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Megawatt Minute Alert: Developments on How Duke Energy Integrates Data Centers and Other New Large Load Customers in North Carolina

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On July 24, 2025, Duke Energy Carolinas, LLC (DEC) and Duke Energy Progress, LLC (DEP) (together, Duke) filed its response to the June 6 request by the North Carolina Utilities Commission (NCUC) on how to integrate large load additions (i.e., over 100 MW) to the electric system. **Interested parties may intervene and comment by August 21.**

Background

Due to rapid growth in large electricity users like data centers, the NCUC now requires Duke to file semiannual reports on major electric load additions. Duke filed its first report on May 15, and a June 6 order prompted this new proceeding, requiring Duke to address several questions.

Duke's Comments

Duke's response outlines the utility's current processes, regulatory stance, and infrastructure planning strategies.

Duke Energy requires a large load customer to enter an initial engagement and transmission study, followed by potential negotiation of a Letter Agreement, concluding with an Energy Supply Agreement (ESA).

Duke aggregates large load customers into "tranches" in a manner resembling a generator interconnection study cluster. Duke warns potential large load customers that limited transmission capacity in some urban and high-growth areas may face longer interconnection timelines. Duke advises early engagement to identify potential constraints and explore alternative solutions.

Duke argues that the Letter Agreement approach allows Duke to initiate design procurement work in advance of the execution of an ESA. Duke's Letter Agreement imposes several requirements on large load customers, including:

- Advance refundable capital payments,
- Minimum billing provisions,
- Termination fees,
- Interruptible service obligations, and
- Accelerated ESA execution deadlines.

Duke's comments generally contend that its new large load intake process currently does not warrant new tariff rules and schedules but recognizes that changed circumstances could warrant a revised approach.

Challenges

Duke's comments highlight several challenges for new large load customers:

- Without publicly available and NCUC-approved rules on how to process new large load customers, it is unclear how to confirm Duke's equal treatment of similarly situated customers.
- Duke does not clarify how performance and credit requirements are calculated and applied equitably.
- Duke provides only general references to areas with limited transmission capacity, lacking specific geographic detail.
- The Letter Agreement requires significant financial commitments before an ESA is executed, making it unclear whether customers may face undisclosed costs or service conditions in the ESA.

Future NCUC Proceedings

This docket may influence how the NCUC evaluates Duke's filings in other proceedings involving large load integration. Key upcoming filings include:

- Duke's Carbon Plan/Integrated Resource Plan, due October 1, 2025, which will address load forecasts and resource planning.
- General rate cases for DEP (expected October 2025) and DEC (expected January 2026), which typically include updates to service regulations and customer tariffs.
- A recently initiated merger docket proposing the consolidation of DEP into DEC, which may also impact large load policies.

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