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May 29, 2026

Subject: Construction Monitoring Pursuant to § 58-33-195 and § 58-33-200
Duke Energy Carolinas, LLC Anderson Combined Cycle
Docket No. 2025-250-E

Dear General Assembly:

As part of the South Carolina Energy Security Act (“Act 41”), the General Assembly enacted two statutes related to construction monitoring, S.C. Ann. Code §§ 58-33-195 and 58-33-200. Pursuant to S.C. Code Ann. § 58-33-195, “the General Assembly hereby encourages Duke Energy Carolinas, LLC and Duke Energy Progress, LLC to complete evaluations for constructing hydrogen capable natural gas generation or otherwise to place into service such natural gas generation within the utilities' balancing areas serving South Carolina.” In the event a project as described is approved:

The Office of Regulatory Staff, using its authority provided in Title 58, must continuously monitor the project or projects. This includes, but is not limited to, a review of the construction in progress, such as meeting projected timelines and financial projections are met. The Office of Regulatory Staff must provide monthly updates, in writing, to the commission and to the members of the General Assembly.

Pursuant to S.C. Code Ann. § 58-33-200, for any construction project with a project budget of at least \$500 million, the ORS must retain an independent construction analyst who will monitor the construction project on a regular basis and who will provide to the ORS, the Public Service Commission of South Carolina (“Commission”), the Public Utilities Review Committee, and the Joint Bond Review Committee regular reports as to the status of the construction efforts as needed, but at least on a quarterly basis.

On April 24, 2026, the Commission approved the Joint Application of Duke Energy Carolinas, LLC, the North Carolina Electric Membership Corporation, and the Central Electric Power Cooperative, Inc. and granted a Certificate of Environmental Compatibility and Public Convenience and Necessity for the Construction and Operation of a 1,365-megawatt natural gas combined cycle generating plant and associated facilities in Anderson County, South Carolina

("Anderson CC").¹ The Anderson CC project will be the first project subject to the aforementioned new statutes related to construction monitoring.

In this initial report pursuant to S.C. Code Ann. §§ 58-33-195 and -200, ORS advises that it has engaged E3 Consulting Services, LLC ("E3 Consulting")² to assist with its construction monitoring responsibilities under S.C. Code Ann. § 58-33-195 and serve as the independent construction analyst under S.C. Code Ann. § 58-33-200 for the Anderson CC project. As of May 2026, ORS and E3 Consulting have engaged in preliminary project management activities. Therefore, this letter serves as the first report under S.C. Code Ann. § 58-33-195 which will continue monthly for the duration of the Anderson CC construction project as required by S.C. Code Ann. § 58-33-195 and -200.

Thank you for your time and consideration in reviewing this report. Should you have any questions or need further clarification, please do not hesitate to contact me at 803-737-8440 or abateman@ors.sc.gov.

Sincerely,



Andrew M. Bateman
Executive Director

¹ Docket No. 2025-250-E and Order No. 2026-244.

² For clarity, E3 Consulting is a different company than E3, LLC, which ORS has retained in the past for other regulatory matters.