

Duke Energy Director Votes



Duke Energy (NYSE:DUK)

Duke is the largest U.S. generator of electricity, the second largest emitter of carbon dioxide and the second largest user of coal to generate electricity among investor-owned U.S. electric utilities.¹

Majority Action urges investors to vote against these directors at companies failing to implement plans consistent with limiting global warming to 1.5°C.

Chair/CEO: Lynn Good; Independent Lead Director: Michael G. Browning.

Targets	
Net-zero by 2050 commitment for electricity production.	Duke announced a net-zero by 2050 commitment for electricity production in 2019. ²
Net-zero commitment covers all material Scopes and business segments, in particular purchased power, emissions from use of gas by customers, upstream methane emissions.	By specifying that its net-zero target is for “emissions from electricity generation” [emphasis added] Duke appears to exclude from its target emissions from purchased electric power and emissions from its customers’ burning of gas in its gas utility business. ³ According to Climate Action 100+, Duke’s net-zero ambition does not cover the most relevant Scope 3 emissions categories for its sector. ⁴
Limited use of offsets, negative emissions, or unproven or uncommercialized technologies, including CCS, in reaching net-zero targets.	Relies heavily on technologies which require further R&D, referred to as “zero-emitting load-following resources (ZELFRs)” for 30% of its regulated electric power generation by 2050. ⁵
Robust interim targets on the pathway to net-zero.	Interim target of 50% absolute reduction from power production by 2030 from a 2005 baseline, equivalent to only 1.6% per year between 2019 and 2030. ⁶
Capital allocation	
Firm plan to phase out coal by 2030	According to a Sierra Club analysis, Duke has committed to retire only 11% of its coal generation by 2030, and will remain one of the largest coal generators among investor-owned electric utilities, with a forecast 47.7 million MWh generated from coal in 2030 based on the typical usage of those assets. ⁷ According to Climate Action 100+, Duke does not meet the criteria for capital allocation alignment. ⁸



<p>Limited expansion of gas generation capacity</p>	<p>Duke has the largest gas generation expansion plans of any investor-owned utility, with 7,804 MW in planned additional capacity.⁹</p>
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Policy influence

<p>Alignment of policy influence activities with net-zero target and limiting warming to 1.5°C</p>	<p>According to InfluenceMap, “Duke Energy appears to have a largely negative influence on climate change policy in the US, [and] has lobbied against GHG emissions standards and the transition of the US energy mix.”¹⁰ Duke’s Political Action Committee has a history of spending which opposes action on climate change and supports far-right extremists. In the 2018 election cycle, it gave maximum \$10,000 donations to 11 Members of Congress, each of whom voted against pro-environmental legislation at least 92% of the time.¹¹ As of 2017, it was the largest funder of a trade group, UARG¹², which coordinated utility litigation against toxic pollution controls.¹³ In the last three election cycles, it gave more than \$500,000 to Members of Congress who voted against certification of the U.S. presidential election results.¹⁴ Despite facing criticism for these donations, Duke in March issued a new political expenditures policy which contains no pledge to end support for anti-democracy politicians or align its policy influence activities with its net-zero commitment.¹⁵ According to Climate Action 100+, Duke does not meet any of the criteria for climate policy engagement alignment.¹⁶</p>
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Endnotes

- 1 <https://www.mjbradley.com/content/emissions-benchmarking-emissions-charts>
- 2 <https://sustainabilityreport.duke-energy.com/operations/duke-energys-path-to-net-zero-carbon/>
- 3 https://www.duke-energy.com/_media/pdfs/our-company/climate-report-2020.pdf?_ga=2.79924695.1925769207.1616437871-532950291.1610064245, p. 1.
- 4 <https://www.climateaction100.org/company/duke/> at Sub-Indicator 1.1B
- 5 https://www.duke-energy.com/_media/pdfs/our-company/climate-report-2020.pdf?la=en, at 2, 5, 26
- 6 <https://www.energyandpolicy.org/utilities-carbon-goal-biden-climate-plan/>
- 7 <https://www.sierraclub.org/sites/www.sierraclub.org/files/blog/Final%20Greenwashing%20Report%20%281.22.2021%29.pdf>, p. 13 <https://public.tableau.com/profile/john.romankiewicz#!/vizhome/Utilitydashboard/Story1>
- 8 <https://www.climateaction100.org/company/duke/> at Indicator 6
- 9 <https://public.tableau.com/profile/john.romankiewicz#!/vizhome/Utilitydashboard/Story1>
- 10 <https://influencemap.org/company/Duke-Energy>
- 11 Donations information downloaded from <https://www.opensecrets.org/political-action-committees-pacs/duke-energy/C00083535/candidate-recipients/2018> and compared with LCV 2018 National Environmental Scorecard available at https://scorecard.lcv.org/sites/scorecard.lcv.org/files/2018_LCV_Scorecard.pdf, p. 14.
- 12 <https://www.politico.com/story/2019/02/20/epa-air-pollution-regulations-wehrum-1191258>
- 13 Zack Colman, "Documents detail multimillion-dollar ties involving EPA official, secretive industry group," Politico, February 20, 2019. <https://www.politico.com/story/2019/02/20/epa-air-pollution-regulations-wehrum-1191258> Matt Kasper, "As utilities flee newly scandalous UARG, remaining members make dishonest claims about its purpose," Energy and Policy Institute, August 23, 2019. <https://www.energyandpolicy.org/utilities-flee-utility-air-regulatory-group-amid-scandal-and-investigations/>; <https://archive.epa.gov/epa/cleanpowerplan/fact-sheet-overview-clean-power-plan.html>
- 14 <https://www.energyandpolicy.org/utility-donations-members-congress-overturn-election/>
- 15 <https://www.duke-energy.com/our-company/investors/corporate-governance/political-expenditures-policy>
- 16 <https://www.climateaction100.org/company/duke/> at Indicator 7