

North Carolina Sustainable Energy Association, Natural Resources Defense Council, Southern Alliance for Clean Energy, Sierra Club, and the Southern Environmental Law Center

What To Watch for In Duke Energy's Initial Carbon Plan

A state law known as "House Bill 951" requires the North Carolina Utilities Commission to develop a "Carbon Plan" by the end of 2022 to cut heat-trapping carbon emissions from power plants in the state by 70% from 2005 levels by 2030 and to achieve carbon neutrality by 2050. The Utilities Commission directed Duke Energy to submit an initial Carbon Plan by May 16.

Here are key things to watch for in Duke's initial Carbon Plan:

1. Duke's plan should not double down on fossil fuel-burning power plants

Duke's plan should not rely on investments in carbon-emitting, fossil fuel-burning power plants. Duke Energy's customers bear the cost and risk associated with fluctuating fossil fuel prices, whereas clean energy resources like wind and solar do not carry those risks. Already, ratepayers are footing the bill for coal power plants that are no longer cost competitive and have not been fully depreciated, and the same thing will happen with any new gas generation built. Duke's plan should not lock North Carolina into an outdated approach with decades of more dependence on polluting fossil fuels by building new gas plants--they are not a wise investment for customers or the climate.

2. Duke's plan should center equity and environmental justice

Communities living near power plants have already paid for our reliance on polluting fossil fuels—suffering more health harms and negative impacts to local economies than other communities. To ensure a just transition, a carbon plan must recognize the pollution harms in these communities across North Carolina and ensure their voices are heard in envisioning a clean energy future.

3. Duke's plan should maximize use of renewable energy and storage

It will not be possible to meet H951's carbon-reduction goals without massive deployment of zero-carbon-emitting technologies like solar, wind and battery storage. These clean energy sources are proven, low-cost, low-risk resources that are available now to make North Carolina a leader in renewable power, build its economy and improve the health and well-being of residents and our communities.

4. Transmission and distribution are a key part of the picture

Duke Energy will need to make smart, strategic investments in its transmission and distribution grid in order to deploy enough clean energy resources to reach H951's carbon-reduction goals. Upgrading the grid also will improve its resilience in the face of increasing climate disruptions like severe storms. A plan that makes smart investments in transmission and distribution to connect low-cost, zero-emissions generating resources will better serve North Carolina.

5. Duke's plan should prioritize demand response and energy efficiency

The cheapest, cleanest way to “generate” electricity is to reduce the need for it in the first place. Demand response (programs that help to reduce or shift electricity demand) and energy efficiency are far cheaper than any other energy resource. Efficiency and demand response not only help customers lower their bills, they also reduce the need for dirty fossil fuel generation and the carbon pollution that comes with it. A Carbon Plan should prioritize efficiency and demand response.

6. Duke should not plan to delay meeting H951's 2030 carbon-reduction goal

H951 allows the Utilities Commission to extend the deadline to meet the 2030 goal under certain circumstances, including the need to maintain grid reliability, and in the event of delays in construction of new nuclear or wind facilities authorized by the commission. There are no commercially viable small modular nuclear reactors (SMRs) available, and North Carolina must not wait to see if the technology ever becomes commercially available in order to meet our climate goals. Duke Energy can achieve the carbon reduction requirements by 2030 by retiring its remaining coal fleet and rapidly deploying energy efficiency and demand response programs, wind, solar and battery storage. Duke can meet the 2030 goal using existing technology so should not plan for failure from the start.

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