
CONSTRUCTION MONITOR MONTHLY PROGRESS REPORT

DUKE ENERGY CAROLINAS, LLC (DEC)

MARSHALL CT PROJECT

DOCKET NO. 2026-30-E

OCTOBER 2026



Marshall Steam Station Photograph

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

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October 28, 2026

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OCTOBER 2026 — MONTHLY CONSTRUCTION MONITORING REPORT

1.0 EXECUTIVE SUMMARY

This October 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 to be 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 October 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 including the engineering, procurement and construction (EPC) contractor's August 2026 monthly project report for the period of August 1, 2026 to August 31, 2026, requested by ORS on October 1, 2026 and received on October 12, 2026. In addition, E3 participated in a joint meeting held on October 15, 2026, with ORS and DEP to discuss the Project status (October Construction Monitoring Joint Meeting). E3 has not visited the Project site in-person.

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 and generators, and GE Vernova (GEV) reported the start of the combustion turbines are now planned for October 2026 at their Greenville, South Carolina facility. The generators were scheduled to start manufacturing in September 2026 at GEV's Schenectady, New York facility. As reported last month, soil conditions in the power block area required remedial actions and this has been rectified and construction works are progressing accordingly. Regarding gas and transmission activities, all are moving ahead as planned. As of the October Construction Monitoring Joint Meeting, DEC continues to report that the Project is on schedule and within original budget.

2.0 PROJECT OVERVIEW

The Marshall 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 has mobilized 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 October Construction Monitoring Joint Meeting that all necessary permits are in place to continue construction and there have been no OSHA recordables during this reporting period. The permit for the intake structure is currently in process, and additional engineering resources have been engaged by Zachry to assist in permit input/coordination, detail design, and construction of the intake structure.

4.0 SUMMARY OF PROGRESS AND STATUS OF EPC CONTRACTOR

4.1 Engineering

DEC stated in the October Construction Monitoring Joint Meeting the engineering progress has improved and remains slightly ahead of plan (39.58% complete versus 39.43% planned). Based on documentation received from DEC on October 12, 2026, Zachry's current engineering efforts are in support of their planned procurement requirements for various long lead equipment packages and the on-site construction activities. E3 continues to monitor the engineering progress closely and Zachry is focusing on procurement and near-term construction engineering deliverables.

4.2 Procurement

DEC has procured the major power island equipment required for the Project. Zachry continues to advance procurement activities for equipment and subcontract packages necessary to support the ongoing engineering and construction activities. Based on the August 2026 EPC contractor progress documentation provided by DEC, Zachry awarded several equipment and subcontract packages, including the water treatment filtration system and pre-engineered metal buildings.

The award of the utility pipeline subcontract remains an area of concern for E3, as this procurement milestone was not achieved for three consecutive months through August 2026. Additionally, the raw water intake structure subcontract award remains an important activity due to its relationship to the Project's near-critical schedule path. The September 2026 EPC contractor meeting materials identified approximately three days of available float for the raw water intake activities.

The continued delays in awarding these subcontracts could affect the timely completion of associated engineering, procurement, and construction activities and potentially impact the Project schedule. E3 will continue to monitor the status of these subcontract awards, the implementation of any necessary mitigation measures, and potential impacts to the Project's critical and near-critical schedule paths.

DEC reported during the October Construction Monitoring Joint Meeting that the Project remains on schedule to achieve its contractual completion milestones. E3 will continue to evaluate procurement progress and associated schedule risks as updated information becomes available.

4.3 Construction

Zachry's civil subcontractor is active on-site, completing civil works such as earthwork operations and has completed all skimmer and sediment basin works. DEC reported in the October Construction Monitoring Joint Meeting that the earthwork activities and other general site works are progressing well in preparation for major civil infrastructure works 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

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 October Construction Monitoring Joint Meeting. Based on the information provided by DEC, E3 confirmed that the Project is forecasted to be completed on budget and current contingency reserves are adequate for the project needs.

7.0 SCHEDULE

7.1 Schedule narrative

DEC provided updated project schedule information and EPC contractor progress documentation, which E3 reviewed in connection with the October Construction Monitoring Joint Meeting between ORS and DEC.

The September 2026 EPC contractor meeting materials identified CTG construction as a critical-path activity with zero days of float. Fuel oil tank construction and raw water intake activities were identified as near-critical activities with approximately one and three days of float, respectively to the project target schedule. The current critical path floats noted herein, are less than seven days to the project target schedule, there remains float available to remedy these critical paths to the contractual schedule.

DEC reported during the October Construction Monitoring Joint Meeting the Project remains on schedule to achieve its contractual milestones and that schedule mitigation measures are being coordinated with Zachry. These measures include activities associated with the previously identified unsuitable soil conditions, site preparation, and construction sequencing.

The limited available float for CTG construction and fuel oil tank activities warrants continued monitoring. E3 will review subsequent schedule updates to evaluate the effectiveness of the mitigation measures and determine whether the available float is improving.

The current target substantial completion date remains September 21, 2028, with guaranteed substantial completion scheduled for 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	Completed
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 above Key EPC Milestone dates support the overall CPCN Plant commercial operation date of January 01, 2029.

ATTACHMENT A – REPORT ACRONYMS

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

Table 2
Acronyms

Acronym	Meaning
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
CTGs	Combustion Turbine Generators
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
OSHA	Occupational Safety and Health Administration