

[Insert Month, Day] 2026

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North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

**Re: Statement of Position of North Carolina Local Governments on Duke Energy’s Carbon Biennial Carbon Plan and Integrated Resource Plan (CPIRP); Docket No. E-100 Sub 207**

Dear Chair Brawley and Commissioners,

The [insert towns, cities, and counties] (subsequently referred to as “the undersigned”) respectfully submit the following comments and recommendations regarding the proposed Carbon Plan Integrated Resource Plan (CPIRP) filed by Duke Energy on October 1, 2025, to the North Carolina Utilities Commission (NCUC). These comments are the result of discussions with dozens of local governments across North Carolina as part of a collective effort to achieve an affordable and sustainable energy future for our residents. We welcome the opportunity to collaborate and further discuss any of the issues described herein.

**Introduction**

Local governments have a fundamental responsibility to protect the health and safety of residents and businesses, act as careful stewards of public funds, and represent community interests in state and regional decision making. Accordingly, the undersigned have a substantial interest in ensuring an electricity system that is affordable, reliable, resilient, and clean. Energy affordability directly affects housing stability and economic wellbeing across our communities, while reliable and resilient energy is essential for protecting public health and safety during extreme heat, extreme cold, and other climate related disruptions. Decisions made in the CPIRP will shape these outcomes for decades.

Collectively, the undersigned local governments serve [insert #] million North Carolinians and are among Duke Energy’s largest individual customers, consuming approximately [insert #] GWh annually for government operations. In their dual role as major energy consumers and community representatives, the undersigned have worked in partnership with Duke Energy to advance initiatives that improve energy efficiency, support distributed energy resources, and expand customer-driven clean energy procurement options. Many have also participated in prior NCUC proceedings to ensure that energy system planning reflects the needs and priorities of the communities they serve.<sup>1</sup> The undersigned appreciate Duke Energy’s ongoing collaboration with local governments and value the opportunities to work together toward shared goals.

At the same time, local governments are concerned about the significant energy cost increases facing North Carolinians. Between Q1 2022 and Q1 2025, the average residential electricity price in North Carolina rose by 14.6% on an inflation-adjusted basis.<sup>2</sup> As of June 2025, nearly one in thirteen North Carolina households had past-due energy utility debt in collections. For governments committed to keeping housing affordable and safeguarding public welfare, these trends underscore the urgent need for proactive measures that limit cost burdens on residents, small businesses, and public institutions.

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<sup>1</sup> Commission Dkt. No. E-100, Sub 165, 165CS, 190, 190CS; Lacey Shaver et al., *Driving Climate Action through Utility Integrated Resource Plans: A North Carolina Case Study of Local Government Leadership*, American Cities Climate Challenge (2022), [https://cityrenewables.org/wp-content/uploads/2022/02/Driving-Climate-Action-Through-Utility-IRPs\\_North-Carolina-Case-Study.pdf](https://cityrenewables.org/wp-content/uploads/2022/02/Driving-Climate-Action-Through-Utility-IRPs_North-Carolina-Case-Study.pdf).

<sup>2</sup> Energy Information Administration, *Electricity Data Browser*, <https://www.eia.gov/electricity/data/browser/>.

Local governments are also committed to accelerating an affordable transition to clean energy. Many have adopted near-term climate, clean energy, and resilience goals (see Appendix A), and decisions in this IRP—particularly around generation, transmission, demand side resources, and procurement options—will directly affect local governments’ ability to meet climate, clean energy, and sustainability commitments, as well as the cost associated with meeting these goals. Local governments view the clean energy transition as integral to improving community resilience, reducing long-term risks, and ensuring safer and more livable conditions for residents.

Given these responsibilities, local governments have carefully reviewed Duke Energy’s load forecast assumptions, economic development load adjustments, and generation choices in the 2025 CIPRP. The accuracy of demand projections has significant implications for infrastructure needs that drive system costs and impact rates. Local governments appreciate Duke Energy’s efforts to prepare for load growth and economic development but remain concerned that uncertainty in the forecasts and an overreliance on capital-intensive new fossil generation could lead to unnecessary cost burdens for existing customers. Ensuring transparency, methodological clarity, and prudent resource selection are essential to protecting ratepayers and maintaining an affordable and reliable grid.

**The undersigned view this CIPRP process as a pivotal opportunity to collaborate with Duke Energy, the NCUC, and other stakeholders to shape an energy future that remains affordable, reliable, resilient, and clean for all North Carolinians.** Local governments stand ready to continue working constructively with Duke Energy to evaluate solutions, share on-the-ground insights, and ensure that planning decisions reflect both statewide objectives and the lived experiences of the communities we serve.

Below is a summary of key recommendations for the NCUC, which are further elaborated throughout this letter. The undersigned recommend that the NCUC:

- **Call for greater transparency and explanation of Duke Energy’s economic development load forecasting methodology.** Duke Energy’s methodology for projecting new load drives major investment decisions and long-term rate impacts. Clearer assumptions and documentation will help stakeholders evaluate system needs and protect customers from unnecessary costs.
- **Require Duke Energy to plan for an affordable, reliable, and resilient energy system by optimizing the existing grid and investing in cost-effective, least-risk electricity generation resources.** Fossil fuel generation exposes customers to unpredictable fuel costs, while renewable resources have no fuel costs and provide long-term price stability. Strengthening the existing grid and competitively acquiring resources through all-source procurement will reduce reliance on more costly new generation and limit exposure to volatile fuel markets, supporting a least-risk system and helping maintain affordability for residents, businesses, and local governments.
- **Encourage Duke Energy to create viable, cost-effective clean energy procurement pathways for large customers.** The resource mix proposed in the CIPRP will not enable local governments to meet their near-term clean energy and climate targets, making alternative procurement pathways essential. Current Green Source Advantage (GSA) and GSA Choice structures remain too complex, restrictive, and costly, suppressing customer uptake and underscoring the need for accessible, affordable programs that can fill the near-term gap.
- **Direct Duke Energy to fully value energy efficiency and demand-side resources in planning.** These resources reduce peak demand, defer costly infrastructure, and enhance resilience at a lower cost than new generation. Treating them as selectable planning resources will improve system affordability and reliability.

- **Protect existing ratepayers from disproportionate cost burdens associated with new large loads.** Rapid growth should not result in higher bills for residents, small businesses, or public agencies already struggling with rising energy costs. Fair cost allocation—consistent with models used in other states—will help maintain affordability as the grid expands.

## Recommendations

This letter outlines the undersigned’s comments on key elements of the CIPRP filings, their impacts on local government actions and community members, and recommendations for the NCUC as it prepares its final Order in the 2025–26 CIPRP proceeding. The undersigned ask the NCUC to:

### 1. Ensure Duke Energy provides greater transparency and explanation of its load forecasting methodology to guide cost-effective infrastructure planning.

Accurate energy demand forecasts are critical, as all resource planning decisions found in the CIPRP process rely on these projections as foundational inputs. Underestimating future demand risks reliability shortfalls, while overestimating it could leave ratepayers paying for unneeded infrastructure.

North Carolina is experiencing rapid growth and is expected to become the seventh most populous state by the early 2030s.<sup>3</sup> Its expanding economy brings new industries, investment, and jobs—benefits local governments recognize and support. Local governments also recognize that as population and productivity grow, statewide energy demand is likely to follow.

However, even accounting for this growth, Duke Energy’s demand projections appear to significantly overestimate the magnitude and pace of new economic development load. The Advancing Development load forecast scenario, which serves as Duke Energy’s base planning assumption, projects more than 51 TWh of new economic development load by 2040, roughly equivalent to adding the current electricity consumption of Arkansas to the existing system in under 15 years.<sup>4</sup> More than 60 percent of this projected load is expected to materialize by 2031.<sup>5</sup>

Duke Energy’s recent presentation at an NCUC technical conference indicates that much of this projected growth is attributed to data centers.<sup>6</sup> While data center expansion is affecting load forecasts nationwide, there are well-documented reasons for skepticism about the scale and timing of associated load growth, including efficiency gains, supply chain constraints, market shifts, and the prevalence of speculative and duplicative requests.<sup>7</sup> Recent

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<sup>3</sup> Michael Cline, *NC to become 7<sup>th</sup> most populated state in early 2030s*, Office of State Budget and Management (Feb. 2025), <https://www.osbm.nc.gov/blog/2025/02/03/nc-become-7th-most-populated-state-early-2030s>.

<sup>4</sup> U.S. Energy Information Administration, *Electric Power Annual* (Oct. 2025), <https://www.eia.gov/electricity/annual/> (For further comparison, in its October 2025 Integrated Resource Plan Update, Dominion Energy forecasted that its net load would increase by 67 TWh by 2040 across its Virginia and North Carolina footprint. Dominion Energy serves the largest data center market in the world in Northern Virginia and is considered a utility industry leader in data center practice).

<sup>5</sup> Appendix D – Load Forecast, Commission Dkt. No. E-100, Sub 207 (2025), <https://starw1.ncuc.gov/NCUC/ViewFile.aspx?id=da8c7ac9-b1c1-4624-8fc9-2d4a8ba2febf>.

<sup>6</sup> Duke Energy’s Technical Conference Presentation Materials, Commission Dkt. No. E-100, Sub 208 (2025), <https://starw1.ncuc.gov/NCUC/ViewFile.aspx?id=86ae7250-53a6-4b81-ad84-a70ed8b5c6f4> (On slide 4, the rightmost chart shows that there are 39.8 GW of data center projects in Duke Energy’s Carolinas Economic Development Pipeline out of a total 47 GW, representing 84.6% of projected demand from all entries in the pipeline).

<sup>7</sup> Ian Goldsmith and Zach Byrum, *Powering the US Data Center Boom: Why Forecasting Can Be So Tricky*, World Resources Institute (Sep. 2025), <https://www.wri.org/insights/us-data-centers-electricity-demand>; Brian Martucci, *A fraction of proposed data centers will get built. Utilities are wising up*, Utility Dive (May 2025), <https://www.utilitydive.com/news/a-fraction-of-proposed-data-centers-will-get-built-utilities-are-wising-up/748214/>.

months have seen large load queues in other states like Georgia<sup>8</sup> and Ohio<sup>9</sup> decrease by multiple gigawatts as data center plans changed.

**Given the scale and pace of projected economic development load additions, the undersigned urge the NCUC to have Duke Energy provide greater transparency and explanation of its methodology for economic development load adjustments within the CPIRP proceeding.** Duke Energy should explain the basis for its chosen discount factors, the rationale for selecting certain project stages in its scenarios, and the justification for adding approximately 2,000 MW of demand to the Advancing Development scenario beyond the Moderate Development case.<sup>10</sup> The 2,000 MW adjustment warrants particular scrutiny, as it lacks significant supportive evidence and modeling and could be speculative.<sup>11</sup>

To ensure sound planning, the NCUC can draw on emerging best practices from other jurisdictions and expert groups. For example, the Texas market operator ERCOT has developed a methodology for adjusting large load forecasts provided by utilities using observed data center demand and operational data.<sup>12</sup> Other utilities have adopted advanced modeling techniques to better account for uncertainty.<sup>13</sup> The Energy Systems Integration Group has also recently published recommendations for forecasting emerging large loads, informed by research and stakeholder engagement through its Large Load Task Force.<sup>14</sup>

**The undersigned also request that Duke Energy be required to provide more frequent and detailed updates on its economic development pipeline and resulting load impacts.** The NCUC's 2024 Order requiring semi-annual reporting was an important step toward transparency.<sup>15</sup> However, given the pace of change in large load development, particularly data centers, the undersigned believe that the initial reporting requirements are no longer sufficient to capture and respond to changes in the large load market. Following approaches in Georgia<sup>16</sup> and Texas<sup>17</sup>—states also experiencing significant data center growth—the undersigned request that update reports

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<sup>8</sup> *Large Load Economic Development Report for Q3 2025 PD*, Georgia Public Service Commission Dkt. No. 55378 (2025), <https://psc.ga.gov/search/facts-document/?documentId=224615> (In November 2025, Georgia Power' Q3 2025 Large Load Economic Development Report showed a net 6 GW decrease in Georgia Power large load pipeline from the previous quarter, with 14.3 GW of projects exiting in total).

<sup>9</sup> *Correspondence Status of Process for Signing Up New Schedule DCT [Data Center Tariff] Customers*, Public Utilities Commission of Ohio Case No. 24-0508-EL-ATA (2024), <https://dis.puc.state.oh.us/CaseRecord.aspx?CaseNo=24-0508> (In October 2025, it was reported that AEP Ohio' data center pipeline had shrunk from 30 GW to 13 GW after the introduction of a new large load tariff requiring customers to pay at least 85% of contracted demand per month); see also Skidmore, Zachary. *AEP Ohio slashes data center pipeline by more than half – report*. Data Center Dynamics (Oct. 2025), <https://www.datacenterdynamics.com/en/news/aep-ohio-slashes-data-center-pipeline-by-more-than-half-report/>.

<sup>10</sup> *2025 Carolinas Resource Plan*, Chapter 2 – Methodology & Key Assumptions, Commission Dkt. No. E-100 (Oct. 2025), <https://starw1.ncuc.gov/NCUC/ViewFile.aspx?id=3368d947-071c-4edc-8414-d5006648be8d>.

<sup>11</sup> *Direct Testimony and Exhibits in Support of 2025 Carbon Plan Integrated Resource Plan, Direct Testimony Of Phillip O. Stillman, Andrew Tate, and Benjamin Passty on behalf Of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC*, Commission Dkt. No. E-100, Sub 207 (2025), <https://starw1.ncuc.gov/NCUC/ViewFile.aspx?id=4386559b-8991-4e60-b693-ec4b9e689038>.

<sup>12</sup> Pablo Vegas et al., *Item 8.1: Long-Term Load Forecast Update (2025-2031) and Methodology Changes*, ERCOT (Apr. 2025), <https://www.ercot.com/files/docs/2025/04/07/8.1-Long-Term-Load-Forecast-Update-2025-2031-and-Methodology-Changes.pdf>.

<sup>13</sup> [ViewFile.aspx](#)

<sup>14</sup> John Wilson and Sophie Meyer, *Forecasting for Large Loads: Current Practices and Recommendation*, Energy Systems Integration Group (Dec. 2025), <https://www.esig.energy/wp-content/uploads/2025/12/ESIG-Large-Loads-Forecasting-report-2025.pdf>.

<sup>15</sup> *Carolinas Resource Plan*, Order Accepting Stipulation, Granting Partial Waiver of Commission Rule R8-60A(d)(4), and Providing Further Direction for Future Planning, Commission Dkt. No. E-100, Sub 190, (November 1, 2024).

<sup>16</sup> *Order Adopting Stipulated Agreement*, Attachment A, Georgia Public Service Commission Dkt. No. 55378, (April 26, 2024), <https://psc.ga.gov/search/facts-document/?documentId=218484>; see also Pablo Vegas et al., *Item 8.1: Long-Term Load Forecast Update (2025-2031) and Methodology Changes*, ERCOT (Apr. 2025), <https://www.ercot.com/files/docs/2025/04/07/8.1-Long-Term-Load-Forecast-Update-2025-2031-and-Methodology-Changes.pdf>.

<sup>17</sup> ERCOT, *Questions and Answers About the Large Load Interconnection Process* (2025), <https://www.ercot.com/files/docs/2025/12/24/Large-Load-Interconnection-Process-Q-A.pdf>.

be filed more frequently (e.g., quarterly or monthly) and that individual large load requests be reported in a structured dataset, including project load, queue status, and load ramp timing.

These measures will help ensure that planning decisions affecting millions of North Carolinians are evidence-based and responsive to rapidly evolving market conditions.

## **2. Require Duke Energy to plan for an affordable, reliable, and resilient energy system by optimizing the existing grid and investing in cost-effective, least-risk electricity generation resources.**

Duke Energy's Recommended Portfolio reflects North Carolina's projected economic growth by adding new resources to maintain reliable service. The undersigned commend Duke Energy's commitment to procure thousands of additional megawatts of solar, energy storage, and hybrid projects, recognizing these technologies as essential components of a low-cost, reliable energy system. Investments in clean energy generation also create jobs and support customer choices for electricity generation; in 2025, North Carolina ranked ninth in the country for clean energy employment, supporting over 113,000 workers.<sup>18</sup>

However, Duke Energy's plans to meet near-term needs through adding natural gas generation and delaying coal retirements and long-term reliance on indeterminate plans for nuclear, while minimizing proven technologies like wind, pose significant economic and resilience risks for both the utility and consumers. Natural gas prices are highly volatile, leaving consumers vulnerable to rate increases as fuel costs fluctuate. Greater reliance on natural gas, as reflected in the Recommended Portfolio<sup>19</sup> expose substantial price risk. This risk is validated by historical data: from 2017 to Q1 2024, approximately 46-68% of the increase in the residential retail volumetric rate stemmed from fuel costs, which coincided with high natural gas prices.<sup>20</sup>

Additionally, delaying coal plant retirements prolongs negative impacts to air quality and public health and introduces further economic volatility for consumers.<sup>21</sup> Duke Energy's CIPRP analysis acknowledges that coal generation faces growing uncertainty due to declining domestic coal production, transportation challenges, aging units, and an unclear regulatory outlook. These risks raise concerns about both grid reliability and long-term system costs, and local governments are concerned that prolonging coal operations could shift these financial burdens onto North Carolina ratepayers. Near-term investments in natural gas, paired with delayed coal retirements, further heighten exposure to fuel price volatility and system risk, making energy prices more unpredictable and potentially increasing bills for residents, small businesses, and low-income households.

**To support planning for a least-cost, least-risk system, the undersigned recommend that the NCUC pursue two strategies: 1) adopting all-source procurement processes that expand and streamline opportunities to procure renewable energy, and 2) evaluating targeted transmission and distribution upgrades that optimize existing grid assets and reduce the need for costlier new generation.**

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<sup>18</sup> E2, *Clean Jobs North Carolina 2025*, (Nov. 2025), <https://www.energync.org/wp-content/uploads/2025/11/E2-Clean-Jobs-North-Carolina-2025.pdf>.

<sup>19</sup> The Recommended Portfolio over the Base Planning Period (through 2040) includes a net added 3,083 MW of nameplate capacity from combustion turbines and 7,900 MW of nameplate capacity from combined cycles.

<sup>20</sup> EQ Research LLC, *Issue Brief: The Role of Fuel Costs in Duke Energy's North Carolina's Retail Rates from 2017 through March 2024*, (Apr. 2024), [https://www.edf.org/sites/default/files/documents/Issue\\_Brief\\_Narrative\\_4\\_22\\_24.pdf](https://www.edf.org/sites/default/files/documents/Issue_Brief_Narrative_4_22_24.pdf).

<sup>21</sup> The Optimal Coal Unit Retirements in the 2025 CIPRP (Table F-2) suggest delaying retirements of Belews Creek 1, Belews Creek 2, Marshall 3, Marshall 4, and Roxboro 2 plants.

There are precedents for these approaches. The Northern Indiana Public Service Company (NIPSCO)<sup>22</sup> has incorporated all-source procurement into its resource planning, and states such as Indiana<sup>23</sup> and Utah<sup>24</sup> now require utilities to study grid-enhancing technologies (GETs) in their integrated resource plans. Similar strategies in North Carolina could improve system efficiency and reduce costs. The NCUC could require Duke Energy to conduct an all-source procurement as part of the next CIPRP to gather real-world data to inform planning assumptions and sensitivities. Following the 2025 CIPRP, the NCUC could have Duke Energy utilize an all-source procurement with an independently run and transparent evaluation process to meet forecasted demand with least-cost solutions.

For the 2025 CIPRP, the NCUC ordered Duke Energy to include a report on how GETs can be leveraged for an efficient, cost-effective system.<sup>25</sup> Local governments commend this step but encourage the NCUC to pursue additional actions to support least-cost, least-risk planning. These could include establishing a utility working group to study advanced transmission technologies (ATTs)<sup>26</sup>, identify which solutions are best suited to the system, and evaluate how they can enable new load interconnections. The NCUC could also request that Duke Energy publish a report on transmission system efficiency and points of congestion, assessing where ATTs could cost-effectively relieve constraints. Finally, the undersigned encourage the NCUC to consider hiring an independent engineering firm to work with the utility and/or system operator to identify near-term, cost-effective ATT deployments and long-term strategies.

### **3. Encourage Duke Energy to create viable, cost-effective clean energy procurement pathways for large customers, including local governments, to achieve established climate and clean energy goals.**

The Near-Term Action Plan (NTAP) and Recommended Portfolio create significant challenges for local governments and other large customers with near-term climate and clean energy obligations. The continued operation of coal plants, coupled with the addition of new natural gas resources, increases the share of fossil fuels in North Carolina's electricity mix over the next decade. While the Recommended Portfolio is projected to meet the statutory requirement of carbon neutrality by 2050, Figure 3-14 of the CIPRP shows that meaningful, sustained emissions reductions do not begin until the late 2030s. In the meantime, annual emissions across Duke Energy's Combined Carolinas system are expected to remain flat or even rise, peaking above 55 million tons of CO<sub>2</sub> in 2036.

Many North Carolina local governments have set clean energy or carbon reduction targets for 2030 or 2035—well before the emissions reductions anticipated in the CIPRP (Appendix A). Relying solely on Duke Energy's standard generation mix makes meeting these near-term public commitments effectively impossible. To comply with targets (some of which are legally binding) and public climate obligations, local governments need access to viable, cost-effective clean energy procurement options that deliver real additionality without excessive premiums or administrative burdens.

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<sup>22</sup> For its 2018 IRP, The Northern Indiana Public Service Company (NIPSCO) released an all-source procurement to gather information about the lowest cost means to meet system needs. This process gave NIPSCO critical information that brought the reduced system forecast costs down \$1.1 billion in its 2018 IRP relative to the 2016 IRP, which did not include an all-source procurement practice. The lowered forecasted costs were due to earlier coal plant retirements and investments in solar, storage, wind, capacity market purchases, and demand side management as these demonstrated lower cost options relative to natural gas investments.

<sup>23</sup> Indiana law now requires all IRPs filed to study the use of at least one GET to meet demand starting in 2026 and include a description of transmission and distribution systems starting in 2030 (Ind. Code Ann. § 8-1-8.5-3.4).

<sup>24</sup> As of 2025, Utah requires that utilities analyze GETs as a part of resource planning processes as well as general rate cases and transmission system addition or expansion proceedings (Utah Code Ann. § 54-17-11-1101).

<sup>25</sup> Duke Energy Carolinas LLC and Duke Energy Progress, LLC 2023 Biennial CIPRP, Commission Dkt. No. E-100, Sub 190.

<sup>26</sup> GETs include hardware and software technologies that improve functionality of the transmission system. ATTs encompass GETs and additional technologies, such as high-performance conductors.

Given the NTAP and Recommended Portfolio, the need for robust, scalable, and accessible clean energy procurement options for large customers is more urgent than ever. Programs such as Green Source Advantage (GSA) and GSA Choice have been essential tools for large customers seeking to directly support new renewable generation, demonstrating strong demand and attracting significant economic investment. However, these programs remain difficult for local governments to use due to complex processes, restrictive requirements, long timelines, and cost structures that can make participation financially or administratively prohibitive. These barriers directly suppress program uptake—an outcome misaligned with both customer demand and the Carbon Plan’s intent.

**Accordingly, the undersigned recommend that the NCUC direct Duke Energy to establish a transparent, well-structured stakeholder engagement process dedicated to North Carolina local governments’ procurement of clean energy.** Local governments respectfully request that this dedicated process include clearly defined objectives, timelines, and milestones; a shared understanding of what specific program fixes or redesigns will be evaluated; greater transparency around program cost drivers; and a focus on creating procurement options that are easier, simpler, and as low-cost as possible for public entities and the residents they serve.

A successful model already exists: the PowerPair stakeholder process, which local governments found valuable for its good faith collaboration, transparency, and opportunities to jointly explore technical and operational constraints. Local governments recognize they do not have full visibility into all utility and system limitations; transparent processes help all parties build mutual understanding and identify win-win solutions.

#### **4. Direct Duke Energy to fully value the benefits of energy efficiency and demand-side resources in its resource planning.**

Duke Energy is a recognized leader in advancing innovative energy efficiency and grid-edge resource programs. In 2023, both Duke Energy Carolinas and Duke Energy Progress exceeded the national average for energy efficiency savings as a percentage of sales, making North Carolina the leading state in the Southeast for such savings.<sup>27</sup> Duke Energy has also successfully implemented a suite of programs, including demand response and PowerShare for businesses, EV charging solutions through Charger Solution, on-bill financing via Improve & Save, and residential solar and battery incentives under PowerPair. Local governments have partnered with Duke Energy to develop, promote, and learn from these initiatives. The undersigned commend Duke Energy’s leadership and continued efforts to integrate energy efficiency and grid-edge resources into the CPIRP consistent with prior recommendations.<sup>28</sup>

The undersigned local governments also recognize the significant grid benefits that energy efficiency and grid-edge resources already provide to North Carolina’s electric system. We believe Duke Energy can and should do more to fully capture these benefits in its resource planning and accelerate deployment of these least cost, customer focused resources. These resources reduce peak demand, defer or avoid costly infrastructure investments, enhance system resilience, and help customers directly manage their bills. Greater reliance on energy efficiency and grid-edge technologies would materially affect Duke Energy’s modeling outcomes, including system affordability, climate impacts, and reliability. Duke Energy’s own Portfolio Sensitivity Analysis shows that a “high” energy efficiency scenario—assuming annual minimum energy efficiency savings equal to 1.5% of eligible

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<sup>27</sup> Heather Pohnan, *Energy Efficiency in the Southeast: Sixth Edition Report*, Southern Alliance for Clean Energy (Jan. 2025), <https://cleanenergy.org/wp-content/uploads/Energy-Efficiency-in-the-Southeast-Sixth-Edition-January-2025.pdf> (In 2023, North Carolina achieved 0.59% of retail electricity sales in energy efficiency savings, ranking first in the Southeast and placing it above the national average of 0.50%. The report notes, however, that energy efficiency programs at this point had not achieved savings seen in 2017-2019).

<sup>28</sup> In the 2024 CPIRP proceeding, local governments advocated for Duke Energy to adjust its load forecast methodology to proactively and accurately account for impact of demand side management, improved energy efficiency programs, and transit and building electrification. Therefore, we believe Duke Energy’s addition of EV adoption and behind-the-meter solar as key assumptions for its load forecast scenarios, as well as the creation and evaluation of Demand-Side Management Sensitivity Analysis Portfolios, is a positive step.

load—would eliminate the need for 1,365 MW of combined cycle natural gas capacity and 428 MW of combustion turbine capacity relative to the preliminary base portfolio.

Utilities are increasingly evaluating energy efficiency and grid-edge resources as modeled, selectable resources available for capacity expansion planning. For example, Duke Energy Indiana considered energy efficiency, demand response, and integrated vol-var control collectively as selectable generation assets to meet system demand in its 2024 CIPRP.<sup>29</sup> **The undersigned therefore recommended that the NCUC direct Duke Energy to model energy efficiency and certain grid-edge energy resources as selectable resources in its capacity expansion and resource adequacy modeling in future CIPRP proceedings.**

Grid-edge programs, including distributed energy resources, also provide critical community-level resiliency benefits as demonstrated in the aftermath of Hurricane Helene in 2024. For example, the Hot Springs microgrid—placed in service in 2023 as a more resilient and less expensive alternative to traditional grid expansion—continued providing power through solar and battery storage after the town’s substation was washed away during the storm.<sup>30</sup>

**To maximize the value and uptake of these resources, the undersigned further request that the NCUC direct Duke Energy to consult with community groups, community-based organizations, and nonprofit energy affordability groups to support the creation of new grid-edge programs and increase participation in existing ones.** Community engagement in program design and implementation is essential to program success, and local governments can be valuable partners to Duke Energy in this effort. Such collaboration can enhance the efficacy, reach, and scale of existing and future projects, ultimately improving outcomes for customers and supporting the goals of the Carbon Plan.

## **5. Protect North Carolina communities from disproportionate cost burdens associated with new large loads through financial safeguards for existing ratepayers.**

Local governments share the concerns of advocates and community organizations that, if not properly allocated, infrastructure costs needed to serve new large loads could be subsidized by other customers. As discussed earlier, Duke Energy’s projections of substantial near-term load growth—driven primarily by economic development projects such as data centers—form the basis of its Recommended Portfolio and subsequent action plans. Balancing this economic development with the affordability concerns of existing ratepayers is a critical priority as electricity demand increases across the state.

**The undersigned therefore ask that the NCUC take measures to ensure that residential and other commercial ratepayers are protected from unfairly bearing the costs of infrastructure built to support new large economic development loads.** While direct ratemaking decisions fall outside the scope of CIPRP proceedings, the significant influence of new economic development load on Duke Energy’s resource planning decisions makes it essential for NCUC to evaluate long-term resource decisions with fair and reasonable cost allocation in mind. Consistent with longstanding ratemaking principles, residential and other commercial customers should not be expected to pay for infrastructure which they did not cause and from which they do not benefit.

The NCUC can look to other jurisdictions for approaches that promote fair cost allocation in response to rapid large-load growth. In Virginia, for example, the State Corporation Commission directed Dominion Energy to develop proposals for new cost allocation methodologies for generation and transmission costs associated with

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<sup>29</sup> Duke Energy, *Duke Energy Indiana Integrated Resource Plan*, (2024), <https://www.duke-energy.com/home/products/indiana-integrated-resource-plan>.

<sup>30</sup> Jared Leader, *Hurricane Helene: Hot Springs Microgrid*, Smart Electric Power Alliance (Mar. 2025), <https://sepapower.org/resource/case-study-hurricane-helene-hot-springs-microgrid/>.

new data center construction.<sup>31</sup> Many utilities have also adopted large load tariff structures that include consumer protections such as large exit fees, minimum contract lengths, minimum demand charges, and options for co-located generation.<sup>32</sup> These approaches can address the unique demands of large load customers while minimizing financial risk to other ratepayers.

As North Carolina faces record growth in electricity demand from data centers and other large loads, it is critical that the state’s approach evolves to continue protecting ratepayers from unfair cost-shifting by incorporating industry best practices and using accurate demand forecasting.

### Conclusion

The undersigned local governments are committed to the economic wellbeing, health, and resilience of our communities. Although our specific goals vary, we share a common commitment to an affordable, reliable, and clean energy system that supports the needs of all North Carolinians. The plans and actions proposed by Duke Energy have a profound influence on local governments’ ability to meet our goals and targets. In particular, the significant amount of projected energy demand, the proposed short-term investments in natural gas, and the delayed retirement of coal units to meet this demand create an economically risky environment with adverse health and financial impacts on residents and businesses. Some of these risks may be mitigated through refinements to Duke Energy’s planning processes and expansion of customer choice programs.

The undersigned local governments have a long history of partnering with Duke Energy on energy programs that benefit our residents, businesses, and local government operations. We remain committed to working collaboratively with Duke Energy to advance the solutions outlined above — lowering costs, reducing risk, and improving system efficiency for the benefit of our communities.

Thank you for the opportunity to provide comments. If you need additional information, please contact **NAME** with **CITY/COUNTY** (email or **XXX-XXX-XXXX**) and **HE/SHE/THEY** will direct your inquiry to the appropriate local government representative.

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<sup>31</sup> Virginia State Corporation Commission, Docket PUR-2025-00058 (Nov. 2025), <https://www.scc.virginia.gov/docketsearch/docs/89g6011.pdf>.

<sup>32</sup> Alyssa Perez et al., *Large energy users want power. Here’s how to protect other ratepayers from the costs*, RMI (Nov. 2025), <https://rmi.org/large-energy-users-want-power-heres-how-to-protect-other-ratepayers-from-the-costs/>.

## Appendix A: Clean Energy and GHG Reduction Targets of North Carolina Local Governments

The clean energy and GHG reduction targets of the undersigned local governments include:

Commented [1]: Update after signatories are finalized.

Local Government	Clean energy and GHG reduction targets
Town of Boone	Adopted a resolution establishing the goals of climate neutrality in municipal operations by 2030, 100% clean renewable energy used in municipal operations by 2040, and 100% clean renewable energy used in the entire Town of Boone by 2050. As of February 2022, the electricity that the Town of Boone consumes is from 100% renewable sources.
Town of Carrboro	Adopted its Community Climate Action Plan in 2017, aiming to reduce community-wide greenhouse gas emissions by 80% from a 2010 baseline by 2030.
Town of Chapel Hill	Adopted a resolution in 2019 to create a Climate Action Plan and achieve 80% clean, renewable energy in the community by 2030, and 100% by 2050. The Town also has a goal of reducing community GHGs 26-28% by 2025, 50% by 2030, and reaching net-zero emissions by 2050.
Chatham County	Adopted a resolution in 2017 to achieve 100% clean energy by 2050 and crafted a Comprehensive Plan focused on sustainable development, quality of life, and resiliency. The Comprehensive Plan's Resiliency section sets a goal to become a carbon-negative county. Electrification of transportation, energy efficiency, and cleaning the power supply will play a huge role in achieving and maintaining this goal.
Town of Davidson	Adopted a municipal operations goal of achieving carbon neutrality by 2037 and a community-wide carbon neutrality goal by 2050. The Town adopted a Climate Action Plan on April 9, 2024, which sets forth goals, strategies, and actions to reduce emission levels based on a 2019 greenhouse gas inventory to meet their carbon neutrality goals.
City of Durham	Adopted its Carbon Neutrality and Renewable Energy Action Plan in 2021. This plan commits the City to powering City buildings and operations with 80% renewable energy sources by 2030 and 100% by 2050 and reducing greenhouse gas emissions from City operations by 50% by 2030 and 100% by 2040.
Durham County	Adopted a greenhouse gas emissions reduction goal in 2007 of reducing government emissions by 50% and community emissions by 30% from 2005 levels by 2030. The County also adopted a goal of transitioning operations to 80% renewable energy by 2030 and 100% by 2050. In addition, the newly adopted Durham City-County Comprehensive Plan includes a goal for all of Durham to be carbon-neutral by 2050.
City of Greensboro	Adopted a resolution establishing the goals of: reducing GHGs in city operations by 40% from 2005 levels by 2025, reducing energy consumption in city-owned buildings by 40% from 2005 levels by 2025, and transitioning to 100% renewable energy in city operations by 2040. In addition, Greensboro's adopted comprehensive plan, GSO2040, contains high-level goals for prioritizing sustainability through environmental stewardship, social equity, and economic resilience.

Town of Hillsborough	Adopted a resolution in 2017 establishing a transition from fossil fuel-powered operations to 100% clean and renewable energy by December 31, 2050, or sooner and 80% clean and renewable energy by 2030.
Orange County	Adopted a resolution in 2017 to transition to 100% renewable energy by 2050 and a resolution to proportionally uphold the Paris Climate Agreement to reduce greenhouse gas emissions between 26 and 28 percent by 2025 from 2005 levels. Orange County's Climate Action Plan, adopted in November 2023, further committed to reducing greenhouse gas emissions by 50% by 2030 and 100% by 2050.
City of Raleigh	Adopted a goal in 2019 of reducing community GHG emissions by 80% by 2050. In 2021, the City released Raleigh's Community Climate Action Plan (CCAP) that prioritized strategies in the areas of buildings and energy, transportation and land use, and resilience and cross-cutting in order to meet GHG reduction, social advancement, and resilience goals. The Office of Sustainability has since reported on climate action progress to Raleigh City Council and in its CCAP implementation report and online CCAP data dashboard. In addition, the City's Comprehensive Plan and Strategic Plan include policies and goals that focus on GHG reductions, utilizing alternative and renewable energy, improving energy efficiency, creating community benefit and resilience, and improving energy security.