EDITED TRANSCRIPT

2022 Energy Transition Update

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PRESENTATION

Jack Sullivan – Duke Energy Corporation, Vice President Investor Relations

Good morning, everyone, and welcome to Duke Energy's 2022 Energy Transition Update. Today, we look forward to sharing the progress we're making on our clean energy transition, our ambitious plans for the future and how we are delivering value for customers and investors. We also want to answer any questions you may have. So, we've reserved time at the end for Q&A. We invite you to ask a live question through our designated phone line that can be found on our IR website.

Now, before we get started, just a few housekeeping items, beginning with our Safe Harbor message. Today's discussion will include the use of non-GAAP financial measures and forward-looking information within the meaning of the securities laws. Actual results may be different than forward-looking statements, and those factors are outlined here and disclosed in Duke Energy's SEC filings. For your convenience, we posted this presentation to our IR website. It also includes an appendix with supplemental information and disclosures, along with a reconciliation of any non-GAAP financial measures.

And now, turning to the agenda, we've got an action-packed run of show this morning and we'll hear from several members of our senior management team, including Lynn Good, Chair, President and Chief Executive Officer; and Brian Savoy, our Chief Financial Officer. Lynn will share strategic context for the company's energy transition, and Brian is going to discuss the strong alignment between our climate strategy and our growing capital plan.

Then, subject matter experts from across our leadership team are going to provide more details on our path to net zero, our enhancing the customer experience and our thoughtful approach to stakeholder and community

engagement. We're also honored to be joined by two special guests. Kit Cramer is here with us today. She's President and CEO of the Asheville Area Chamber of Commerce. And Ted Craver's here as well. He's our Lead Independent Director.

Before handing it over to Lynn, I'd like to introduce Jessica Bednarcik, who oversees Environmental, Health and Safety for Duke Energy, who's going to provide us with a brief safety message. Jessica?

Jessica Bednarcik – Duke Energy Corporation, Senior Vice President – EHS & CCP

Thank you, Jack. And good morning, everyone. At Duke, we start meetings with safety, and we would like to do that here as well. Please make sure you are in a safe place for this event. Remove any trip hazards. Know what to do in an emergency. And if driving, either be hands-free or pull to a safe place while participating.

Duke's foundation is safety; safety of our employees, our environment and our community. Now, when it comes to our employees, for the seventh consecutive year, we have led our peers in the industry in safety, as measured by the total incident case rate, a standard where the number of injuries are compared to the hours worked. In fact, as you can see on the chart, we continue to outperform our peers. And how we achieved this? By focusing on continuous improvement and reinforcing our safety principles of hazard recognition, personal accountability and active caring.

And these principles also apply to environmental stewardship. We are proud of the culture we've built across the organization. And as you can see on the chart, our performance is strong and we have not had a serious environmental incident this year. But we are always growing. Today, we'd better anticipate potential environmental challenges and then we design and implement plans to effectively manage the situation. We take this work very seriously, and we will not rest. My teammates and I are so very proud of our culture, one that puts safety first and protects our environment. It will serve us well as we move through this important energy transition.

And now, I would like to introduce Lynn Good, our President, Chair and CEO.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Let me add my welcome to all of you today. We're delighted to have you here to discuss our energy transition. We titled it Ambition, Action, and Results. And you may recall we did a similar Investor Day a couple of years ago, where we set out our climate targets and also our generation transition plan. And as I stand here today, so much progress has been made. So we're anxious to share that progress with you.

But before we do, I wanted to take just a moment and comment on Hurricane Ian. It has been front and center at Duke over the last several days, a devastating storm, winds and storm surge. And even today, there are communities that have been so significantly impacted. Our heart goes out to those families.

For Duke, this was an event that impacted both Florida and the Carolinas, and we restored just shy of 2 million customer outages. We were prepared. We had 20,000 resources: linemen, vegetation professionals, damage assessors, and then the rest of Duke, all of Duke, serving a storm role, customer care specialists and support for our linemen throughout this transition. And I'm very proud of the work that we did to restore customers. In Florida, 97% of our customers were restored within three days, which was Sunday night. And in the Carolinas, the storm was lesser, but still almost 1 million outages. And we restored those customers, 99% of them in two days, which was also Sunday night.

And so I want to take a moment and just thank the Duke teammates that were front and center during all of this for both safe and timely restoration. And I also want to thank our government partners: state, local, federal, community leaders; it took a village, and emergency operation centers, Department of Transportation, everyone working together. And then finally, thanks to our customers for their patience, for their support during this event. And so we're in a good place today, but hurricane season isn't over. We're still watching what's happening in the Atlantic and Caribbean, and hoping for a successful and safe close to this hurricane season.

So let me talk about the progress that we've made since 2020. We've been working with stakeholders in North Carolina as you know, and the state passed energy legislation, setting a timeline and transition plan for the state. We've also been active in Indiana with an integrated resource plan that sets forth a very reasonable and thoughtful approach for generation transition in Indiana. In Florida, we continue to make important investments in the storm protection plan and solar. And in our natural gas business unit, we continue to make progress on methane reduction, and we're making important investments in renewable natural gas, which we believe is an important part of the formula for sustainability of the LDC business. We'll talk more about that today.

And then, of course, commercial renewables. All of you are aware that we announced a strategic review of our commercial business in the second quarter earnings call, and that work is underway. The announcement was largely result of the confidence we have in the incremental regulated capital that we see being deployed as part of this energy transition. We will complete our work in a timely way, in a thorough way, and intend to provide an update to you on our third quarter earnings call.

So today the focus is going to be on that regulated business and the work that we have underway to pursue the largest energy transition in our industry. We'll touch on targets, the progress we're making, as well as establishing a few additional interim targets so you can measure our progress. We'll also be talking about generation transition and the emerging technologies that we're focused on. We'll talk about capital, which is growing in this decade, as we demonstrate the alignment between our business plan and our carbon plan. And we'll talk a lot about benefits because there are many: benefits to economic development, benefits to our communities. And we'll have a chance also to hear from Ted Craver, our Lead Independent Director, to talk about the board's role in oversight and governance of our strategic plan.

But before we get into the meat of it, I also wanted to take just a moment to recognize the context of energy at this time. Energy independence is in the worldwide headlines, price of commodities, availability of commodities. And so I think it's important to recognize that at Duke, we believe deeply in a reasonable pace of transition, balancing the technologies and innovation that will occur over these decades, and also preserving reliability and affordability. We will never put a plan together that does not achieve the reliability 24/7 every season that our customers count on. And affordability is front and center, not only for our industrial customers, who are competing globally with their products, but for our vulnerable customers, who are having to make tough choices about their income.

And there are a number of other dimensions that we've illustrated on this slide that we also have to evaluate. We cannot unilaterally move in an energy transition without bringing stakeholders along, whether it's our communities that are being impacted by retirement of assets, or the tough choices around land use as we think about solar and transmission builds, stakeholders will be front and center in our planning.

We also point to the need for durable state and federal policy. We're talking about a transition that will unfold over several decades, and think about the importance of durability as we pursue this plan. Availability and affordability of technology, we feel deeply that new technologies are going to be necessary to achieve our net zero goal. And so monitoring and ensuring that's keeping pace is important.

And then of course, supply chain. We've been planning and preparing around supply chain over the last couple of years because of the constraints that exist in the supply chain. And as we think about this energy transition in solar and battery and potentially small modular reactors, it's going to be important that the supply chain keep pace there as well.

And so, what we've put together for you today is an ambitious plan, it's an aggressive plan, and it's a plan that will require all of our stakeholders to work together to achieve this net zero goal.

And so, I'd like to turn it at this point to Brian Savoy, who's going to talk about capital, what the capital plan looks like, as well as the impact that we will have on economic development. Brian?

Brian Savoy – Duke Energy Corporation, Executive Vice President & CFO

Thanks, Lynn. Over the next decade, we expect to deploy approximately $145 billion of capital into our regulated businesses. This is a $10 billion increase over our previous 10-year plan. It's driven by higher clean energy transition investments in the Carolinas and in Indiana. As shown in the bottom left-hand corner, this capital plan will result in a 7% earnings base CAGR through 2032. This investment profile gives us earnings visibility and confidence in our long-term 5% to 7% earnings per share growth trajectory.

The right half of this slide breaks down our capital plan. You can see that approximately $120 billion, or nearly 85% of this 10-year plan, is committed to investment in the clean energy transition. $75 billion is related to investments to modernize and harden the nation's largest electric grid. These investments are needed to connect 30 gigawatts of renewables by 2035, to improve reliability and resiliency of the grid, and to protect the grid from physical and cybersecurity threat. Another $40 billion of these investments are for zero carbon generation, including solar, wind, and battery storage resources. And we are also investing to extend the life of our carbon-free nuclear fleet. These investments support our ambitious and aggressive decarbonization plan, and will serve our customers well for decades into the future.

As we execute one of the largest capital plans in the industry, it is important to consider how we'll recover our investments. Unlike in the past, where singular large investments triggered a rate case, our clean energy transition is comprised of significant levels of investment that continually go into service. Recovery velocity is critical to maintaining a strong balance sheet and minimizing regulatory lag. 90% of our electric capital investments are eligible for modern recovery mechanisms. These are designed to enhance capital planning and mitigate regulatory lag.

In our two largest states, North Carolina and Florida, we have the ability to file multiyear rate plans. This practice is well-established in Florida. And we will file our first multiyear rate plan in North Carolina later this week. In the Midwest, we have riders and forward test year models that also enhance recovery velocity. All of these mechanisms support strong cash flows and our earnings growth profile.

Customer affordability is factored into all of our capital investments. Harry will discuss ways we are assisting customers to further manage their costs later in the presentation. But before that, I want to highlight three initiatives that we put in place to reduce rate volatility and mitigate future rate increases.

First, we are making investments to lower future fuel costs. Our investments in renewables over this price volatility and increased rate stability. We are also making investments in our natural gas generation assets to improve heat rates and lower cost to customers.

Secondly, the federal clean energy provisions passed in August will have substantial long-term benefits to our customers. We believe the congressional intent is clear that our nuclear units will qualify for significant nuclear tax credits. We also anticipate leveraging the solar production tax credits and the storage investment tax credits to lower cost to customers as we execute the ambitious clean energy transition in front of us.

To provide an order of magnitude, we estimate that for every gigawatt of solar, we will earn $60 million in annual PTCs. And given the amount of renewable generation in our clean energy transition plan, we expect to qualify for sizable tax credits that will maintain affordable rates for our customers as we execute our clean energy transition.

Lastly, consistent with our track record in managing our business through economic headwinds, in response to inflationary pressures and rapidly rising interest rates, we launched an enterprise-wide effort to reduce costs. This $200 million initiative builds on our years of cost management. It's a highly collaborative, grassroots effort to simplify our processes and eliminate low-value work through digital transformation and automation.

We are truly rethinking how we work. We are finalizing the opportunity, and we will begin implementing this quarter so we can hit the ground running in 2023. Similar to our response to COVID, we expect the large majority of these

savings to be sustainable, which translate to long-term customer value. We are making the right moves to ensure we prioritize customer affordability as we execute our clean energy transition.

We often talk about what capital investments mean for our customers and our shareholders, but I'd like to demonstrate how our investments can really make a difference to our communities. We partnered with Ernst & Young to project the economic impact of our investment plan in the communities we serve. And our $145 billion capital plan equates to over $250 billion in economic output. Our plan will add $5 billion in property taxes over the next 10 years, funding local schools, emergency services, roads and infrastructure. And it will create over 20,000 new jobs. We are privileged to be a part of the communities we serve as we have for over a century, and we look forward to growing together in the years and decades to come.

Swati will now provide more details on how we will execute our clean energy transition. But first, we will share a brief video.

Swati Daji – Duke Energy Corporation, Senior Vice President Enterprise Strategy and Planning

Wow. Great video. Now, let me update you on our path to net zero. Our goal is rooted in our commitment to our customers to provide clean, reliable and affordable energy. This slide outlines our pace of decarbonization. Let me draw your attention to three key things. First, you can see great progress we have made to-date; retiring coal, incorporating significant amount of renewables and driving down our carbon emissions.

Second, today, we are announcing a new commitment for our Scope 1 carbon reduction. We are committing to a new interim target, 80% reduction by 2040. This new goal is building on our confidence that we will exceed our 2030 target of 50%. By 2035, we plan to retire all our coal plants subject to regulatory approvals and have 30,000 megawatts of renewables connected to the system. We have a great roadmap, our integrated resource plans, which have been shaped by customers, stakeholders, policymakers and regulators.

Third, we are also introducing our interim Scope 2 and Scope 3 target of 50% reduction by 2035. Katherine and Sasha will discuss this more in few minutes. These interim targets are important milestones on our journey to net zero.

Here is our energy profile over time. We know diversity in our generation portfolio is instrumental in providing reliability and rate stability for our customers. Starting from the bottom of the chart, you see transition out of coal generation by 2035. Natural gas has been primary enabler of coal retirement to-date and it will continue to be part of transition as a bridge fuel. These plants provide future flexibility to decarbonize as hydrogen and biofuels become viable, particularly for peak capacity needs.

In the middle of the chart you see what remains constant is contribution from our zero carbon nuclear fleet. We take great pride in the fact that we safely operate the largest and most efficient regulated nuclear fleet of the nation. Located in Carolina, it provides nearly 11,000 megawatts of clean power. These well-run, well-maintained units give us great confidence that as we pursue license extension, that's the right thing to do. The goal is to ensure that these resources continue to run well into the future.

At the top of the chart, you see renewable generation growing significantly. This is great investment opportunity not only in solar, battery and wind, but essential grid infrastructure necessary to connect these distributed resources. While we have a clear line of sight on how we can achieve 70% to 75% carbon reduction using technologies available today, that's not going to be enough to reach net zero. So, technology innovation is essential.

You might have heard us add one more acronym to our vocabulary, ZELFR, zero-emitting load following resources. This slide shows how ZELFR fits into our energy mix by mid-2030s. We need these clean energy resources that we can depend on around the clock at scale and at price that makes sense for our customers. Duke is leaning in and providing industry expertise to advance these technologies.

Here are a few of the emerging technologies we are exploring. Hydrogen and biofuel, we like these alternate fuels because they can use our natural gas infrastructure. Even today, natural gas-fired capacity can operate on 20% to 30% hydrogen blends. We anticipate replacing traditional gas as it becomes smaller portion of our generation mix.

In Florida, we are developing and testing first-of-a-kind pilot that sources 100% green hydrogen produced from a solar project. And working alongside with industry coalition and regional stakeholders, we are exploring opportunities in Carolinas to advance hydrogen production, storage and use. This will not only support decarbonization of energy sector, but would also have significant economic development for the region. Our approach to energy storage is to expand our pumped storage hydro capabilities and actively deploy current battery technology.

We are also supporting development and testing of other longer duration storage technologies. As a leader in nuclear energy, Duke is sharing its operating expertise with others in the industry to advance nuclear technologies such as small modular reactors and advanced reactors. This next generation of nuclear gives us smaller, high-capacity, dispatchable, and reliable power sources. We are currently participating with TerraPower and GE/Hitachi on advanced reactor development and sharing our operating experience as we learn more about their technology.

Dramatic innovation in energy space is on the horizon. This important work is supported by recent enablers, including Infrastructure Bill and Inflation Reduction Act. The Infrastructure Bill provides the funding necessary for research and development. We will identify opportunities to utilize this funding. The Inflation Reduction Act provides the necessary incentives for not only current but emerging clean resources to be cost competitive and be developed at scale.

As we see these emerging technologies progress further and faster, we will adjust our plan to provide customers with cost-effective clean power. I hope you agree, our generation plan is well balanced, and the transition is moving at a reasonable pace. It provides a clean, reliable and affordable energy for our customers and communities for the decades to come. I invite you to learn more about our plans in our latest climate report. We published it just today.

Hand-in-hand with generation transition plan is grid-enablement. Here's Harry, he will share exciting advancements we are making in this area. Harry?

Harry Sideris – Duke Energy Corporation, Executive Vice President Customer Experience, Solutions & Services

Thank you, Swati. At Duke Energy, we operate the largest energy grid in the country, with more than 314,000 miles, transmission and distribution lines, serving our more than 8 million customers. Our grid has really served us well for the past 100 years, but the needs of our customers have evolved. As Brian and Swati shared earlier, the critical investments we're making today to modernize our grid, enable electrification, and empower our customers are really the backbone of our reliable energy future.

As we've just experienced with Hurricane Ian in Florida and the Carolinas last week, severe storms are increasing in frequency and magnitude. We have all seen record-breaking heat and polar vortexes. In fact, here in the Carolinas, we've had three 500-year floods in the past 25 years alone.

Being without power even for just a few hours can impact economic opportunities in connections with friends and family, which is why we're building the grid of the future. First, we're designing the grid to withstand extreme weather, and we're upgrading equipment to make it more resistant to the ever-changing weather, while expanding capacity to serve our growing community needs. When I compare the impacts of Hurricane Ian to the impacts we saw just five years ago with Hurricane Irma, I can see that it's working. Not only do we have significantly fewer customer outages with Hurricane Ian, but we were able to restore service in less than half the time to our customers.

Second, we're making the grid smarter by installing advanced technology that monitors key components on the grid. We can identify potential problems and reroute power. If you've ever used GPS to avoid traffic, this technology works the same way. When the system detects an outage, it automatically finds a clear path and reroutes the service around the traffic jam to minimize outages. And it is working. So far, this year, self-healing technology has avoided over 850,000 extended outages and saved customers over 2.6 million hours of outage time.

Third, we're transforming our energy infrastructure to enable the two-way power flow of electricity, which will enable innovative technologies at the grid edge like rooftop solar, electric vehicles, and battery storage. As adoption of these technologies expand, power will flow in multiple directions. Our smart grid can monitor thousands of sensors and automatically manage the dynamic ebbs and flows that come from these distributed energy sources.

We are also leading the way in tackling the largest source of carbon emissions in the US: transportation. The adoption of electric vehicles charged by an increasingly clean grid will lower carbon emissions across our state. One million electric vehicles are expected to be on the road in our service territories by 2030. This will make EVs 2% of our total electric volumes, driving an earnings per share contribution of roughly $0.20. That number is going to keep growing as even more people switch to electric vehicles into the 2030s.

We have introduced initiatives enabling EV charging infrastructure across all our states. We're developing a comprehensive suite of the EV programs designed to provide seamless experience for our customers from the grid to their garage. Through a recent collaboration with Ford Motor Company, we're testing vehicle-to-grid integration in a first of its kind pilot program. We will enroll our customers who leased a Ford F-150 Lightning truck and connect their EV to support the grid during periods of high energy demand. Imagine just 100,000 of these trucks is enough to produce a gigawatt of clean energy. These pilots will help determine how we can harness that power from the grid. We're already working to expand this program to other EV manufacturers.

We're doing all this while continuing to give our customers more options, more control and prioritizing affordability. The pandemic highlighted the opportunity for us to work more closely with our communities and customers in need. We created a specialized team that partnered with thousands of agencies across our service territories and helped our customers access over $200 million in energy assistance funds. And we begin tailoring programs in states to help customers in need.

For example, in North Carolina and Indiana, we work with low income collaboratives to address energy affordability. South Carolina and Florida, we're working closely with state agencies and other utilities to launch pilot programs which are designed to expedite funding and simplify the processes to help our customers who are struggling to pay their energy bills.

We are also arming our customers with powerful tools to give them more control over their energy use. Our home energy reports make energy efficiency recommendations to help customers save energy and money. And recently, we launched the Residential Carbon Tool, which allows our customers to see their unique carbon footprint and ways to reduce it. By the end of 2025, our energy efficiency programs will have saved a total of 24 million megawatt hours of energy consumption. This work contributes to reduce over 8 million tons of carbon emissions, which is the equivalent of removing nearly 1.6 million cars from the road. In fact, our programs have resulted in twice as much energy efficiency as any other energy company in the southeast.

As a result of these and other programs, we've been able to continue delighting our customers, and the results are showing. Our customer satisfaction scores continue to improve. In 2021, four of our five brands ranked in the top quartile for customer satisfaction in JD Power's annual large residential utility study. We're working hard to exceed our customers' expectations. If there's one thing I want to leave you with today, it's that we're making the investments today to meet the energy needs of our customers and community in the future.

And now, I'd like to hand it over to Katherine and Sasha, who will provide more details on our carbon reduction strategy.

Katherine Neebe – Duke Energy Corporation, Strategy & Chief Sustainability and Philanthropy Officer

So, Sasha and I are so excited to be with you today to talk about how we're driving out carbon emissions upstream and downstream from our business. Before I dive into the specifics of our targets and our pathway, I wanted to take a moment and highlight the magnitude of our clean energy transition.

First, we are leading our industry by addressing 95% of our Scope 1, Scope 2, and Scope 3 calculated greenhouse gas footprint. That means that we're addressing emissions across the full value chain of our business, all the way from raw material inputs through to our own operations and downstream to customer use. That's over 100 million metric tons of greenhouse gas over the next 30 years that we are committing to get to net-zero.

Second, as we transition to cleaner forms of energy, we are leading the largest planned retirement of coal in our industry with a full exit planned in 2035 pending regulatory approval. The final years of our coal retirement represents nearly twice the amounts that our peers are retiring during the same time.

Third, as a sector, US utilities have led the way in emissions reduction, while also creating significant societal and economic benefits for the communities that we serve. And we play a key role in helping achieve these sectors meet their own net-zero objectives, such as transportation. Since 2005, our sector has reduced emissions 40%, while most others have generally remained flat. And Duke Energy is at 44%.

We believe that trust starts with transparency, and we aim to continue to provide our investors and other stakeholders with insight into our policies and practices so that they can chart our progress.

Swati spoke about our net-zero goals, and I'd like to underscore just a couple of points. For our operational footprint, we are well positioned to exceed our 2030 goal of a 50% reduction and, today, established a second interim target of an 80% reduction in 2040. For emissions beyond our direct control, or those Scope 2 and Scope 3 emissions, we have analyzed the totality of our value chain and we've also brought in a third party to validate our work. This is an industry-leading practice.

Based upon that analysis, today we established a goal of a 50% reduction in 2035. For these latter emissions, those that are upstream and downstream in the electric business or the Scope 2 and Scope 3 emissions, we're doing the following.

One, as we shift our generation mix, we will sharply reduce the emissions affiliated with the extraction, production and transportation of fossil fuels. Two, while we decarbonize our own generation, we expect that many of our peers will also meet their own net-zero goals. This helps to address the emissions from the power we purchase. And three, as a final point, we're also implementing a number of customer-facing programs, energy efficiency and weatherization, for example. These programs benefit not just our customers and not just our business, but also help us meet our net-zero goals.

As one of the largest utilities, we will continue to use our voice and advocate for net-zero aspiration, which also bring about economic opportunity. So this isn't just about climate. As Brian mentioned, the capital plan behind our clean energy transition is expected to bring $250 billion over 10 years in economic output.

We have provided additional information about our work towards these goals in our climate report. This report is aligned with TCFD recommendations for climate-related disclosures. Our report also illustrates how our emissions reduction pathway is consistent with the Transition Pathway Initiative or TPI, two-degree scenario for economy wide decarbonization by 2050.

Finally, I'm excited that we are a founding participant in Energy Pathways USA. This is a new US-focused initiative in partnership with the Global Energy Transitions Commission. The group involved cross-sector collaboration on actionable policies, projects, and investments that are necessary for the energy transition. It's housed at Duke University in our backyard and run by policy experts who are bringing together business leaders and the research community. So, Sasha, that's what we're going – we've got going on the electric side of the house. You've been telling me the gas side of the business is doing some really cool stuff, too.

Sasha Weintraub – Duke Energy Corporation, Senior Vice President & Chief Commercial Officer – Natural Gas Business Unit

That's great. Yeah. Let me tell you how we are a leader in the natural gas industry through our investments, customer programs, and relationships with suppliers. While reducing methane and carbon emissions, we are maintaining affordability and reliability. We are on our way to have net-zero Scope 1 methane emissions by 2030. We started by reducing methane leaks on our own natural gas pipeline system. We removed bare steel and cast iron pipes, eliminating methane emissions from this type of infrastructure. We've reduced flaring activities during routine maintenance and are capturing the methane using cross-compression technology, which keeps gas in our own pipeline systems.

We're also deploying advanced imaging cameras at our stationary assets, such as our liquefied natural gas facilities and compressor stations, to monitor and measure methane leaks, with immediate alerts if a leak is identified. We've also teamed up with Accenture, Microsoft, and Avanade to develop a first-of-its-kind methane emissions platform. This platform detects leaks and measures real-time methane emissions in natural gas distribution systems, using satellites, sensors, and other technologies. This is a first for natural gas utilities.

Now our field technicians can fix leaks, identified with a satellite, instead of trying to find leaks by walking on the ground with a handheld sensor. Fixing leaks quickly keeps the methane in the pipes and out of the atmosphere. This bold, innovative partnership can inspire others in the energy sector and beyond to reach their own emission goals faster.

Now, let me talk about our work to become net-zero for Scope 3 emissions for our natural gas purchases and deliveries to our systems. We are partnering with natural gas producers and suppliers to reduce methane emissions. Our work with the ONE Future Coalition, with more than 50 natural gas companies, is focused on voluntarily reducing methane emissions across the entire natural gas value chain to be less than 1% by 2025.

For Scope 3 emissions from our customers' use of natural gas, we developed emission offset programs and we've expanded our energy efficiency offerings. We're also making investments in renewable natural gas, such as the company SustainRNG, and several landfill and dairy renewable natural gas products. We've committed $150 million to date in renewable natural gas facilities and plan to invest $300 million more in the next five years.

Renewable natural gas is an important part of decarbonizing the natural gas system. It is considered carbon-neutral, because it removes methane from the atmosphere and displaces geological gas. In some instances, more emissions are removed from the atmosphere by capturing this biogas than what is emitted for final end use, making it carbon-negative.

In the near term, incorporating renewable natural gas into our own supply portfolio for our customers will help reduce the overall footprint of methane emissions. It is important that we work with policymakers to secure legislation and collaborate across the industry to invest in low to zero-emission projects. This is essential and consistent with our business model to supply a reliable, affordable, and increasingly clean energy to our communities and it'll help us get to the finish line and meeting our environmental goals. That's what we've got going on.

Katherine Neebe – Duke Energy Corporation, Strategy & Chief Sustainability and Philanthropy Officer

Sasha, I love how you're bringing research and science and innovation together to address emissions in the gas business. It's really, really exciting.

Sasha Weintraub – Duke Energy Corporation, Senior Vice President & Chief Commercial Officer – Natural Gas Business Unit

Love it.

Katherine Neebe – Duke Energy Corporation, Strategy & Chief Sustainability and Philanthropy Officer

So taken together, what Sasha and I just walked through highlights how we are addressing and mitigating the lion's share of Duke Energy emissions across the value chain. While we're doing this, we are keeping affordability, access, and reliability top of mind. We understand that our investments and our business are also investments in our community, bringing jobs, a property tax base, and other benefits to bear.

To that end, our community is at the heart of our clean energy transformation. And I'd like you to check out a brief video that highlights some of this important work.

Kodwo Ghartey-Tagoe – Duke Energy Corporation, Executive Vice President, Chief Legal Officer & Corporate Secretary

Today we've been talking about our path to net zero. And now we want to shine a light on the community engagement at the center of our clean energy transition. We're here today with Kit Cramer, President and CEO of the Asheville Area Chamber of Commerce. Welcome, Kit.

Kit Cramer – President & CEO, Ashville Area Chamber of Commerce

Thank you.

Kodwo Ghartey-Tagoe – Duke Energy Corporation, Executive Vice President, Chief Legal Officer & Corporate Secretary

It's good to have you here with us today to discuss these very important issues that our company and the community at large is dealing with. As you saw in the video, Asheville, North Carolina is one of the many communities who have successfully transitioned from coal over the last decade. Coal retirement is a business imperator for us, and we are leading the largest planned coal retirement in the industry. So far we've retired 56 coal units, representing 7,500 megawatts.

But it's critical that the energy sector transitions for tomorrow in a way that also benefits society today. We have to be intentional with how we approach a just transition for our customers and our communities and our 1,500 current coal plant employees and their families. For many of our coal plant employees, that means training for new roles, whether their new roles are at the generation facilities or somewhere else in the company. And then a just transition also means bringing our local communities into the conversation. It means working side by side with our stakeholders and listening to our customers as we look at community impact.

Now Katherine is going to walk us through what that looks like.

Katherine Neebe – Duke Energy Corporation, Strategy & Chief Sustainability and Philanthropy Officer

Thanks, Kodwo. Today, I'm really excited because we're releasing our just transition principles, which are focused on four key areas: employees, customers, communities, and economic development. This work was informed by a cross-functional team, deep benchmarking, and gathering that really critical stakeholder feedback. Our communities also care about the clean energy transition, and we want to include them meaningfully in the conversation.

In addition to the just transition, topics like environmental justice and energy equity are at the forefront. Together we are thinking about how to address these important issues and how our transformation also brings benefits to our communities, such as jobs and economic development. Now often these issues are talked about at a high, almost academic level. But for this energy, we're really talking about our neighbors. Let's take the case of Asheville. As you saw in the video, this is a community where we retired coal and built replacement generation. Now Duke Energy is an

engineering company, and we had a plan on paper. For us to succeed, we needed to engage the community on their wants and needs. So I'm excited we get to hear from Kit. I'd also like to welcome you. Thank you for joining us.

Kit Cramer – President & CEO, Ashville Area Chamber of Commerce

Thanks.

Katherine Neebe – Duke Energy Corporation, Strategy & Chief Sustainability and Philanthropy Officer

It's great to have you here. Kit, as we were talking in preparation for our discussion today, you shared with me that Asheville is a special place. It's one where environmentalism and business go hand-in-hand. So, when it comes to the clean energy transition, what's top of mind for your business leaders, for your residents?

Kit Cramer – President & CEO, Ashville Area Chamber of Commerce

Well, you need to know a little bit more about Asheville for me to fully answer that question. And it's – you're absolutely right. It's a place where environmentalism and strong business are not mutually exclusive. There's a good example of this. I'm sure you're familiar with the term B Corporation, which is corporations that have a really solid social and environmental standards that they're seeking to meet. In the state of North Carolina, there are 50 B Corporations. In Asheville, fully over a third of them, 18 are in Asheville alone. So, I think that's pretty telling. But most often people think about Asheville as a tourism destination. You all come. You're welcome to. However, we're more than that.

We've got major companies and are growing. So, for example, Asheville won the ceramic matrix composite work for GE Aviation. This particular type of product is stronger than steel but incredibly light, so much so that they can save over $1 million per year per plane in fuel costs. And they care deeply about the environment as well.

Another particular company that has been very, very important during this pandemic is Thermo Fisher Scientific. They produce freezers that help keep the COVID-19 vaccine viable. So, we needed them to succeed. In both cases, they require very precise measures during the manufacturing process. So, the consistency of energy is absolutely critical. But they also have their own green standards. So, they want consistent energy. They wanted at a reasonable cost. And they want it to be available on demand.

Katherine Neebe – Duke Energy Corporation, Strategy & Chief Sustainability and Philanthropy Officer

Yeah. So, as you're speaking, it really shines a light for me on our just transition principles. It's a really a helpful framework, a really important strategy that we have underway. But we've got to be able to tailor and adapt it to really be responsive to unique communities like Asheville as well as other communities that we serve. So, one of the things that I think the video alluded to, and I'm hoping you can help paint a picture for us is, this was as we retired the coal, this was a bit of a challenging situation. So, what were some of the dynamics at play?

Kit Cramer – President & CEO, Ashville Area Chamber of Commerce

Well, basically, the people and the place. We have a strong activist streak in Asheville. I mean, at any given time, there are folks expressing their opinions at the top of their lungs and are very, very passionate. They're also very passionate about the environment. But we also have topography that makes development super challenging. So, in both cases, we were facing that. There was also the addition of timing because everybody wanted what they wanted now, and that's probably not a fair requirement. So, making sure that communication was thorough and consistent and ongoing was very, very important.

Kodwo Ghartey-Tagoe – Duke Energy Corporation, Executive Vice President, Chief Legal Officer & Corporate Secretary

And, Kit, as you talked about the Asheville community, thinking about our own employees who live in that community, these are employees who work at Duke Energy facilities in Asheville, really entrenched in the community. They eat there. They have children who play there. They go to school there. They pay taxes in Asheville. And so, we've had that top of mind as we've gone through this transition to make sure they have opportunities that will keep those who want to remain in the community in the community. So, we've been able to transition some into roles that have kept them in the community.

I'm also thinking about an employee who worked at a different plant, but was able to relearn new skills that now allows her to work in our cybersecurity group. And her experience working at the plant has been invaluable in her new role in cybersecurity. So, we keep that top of mind, and we want to do all we can to keep our employees who want to remain in the community, in the community. Now, talking about the community, though, and I want to learn more about when Duke came to the table, how did those conversations go? What worked? What didn't work? How did we get to the solution that was acceptable to the community and to Duke Energy?

Kit Cramer – President & CEO, Ashville Area Chamber of Commerce

Well, to me, Duke Energy is Jason Walls. I can't say enough about this young man. He serves on the Chamber's board that he is so good at listening to the community and helping create solutions that are going to work for both parties. He – we specialize in connection, and he has utilized those connections to communicate with the business community in particular, but also to reach out and build relationships everywhere. And I think that's going to far outlast the plant opening. I think it's going to be a great thing for the company in the long term.

Katherine Neebe – Duke Energy Corporation, Strategy & Chief Sustainability and Philanthropy Officer

Jason is one of those people I know who is such a fierce advocate for the community being part of the discussion. And one of the strong proponents of the operating model that we have here at the company, which is we listen, we learn and we adjust, and that's how we move our business forward and bring our communities along. So, it's really powerful to hear you reinforce that point.

Kodwo Ghartey-Tagoe – Duke Energy Corporation, Executive Vice President, Chief Legal Officer & Corporate Secretary

Yeah. And, Kit, the other thing I think about – you talked – you alluded to it earlier about the strong opinions of the people who live in Asheville. I'm sure they have opinions regarding the clean energy transition. So, what's that conversation been like in the business community?

Kit Cramer – President & CEO, Ashville Area Chamber of Commerce

Well, and the business community has a lot of goals related to environmentalism as well. So, they want clean energy now. We can't wait. They're seeking to achieve their goals. They want Duke Energy as a partner and also achieving their goals. We not only represent the existing business community, but we serve as the recruitment arm for new business. And energy is always on their mind as part – and it's part of the conversation. Duke is always at the table with us. We need Duke Energy in order to be strategic about how we're going to grow and also to be competitive. We really appreciate – the entire team that I've worked with has been really concerned about the community, and we so appreciate that.

Kodwo Ghartey-Tagoe – Duke Energy Corporation, Executive Vice President, Chief Legal Officer & Corporate Secretary

Okay. Thank you very much. You've been a great partner to us also. And there are other partners we have throughout our service territory, and all have helped us meet the requirements of our customers for affordable, reliable and increasingly clean energy. And so, we thank you for your partnership. We thank you for joining us here in Charlotte today.

Kit Cramer – President & CEO, Ashville Area Chamber of Commerce

Happy to do it. Thank you.

Katherine Neebe – Duke Energy Corporation, Strategy & Chief Sustainability and Philanthropy Officer

Thank you.

We are creating solutions that work for our employees, our customers and our communities. And to hear more about the important roles that governance plays in our transition, I'll turn it over to Lynn and to Ted.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

I'm delighted to be joined by Ted Craver today. Ted is our Lead Independent Director. And as I introduce him, I know many of you already know Ted, former Chairman and CEO of Edison International. And so, Ted, we wanted to introduce just a little bit of feedback and perspective insight on the board. This climate strategy, the business strategy, the capital deployment, the energy transition that we've been talking about today is front and center with the board as well. And would love to hear your perspective on how the board governs that process whether it's the capital, the target, the transition, the retirement of assets, I know it's front and center in all of our agendas, so love to hear your perspective.

Ted Craver – Duke Energy Corporation, Independent Lead Director

Well, thank you, Lynn. I think – as you well know, we've spent a huge amount of time with the board working with your team, working with management on developing the strategy really over the last several years. And I think that strategic oversight engagement, that's a core part of what any board should be doing and what its responsibilities are.

I think as we worked through that, the focus of the board was primarily around how do we deliver on our traditional requirements of safe, reliable, affordable energy, but at the same time, how do we ensure that we're delivering on the need to really eliminate our impact on the environment, and how do we merge those things, how do we balance those things. I think that represented really the primary focus for the board. What resulted from that, of course, is this enormous energy transition that we're embarked on and undertaking.

Of course, when you think about that, probably at the base of it, a company like ours, we invest billions of dollars in critical energy infrastructure, and we want to make sure that we're doing that in a responsible way. So, that raises a number of issues around risks, what type of operational risks, execution risk, financial, reputational. And so, the board, through its various committees, spends a lot of time on the risk areas. And I think one of the pieces that really came home to us is that this also represents a huge opportunity for the company, an opportunity to grow. We heard about that earlier.Brian outlined that very well. It's also an opportunity to provide this essential service to our customers and to our communities.

And I think when you consider the size of Duke, the scale, the scope, the balance sheet strength, there are a few companies that can be so central to the energy transition as Duke Energy. So, yes, there are risks associated with this, but there's a lot of opportunity as well. And I think there's a shared sense of responsibility to do this in a way that really melds our core responsibilities of doing this in a safe, reliable, and affordable way, but also in a clean way.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

And, Ted, I appreciate you mentioning the opportunities, because I think at times the scale of our company isn't fully appreciated. And when we say it's the largest clean energy transition, we measure that by the number of megawatts being retired, the number of megawatts being added. And I agree, when you think about 30,000 megawatts of renewables by 2035, there's a lot of opportunity, a lot of construction, a lot of stakeholder engagement.

So, let's transition and talk a little bit about the board's role and accountability of executive management, compensation, targets. And I know it's increasingly of interest to our investors how this clean energy transition is included in your expectations of how management completes their work. So maybe you could talk a little bit about compensation and how it fits into this picture?

Ted Craver – Duke Energy Corporation, Independent Lead Director

Sure. Well, a lot of that work, of course, takes place in our Compensation and People Development Committee. And maybe it's worth taking a step back, just what are the overall objectives that we have for our executive compensation programs? Certainly, pay for performance is a key one. That's really how we align the interest of the executive team with that of our shareholders. We also have an objective of attracting and retaining key talent. Your team is obviously essential to getting this work done, and we want to make sure that we're doing a fair compensation for the work involved.

And the last one that I think maybe gets understated at times is we don't want this to be a kind of a short termism. This needs to be a commitment to a long-term approach, a long-term commitment to our clean energy transition. We know this is going to take a lot of time, a lot of effort. So, we're trying to find ways to embed in our compensation programs a means of keeping that long-term goal and commitment in mind.

So, just focusing on the clean energy part for a moment, in 2021, we included some, I guess I'll call them, qualitative goals, more activity-based goals for each of the individual leaders in terms of developing and advancing their part of the clean energy transition, the clean energy strategy. Just this year, we also included some quantitative goals mostly around how we're going to get the growth in the non-emitting generation sources and then storage. So, it will be something we continue to work on. But the key is to get this alignment of the executive team with the compensation system.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

And I think that short and long term, Ted, is – I know it's something we discuss a lot because we'll make great progress in the year of an asset retirement. The additions will occur in a smoother path over a longer period of time. So, finding the right way to measure it, I know, will be a continuing conversation.

Let's transition to diversity. Diversity is important to Duke Energy. Diversity of our suppliers, diversity of our employee base, diversity in our board. And we're proud of the fact that 50% of our board represents diverse ethnically and by gender, individuals who also bring diverse skills to the table, which is important for a business as complex as ours. I would also note that we've had a lot of board refreshments going on. The tenure of our board is four years or so. And so, maybe you could talk a little bit about how you think about attracting the board members of the right talent, onboarding them, where diversity fits in the picture.

Ted Craver – Duke Energy Corporation, Independent Lead Director

Certainly, the refreshment part was critical to us. A theme that has run through the session here today is that we need to be engaged with a wide range of stakeholders. We need to be engaged on a consistent basis. And I think that the board is going to exercise its proper responsibilities around strategic oversight. We need to have a board that has a lot of differences in backgrounds, skills, experiences and the like. And I think we've been very intentional, particularly over the last few years, in trying to build a board that has, in fact, those diverse backgrounds and thought and skills.

I'm also very proud of what's taking place there and it's been something the entire board has been involved in. I think we also have a real responsibility once we start bringing on people, some of whom may not have had extensive corporate board experience that people are on-boarded effectively and properly. We've created this wonderful boot camp that allows our new directors to really come in contact with every one of the senior leaders, understanding all of the lines of business, the geographies, the functional areas of the company. It's quite a commitment of time, but that's what we all start with.

And then throughout the course of the year, we have tutorials and kind of one-hour sessions. Some of those are done virtually. Some of those are done in person. I would cite the one we just had on the introduction of cybersecurity into our actual operating areas, not just in the enterprise systems, terrific continuing director education type of program. So, it's a combination of some foundational work, ongoing individual tutorials that really deepen everyone's knowledge.

And then the final part, because the directors are indeed diverse, have a lot of different backgrounds and experiences, we make it clear that each director needs to take responsibility for filling in the holes and gaps that they feel they may have with an individual director, continuing director education. So, I think we feel pretty good about how we've kind of put all of these pieces together, and we have a strong functional leadership.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

And, Ted, from management's perspective, the interest that the board has in understanding our business is deeply rewarding to us, so that when we come to a discussion in a board meeting about a complex topic, you feel like you're engaged with the board members who have an appreciation of the topic. And I would say nuclear is front and center in our company because of the large nuclear footprint. And I was pleased to see three of our directors attend the recent forum at INPRO presented for nuclear. So, a lot of good work on the part of the board to keep up with this dynamic industry.

Ted Craver – Duke Energy Corporation, Independent Lead Director

Definitely.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

So, maybe last question on you as the Lead Director.

It's an important role, the role that you play with our independent directors, but also the relationship that you and I have. We have always approached our engagement in a transparent way, keeping the board up to date with what can be a really dynamic environment. I've used that word a couple of times, but things change, whether it's in an operating environment or a political and regulatory environment. You and I talk every other week or so and as needed, and then I know you're engaged with the board as well, but maybe talk a little bit about your Lead Director responsibilities and what you've found over the last few months.

Ted Craver – Duke Energy Corporation, Independent Lead Director

I think maybe drafting off of our earlier conversation, we've intentionally set out to have a board with diverse backgrounds and experience, thought. And so, I think kind of job number one, we want to make sure that board comes together, is able to really work effectively together. We are a relatively short-tenured board at this point. You mentioned the four years. The average of the S&P 500 is seven years. So, we need some time for people to get to know each other and work effectively. So, I think I play some role in making sure that happens.

I would say another kind of key objective that I have is just as I think it's important for an independent board to appropriately, constructively provide a credible challenge to you, to your leadership team, to the company, we need to do that same thing with ourselves. We need to be able to provide a credible challenge to each other, to try to foster a sense of – this is a place where we can come together. We can really talk about what needs to be dealt with. We can do it in an honest and constructive, effective way. So, that's another key objective.

And one that I feel very strongly about, the enormity of this task, this energy transition that you and your team are embarked on is at times daunting. And I think it's important for the board to feel engaged in that. Yes, to provide independence and credible challenge, but also to provide some real sense of support to the team that's going to make this happen. And I think that's something that really is important for our board to have and to really exercise. So, we appreciate the transparency. You've been exceptional at that, I think. And in doing so, it creates a trust between the board and the management. And I think it also helps set a tone for the board itself, to operate in that same kind of transparent and trusting manner.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Well, Ted, I appreciate the partnership and the wealth of experience that you have in the industry. And in many ways, you were on the frontier of the energy transition in your role at Edison, so you've provided great perspective and I know will continue to do so.

Ted Craver – Duke Energy Corporation, Independent Lead Director

It's important work and it's exciting work, but it's also when you think about the opportunity of what we can do for our customers and for the communities that we serve, this is really a great place to be involved.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Well, thank you. Thank you. So, we're going to transition to Q&A, and Ted will be available for Q&A as well. And I'm going to turn it at this point to Jack to give you some specifics. But before I do that, let me thank Ted again for being involved and sharing his perspective, very valuable to all of us.

Ted Craver – Duke Energy Corporation, Independent Lead Director

Thank you.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

So, Jack, let me turn it to you.

Jack Sullivan – Duke Energy Corporation, Vice President Investor Relations

Thanks, Lynn and Ted. Well, we've covered a lot of ground and heard from several Duke Energy leaders. Now we'd like to hear from you, our investors and other stakeholders, to answer any questions you may have. So to ask a question, you can use either of the phone lines and the conference ID that's currently displayed on the slide. We're going to pause for just a moment, let the queue populate, and then check back in with you shortly to take our first question.

QUESTIONS & ANSWERS

Shahriar Pourreza, *Guggenheim Securities, LLC*

Hey, guys. Good morning.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Hi, Shar.

Shahriar Pourreza, *Guggenheim Securities, LLC*

Lynn, so I guess, couple quick questions here, and thanks for the update this morning. How do you sort of – I guess, firstly, how did the IRA incentives change the economics or even the resource selections with your carbon plan investments? And is there any updates on discussions in South Carolina around the clean energy transition, especially as we think about the historical relationship there? Thanks.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Sure. And Shar, let me start with the IRA. I would say to you that the IRA has certainly made a meaningful impact on lowering the cost of renewables. And as we look at that benefit to our customers over this energy transition, it's really going to make a difference. We begin to see an impact in our carbon planning at the later part of this decade as those megawatts increase. We see it in the form of solar and battery technology. And also the incentives around hydrogen and other emerging technologies, we think, will be helpful as we approach blending in construct of our natural gas assets in the 2030s.

So, I think it's going to be positive. It's going to impact the price of electricity in a very meaningful way. And as Brian noted, we will also see significant benefit from the nuclear PTC. We were pleased to see nuclear recognized as an important carbon-free resource. And we are a very low-cost nuclear operator, 11 reactors here in the Carolinas, and we see significant benefit, several hundred million dollars of benefits for our customers, which will also lower price. So this is a positive for this clean energy transition and a real tailwind as we work to accelerate these ambitious plans.

On South Carolina, if I could just comment on that just for a moment, South Carolina and North Carolina have worked collaboratively over a long period of time, developing this very robust, diverse, dual-state system that we operate in today. And we're in the midst of the carbon plan in North Carolina as you know, expecting approval from the commission at the end of this year, and our intent would be to file an updated integrated resource plan in South Carolina in 2023 to continue that discussion and dialogue.

And I would say both states have ambitions around energy. Both states appreciate the importance of renewables, and we've recently seen the formation of an ad hoc committee in South Carolina, sponsored by the new Speaker of the

House, to really discuss economic development and how utility and energy policy can play in attracting new businesses to the state. Our customers are demanding carbon-free resources, and I believe this ad hoc committee will be an important way to continue to advance the conversation.

So we're confident we'll be able to meet the energy policy objectives of both states, continuing to demonstrate the benefits of the dual-state system reliability and affordability, and look forward to working with both states and the important stakeholders in both states as we move forward.

Shahriar Pourreza, *Guggenheim Securities, LLC*

Got it. That's helpful. Thank you. And then just lastly, I mean, Lynn, it's a fairly healthy capital update. Any sense on how we should think about financing the higher capital plan, especially as we layer in potential proceeds coming from the commercial sale? Maybe focusing more around the medium and longer-range financing needs, so I guess, in short, can you fund this without equity?

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Yeah, Shar, it's a really important question, and I appreciate the question because as we undertook the strategic review of our commercial business, it was because we anticipate incremental capital in our regulated business. And it gave us an opportunity, if we move forward with the sale, to strengthen the balance sheet and as a result of that, postpone even further the issuance of equity as we expand this energy transition.

So as you know, through 2026, no equity in our plan, and we believe the commercial renewable transition, if we're successful in executing that, will also delay that equity even further. So we're working, as we always have, to find the lowest cost method of financing our plans, and believe we have a credible path to accomplish that with these transactions and what we've shared today with you, an updated, more accelerated growth and capital in the regulated business.

Shahriar Pourreza, *Guggenheim Securities, LLC*

Terrific. Thank you, guys, so much. Great update, and Ted, it was great to hear your voice. Thanks, guys.

Julien Dumoulin-Smith, *BofA Securities, Inc.*

Hey. Good morning, team. Thanks for the time. Good update here.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Hi, Julien.

Julien Dumoulin-Smith, *BofA Securities, Inc.*

Absolutely. Good morning. I'm just following up a little bit on Shar's last question here. On the updated CapEx, looks like, call it about $3 billion-ish on the five-year view, can you talk a little bit about the timing therein of that updated CapEx within that five-year range? And just what that does in terms of some of the earlier expectations on the earnings trajectory?

Lynn Good – Duke Energy Corporation, Chair, President & CEO

And so, Julien, we have also opened up 2027, as you look at that number, so $63 billion to $66 billion through 2027. So it certainly includes what we believe will be increased generation spending as we get deeper into the five-year plan. But if we're successful in executing our transition and strategic review of the commercial renewables, we do believe there will be an ability to accelerate some capital potentially in 2026, maybe into 2025, and that work is underway.

So what I would leave you with is robust capital strongly supported in our regulated business, and constructed and growing jurisdictions with clear visibility around the ability to earn return. And I think Brian's point that he emphasized for 90% of this capital is going to be in recovering mechanisms to great velocity should also give confidence that we're moving in the right direction, underpinning the growth of the company.

Julien Dumoulin-Smith, *BofA Securities, Inc.*

Right. Indeed. Excellent. But that acceleration is on the back of IRA, in addition to some other efforts you have underway for 2025, 2026, I understand. If I can introduce one more – oh, please, go for it.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

No. The IRA, Julien, certainly provides an opportunity for some acceleration. But I would also point to the ability to lower price to customer, because that actually is the strongest element of IRA for us, because we want to accomplish this energy transition in a way that makes sense for customers.

Julien Dumoulin-Smith, *BofA Securities, Inc.*

Completely. It is the inflation reduction after all. Quick question on...

Quick question on slide 22, you had talked about upwards of $0.20 of contribution by 2030 here seemingly from EVs. Can you talk a little bit about the composition of that super quickly? How much of that is load versus infrastructure? And maybe just when does that start to show up more meaningfully, if you will, through the plan?

Lynn Good – Duke Energy Corporation, Chair, President & CEO

So, Julien, it's load. And, Harry, could I ask you to step in on that, or Brian, you might supplement it as well.

Harry Sideris – Duke Energy Corporation, Executive Vice President Customer Experience, Solutions & Services

Yeah. Julien, yeah, the majority of it is load. Some of our programs will give us opportunities for a revenue from the programs that we're setting up for the customers, but the vast majority of it is load. And, as our projections go into the 2030s, that number grows pretty rapidly. If you look at the TV commercials, I don't think there's a traditional car being advertised. It's all electric vehicles. So, we're fixing the grid for that and are fixing our customer programs to be able to take advantage of that as it comes at us.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Brian, would you add anything to it?

Brian Savoy – Duke Energy Corporation, Executive Vice President & CFO

Yeah. I would say that, right now, we see about a 4% adoption of the electric vehicles in our territories today. That will accelerate as we move through the 20s and growing to about 2% of our load by 2030, which equates to the $0.20 number that Harry referenced. So, we feel like electrification is the future. It's coming, and we're preparing the grid for it and that's what drives that number.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

And, Julien, we'll continue to update this along the way. We're anxious to see how this adoption accelerates. And a lot of the programs that Harry's team is developing is really intended to give it that push and momentum so that the customers can convert to electric vehicles with confidence. So, more to come, but we see it as a great opportunity.

Julien Dumoulin-Smith, *BofA Securities, Inc.*

Excellent. Thank you, all. Cheers.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Thank you, Julien.

David Arcaro, *Morgan Stanley & Co, LLC*

Hi. Thanks, folks. Thank you so much for taking my question.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Hi, David.

David Arcaro, *Morgan Stanley & Co, LLC*

I was wondering about the 30 gigawatts of renewables that you've got in the plan through 2035. I was wondering if you could talk about how much you expect would be rate based versus PPA within that 30 gigawatts?

Lynn Good – Duke Energy Corporation, Chair, President & CEO

David, I would take the answer that – the construct in each state is slightly differently. In the Carolinas, as a result of HB 951, 55% is owned by the utility, 45% PPA. All of the solar in Florida is being built as utility owned. And we're getting into the renewable build in Indiana, looking to one of the largest renewable builds, 2 gigawatts of renewables in Indiana. We would expect to own some element of those as well. I think 50/50 perhaps is a good planning assumption, but we believe there's a real business case for utility ownership as we think about reliability and integration.

So more to come on that as these – as all of these programs get deeper. But those – the statistics I've just shared with you give you a perspective on how to think about it. Brian, would you add anything to that?

Brian Savoy – Duke Energy Corporation, Executive Vice President & CFO

No, I think you covered it, Lynn.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Okay. Very good.

David Arcaro, *Morgan Stanley & Co, LLC*

Great. Yeah, that's very helpful and I appreciate that color. And then I was wondering, as we look out to that 2028 to 2032 CapEx timeframe, there's obviously a big step up in the CapEx plan. You know, previously in your in your 10-year view, there was also a big step up in the 2027 to 2031 timeframe. So just wondering if there's any sense that we should get as to when that step change comes, when it might hit the next five-year plan? You know, as you roll out and you pull in 2028, is that when we might see that step up or does the brunt of that, that big change come early in the 2030s.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

David, I think you're going to see a somewhat gradual increase in that capital spending, and it's really generation and transmission-driven as we get deeper into the clean energy transition. I would point out a couple of things to you that if you compare what we're sharing with you today to what we shared with you two years ago, two years ago also included commercial renewables.

So actually, the amount of regulated capital is stronger than where we thought we would be two years ago. And it's really as a result of the progression of the clean energy transition. And as we noted, the Inflation Reduction Act giving us an opportunity to bring more resources on at a more affordable customer price. So, you can think about 2028 and beyond, beginning to show that increase as we move deeper into the transition. Brian, would you add anything?

Brian Savoy – Duke Energy Corporation, Executive Vice President & CFO

I think it's a steady – it's a steady increase, David. 2027 is more than 2026. As we move deeper into the clean energy transition, we're investing more and more in the generation side, whereas the early years and more, on the grid.

David Arcaro, *Morgan Stanley & Co, LLC*

Got it. Okay, great. Thanks so much.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Thank you.

Jeremy Tonet, *JPMorgan Securities LLC*

Hi. Good morning.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Hi, Jeremy.

Jeremy Tonet, *JPMorgan Securities LLC*

Hi. Just wanted to dive into the ZELFRs a little bit if I could, I was just wondering if you'd give us a flavor for the composition as you see it over time between SMRs and hydrogen and biofuels, how you see that evolving and over kind of what timeframe for those different – different types.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Hey, Jeremy, I'll give a start to this and then bring Swati into the conversation. You began to see us looking for ZELFRs technologies, even in the Carbon Plan in the Carolinas, because we began to see, for example, the opportunity to build a small modular reactor if commercially available and at a price that's affordable for customers. And you began to see us introducing hydrogen blending in the 2030s.

And we're also – there's a lot of battery technology and we haven't specifically pegged that battery technology to a chemistry, but we would say to you that we're working on a variety of them so that as we began accelerating the introduction of battery technologies that you will see new chemistries showing up and, hopefully, a longer duration storage along the way.

So, Swati, how would you add to that? I know that your team is closely following SMR's, hydrogen, storage.

Swati Daji – Duke Energy Corporation, Senior Vice President Enterprise Strategy and Planning

Absolutely, Lynn. You know, as we think – but I mentioned, the diversity of the portfolio is very important for reliability, and as well as for a rate stability for our customers.

And so, I think as we incorporate the things that Lynn just mentioned, I think we are ratably watching these technologies to make sure that storage, longer duration storage is going to be super important as we have a high penetration of renewables. We've talked about high penetration of renewables.

So, I think that is one piece of it, but demand cannot be just solved with solar and storage, and so – solar and wind as well. So, we are looking at SMRs in early 2030s to see if it can provide that dispatchable and load-following capabilities that we need as we retire coal generation. We are also looking at hydrogen blends earlier in 2030s, but greater and greater blends throughout – going to 2040 timeframe.

Jeremy Tonet, *JPMorgan Securities LLC*

Yeah. That's very helpful.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

So, it's an exciting time, Jeremy, and that we think of the 2020s as being the decade where these investments in the R&Ds, the piloting, the development projects, development stage projects are really important. And then, the acceleration will be in the 2030s and given the fact that the Carbon Plan in the Carolinas is for almost a decade and beyond, you begin to see the introduction of them, assuming that they're commercially available at a price that makes sense for customers.

Jeremy Tonet, *JPMorgan Securities LLC*

Got it. That's very helpful. If I could just peer in a little bit more on the nuclear side. As it relates to SMRs and advanced reactors, just wondering how you decided on TerraPower and GE/Hitachi versus other nuclear developers out there.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

So, Jeremy, we've been involved with a number of developers and technology experts and we're just highlighting our involvement with two, TerraPower and GE. But we've also closely followed NuScale, and Swati could probably rattle off a number – another three or four that we're involved with. We're excited about TerraPower because of the complement of nuclear technology with storage. And this is technology maybe 2035 and beyond, but the power of low carbon run all the time, nuclear with a storage capability, we think could be quite good in reaching net-zero.

And GE is just something that we're watching closely. We've had a long relationship with GE, as the industry has in general, and there's actually a project that is staged for the late 2020s in Canada that we're closely watching. So I would say we're involved with a number of technologies. We've highlighted two of them for you today, but we actually have a team of people in our nuclear organization who do just this, which is follow the technology development so that we get it just right at a price, on time, on budget, the ability to introduce those resources in a way that makes sense for our customers.

Jeremy Tonet, *JPMorgan Securities LLC*

Got it. Makes sense. We are closely watching Ontario Powers SMR some development as well. So thank you for the color.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Thank you. All right. Thank you.

Anthony Crowdell, *Mizuho Securities USA LLC*

Good morning, Lynn. Good morning Brian. Just one quick question and one follow-up. And I apologize if I'm straying off the theme here. But when I go to slide 14, you just talk about maybe some new and long-term cost management. Just curious, like, how much is that more onetime in nature or sustainable? Just looking and getting to build headroom. It seems like there's a topic right now on investors mind. Just how much build headroom does this create?

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Sure. Anthony, I would say to you we're working for it to be largely sustainable. But Brian is leading this effort. Why don't you comment, Brian, about what's underway.

Brian Savoy – Duke Energy Corporation, Executive Vice President & CFO

Certainly, Lynn. And thanks, Anthony. Of the $200 million initiative we are focused on in front of us. Most of it is going to be sustainable, Anthony. We think three quarters or more as we are rethinking how we work. We're really digging deep into our processes, removing governance layers, things that added value at one point, and really has lost its value in the core of our strategy focus today.

We're using automation on processes that can be automated, and so these things will stick. And it's really a cost structure adjustment that we are undertaking. And we're, like I said earlier, we're implementing it this quarter so that we can hit the ground running at the beginning of next year.

Anthony Crowdell, *Mizuho Securities USA LLC*

Great. And then if I could just pivot to slide 19, and I think it follows up nicely off of Jeremy's question. It seems that the company is really pursuing like a big variation of generation next year to achieve the goals. One thing I noticed, and I may have missed it, just – it doesn't appear like offshore wind is part of the mix. Is that accurate?

Lynn Good – Duke Energy Corporation, Chair, President & CEO

The offshore wind is potentially part of the mix, Anthony. And the reason I say that is it is included in a number of scenarios in the Carbon Plan. And so we are in front of the commission now laying out offshore wind, laying out the potential that nuclear small modular reactor could achieve, also laying out this expansion of pump storage. And we'll hear from the commission at the end of this year on their priority and sequencing of these various technologies. But, as you know, we participated in the auction earlier this year, securing a lease for a number of megawatts off the coast of Wilmington. And so, we'll have an update for you when the carbon plan is approved. And then, of course, every two years here in the Carolinas, the carbon plan will be updated. And we expect the conversation about offshore wind to continue.

Anthony Crowdell, *Mizuho Securities USA LLC*

Great. Thank you so much for taking my questions.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Thank you.

Ryan Levine, *Citigroup Global Markets, Inc.*

Good morning. And thanks for taking my question. In terms of the Inflation Reduction Act, can you kind of talk a little bit about the impacts to your forecast, particularly around the EV rate of growth in your service territory and some of the

generation mix decisions that you're contemplating, how impactful or what impact the bill has had to your longer-term outlook?

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Let me take generation first, and I'll turn EV to Brian and Harry. But Ryan, we do see the IRA putting more downward pressure on price for renewables, making them more attractive. And so, as we look further out in our 10-year plan, we do see additional solar and battery technology really resulting from that benefit. And so, it'll be an important part of our generation transition, lowering price to customers, making the price of this transition more affordable, and we'll reflect and take advantage of every bit of it that we can. EVs are also important, and I think our forecasts contemplate some level of adoption. I don't know that I can parse how much of it is from the IRA. So, how would you all add to that?

Harry Sideris – Duke Energy Corporation, Executive Vice President Customer Experience, Solutions & Services

I would say the IRA does play a factor in EV adoption rates as the incentives and there's some things that need to be figured out in that space for consumers, but they're pretty hefty. I think manufacturers are going to take advantage of that, and that'll be a benefit to the consumer. We factored that into our projections that we shared with you today and that we have in the future.

Ryan Levine, *Citigroup Global Markets, Inc.*

Just to follow up on that, in terms of the inflection point for some of the load growth forecasts, where do you see the inflection – and it looks like your curve on page 51 is fairly smooth, but curious if you could provide any more color when you see some of your load forecasts to inflect higher?

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Ryan, I think you're going to have a hard time seeing it in a curve of that type because of the scale. We're thinking about 2% of our load by 2030. So, the inflection point is going to be hard to see on that scale. And we will keep you informed along the way on adoption. I think for modeling purposes, maybe it's just kind of a linear growth for now, and we'll certainly keep you informed as we see better information on how customers responding not only to new offerings from the OEMs, but also the benefits that are in IRA.

Ryan Levine, *Citigroup Global Markets, Inc.*

Appreciate that. Thank you.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Thank you.

Paul Patterson, *Glenrock Associates, LLC*

Hey, good morning.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Good morning. How are you, Paul?

Brian Savoy – Duke Energy Corporation, Executive Vice President & CFO

Hi, Paul.

Paul Patterson, *Glenrock Associates, LLC*

All right. Great to see you, Lynn, and of course, the gang and Ted. Great to see him. Just, we're seeing curtailment with a lot of renewable projects around the country. And I was wondering if you could give us a flavor as to what Duke's experience has been on that, is it an issue that you guys have had? And I guess, I know it's different between the rate base versus the commercial business and what have you in terms of its impact on earnings and stuff. But I'm just sort of wondering what you're seeing, is there any opportunity there or any issues that you guys are encountering?

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Paul, I would point to transmission and developing of the transmission grid at a pace that makes sense for renewable adoption. And actually, if you followed the carbon plan in the Carolinas, there was an extensive discussion about the need for a certain set of transmission projects that are important not only to the existing solar, but the growth that we see in the carbon plan. And we have enjoyed a great deal of support on the notion of keeping pace with transmission in order to manage curtailment.

I would also point to the Southeastern Energy Exchange Market as another way that we thought about integration of solar in the Southeast in a way that hopefully minimizes curtailment as well. But it's a real issue where transmission needs to keep pace with the demand we're placing on the bulk power system. And we are working proactively in our jurisdictions to make sure that that adjustment – that construction is advancing at a pace that makes sense for our aspirations around renewables.

Paul Patterson, *Glenrock Associates, LLC*

Okay. But in terms of the commercial business, which I think is not in your service territory, am I right?

Lynn Good – Duke Energy Corporation, Chair, President & CEO

That's right.

Paul Patterson, *Glenrock Associates, LLC*

Is there any issue there or...

Lynn Good – Duke Energy Corporation, Chair, President & CEO

No, Paul, I wouldn't point to anything that is unique to Duke. I think you probably follow the industry close enough to know that there are constrained areas. I think our ERCOT has had challenges from time to time, and it's the same issue where transmission needs to keep pace with the amount of renewables that are being put into place. And as I say that, I also recognize that building transmission takes years. It's a three- to five-year initiative to get that construction moving.

So, Brian, I don't know if you would add anything to that? Brian, before transitioning into his role, had responsibility for commercial renewables.

Brian Savoy – Duke Energy Corporation, Executive Vice President & CFO

Yes. I would just add, Lynn, that the transmission constraints seem to be very focused and local. So, when the transmission lines expanded, the renewables flock to that line in the nonregulated markets, and that will cause congestion in times of the day. So, we've seen pockets of it, like Lynn said, in our commercial business, but nothing pervasive as we've done before.

Paul Patterson, *Glenrock Associates, LLC*

Awesome. Thanks so much, guys. Really appreciate it. And great to see you again, Ted, take care.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Thank you, Paul.

Operator

Thank you. There are no further questions at this time. I'll now turn the call back over to Lynn Good.

Lynn Good – Duke Energy Corporation, Chair, President & CEO

Well, thank you all and appreciate very much your engagement today, your interest and investment in Duke Energy. And let me just leave you with a few takeaways. We've said a number of times, and it's true, that Duke is leading the industry's largest clean energy transition. And we're doing so in a way that keeps an eye on reliability, never compromising that, preserving it, but also recognizing the importance of affordability.

We are on track for the targets that we have established and we're giving you new milestones, interim milestones, so that you can hold us accountable. And we see incremental regulated capital as a result of the plans we've been putting in place over the last couple of years, carbon plan in the Carolina, integrated resource plan in Indiana. And of course, the growing needs in Florida for solar and SPP.

And then the other benefit we talked about today, which is a little different lens on the investment, is the importance of these investments to our communities and the economies of our communities. And we see extraordinary benefit; job creation, property taxes, just economic benefit from this level of investment, and are anxious to put that to work for our communities.

And then, of course, governance. Ted joined us today just to share his perspective, all of this, strong governance is important to Duke Energy. It's important to our success. And the board plays a meaningful role in the oversight of this climate and business strategy.

So, I want to thank you again for being a part of this event with us today, for your questions, for your interest, and we look forward to continuing discussions on our energy transition. Thanks again to all of you.