

NC WARN & Climate Voices US

October 20, 2015

Lynn J. Good
President and Chief Executive Officer
Duke Energy Corporation
550 South Tryon Street
Charlotte, North Carolina 28202

Subject: Urging you to come clean on Duke Energy's plan for a natural gas plant in Asheville and carbon emissions

Dear Ms. Good,

Duke Energy recently released a statement that it is considering alternatives to your preferred transmission corridor from South Carolina to the proposed natural gas-fired power plant in Asheville. It included a reference that some have interpreted to mean that you are also reconsidering seeking approval of the 650 megawatt plant itself.

We would like to think you are realizing that emerging economic and environmental information casts great doubt on the trajectory of natural gas despite the enormous pro-gas hype of recent years. We would welcome the chance to discuss with you a genuine climate-protecting path forward, an offer NC WARN and allies have made many times over the past eight years. However, we believe you will continue forward with efforts to build the Asheville plant.

To that end, this letter is intended to make clear that if you do seek NC Utilities Commission permission to build the plant, NC WARN and Climate Voices US plan to vigorously contest the application at the regulatory level, in the courts if necessary, and in the statewide public opinion arena.

We have retained the services of prominent technical experts to help contest the plant based on three key arguments that are rooted in the dynamic changes sweeping across various facets of the electric power industry, climate science and public opinion:

- the lack of need for the plant in a region with large excess capacity held both by Duke Energy and neighboring electricity suppliers;

- the growing financial risks of relying on natural gas, including extreme price volatility and uncertain supply based on a Ponzi scheme within the fracking gas drilling industry; and
- the now well-documented fact that methane leakage makes natural gas-fired electricity even worse than coal for the climate crisis.

Concurrent with a legal and public fight over the Asheville plant, we will continue working to tell the people of North Carolina and the United States the truth about Duke Energy's carbon emissions, and about your overall business plan to continue relegating renewable energy to a footnote in the Carolinas. And we will publicize Duke Energy's plans to build up to 10,928 megawatts of natural gas generation over the next 15 years in the Carolinas alone – a massive expansion – while continuing to operate your fleet of large coal plants.

In short, Duke Energy is making climate change worse while gouging captive customers with rate increases for power plants that are not needed.

As noted in our Emergency Complaint filed with Attorney General Cooper on October 7, we and our allies are increasingly critical of Duke Energy's persistent deception about key aspects of your operations as they relate to customers' rates and climate impacts. In particular, you are spending millions of customer dollars during 2015 to make North Carolinians believe you are reducing carbon emissions and heavily developing solar power, while in fact:

- 1) Duke Energy continues to mislead North Carolinians into believing its \$4 billion investment in wind and solar power is in the Carolinas, while the lion's share is in non-monopoly states. As shown in Duke's recent filing with NC regulators, only 4% of total generation in the Carolinas would come from renewables in 2030.
- 2) You boast that carbon dioxide emissions are down in recent years but you neglect to mention the market-busting recession as a factor, or that the small coal-burning units you closed were in use only 7% of the time. Those plants, in combination, released less annual carbon than Duke's new Cliffside 6 coal-fired unit. Also, you continue to ignore the well-documented leakage of up to 9% of methane during the natural gas drilling process, as cited in our complaint to the attorney general.

It is patently dishonest for Duke Energy to imply it is helping slow climate change while pretending that the impacts of methane leakage somehow can be ignored – especially when the Intergovernmental Panel on Climate Change now warns that methane is 86 times more potent as a greenhouse gas than carbon dioxide over a 20-year period. Your people surely know this. Why do you allow Duke officials to keep distorting this critical issue that defeats the notion of natural gas as a "bridge fuel"?

The methane leakage issue will continue to grow in prominence, especially as more people realize how quickly humanity is approaching a point of no return with the climate crisis.

We will continue urging the news media and public to consider the difference between slick corporate public relations and official documents, and to scrutinize the keenly important twin-issues of carbon emissions and renewable power. Your continued claims of being pro-solar are particularly galling after Duke and the Koch brothers succeeded in beating down this state's once-growing solar industry in the General Assembly this year.

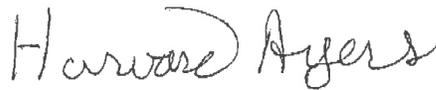
Finally, as we continue gaining expertise regarding various disciplines within the electric power industry, we increasingly realize that Duke Energy must feel stuck in time. You know how to be profitable with renewable energy in competitive states but feel that your investors require you to maximize profits in your monopoly states for a few more years until the bubble bursts. We again urge you in the strongest possible terms to use Duke Energy's size and market power to provide genuine leadership toward climate stabilization – before we pass tipping points leading toward a horrific future for humanity.

Again, we urge you to consider opening a meaningful dialogue with NC WARN and other critics instead of pursuing the worn-out path of buying the favor or silence of nonprofits, civic leaders and government officials.

Sincerely,



Jim Warren
Executive Director, NC WARN



Harvard Ayers
Executive Director, Climate Voices US