Memorandum

To: **Chair Wilson, Chair Hall, and Energy Policy Task Force Members**

CC: **North Carolina Office of the Governor**

Date: **October 26, 2026**

Re: **North Carolina Power Pathways**

Since 2025, Energy Futures Group (EFG) has collaborated with the Technical Advisory Subcommittee to design and execute a set of modeling scenarios addressing key questions raised by the North Carolina Energy Policy Task Force.[i] This memo summarizes the report findings. Detailed results, modeling methods, and a description of Subcommittee collaboration appear in the full report and all outputs are available on the public Study Dashboard.

Near-term load growth remains the state's most urgent electric utility policy issue. Duke Energy's near-term load growth projections, driven by an influx of prospective large load customers, in particular data centers, will require substantial new construction, including new gas-fired generation. In the Base Case modeled for this analysis, large load customers account for approximately 85 percent of additional demand by 2035. Duke's forecasted load growth by 2035 is more than 5x the growth the system saw over the past 20 years. Maintaining system reliability while reining in costs will require careful system planning and targeted cost allocation, and soon.

Targeted large load programs have the potential to reduce existing customer impact if costs are appropriately allocated and policies are designed to enable participation. EFG modeled two programs for large load customers. The first simulated a high uptake of voluntary load flexibility by new large customers. The second simulated a program where half of all new large customers would bear costs associated with fully clean generation portfolios to serve their load. EFG also ran a scenario that combined both. Program success depends on four key conditions: (1) the enactment of policies to enable large load flexibility, (2) customer willingness to participate in such programs, and (3) careful attention to the operational requirements necessary to bring the reliability benefits of load flexibility, and (4) the appropriate cost allocation mechanisms to ensure that costs are assigned to large loads.

Achieving the modeled path to net zero goals paired with supportive policies can lower long-term costs. The modeled Path to Net Zero scenario, combined with a supportive policy slate, can reduce costs over the long term. Separately, cost sensitivities selected by the Subcommittee show that continued reliance on gas-fired generation exposes the system to risk of substantial cost increases, including fuel price volatility.

Finally, **Duke's lack of public data limited EFG's ability to replicate their Resource Plan and underscores the need for greater transparency and accessibility in the IRP process.** Duke's report provides limited insight into input assumptions and, unlike in prior years, provides no public cost assumptions for new generation assets. EFG's only means of extracting data for many assumptions was manual data-pulling from PDF charts. EFG built its Base Case as close to Duke's assumptions as available data allows but saw expected divergence in results given the absence of available capital and operating cost assumptions. Understanding of North Carolina's electric utility planning can and should extend beyond only stakeholders with the time, money, technical expertise, and legal representation to obtain it through litigated proceedings.

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[i] **Guiding Questions:**

1. Is there a reasonable resource scenario available to maintain electric system reliability to meet the state's policy goals?
2. What key assumptions determine overall costs, future risks, and uncertainties for the North Carolina electric grid?
3. Are electric utilities appropriately forecasting future loads, and if assumptions in that forecast are changed, how would the required resource mix change?