DUKE ENERGY REPORT CARD

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for

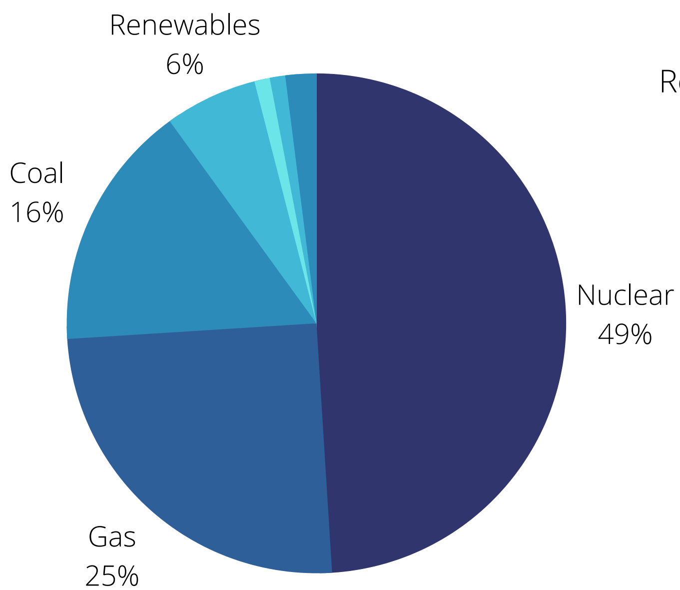
DUKE'S INTEGRATED RESOURCE PLANS IN THE CAROLINAS

Every two years Duke Energy Progress (DEP) and Duke Energy Carolinas (DEC) (herein Duke) each develop an integrated resource plan (IRP) that lays out a resource roadmap to guide the utilities over the next 15 years. A diverse coalition of conservation, clean energy and community organizations representing the people of North and South Carolina assessed Duke's 2020 IRPs. The IRPs were graded in 10 categories that reflect 10 principles of an IRP in the public interest. Duke received failing or near-failing grades in all 10 categories.

Overall, Duke's IRPs do not adequately address climate change nor reduce customers' energy burdens. Instead of choosing the cleanest and most cost-effective option of retiring coal plants immediately and replacing them with efficiency and renewables, Duke delays coal plant closures and proposes to build 9.6 GW of new fossil gas. The IRPs present six scenarios, two of which this report card explores more fully -- the base case and base case with carbon policy.

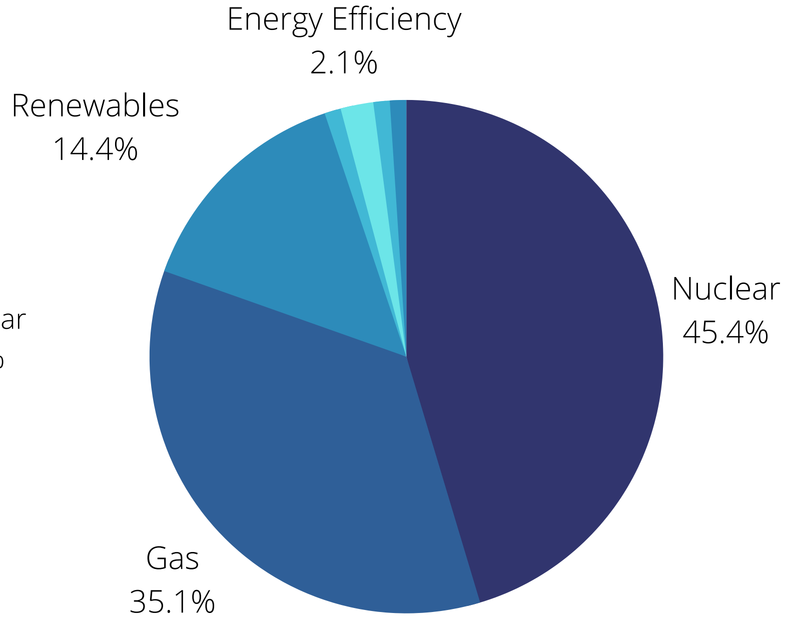
Duke's IRPs propose to significantly increase customers' bills. This is clearly unacceptable right now given the economic devastation that COVID is having in the Carolinas, and the struggles families face to pay their energy bills.

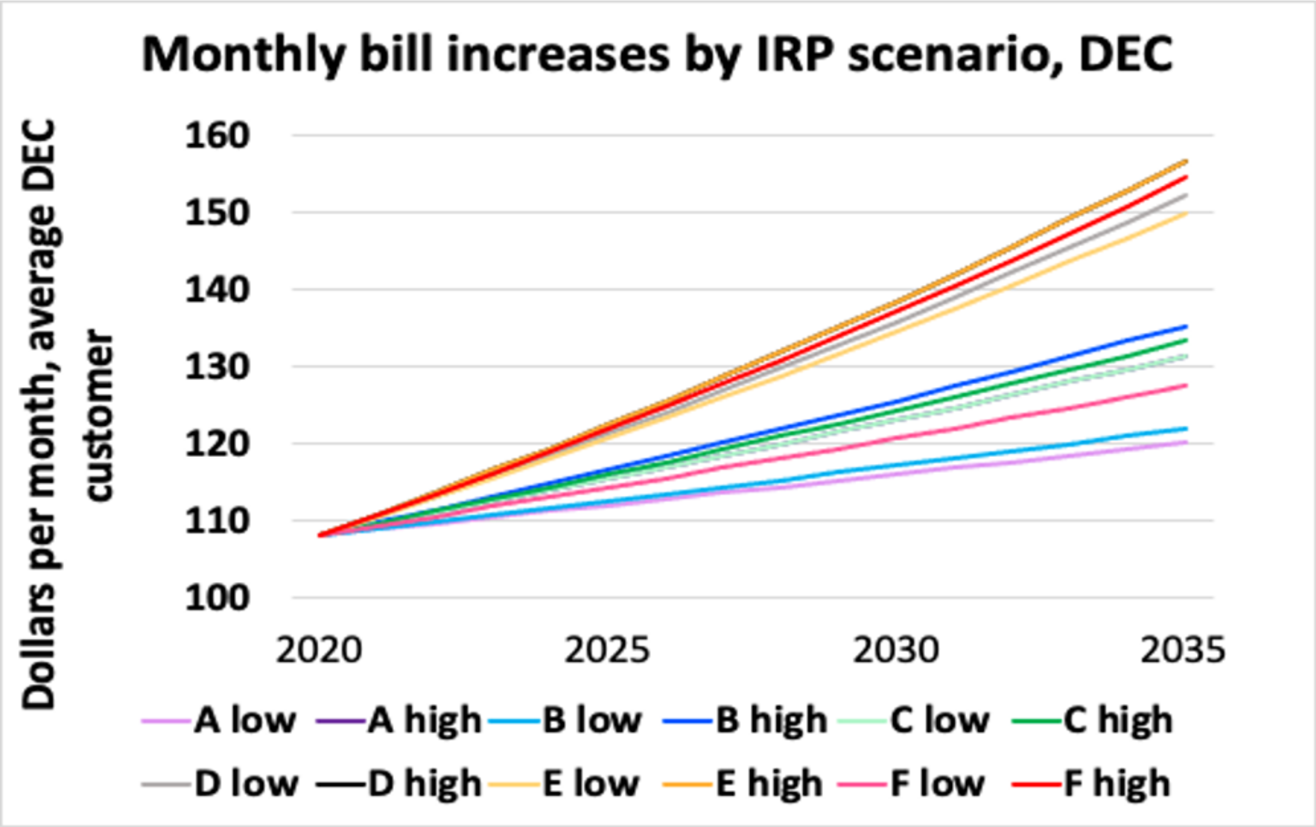
2021 Duke Resource Mix



2035 Duke Resource Mix

Base Case with Carbon Policy





D

1. GET REAL WITH CLIMATE GOALS

Duke Energy's IRPs should adhere to North Carolina's climate goals, reduce actual greenhouse gas emissions 70% by 2030 and entirely eliminate fossil fuels from its fleet by 2050.

F

2. AFFORDABLE ENERGY FOR ALL AND EQUITABLE ACCESS TO CLEAN ENERGY

Duke must take proactive steps to reduce the short- and long-term energy burden of its customers, especially low- to moderate-income customers, and provide arrearage forgiveness and management plans to all customers facing mounting utility debt, exacerbated by the COVID-19 pandemic. In addition to addressing affordability, Duke should also ensure that all families have equitable access to clean energy.

D-

3. DO ENERGY EFFICIENCY FIRST

Energy efficiency and demand response are the least-cost ways to meet the grid's needs. Duke must maximize all energy efficiency options prior to building any new generation in order to keep costs low for all ratepayers and avoid unnecessary investment in higher-cost fossil fuel energy.

D+

4. DITCH COAL

Duke's coal plants are already uneconomic and costing ratepayers billions. They must be shut down now, for the benefit of our wallets, our health and our climate. Duke's IRPs should accelerate retirement of all coal plants, close half of its coal fleet by 2025, achieve coal-free energy by 2030 and include support for just, community-led transition plans for coal plant communities.

F

5. NO NEW GAS

Duke needs to stop all new gas investments and minimize the risk of uneconomic assets on their system. Firstly, Duke does not need to build any new fossil gas plants or infrastructure. Renewable energy and energy efficiency can meet reliability needs more cost-effectively while reducing bills, pollution and climate impacts. Second, the combination of carbon dioxide and super potent methane released as a result of increased use of fossil gas will prevent Duke and North Carolina from meeting their climate goals, and it will lock North and South Carolinians into more fossil-fueled energy for decades. Finally, many of these plants will be economically obsolete in a few years as solar and storage become cheaper than new gas plants.

D

6. GO BIG ON RENEWABLE ENERGY

It's now well established that solar is not only the cleanest but also the most cost-effective energy supply choice. A recent study showed that the Carolinas could boost renewable energy to 66% in North Carolina and 57% in South Carolina by 2035, all while decreasing costs to ratepayers. Plus, we know that investing in homegrown, clean energy boosts the economy, provides cash to landowners and creates local jobs. Duke should be "all in" on solar and other renewable sources, achieving at least 55% renewable energy by 2035.

D

7. EMBRACE MARKET COMPETITION

Recent research shows regional market competition could reduce electricity rates in the Southeast by 23%, saving ratepayers $17 billion per year or $384 billion by 2040. Any new power generation should be acquired through a technology-neutral, competitive process that transparently weighs costs and benefits and considers all alternatives including clean energy portfolios of renewables, energy efficiency and demand response. This will ensure ratepayers are getting the lowest cost energy, regardless of the power source.

C

8. DO GRID MODERNIZATION RIGHT

Despite promises by Duke Energy, the ball has barely moved forward on a more modern, more distributed grid. With Duke proposing major updates to the grid and operations through its Grid Improvement Plan and Integrated System & Operations Planning, now is the time to expand the role of clean, distributed resources. Duke needs to tap into customers' distributed energy resources in its energy plan and allow customer-sited solar and storage systems to participate as a resource.

F

9. DON'T RELY ON IMAGINARY TECHNOLOGY

ZELFRs are nothing more than a way for Duke to continue to operate a fossil-heavy grid while waiting for a unicorn technology. We know we can reduce carbon emissions with existing technologies. Duke's IRPs cannot rely on hypothetical technologies; we already have the tools we need to transition to a healthier, carbon-free energy future.

F

10. NO LOBBYING AGAINST THE PUBLIC INTEREST

Duke should NOT fund nor lobby the legislators and regulators that are charged with overseeing their monopoly. Duke should immediately end all political spending to ensure that the company operates in the public interest.

this report card is

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- VOTE SOLAR
- NC WARN
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- Appalachian Voices
- CVSC CONSERVATION VOTERS OF SOUTH CAROLINA
- SIERRA CLUB
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- NCIPL North Carolina Interfaith Power & Light
- Clean Air Carolina
- 350 CHARLOTTE
- North Carolina Conservation Network
- CENTER for BIOLOGICAL DIVERSITY — Because life is good.
- north carolina JUSTICE CENTER
- North Carolina League of CONSERVATION VOTERS

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