

# 2018

## A year of achievement



**LYNN J. GOOD**

| Chairman, President  
and Chief Executive Officer

### A MESSAGE FROM OUR CEO

Sustainability has steadily transformed over the years from concept to reality; from a good idea to a great way to do business. Today, sustainability is integral to how any smart company operates.

Duke Energy has been leading the charge to a cleaner energy future while helping our communities thrive. We've made significant progress on all fronts – from conservation and energy efficiency to the sustainable use of natural resources and generation of cleaner energy. We've reduced our carbon emissions by 31 percent from our 2005 levels and remain on track to reach our goal of 40 percent by 2030. All the while, we've kept rates for all customer classes below the national average.

And that's just the start.

We're looking at ways to accelerate the move to cleaner energy because we know it's right for our customers, our communities and society at large. The lower-carbon future we all want requires a delicate balancing act with no one-size-fits-all solution, as it must be safe, reliable and affordable for all customers regardless of where they live.

Last year, we captured our commitment to reduce carbon emissions in our [Climate Report](#) – consistent with the goals of the Paris Accord. Our comprehensive plan through 2030 includes the retirement of coal and the investment in renewables, battery technologies, energy efficiency and natural gas. Our plan is also founded in a firm belief that carbon-free nuclear power – the workhorse of our fleet – is an essential part of any equation for a low-carbon future.

As we look decades beyond 2030, innovation and collaboration will be key as the industry moves toward a carbon-neutral energy supply that will support electrification and help reduce carbon emissions across all sectors of the economy. We are strong proponents of research and development focused on discovering the solutions that will allow us to make progress while maintaining the round-the-clock reliability our customers depend on.



#### LEADING THE CHARGE

Duke Energy has been leading the charge to a cleaner energy future while helping our communities thrive.



### SMARTER ENERGY DECISIONS

We installed 1.6 million smart meters last year, giving 62 percent of our total customers access to real-time information to help make smarter energy decisions.

We must work together to find solutions. Everything we collectively do – from championing research and development to finding consensus with legislators and stakeholders – is paramount in realizing this important vision.

## 2018 Results

2018 marked significant progress on our sustainability goals. Highlights include:

- We continued to transition from coal to natural gas, bringing online two new combined-cycle natural gas plants and retiring two coal units. We also retrofitted two coal units at our Rogers Energy Complex to run on natural gas and coal – rather than coal only.
- As of year-end 2018, we owned or contracted over 7,100 megawatts of wind, solar and biomass energy. This includes 500 megawatts of solar added in North Carolina during the year, which helped the state remain second in the nation for solar capacity.
- Our energy efficiency initiatives helped customers reduce energy consumption and peak demand by more than 16,700 gigawatt-hours and 5,900 megawatts, respectively, since 2008. This reduction in consumption is more than the annual usage of 1.25 million homes, and the peak demand reduction is equivalent to 10 power plants each producing 600 megawatts.
- We installed 1.6 million smart meters last year, giving 62 percent of our total customers access to real-time information to help make smarter energy decisions.
- We issued \$1 billion in green bonds to finance green energy projects in North Carolina and South Carolina – one of the largest green bond transactions in our industry.

- Our nuclear fleet achieved a 93 percent capacity factor, marking the 20th consecutive year above 90 percent.
- We outlined plans to deploy 300 megawatts of battery storage projects in the Carolinas over the next 15 years.
- We safely removed 4.9 million tons of coal ash this year and recycled nearly 80 percent of what was produced at operating power plants.

## A New Era of Energy

Moving forward, it is essential we have the right strategy, the right pace of change and the right people to meet our goals, especially in the rapidly evolving sustainability landscape. It's the only way we'll find solutions to anticipate and meet our customers' needs.

I invite you to learn more about our progress in the following pages. I'm proud of how our 30,000 employees are executing our strategy and responding to change to build a smarter energy future.

Our results in 2018 have set the stage to achieve our long-term vision. Societal change is never easy, but we recognize it is our responsibility to leave a lasting, positive impact. Our work continues, and I look forward to ushering in this new era for the betterment of those we serve today and future generations.

Lynn J. Good  
Chairman, President and Chief Executive Officer

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