The North Carolina Carbon Plan (2025/2026)

Points to Consider for Advocates and Communities

Transparency:

- As the leading producer of consumer electricity in North Carolina, Duke Energy must be transparent in its plans for our energy future.
- This year's Carbon Plan is the most opaque version Duke has released so far, as it has no clear plan for following the law and decarbonizing the power sector by 2050.
- The times, locations, and manner of Duke's stakeholder engagement sessions for this Carbon Plan were inaccessible to residents. They were held during working hours and questions were not adequately answered.
- Duke refuses to share any information or data with interested parties, and instead requires them to sign a NDA. Parties that do agree to Duke Energy's terms are still kept mostly in the dark.
- A fair and effective Carbon Plan should seek to meaningfully engage residents and meet them where they're at, not bury them in hundreds of pages of overly technical information.
- Costs for different items in residential electricity bills are not clearly displayed.

What We Want:

- Duke Energy should be required to produce easy to understand one pagers and public information on the Carbon Plan. Stakeholder engagement sessions should have two-way participation and be held after business hours to improve accessibility.
- These materials should include a plain diagram with Duke's progress toward carbon neutrality in accordance with HB 951. These materials should also explain how cost estimates of the Carbon Plan factor into rate increases.

Affordability for Residents:

- Low-wealth ratepayers in North Carolina, on average, spend between 8 to 10 percent of their income on energy costs. Households regularly are forced to choose between paying bills, buying food, or keeping the lights on. Nearly 1.5 million North Carolinians are overburdened by energy costs.

- Duke Energy is a regulated monopoly and is therefore guaranteed a profit of billions of dollars through a 10% return on equity.
- Combining the Carbon Plan costs with an 18% rate increase for residential customers by 2028 is not affordable and will endanger vulnerable residents.
- Clean energy technologies like solar and wind are the cheapest energy options available today. This gap will only continue to grow as renewable technologies continue to improve. Clinging onto outdated fossil fuels creates additional and unnecessary energy expenses for businesses, households, and the state.
- The cost of inaction is greater than the cost of action. Climate change and air pollution are already costing residents and businesses billions of dollars each year in lost productivity, healthcare, and damage to infrastructure.
- Duke Energy is planning to make customers pay for gas plant equipment before any permits for proposed new gas plants are issued (per page 19 of Chapter 4 of the 2025 CPIRP). Customers will also be responsible for paying for fuel from pipelines and for additional, expensive liquefied natural gas (LNG) storage facilities if approved.
- Nationally, over 20 million households are behind on their utility payments. Instead of providing effective, equitable support options, Duke Energy has elected to request a rate increase and build expensive fossil fuel plants.

What We Want:

- Duke should be required to include a line item of fuel costs in residential bills. Duke Energy passes all of its fuel costs to customers, and residents now hold a majority of the costs due to SB 266, which was passed in 2025.
- Duke Energy should share its total anticipated/proposed increases to rate payers (cumulative, including rate hikes and Carbon Plan recommended portfolios).

Intentionally Planning for the Future:

- Duke Energy is not adequately planning for or executing the transition to clean energy.
- The Carbon Plan's Near Term Action Plan only extends to 2040, leaving a 10 year gap in which Duke assumes carbon emissions will

dramatically decrease. Duke is not considering what sources would be best in the long term once Duke is required to achieve net-zero emissions, and is instead only focused on the short term. By not looking past 2050, Duke is not actually considering what is the most affordable for customers in the long run.

- Much of Duke's proposed Carbon Plan relies on technologies (SMRs, carbon capture, and hydrogen) that are not commercially available and have unknown costs and timelines.
- Duke Energy specifically looks at Plant Vogtle for guidance, which was 7 years late and 17 billion dollars over budget. Georgia ratepayers pay the costs and the utility will only profit. Plant Vogtle is the most expensive power plant built on Earth to date.
- The Carbon Plan's methane gas buildout poses a risk for customers by recommending gas plants be put into service in the 2040s. When Duke is required to be net-zero by 2050, this means a new gas plant would run for less than 10 years as opposed to a regular lifespan of 30 years. Duke wants customers to pay for infrastructure it can't use or pay twice to retrofit these facilities in the future with additional expensive technologies like hydrogen capability, new pipelines or carbon capture.

What We Want:

- The North Carolina Utilities Commission (NCUC) must consider a third-party analysis of the Carbon Plan, as Duke's proposed plan contains biases and assumptions in modeling that allow the plan to trend towards methane gas and SMRs.
- Duke must demonstrate a model that looks past 2050 that considers the full cost to customers and what will actually be the most affordable option.

Expanding Access to Clean Energy:

- Clean energy sources like solar, wind, and battery storage are the future of North Carolina's power sector. Employment in clean energy jobs exceeded that of fossil fuels in 2021 and continues to grow with record investments throughout the state.
- Extreme weather events, like Hurricane Helene, are only becoming more frequent. We need to invest in clean energy to improve resiliency, making sure people have access to power during even the strongest storms.

- As a monopoly, Duke Energy has captive customers with nowhere to go. That's why it can block cheaper solar and wind power that would lower our bills. It profits from making us pay to build infrastructure that requires the most expensive sources of power: fossil fuels.

What We Want:

- Duke needs to expand its popular, helpful demand-side management programs for energy efficiency, rooftop and community solar and storage.
- Duke should expand PowerPair off of its current model as a pilot program and make it available to all customers regardless of class.

Making Data Centers Pay Their Fair Share:

- Data centers and large industrial users are asking for record amounts of electricity, and Duke is charging residential customers more to make that happen.
- The data center industry is notoriously opaque, refusing to share basic information like water usage with local communities.
- Duke is aware of the plans these companies are making and is failing to disclose necessary information.
- Duke Energy has already publicly stated that they project 46 GW of new generation is needed to meet future needs, but 39 GW of that power is needed for data centers.

What We Want:

- The NCUC should require that Duke Energy institute a separate data center customer class with stringent contract terms to protect residential and small-business customers.

Improving Public Health:

- Fossil fuel emissions jeopardize our health and make us sick. North Carolina must move away from these dirty fuels.
- Burning fossil fuels emits fine particulate matter (also known as soot). The fine particles (PM2.5) within soot are small enough to infiltrate our lungs and pass into our bloodstream. From there they can wreak havoc on other primary organs, including the heart and brain.

- In North Carolina, nine of the ten leading causes of death are caused or worsened by fossil fuel emissions.
    - These include stroke, heart disease, asthma and other respiratory conditions, influenza or pneumonia, cancer, COVID-19, Alzheimer's disease, diabetes, and kidney disease.
- Closing coal-fired power plants leads to substantial health improvements. A recent study found that coal plant closures resulted in an immediate 42% reduction in emergency room visits for heart problems, thanks to substantial decreases in air pollutants such as sulphur dioxide, arsenic, and particle pollution.
- Fossil fuel pollution can lead to premature births, along with several other maternal and fetal health issues. A 2016 NYU study found that health costs associated with premature births from fossil fuel emissions totaled nearly $5 billion.
- Air pollution kills more people each year than cigarettes.