NOTICE OF EXEMPT SOLICITATION: (VOLUNTARY SUBMISSION)
NAME OF REGISTRANT: Duke Energy CORP
NAME OF PERSON RELYING ON EXEMPTION: Majority Action
ADDRESS OF PERSON RELYING ON EXEMPTION: 2443 Fillmore St #380-1454,
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Majority Action

Notice of Exempt Solicitation

Vote Recommendation: Vote **AGAINST** Theodore F. Craver, Jr. (Independent Board Chair and Chair of the Corporate Governance Committee) and Robert M. Davis (Chair of the Finance and Risk Management Committee) for inadequate oversight of climate risk and capital expenditure strategy with respect to powering data centers.

Duke Energy Doubles Down on Fossil Fuels and Backtracks on Climate Commitments to Power the Data Center Boom

Data centers have emerged as primary drivers of demand for Duke Energy, accounting for 75% of its load growth profile in the Carolinas by 2030.[1] While much of this demand could be met with renewables, storage, and demand flexibility, Duke has chosen a costlier, riskier, and dirtier route. It is powering data centers by significantly expanding gas-fired generation and delaying the retirement of aging coal plants while backtracking on climate commitments and lobbying against environmental regulations.

- Duke has 7.5 GW of natural gas plants under development and plans to build 10.3 GW of new gas-fired generation by 2033.[2]
- According to recent regulatory filings, Duke Energy Carolinas and Duke Energy Indiana plan to delay the retirement of over 7.9 GW of coal-fired power by 2-5 years, including extending the lifeline of 3.5 GW of coal plants out to 2039 by co-firing with natural gas.[3]

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[1] Duke Energy, "Q4 2025 Earnings Conference Call," Transcript, February 10, 2026, accessed via Pitchbook.
[2] Harry Sideris and Brian Savory, "Q4 2025 Earnings Review and Business Update," *Duke Energy*, February 10, 2026, pp. 15-16.
[3] Duke Energy, "Appendix F: Coal," in *2025 Carolinas Resource Plan*, p. 12; Duke Energy, "Appendix F: Coal Retirement Analysis," in *2023 Carolinas Resource Plan*, p. 15; Duke Energy, *2024 Indiana Integrated Resource Plan*, p. 152; Duke Energy, *Indiana 2021 Non-Technical Summary*, p. 11.

In previous Integrated Resource Plans (IRPs), the subsidiaries had pledged to retire over 12 GW of coal-fired plants by 2035.[4]

- Simultaneously, Duke appears to have dropped its medium-term Scope 1 and Scope 2 greenhouse gas emissions targets.[5] Even independent of its forecasted gas buildout, Duke would need to significantly accelerate its pace of emissions reductions in order to reach its net zero by 2050 target.[6]
- In order to support its fossil fuel expansion plans, Duke has successfully lobbied the federal administration to repeal environmental regulations that require power companies to reduce emissions from new natural gas plants and dispose of coal ash responsibly.[7]

Risks to investors

Duke's massive investment in fossil fuels to power data centers poses system-level and idiosyncratic risks to investors.

- **Duke is intensifying system-level climate risk by delaying the retirement of coal plants and expanding gas-fired generation.** Given the 30- to 50-year lifespan of gas plants, Duke's gas buildout is likely to lock in emissions for decades to come, delaying its transition to clean energy and rendering its net zero by 2050 target increasingly out of reach.
- **Everyday ratepayers and shareholders will likely bear the financial risks of building expensive gas-fired generation.** The cost to build and maintain new gas plants and infrastructure has soared in recent years due to tight supply chains and rising fuel costs.[8] Duke could pass at least some of these expenses onto everyday ratepayers and shareholders, especially if large-load tariffs do not fully offset the cost of power plants and grid investments, if projected data center load growth or demand for AI services does not materialize, and/or if gas prices spike. A 2025 study found that extant large-load tariffs are not sufficient to cover the cost of new gas-fired plants and concluded that utilities could "be forced to burden shareholders or other customers with the revenue shortfall from long-term generation commitments" if data center customers exit early.[9]

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[4] Duke Energy, "Executive Summary," in *2023 Carolinas Resource Plan*, p. 13; Duke Energy, *Indiana 2021 Non-Technical Summary*, p. 11.

[5] In its 2022 CDP response, Duke identified several medium-term targets including a 50% reduction in carbon emissions from electric generation by 2030 and 50% reduction in Scope 1 and Scope 2 emissions below 2021 levels by 2035. Duke's 2025 CDP response indicates that these targets have since been dropped.

[6] Matt Kasper and Keriann Conroy, "Electric utilities falling behind on emission reduction targets," *Energy & Policy Institute*, March 17, 2025.

[7] Letter from Duke Energy et al. to Rep. Lee Zeldin, January 15, 2025.

[8] Dennis Wamsted, "The misguided stampede to build gas power plants," *Institute for Energy Economics and Financial Analysis*, April 8, 2026.

[9] Ben Hertz-Shargel, "Large load tariffs: a looming challenge for utilities," *Woods Mackenzie*, June 5, 2025.

- Nearly 20% of customers in Duke's service territory live under the poverty line, and the average Duke household bill has risen 45% since 2020.[10] **Subjecting working- and middle-class families to higher energy burdens in anticipation of speculative data center demand contributes to system-level inequality risk.** Conversely, investing primarily in wind, solar, and battery reduces system-level inequality risk. In addition to becoming price-competitive with fossil fuels on build cost, renewables and storage deliver lower-cost power, drive down wholesale electricity rates, and are insulated from the volatility of gas prices.
- **Regulatory disallowances or legal settlements could force Duke to shift costs onto shareholders** if regulators determine that the utility's investments in new fossil plants or infrastructure are "imprudent," or if market conditions result in a revenue shortfall that cannot be legally or practically recovered from other ratepayers. Southern Company's Kemper scandal serves as a stark warning: In 2017, regulators ruled that Mississippi Power could not recover costs for its experimental coal plant from ratepayers after the project incurred billions in cost overruns, resulting in investors absorbing $6.4 billion in losses.[11]

- **Displacing the costs of data center-driven gas generation onto residential customers exposes Duke to increased political and reputational risk.** According to a recent Quinnipiac poll, 65% of Americans oppose building data centers in their communities, with 72% citing electricity costs as the top objection.[12]
- **By Duke's own admission, extending the life of aging coal plants carries operational and financial risks.** As noted in Duke's 2025 IRP, these risks include the large capital outlays needed to repair and upgrade plants, a diminishing supply of experienced coal workers, and increasing unavailability of obsolete equipment.[13]
- **Duke's strategy of continuing to invest in long-lived fossil fuel assets amplifies its exposure to transition risk.** While current regulations are conducive to expanding gas-fired generation and continuing coal unit operations, future regulators may impose more stringent climate and environmental requirements, leading to higher compliance costs. In addition, Duke could be locked into more expensive fossil power as the cost to build and maintain utility-scale renewables and storage continues to fall. Moreover, as the climate crisis accelerates, capital markets are likely to reprice fossil fuel assets by tightening credit conditions and raising insurance costs.[14]

Vote AGAINST Directors Theodore F. Craver, Jr. (Item 1c) and Robert M. Davis (Item 1d) for Failures Related to Climate Oversight and Capital Expenditure Strategy

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[10] Grant Smith and Bill Walker, *Tone Deaf: The Facts Behind Duke Energy's Low-Income Programs*, Environmental Working Group, June 3, 2020; Sue Sturgis, "It's not just the cold: Rate increases are driving Duke Energy bills higher," *Energy & Policy Institute*, March 27, 2026.

[11] Jeff Amy, "Settlement reached over clean coal fiasco in Mississippi," *Associated Press*, February 6, 2018.

[12] Quinnipiac University, "The Age Of Artificial Intelligence: Americans' AI Use Increases While Views On It Sour, Quinnipiac University Poll On AI Finds; 7 In 10 Think AI Will Cut Jobs With Gen Z The Most Pessimistic," March 30, 2026.

[13] Duke Energy, "Appendix F: Coal," in *2025 Carolinas Resource Plan*, p. 14.

[14] Tom Sanzillo, *A Matter of Opinion: Credit Rating Agency Evolution on Climate Change Risk and Fossil Fuel Financial Volatility*, Institute for Energy Economics and Financial Analysis, March 2024.

Duke's massive investments in fossil fuels to power the AI stack mark a critical failure of board oversight with respect to climate governance and capital expenditures.

Duke's Corporate Governance Committee has primary oversight of sustainability, environmental, and governance goals and strategies, while the Finance and Risk Management Committee has oversight of capex strategy and capital commitments.[15] As Chair of the Corporate Governance Committee and Chair of the Finance and Risk Management Committee, Theodore F. Craver and Robert M. Davis, respectively, bear the most responsibility for Duke's risky climate and capex strategy. **Shareholders are therefore urged to vote against the re-election of Directors Craver and Davis at Duke's annual general meeting on May 7, 2026.**

[15] Duke Energy, *SEC DEF 14A*, filed March 20, 2026, p. 26.