SHAREHOLDER PROPOSALS

Proposals 4 through 7 are proposals Duke Energy received from our shareholders. If the proponents of these proposals, or their representatives, present their respective proposal at our Annual Meeting and submit the proposal for a vote, then the proposal will be voted upon. The shareholder proposals and supporting statements are included exactly as submitted to us by the proponents. The Board recommends voting "AGAINST" these proposals.

PROPOSAL 4: SHAREHOLDER PROPOSAL REGARDING POLITICAL CONTRIBUTIONS

State of New York, Office of The State Comptroller, 59 Maiden Lane – 30th Floor, New York, NY 10038, submitted the following proposal on behalf of the New York State Common Retirement Fund, owner of 1,553,100 shares of Duke Energy stock:

Resolved, that the shareholders of **Duke Energy Corporation** ("Company") hereby request that the Company provide a public report, updated semiannually, disclosing the Company's:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
    a. The identity of the recipient as well as the amount paid to each; and
    b. The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company's website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.

Supporting Statement

As long-term shareholders of Duke Energy Corporation, we support transparency and accountability in corporate spending on political activities. These include any activities considered intervention in any political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations; independent expenditures; or electioneering communications on behalf of federal, state or local candidates.

Disclosure is in the best interest of the company and its shareholders. Moreover, the Supreme Court's Citizens United decision recognized the importance of political spending disclosure for shareholders when it said, "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages." Gaps in transparency and accountability may expose the company to reputational and business risks that could threaten long-term shareholder value.

Relying on publicly available data does not provide a complete picture of the Company's political spending. For example, the Company's payments to trade associations used for political activities are undisclosed and unknown. In some cases, even management does not know how trade associations use their company's money politically. The proposal asks the Company to disclose all of its political spending, including payments to trade associations and other tax exempt organizations used for political purposes. This would bring our Company in line with a growing number of leading companies that support political disclosure and accountability and present this information on their websites.

The Company's Board and its shareholders need comprehensive disclosure to be able to fully evaluate the political use of corporate assets. We urge your support for this critical governance reform.

Opposing Statement of the Board of Directors:

Your Board of Directors recommends a vote "AGAINST" this proposal for the following reasons:

The Board believes that the report requested in the proposal is unnecessary because of the numerous disclosures regarding our political expenditures, policies, and procedures regarding our political activities that we currently provide.

Duke Energy is committed to adhering to the highest standards of ethics in all of our activities, including our political activities. As a public utility holding company, Duke Energy is highly regulated and significantly impacted by public policy decisions at the local, state, and federal levels. As such, the Board believes that Duke Energy's public policy engagement is essential to protect the interests of Duke Energy, our customers, employees, shareholders, and communities.

Robust Board and Management Oversight. There is significant oversight of our participation in political activities, which is conducted through our government relations program, in semi-annual reviews of our strategy, activities and disclosures by the Corporate Governance Committee of the Board, in accordance with the Corporate Governance Committee's Charter. We include information about our policy and procedures with regard to our political activities on the Political Expenditures page of our website which is located at *duke-energy.com/our-company/investors/corporate-governance/political-expenditures-policy*. We also disclose information regarding the ultimate oversight of our policies, practices, and strategy with respect to political expenditures by the Corporate Governance Committee on our website as well in the Charter of the Corporate Governance Committee at *duke-energy.com/our-company/investors/corporate-governance/board-committee-charters/corporate-governance*.

Disclosure of Duke Energy Corporate Political Contributions. In addition to providing disclosure regarding our policies and procedures in numerous places on our website, we also provide additional disclosure of our political contributions. These disclosures are publicly available and already linked to our Political Expenditures web page. Duke Energy's corporate political contributions are also subject to regulation by the state and federal governments. In addition to the disclosures we are required to provide by law, Duke Energy also prepares a semi-annual report, which is posted directly to our Political Expenditures web page which discloses all corporate contributions in excess of $1,000, the federal lobbying portion of trade association dues for trade associations with dues over $50,000 during the reporting period, and all DUKEPAC contributions, each in the aggregate. Disclosing this information in one report allows the information to be more easily accessed and viewed by our shareholders. All such semi-annual reports remain available on Duke Energy's website for historical comparison purposes.

We participate in industry trade organizations for many important reasons, including business, technical, and industry standard-setting expertise. We pay dues or make contributions to these organizations that are not necessarily related to their political efforts. Moreover, we may not support each of the initiatives of every association in which we participate or align in strategy with every position of every association, but we believe it is important to participate in the discussions these organization have on these topics so that important decisions that may affect our business, customers, and shareholders are made with our input. As a result, disclosure of all the trade associations in which Duke Energy participates is not likely to provide our shareholders with any meaningful benefit to their understanding of our political activities or strategies.

Conclusion. Accordingly, because we already provide robust disclosure concerning our policies and procedures regarding our political activities, as well as a semi-annual report disclosing our political contributions and the fact that such activities and procedures are subject to extensive Board and management oversight, the Board believes that the additional report requested in the proposal would result in an unnecessary and unproductive use of Duke Energy and our shareholders' resources.

For the Above Reasons the Board of Directors Recommends a Vote "AGAINST" This Proposal.

PROPOSAL 5: SHAREHOLDER PROPOSAL REGARDING PROVIDING AN ANNUAL REPORT ON DUKE ENERGY'S LOBBYING EXPENSES

Mercy Investment Services, Inc., 2039 North Geyer Road, St. Louis, MO, 63131, owner of 71 shares of Duke Energy stock, and The Sisters of St. Francis of Philadelphia, 609 South Convent Road, Aston, PA 19014, owner of 54 shares of Duke Energy stock, submitted the following proposal:

Whereas, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether Duke Energy's lobbying is consistent with its expressed goals and in the best interests of shareholders.

Resolved, the shareholders of Duke Energy request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Duke Energy used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Duke Energy's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's and the Board's decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Duke Energy is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Corporate Governance Committee and posted on Duke Energy's website.

Supporting Statement

As shareholders, we encourage transparency and accountability in the use of corporate funds to influence legislation and regulation. Duke Energy spent $51,113,595 million from 2010-2017 on federal lobbying. These figures do not include lobbying expenditures to influence legislation in states, where Duke Energy also lobbies but disclosure is uneven or absent. For example, Duke Energy spent over $4.4 million on lobbying in North Carolina from 2010-2016, and its lobbying of Florida regulators has drawn media attention ("Report: With $43 million in Donations, Utilities Wield Influence over State Regulators," *Tampa Bay Times*, May 16, 2018).

Duke Energy is a member of the Business Roundtable and the Edison Electric Institute (EEI), which together spent over $60 million lobbying in 2016 and 2017. Unlike many of its peers, Duke Energy does not comprehensively disclose its memberships in, or payments to, trade associations, or the individual amounts used for lobbying on its website. And Duke Energy does not disclose membership in or contributions to tax-exempt organizations that write and endorse model legislation, such as its membership in the American Legislative Exchange Council (ALEC).

We are concerned that our company's lack of trade association and ALEC disclosure presents reputational risks. Duke Energy's EEI and ALEC memberships have attracted press scrutiny ("New Report: How Electric Utility Customers Are Forced to Fund the Edison Electric Institute and Other Political Organizations," *Republic Report*, May 9, 2017), and over 100 companies have publicly left ALEC, including Ameren, Entergy, Exxon, PG&E and Xcel Energy.

Opposing Statement of the Board of Directors:

Your Board of Directors recommends a vote "AGAINST" this proposal for the following reasons:

Duke Energy is committed to adhering to the highest standards of ethics in engaging in any government relations activities. As a public utility holding company, Duke Energy is highly regulated and significantly impacted by public policy decisions at the local, state, and federal levels. As such, the Board believes that Duke Energy's public policy engagement is essential to protect the interests of Duke Energy, our customers, employees, shareholders, and communities. Participation in public policy dialogues includes contributing to organizations that advocate positions that support the interests of Duke Energy, our customers, employees, shareholders, and communities. These organizations include industry trade associations such as the Edison Electric Institute which is mentioned in the proposal. Industry associations also serve important non-political purposes, helping address business, technical, and standard-setting issues. Though we may not support each of the lobbying goals of every association in which we participate, we believe it is important to participate in these organizations' public policy discussions so that important decisions that may affect our business, customers, and shareholders are not made without our position being heard.

Disclosure of Duke Energy Policy and Procedures Over Lobbying. The proposal requests that we disclose our policy and procedures with regard to lobbying. Duke Energy has developed a robust governance program around our public policy engagement. The day-to-day oversight of our policies, practices, and strategy with respect to public policy advocacy is the responsibility of the jurisdictional presidents at each applicable state level and our Senior Vice President, Federal Government Affairs and Strategic Policy.

Disclosure of Corporate Lobbying Expenditures. The proposal also seeks disclosures about Duke Energy's lobbying expenditures. Our lobbying activities are subject to regulation by the state and federal governments, including requirements to provide disclosures of state and federal lobbying expenses. These disclosures are publicly available and linked to our website at *duke-energy.com/our-company/investors/corporate-governance/political-expenditures-policy*. Duke Energy is fully compliant with all state and federal laws governing corporate lobbying activities. In addition to the disclosures we are required to provide by law, Duke Energy also voluntarily discloses additional information in a semi-annual report which is posted directly to the site disclosed above. In addition to disclosing certain information regarding Duke Energy's corporate political contributions, the semi-annual report includes an aggregate amount for the federal lobbying portion of trade association dues for trade associations with dues over $50,000 during the reporting period. Disclosing this information in one report allows the information to be more easily accessed and viewed by our shareholders. All semi-annual reports remain available on Duke Energy's website for historical comparison purposes.

Conclusion. Accordingly, because we have provided disclosure concerning our policies and procedures governing lobbying, a semi-annual political activity report that includes information regarding our lobbying activities, and a description of the Board oversight of such activities and procedures, the Board believes that the additional report requested in the proposal would result in an unnecessary and unproductive use of Duke Energy and our shareholders' resources.

For the Above Reasons the Board of Directors Recommends a Vote "AGAINST" This Proposal.

PROPOSAL 6: SHAREHOLDER PROPOSAL REGARDING A REPORT ON MITIGATING HEALTH AND CLIMATE IMPACTS OF COAL USE

As You Sow, 1611 Telegraph Avenue – Suite 1450, Oakland, CA 94612, on behalf of Andrew Behar, owner of 50 shares of Duke Energy stock, and Daughters of Charity, Province of St. Louise, 2039 North Geyer Road, St. Louis, MO 63131, owners of 40 shares of Duke Energy stock, submitted the following proposal:

WHEREAS: The use of coal produces well-established harms to public health including water contamination, climate change, and poor air quality. Coal burning releases carbon dioxide, which is the primary greenhouse gas driving climate change. Climate change results in many health harms and challenges – from extreme temperatures to declining air and water quality. In addition to health impacts, climate change intensifies extreme storms and flooding, threatening the reliability and safety of coal ash infrastructure and increasing the risk of water contamination.

Climate impacts are exacerbating health risks, necessitating robust mitigation planning from Duke to reduce and avoid such impacts.

- *Toxic contamination.* Coal burning results in coal waste – also called coal ash – which is laced with heavy metals such as arsenic, and which can contaminate water and raise cancer risk with long term exposure. Duke Energy has had three high profile coal ash spills since 2014 at its Sutton, Dan River, and H.F. Lee coal plants, incurring brand damage, causing spills and leaks associated with health harms, and millions of dollars in clean-up costs. This year's Hurricane Florence highlighted Duke's lack of preparation for storms and flooding, the frequency and intensity of which are increasing due to climate change. Duke's failure to prevent breaches at two of its coal ash waste ponds as a result of Florence's impact has been criticized, while peers have demonstrated that available best practices could have prevented such spills.
- *Harm to vulnerable communities.* The impacts of Duke's coal ash management are felt disproportionately by low-income communities. After Hurricane Florence, Duke indefinitely closed Lake Sutton to the public – a lake that locals rely on for subsistence fishing.
- *Declining air quality.* Burning coal results in sulfur dioxide, nitrous oxide, mercury, and particulate matter. These pollutants can cause serious health problems such as respiratory illness, including asthma and lung diseases, heart attacks, reduced life expectancy, and increased infant mortality. These harms often become particularly acute as climate change dramatically increases local temperatures.

Despite all this, Duke has yet to adequately address the risks of its continued use of coal, especially with regard to the growing impacts it is causing on local communities.

RESOLVED: Shareholders request that Duke Energy publish a report assessing how it will mitigate the public health risks associated with Duke's coal operations in light of increasing vulnerability to climate change impacts such as flooding and severe storms. The report should provide a financial analysis of the cost to the Company of coal-related public health harms, including potential liability and reputational damage. It should be published at reasonable expense and omit proprietary information.

SUPPORTING STATEMENT:

Investors request the company consider:

- How Duke Energy's coal burning exacerbates public health harms;
- How Duke's coal operations, including its coal ash disposal, impacts the public health of low income communities and communities of color.

Opposing Statement of the Board of Directors:

Your Board of Directors recommends a vote "AGAINST" this proposal for the following reasons:

Utility regulations are designed to protect public health and the environment. Duke Energy provides clean, reliable, and affordable energy to our customers in a manner that complies with the full suite of health and safety regulations that are established by state and federal regulators who have the appropriate expertise and mandate to analyze these issues. The proposal requests that we publish a report detailing our plans to mitigate health risks associated with coal generation. State environmental agencies and the United States EPA are charged with setting and enforcing regulations to protect the environment, public health and safety, including regulations on air emissions, water discharges, and the disposal of coal ash.

Importantly, the EPA has extensively studied coal ash and air emissions from coal-based generation for decades, conducting detailed scientific investigations of risks. These studies underpin the air, water, and waste regulations that establish emissions controls and disposal requirements to protect public health and the environment.

Fleet modernization and reduction in use of coal has led to significant emissions reductions. We are committed to a cleaner, smarter energy future in continuing to meet the needs of customers, and our track record demonstrates that. We have worked for many years to modernize and diversify our system, de-carbonizing our fleet in a way that balances our responsibility to provide safe, reliable, and affordable energy for our customers. We have established carbon reduction goals and, through 2017, have reduced our carbon emissions by 31% from 2005 levels. In 2017, we set an even more aggressive goal to reduce our carbon emissions by 40% from 2005 levels by 2030.

These reductions have primarily been achieved through the modernization of our generating fleet, including the retirement of our coal generating plants. Since 2011, we have significantly reduced coal use, retired almost 6,200 megawatts of coal-based generation, and have announced plans to retire an additional 1,200 megawatts of coal-based generation. Our growing portfolio of renewable energy resources includes wind and solar projects totaling approximately 3,300 megawatts of capacity, with over 1,000 megawatts of wind and solar projects projected to be in service in the next two years. Through 2027, we plan to make investments in highly efficient natural gas generation and renewable energy sources and to modernize the power grid to accommodate even more renewables and make our system more resilient to severe weather. At our remaining operating coal generating stations, we have already invested $7.5 billion in environmental controls. As a result, in addition to the significant reduction in carbon emissions, as of the end of 2017, we had reduced sulfur dioxide emissions by 96% and nitrogen oxide emissions by 74% since 2005. Thus, contrary to the proposal's claim of declining air quality, emissions have been significantly declining due to our efforts. Further, as noted above, our coal-fired generation plants are in compliance with EPA and state air quality standards that are set at levels to protect public health.

Duke Energy already provides extensive information regarding mitigation of climate change risk. We provide detailed information in our annual Sustainability Report, CDP questionnaire responses, and in the environmental, social and governance disclosures we provide to investors through the Edison Electric Institute. In addition, in 2018 we released a comprehensive Climate Report to shareholders which discloses information on our efforts to reduce emissions, mitigate climate impacts, and plan for a carbon-constrained future, including analysis of a scenario under which we would reduce emissions consistent with a target intended to limit overall global average temperature increase to two-degree Celsius.

Duke Energy has made plans to and significant progress toward closing all of our ash basins. The proposal makes many inaccurate assertions regarding our ash management, and particularly regarding our ash management during Hurricane Florence. At Duke Energy, the safety of our employees, customers, and communities is our highest priority. After the Dan River ash release in 2014, we accepted responsibility for the release and took the opportunity to lead the industry in the closure of ash basins, a nationwide challenge. In accordance with state and federal laws, we are using comprehensive science and engineering studies to guide the safe closure of our ash basins and to recycle coal ash in ways that protect the environment and communities. We have already excavated over 22 million tons of ash across our jurisdictions and moved it to fully lined disposal facilities.

The proposal states that there have been three high-profile coal ash spills since 2014 and implies that two spills, at our Sutton and H.F. Lee plants, were the result of Duke Energy's lack of preparation for hurricanes. In fact, the opposite is true. Duke Energy's dam improvement projects for ash basins and our ongoing closure work helped our facilities perform well during Hurricane Florence and the flooding that followed. Significantly, there have been no ash basin dam failures during or following the storm. We took numerous planning and engineering actions before the hurricane to prepare our sites and minimize potential storm impacts. Our ash management practices helped facilitate the ash basin dams' safe performance during the hurricanes. Due to our aggressive excavation and closure work, ash basins that were most affected by the storm were able to accommodate significant volumes of water from precipitation and flooding from nearby rivers. Most importantly, both our water sampling and the independent water sampling by our state regulator demonstrate that water quality in the nearby rivers and in Sutton Lake remained well within stringent state water quality standards after Hurricane Florence. We have included extensive disclosures on our plans and progress in closing our ash basins in our annual Sustainability Report and on the ash management section of our website located at *duke-energy.com/our-company/about-us/power-plants/ash-management.*

Conclusion. In summary, Duke Energy is fully committed to operating in accordance with the robust regulations enacted by the multiple governmental agencies whose specific mission, expertise and domain is to determine and publish those regulations necessary to maintain public safety. Moreover, we have initiated significant efforts relating to emissions reductions and ash management in our operations and we provide extensive disclosures on such measures. Developing a separate report as requested in the proposal would be an inefficient use of shareholder resources.

For the Above Reasons the Board of Directors Recommends a Vote "AGAINST" This Proposal.

PROPOSAL 7: SHAREHOLDER PROPOSAL REGARDING A REPORT ON THE COSTS AND BENEFITS OF DUKE ENERGY'S VOLUNTARY ENVIRONMENT-RELATED ACTIVITIES

Steven J. Milloy, 12309 Briarbush Lane, Potomac, MD, 20854, owner of 33 shares of Duke Energy stock, submitted the following proposal:

Greenwashing Audit

Resolved:

Shareholders request that, beginning in 2019, Duke Energy annually publish a report of actually incurred company costs and associated actual/significant benefits accruing to shareholders, public health and the environment from Duke's environment-related activities that are voluntary and exceed federal/state regulatory requirements. The report should be prepared at reasonable cost and omit proprietary information.

Supporting Statement:

Duke's purpose is to generate profits from generating affordable and reliable electricity for ratepayers while obeying applicable laws and regulations. Maintaining coal plants is the least expensive option for generating power per the U.S. Department of Energy's National Coal Council 2018 report, "Power Reset" (www.BurnMoreCoal.com/wp-content/uploads/2018/10/NCC-Power-Reset-2018.pdf). Yet Duke's management intends to shutter its coal plants in hopes of somehow altering global climate change.

This resolution is intended to help shareholders monitor whether Duke's voluntary activities and expenditures touted as protecting the public health and environment are actually producing meaningful benefits to shareholders, public health and the environment.

Corporate managements sometimes engage in "greenwashing" – i.e., spending shareholder money on schemes ostensibly environment-related, but really undertaken merely for the purpose of improving the public image of management. Such insincere "green" posturing and associated touting of alleged, but actually imaginary benefits to public health and the environment may harm shareholders by distracting management, wasting corporate assets, ripping off ratepayers and deceiving shareholders and the public.

For example, Duke states in its 2017 Climate Report to Shareholders: "We have reduced carbon dioxide emissions by 31% since 2005, and we have set our sights on greater progress." No law or regulation required this reduction. Shareholders should have an honest accounting of this action's cost and the action's actual and current (vs. hypothetical or imagined) benefits. After all, Duke's reduction in CO2 emissions is not an obvious benefit to anyone or anything.

Duke says its "goal" is to reduce CO2 emissions 40% from 2005 levels by 2030. No law or regulation requires this action. What will be the actual benefit to anyone or anything of it? Global CO2 emissions are higher now than ever and increasing. China is reportedly now adding coal plant capacity equal to the entire US coal fleet. Around the world, there are reportedly 1,100 coal plants under construction. In comparison, Duke operates a mere 14 coal plants. So what are the actual benefits to ratepayers, shareholders and the environment of meeting Duke's goal? By how much, in what way, and when will any of these activities reduce or alter climate change, for example?

The information requested by this proposal is not already contained in any Duke report, including the aforementioned climate report, which contains none of the cost-benefit detail requested hereby. Duke's climate report is so vague and vapid, it may itself be reasonably suspected as greenwashing.

Duke should report to shareholders what are the specific actual benefits produced by its voluntary, highly touted and costly environmental activities. Are the touted benefits real and worthwhile? Or are they just greenwashing? Shareholders want to know.

Opposing Statement of the Board of Directors:

Your Board of Directors recommends a vote "AGAINST" this proposal for the following reasons:

The Proposal requests that Duke Energy publish a report of costs and benefits to shareholders, public health, and the environment as a result of our voluntary, environment-friendly activities. The Board believes that undertaking a specific, separate report to fulfill this request would be a significant waste of corporate resources because we already extensively discuss the costs and benefits of our investment strategy and environmental activities in numerous disclosures, which we regularly publish on our website or file with our regulators, including the annual Sustainability Report, the 2017 Climate Report, and the IRPs filed with the state utilities commissions.

Duke Energy has numerous existing disclosures that address the costs and benefits of our investment strategy and environmental activities. The 2017 Sustainability Report details much of Duke Energy's efforts to reduce greenhouse gases as well as other initiatives we undertake to reduce our environmental footprint and the benefits we expect Duke Energy, our shareholders, and customers receive from these efforts. The Sustainability Report details our planned investments over the next ten years to create a smarter energy grid to improve system performance, make our system more resilient, and accommodate additional renewable energy. The Sustainability Report also details our plans to invest in cleaner natural gas-fired power plants, as well as solar energy and other renewable generation sources to meet the future power needs of our customers.

In 2018, Duke Energy also released a special Climate Report which discusses our efforts related to the climate change issue. The generation investment decisions we have taken to meet customers' power needs, which have resulted in reductions in greenhouse gas emissions, are discussed throughout the 2017 Climate Report. The Climate Report also explains that we must balance customer affordability and reliability along with cleaner energy in order to meet the demands of our customers, shareholders, and communities.

In addition to the disclosures in Duke Energy's annual Sustainability Report and 2017 Climate Report, the IRPs filed by Duke Energy's regulated utility subsidiaries also provide a long-range quantitative analysis of the costs and benefits to customers of the planned Duke Energy generation, transmission and distribution system. For example, Duke Energy Carolinas, LLC's North Carolina September 2018 IRP includes the detailed results of economic analyses and emissions projections for a number of portfolios of generation options. The IRP discusses that one of the many reasons for a diverse generation portfolio is the increasing demands by customers for more choices and services to control their energy use.

A number of the Proponent's underlying assumptions regarding the need for such a report are flawed. The Proponent states that "Maintaining coal plants is the least expensive option for generating power. . ." and cites the U.S. Department of Energy's National Coal Council 2018 report, "Power Reset" for that analysis. This report utilized a national average of the cost of existing coal generation compared to other options (natural gas, nuclear, and renewables). Duke Energy, however, cannot use a national average figure in making our determination of which technology to use to generate electricity in a particular geographic area. We must utilize actual costs of actual power plants rather than a national average. In order to ensure our customers are receiving the most cost-effective electricity options in each of our regions, we undertake complex analyses utilizing a range of cost projections for generating options and fuel prices, and also consider existing and future potential state and federal environmental regulations. These analyses are discussed in our IRPs and then reviewed and approved by our regulators to ensure that all customers are being provided the most cost-efficient, reliable service possible. These detailed, highly technical plans are based on thorough analyses of numerous factors that can impact the cost of producing and delivering electricity and influence long-term resource planning decisions. The IRP process helps to evaluate a range of options, considering forecasts of future electricity demand; fuel prices; transmission improvements; new generating capacity; renewable energy mandates; integration of renewables, energy storage, energy efficiency; and, demand response initiatives. The IRP process also helps evaluate potential environmental and regulatory scenarios to better mitigate policy and economic risks to Duke Energy. The data which we disclose in our IRPs show that the decreasing cost of natural gas and renewable generation, combined with the cost of compliance with environmental regulations, make these sources more cost-efficient replacements for our coal generating facilities as they age and are retired. As a result, our regulators have approved our decisions to add these generation sources to our portfolio as a cost-effective way to meet our customers' electricity needs, and have approved their cost recovery.

Furthermore, the Proponent states that "No law or regulation required" our 31% reduction in carbon dioxide emissions since 2005, yet ignores the fact that a myriad of state and federal environmental laws and regulations have been put in place since 2005. These regulations required significant reductions in emissions and hazardous air pollutants, which have had the corollary effect of reducing greenhouse gas emissions. This includes the North Carolina Clean Smokestacks Act, the Cross-State Air Pollution Rule, and the Mercury and Air Toxics Standards. In addition to those laws and regulations, our state regulators mandate that we provide the most cost-effective generation to our customers. Carbon dioxide emission reductions have occurred because lower-emitting natural gas and zero-emitting renewables are proving to be cost-effective options.

Conclusion. In summary, the Board does not believe it is in the best interests of shareholders for Duke Energy to prepare a report on our voluntary environment-friendly actions as we already disclose the actions, as well as the expected costs and benefits associated with these actions, in numerous public disclosures. Developing a separate report as requested in the proposal would be an unnecessary, redundant and inefficient use of shareholder resources.

For the Above Reasons the Board of Directors Recommends a Vote "AGAINST" This Proposal.