
CONSTRUCTION MONITOR MONTHLY PROGRESS REPORT

DUKE ENERGY CAROLINAS, LLC (DEC) MARSHALL CT PROJECT

DOCKET No. 2026-30-E

SEPTEMBER 2026



Marshall Steam Station Photograph

Source: <https://www.duke-energy.com/Our-Company/About-Us/Power-Plants/Marshall-Steam-Station>

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September 28, 2026

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SEPTEMBER 2026 — MONTHLY CONSTRUCTION MONITORING REPORT

1.0 EXECUTIVE SUMMARY

This September 2026 Construction Monitoring Report (CMR) has been prepared by E3 Consulting Services, LLC (E3) pursuant to S.C. Code Ann. § 58-33-195 and § 58-33-200 for the Duke Energy Carolinas, LLC (DEC) Marshall Steam Station natural gas simple cycle facility (the Project). E3 serves as a consultant to the South Carolina Office of Regulatory Staff (ORS) as construction monitor under § 58-33-195 and serving as the independent construction analyst under § 58-33-200.

The Project is an 850-megawatt (MW) power generation facility located in Catawba County, North Carolina and includes hydrogen capable natural gas combustion turbines in a simple cycle configuration. This CMR provides an update on E3's construction monitoring activities during September 2026 related to the Project's progress. E3's analysis is based on documents and responses to questions received from DEC in response to the ORS request for information; and this information includes the engineering, procurement and construction (EPC) contractor's June and July 2026 monthly project reports for the period of June 1, 2026 to July 31, 2026, requested by ORS on September 1, 2026 and received on September 11, 2026. In addition, E3 participated in a joint meeting held on September 17, 2026, with ORS and DEC to discuss the Project status. E3 has not visited the Project site in-person currently; however, E3 and ORS are scheduled to perform their first site visit on November 16, 2026.

According to DEC, the site civil works, in preparation for the major construction program, are progressing and currently meeting the schedule requirements. DEC procured the combustion gas turbines generators, and GE Vernova (GEV) reported the manufacturing of the combustion turbine generators (CTGs) will start in the month of September at their Greenville, South Carolina facility as scheduled. Site civil works had been suspended at the power block area due to issues with the unsuitability of the existing soil conditions. DEC stated in the September 17, 2026 joint meeting the issue has been resolved. The issue will be closely monitored by E3 as this delay may have a potential impact on the project critical path schedule. Regarding gas and transmission activities, all are moving ahead as planned. The Project has also been impacted from unanticipated tariffs costs from their suppliers and the EPC contractor. DEC will be utilizing some of the available contingencies in the planned budget allotment for these costs. As of the September 17, 2026 joint meeting, DEC continues to report that the Project is on schedule and within original budget.

2.0 PROJECT OVERVIEW

The Project utilizes natural gas fired CTGs in a simple cycle configuration. In addition, the CTGs will be capable of firing hydrogen as a future fuel source. Zachry Construction (Zachry) has been awarded the EPC contract and is anticipated to mobilize its direct labor on-site in September 2026. The Project is situated on a “brownfield site” (previously existing energy complex).

3.0 ENVIRONMENTAL, PERMIT AND COMPLIANCE STATUS

DEC stated in the September 17, 2026 joint meeting that all necessary permits are in place to continue construction activities (see also Section 5.2 for additional narrative on this subject).

4.0 SUMMARY OF PROGRESS AND STATUS OF EPC CONTRACTOR

4.1 Engineering

DEC stated in the September 17, 2026 joint meeting the engineering progress has improved and is now slightly ahead of plan. Based on documentation received from DEC on September 11, 2026, E3 confirms that Zachry engineering has made improvement based on the June and July 2026 EPC monthly reports provided by DEC. Zachry’s current engineering efforts are in support of their planned procurement requirements for various tanks and for supporting the civil works of the underground piping.

4.2 Procurement

DEC has procured all necessary major power island equipment. Zachry is continuing to issue procurement contracts during this period for various equipment including the Continuous Emissions Monitoring System (CEMS) buildings, shop fabricated pipe, transformers and planned to award in August the water treatment filtration package. The procurement award for the raw water intake structure subcontractor is an area of focus by Zachry as it remains on the critical path and award was expected in August 2026. E3 will closely monitor this activity and report in a future CMR of any potential impacts to the project schedule.

4.3 Construction

The EPC contractor is expected to mobilize its direct craft on-site in September 2026 and begin major construction activities. Zachry’s civil subcontractor is active on-site, completing civil works such as earthwork operations, basin development and site preparation. DEC reported in the September 17, 2026 joint meeting that the tree clearing

and grubbing has been completed, allowing for full access to planned construction areas and supporting continued expansion of civil works across the site.

5.0 INTERCONNECTION PROGRESS (WORK OUTSIDE OF EPC CONTRACT)

5.1 Electrical Interconnection Status

DEC is continuing to advance engineering activities related to transmission and the electrical interconnects and E3 will provide further information as information is made available.

5.2 Water Supply and Discharge Status

DEC is in process of finalizing design and permitting activities related to the water supply and discharge requirements. DEC has received authorization from Duke Energy Lake Services to begin notifications to external agencies of the project description, preliminary design and intent to pursue permitting to support water withdrawal. An updated Cultural Resources Permit (CRP) is needed to advance the process, and a consultant is currently engaged for developing same.

5.3 Gas Supply Status

DEC stated a contractor has mobilized to begin construction related activities on site and the upstream gas compression construction activities at the Lincoln Energy Reliability Center. E3 will continue to monitor these activities.

6.0 BUDGET REVIEW

During the September 17, 2026 joint meeting, DEC reported it drew on its contingency reserves for approved change orders. DEC further reported the Project is on budget and the contingency reserves are currently adequate to support completion of the Project. E3 reviewed the current list of change orders and subsequent tariff impacts provided by DEC and discussed the contingency reserves and utilization with DEC at the September 17, 2026 joint meeting. Based on the information provided by DEC, E3 confirms that the Project is on track to be completed on budget. E3 will monitor the various change orders and tariff impacts.

7.0 SCHEDULE

7.1 Schedule Narrative

DEC provided the overall EPC schedule dated August 6, 2026 (levels 1, 2 and 3) in the recent submittals, and E3 reviewed and discussed the various critical paths at the September 17, 2026 joint meeting.

The EPC schedule dated August 6, 2026 shows a negative float on the critical path for the tank installation. The tank installation is contingent on the completion of the cut and fill which is related to resolution of the existing soil conditions. DEC reported in the September 17, 2026 joint meeting that the soil condition issue has been resolved. E3 will monitor and report on this in next month's CMR.

The current EPC schedule baseline is developed to a “target” substantial completion date of September 21, 2028, which is two months ahead of the contractual obligation in the EPC contract of “Guaranteed Substantial Completion” on November 20, 2028.

7.2 Milestone Dates

The following table shows the key milestone dates for the Project included in the Certificate of Public Convenience and Necessity (CPCN) testimonies by DEC.

**Table 1
Key EPC Milestones for the Marshall Project**

Milestone	Date
Site mobilization	8/21/2026
CTG Piling Complete	10/29/2026
Permit – Raw water Intake	02/01/2027
Underground Piping and Electrical Complete	08/20/2027
Gas Available	09/01/2027
Transmission Back feed	11/01/2027
CT5 Installation	01/25/2028
CT6 Installation	02/25/2028
Target Substantial Completion	09/21/2028
Guaranteed Substantial Completion	11/20/2028

The Key EPC Milestone dates above support the overall CPCN Plant commercial operation date of January 1, 2029.

ATTACHMENT A – REPORT ACRONYMS

The following table shows the acronyms used in this CMR and the definition for each.

Table 2
Acronyms

Acronym	Definition
CEMS	Continuous Emissions Monitoring System
CMR	Construction Monitoring Report
CPCN	Certificate of Public Convenience and Necessity
CRP	Cultural Resource Plan
CT	Combustion Turbine
CTG	Combustion Turbine Generator
DEC	Duke Energy Carolinas, LLC
E3	E3 Consulting Services, LLC
EPC	Engineering, Procurement and Construction
GEV	GE Vernova
MW	Megawatt
ORS	South Carolina Office of Regulatory Staff
Q1	First Quarter
Q2	Second Quarter
Q3	Third Quarter
Q4	Fourth Quarter