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# News Release

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## Duke Energy files proposed Carolinas Carbon Plan to deliver a cleaner energy future for customers

- **Led by significant growth in renewables and storage, the plan features a diverse energy mix to balance reliability and affordability**
- **All options in the plan meet carbon reduction targets in North Carolina's clean energy law, including least-cost and reliability mandates**

CHARLOTTE, N.C. – After months of stakeholder input, Duke Energy today filed its proposed Carolinas Carbon Plan with the North Carolina Utilities Commission (NCUC) – a clean energy plan that balances affordability and reliability for customers.

The proposed plan provides a path to achieve 70% carbon dioxide ($CO_2$) emissions reduction by 2030 and carbon neutrality by 2050, while offering regulators multiple options that balance affordability and reliability for customers. Duke Energy has already retired two-thirds of its coal plants in North Carolina and South Carolina – to retire the rest by the end of 2035, the company has outlined a diverse, "all of the above" mix of solar, storage, natural gas, wind and small modular nuclear generation, as well as energy efficiency programs and other measures to help customers reduce their energy use.

The plan provides a foundation for upcoming state regulatory processes to consider. By 2035, the clean energy transition would include:

- More than three times the current level of solar
- Diversification of renewables with wind resources
- Significant growth in energy storage – 3,700 megawatts (MW) to 5,900 MW to support renewables
- Initial steps to develop zero emissions load-following resources (ZELFRs) to enable coal retirements and eliminate natural gas use over time

"We are committed to bringing our customers and communities affordable, reliable, carbon-free energy as quickly as possible," said Stephen De May, Duke Energy's North Carolina president. "Customers in North Carolina and South Carolina deserve an orderly energy transition that supports communities and maintains affordable rates, while ensuring the continued reliable service and economic competitiveness on which both states depend."

The efficiency of Duke Energy's dual-state system improves reliability and helps keep costs as low as possible – rates in both North Carolina and South Carolina are well below

the national average. The proposed plan will also be shared with the Public Service Commission of South Carolina (PSCSC) and filed in a future resource planning docket for PSCSC decision.

Customers would see minimal costs from carbon plan implementation over the next two years. Depending upon the portfolio, the average annual bill impact from the plan is projected to range from about 1.9% to 2.7% each year through 2035. Duke Energy will continue working with stakeholders and regulators to check and adjust the plan every two years, incorporating technology advancements, updated cost forecasts, and potential federal funding to ensure ongoing affordability and reliability.

**Strengthened by stakeholder feedback**

More than 500 individuals representing over 300 organizations from both North Carolina and South Carolina participated in the stakeholder engagement process between January and March.

Third-party facilitator Great Plains Institute (GPI) hosted three virtual stakeholder meetings to walk through the plan development process and gather feedback from customers, regulators, state and local officials, industry experts, economic development partners, environmental organizations and community groups. At the request of stakeholders, GPI also facilitated three additional sessions to allow a deeper dive into technical issues examined by subject matter experts.

“Our proposed plan is stronger as a result of this input,” said De May. “For example, based on the robust conversation, we accelerated the timeline for offshore wind options and significantly ramped up projections for new solar and storage resources. We’re grateful for the hundreds of stakeholders who’ve participated so far, and we look forward to working with the NCUC as it continues to gather public input, make adjustments and determine its final plan by the end of 2022.”

**Multiple portfolios to balance reliability and affordability**

The plan explores the benefits, challenges and costs of achieving the interim 70% carbon reduction target as outlined in North Carolina state law. The plan’s first portfolio achieves the 70% target by 2030, while the other three portfolios achieve the 70% target by 2032 or 2034 through increased reliance on both onshore and offshore wind and/or small modular nuclear generation, leveraging the law’s flexibility intended to help advance cutting-edge, carbon-free generation. All four portfolios reach carbon neutrality by 2050.

In the near term, the plan focuses on aggressive energy efficiency and demand-side management, along with grid upgrades to enable significant growth in renewables. That includes between 7,600 MW and 11,900 MW of new solar by 2035, depending on the portfolio, on top of the 5,000 MW of solar expected online by yearend and an additional 1,900 MW of solar currently planned or under development. Approaching the 2030s, wind and small modular nuclear come into play to diversify the carbon-free energy mix. This diversity is key to meeting the least-cost and reliability mandates required by state law.

The plan also proposes prudent near-term activities that will enable tangible progress in the energy transition regardless of the chosen portfolio, while preserving optionality to allow regulators and stakeholders to refine the plan over time. Those include:

- Growing energy efficiency and demand-side customer programs to reduce peak demand by more than 3,400 MW by 2030
- 3,100 MW of new solar, including 600 MW of paired storage
- 2,000 MW of hydrogen-capable natural gas units to replace coal and back-stand renewables
- 1,000 MW stand-alone battery storage
- 600 MW in onshore wind
- Early development work for offshore wind (800 MW), small modular nuclear (570 MW) and pumped storage (1,700 MW) – long lead-time resources for deployment in the early 2030s

The plan will be updated every two years. An overview, executive summary and the full carbon plan can be found at duke-energy.com/CarolinasCarbonPlan. The plan is being shared with all stakeholders who participated in the engagement process, along with modeling data for those who've signed confidentiality agreements.

**Duke Energy**

Duke Energy (NYSE: DUK), a Fortune 150 company headquartered in Charlotte, N.C., is one of America's largest energy holding companies. Its electric utilities serve 8.2 million customers in North Carolina, South Carolina, Florida, Indiana, Ohio and Kentucky, and collectively own 50,000 megawatts of energy capacity. Its natural gas unit serves 1.6 million customers in North Carolina, South Carolina, Tennessee, Ohio and Kentucky. The company employs 28,000 people.

Duke Energy is executing an aggressive clean energy transition to achieve its goals of net-zero methane emissions from its natural gas business and at least a 50% carbon reduction from electric generation by 2030 and net-zero carbon emissions by 2050. The 2050 net-zero goals also include Scope 2 and certain Scope 3 emissions. In addition, the company is investing in major electric grid enhancements and energy storage, and exploring zero-emission power generation technologies such as hydrogen and advanced nuclear.

Duke Energy was named to Fortune's 2022 "World's Most Admired Companies" list and Forbes' "America's Best Employers" list. More information is available at duke-energy.com. The Duke Energy News Center contains news releases, fact sheets, photos and videos. Duke Energy's illumination features stories about people, innovations, community topics and environmental issues. Follow Duke Energy on Twitter, LinkedIn, Instagram and Facebook.

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