

BRIEF

Duke Energy to harden North Carolina's power system with \$13B initiative

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Dive Brief:

- Duke Energy last week announced a Power/Forward Carolinas initiative aimed at modernizing and hardening the electric grid, while generating 14,000 new jobs and more than \$1 billion taxes revenues over 10 years.
- Investments include almost \$5 billion to bury certain power lines, \$2.2 billion on transmission upgrades and \$3.5 billion on distribution level hardening, including retrofitting 400,000 transformers.
- The proposal also includes almost \$1.3 billion for automation, control and connectivity enhancements. According to Duke, when the plan is fully executed more than 80% of North Carolina customers will be connected to a "self-optimizing grid."

Dive Insight:

Duke's Power/Forward Carolinas plan is an expansive spending package targeting transmission, distribution, optimization and communications, wrapped up as an economic enhancement proposal that will generate substantial revenues and employment.

"When we improve our energy infrastructure, we not only improve power quality and reliability for everyone, but we help grow our

economy and create jobs while keeping energy at a reasonable price," David Fountain, Duke Energy's North Carolina president, said in a statement.

The company says it expects to generate a total economic output of \$21.5 billion over a 10-year span.

The plans call for replacing 8,000 miles of deteriorating cable that is "more susceptible to failure," Duke said in an outline of its planned investments, as well as physical and cyber security enhancements that will protect against hackers, animal intrusions and vandalism. The company will spend about \$550 million on advanced metering, and roughly the same amount on communications upgrades, including upgrading its network from 2G/3G to 4G LTE for transmission and distribution line devices.

About \$100 million will go towards enterprise system upgrades, which include the back-office systems needed to run and manage devices on the grid, and Duke's Distribution Management System, which receives and analyzes data from thousands of sensors and switches.

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