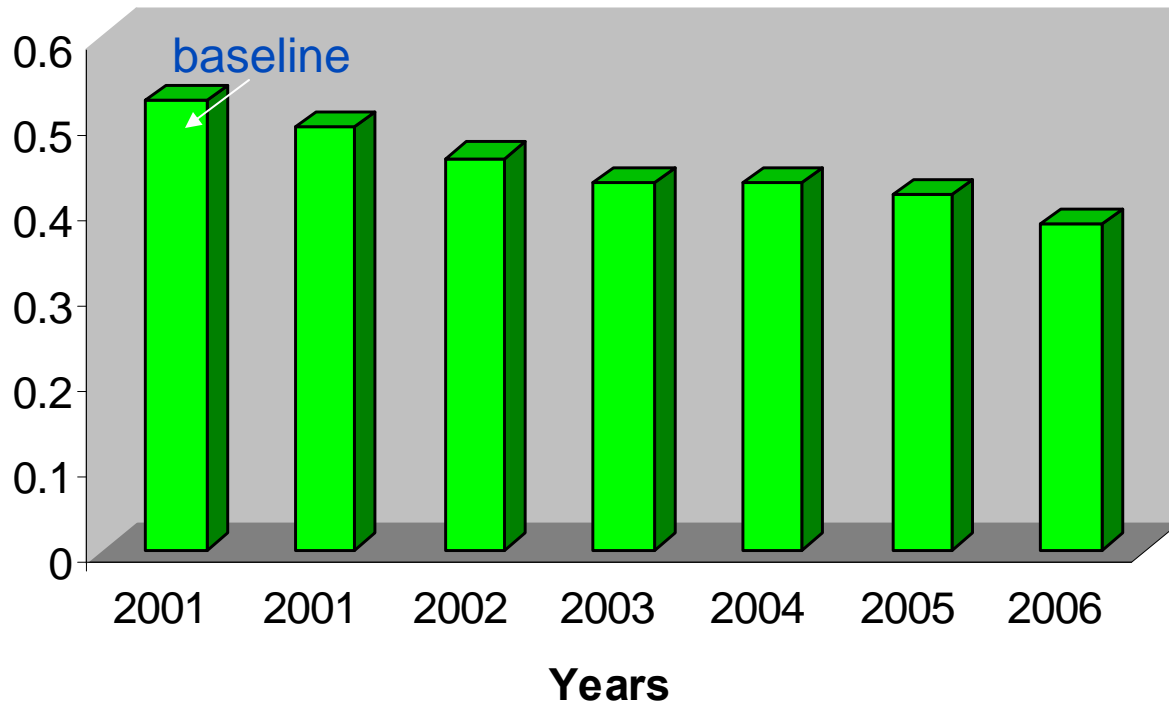
A photograph of a sunset over a field. The sky is filled with soft, colorful clouds in shades of orange, yellow, and pink. The sun is low on the horizon, creating a bright glow. The foreground is a dark, silhouetted field.

## *Our Climate Leader Commitment*

**FPL has committed to an 18% reduction in CO2 emissions rate by 2008 compared to a 2001 baseline.**

# FPL Group Progress Report

FPL Group GHG Tons/MWh



# Financial success and environmental performance can co-exist

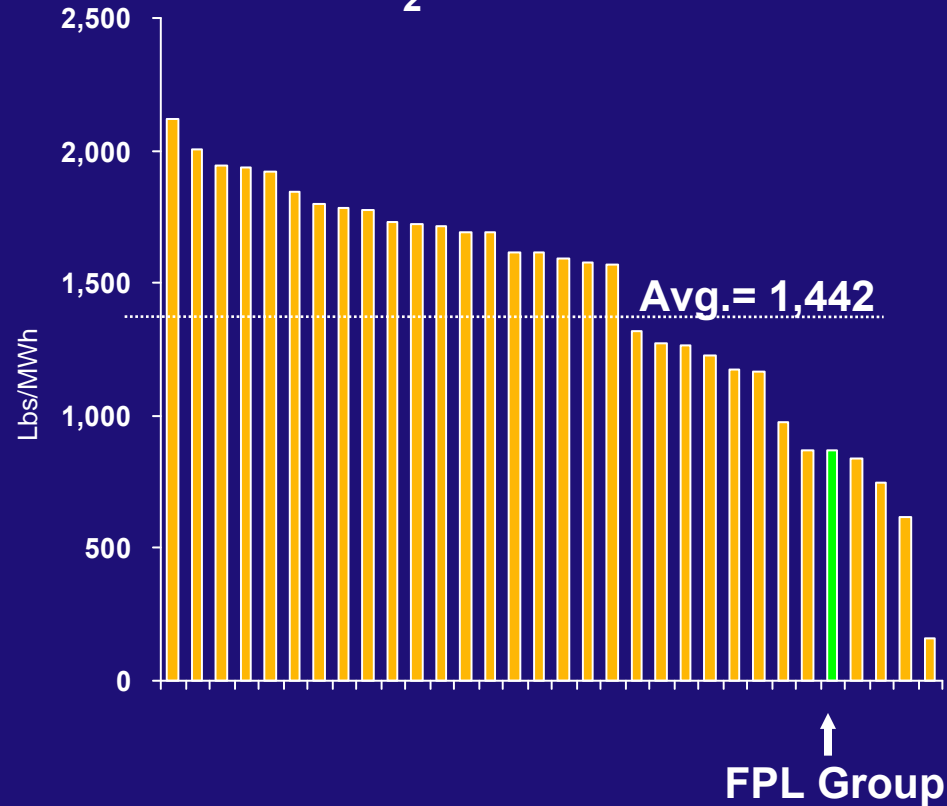
## Stock Performance<sup>1</sup>



<sup>1</sup> FPL Group price performance only since June 11, 2001 when John Lewis Hay, III was appointed CEO



## CO<sub>2</sub> Profile

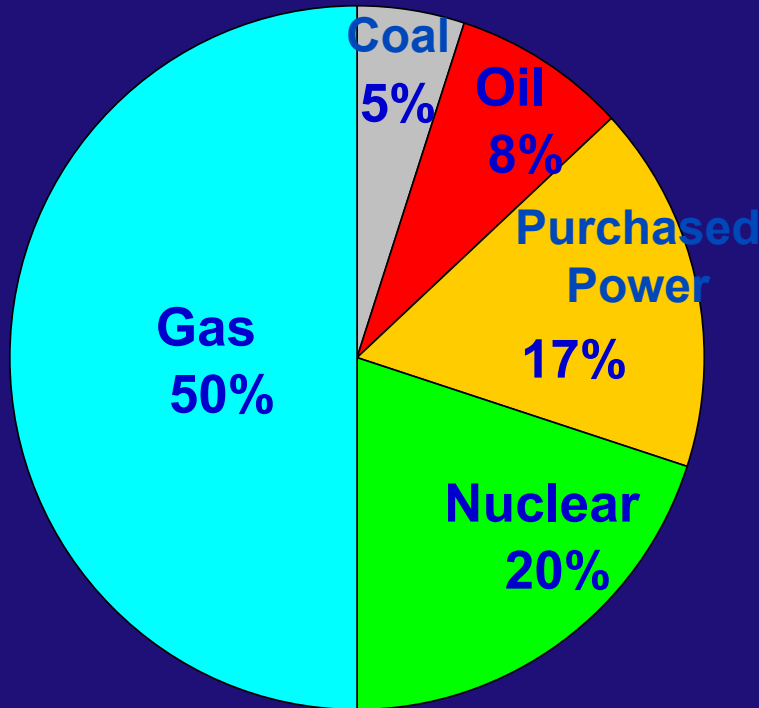


Source: National Resources Defense Council report "Benchmarking the Top 100 Power Producers" 2004 data



# A Clean Generation Portfolio

FPL 2006 Fuel Sources<sup>(1)</sup>  
(MWh produced)



- Investment in Low Emitting Technology
- Power Plant Expansions
- Additional Wind, Solar & Nuclear

70% of MWh production from zero emission nuclear and low emission natural gas sources

