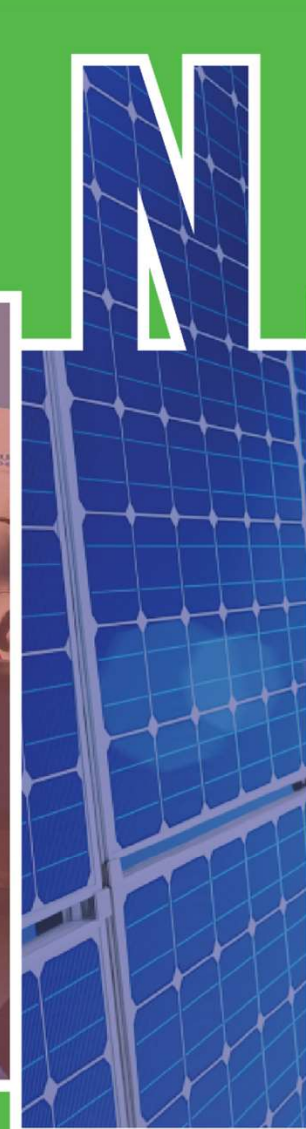
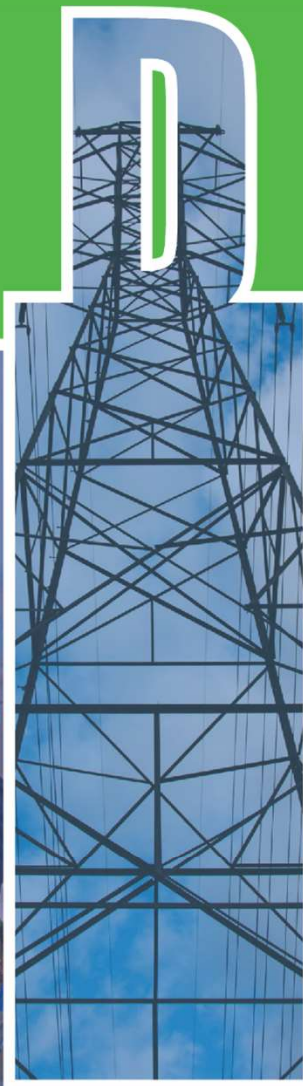


2022-2023 Winter Preparedness

INDIANA

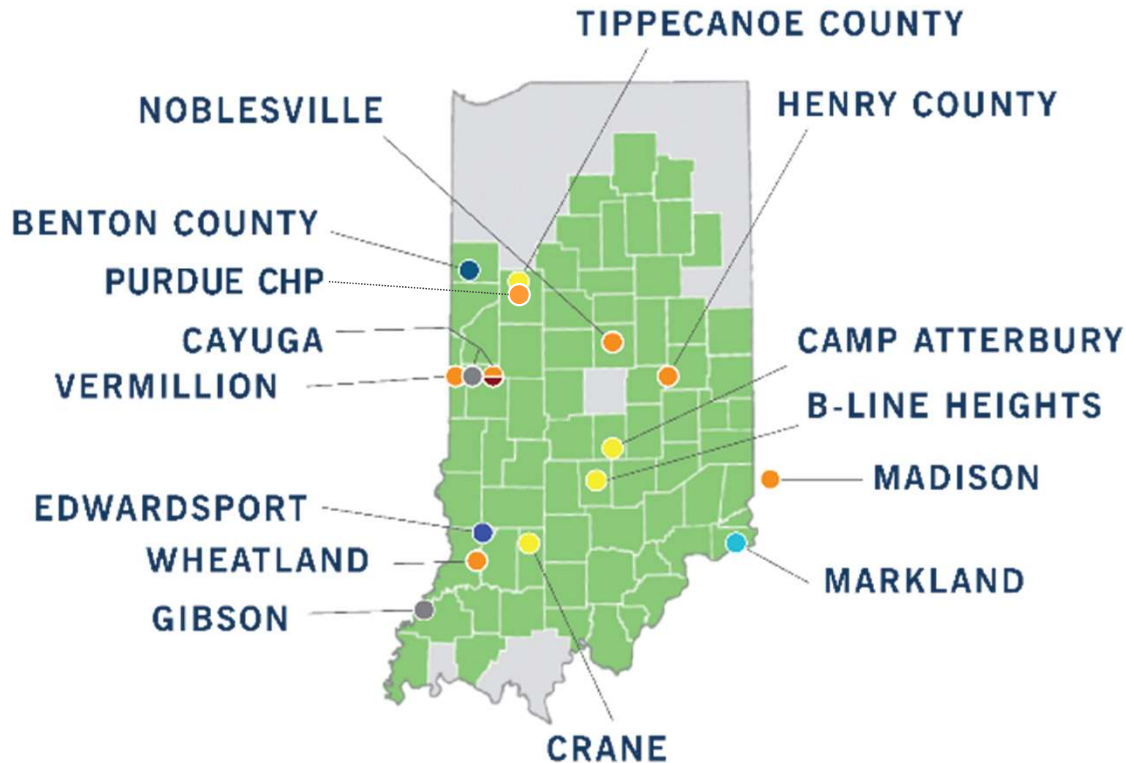


Stan Pinegar, President Duke Energy Indiana
November 17, 2022

Safe Harbor Statement

- This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to: The impact of the COVID-19 pandemic; State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate; The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations, asset retirement and construction costs related to carbon emissions reductions, and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process; Costs and effects of legal and administrative proceedings, settlements, investigations and claims; Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts, natural gas building and appliance electrification, and use of alternative energy sources, such as self-generation and distributed generation technologies; Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in a reduced number of customers, excess generation resources as well as stranded costs; Advancements in technology; Additional competition in electric markets and continued industry consolidation; The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; Changing customer expectations and demands including heightened emphasis on environmental, social and governance concerns; The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; Operational interruptions to our transmission activities; The availability of adequate interstate pipeline transportation capacity and natural gas supply; The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences; The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions, an individual utility's generation mix, and general market and economic conditions; Credit ratings may be different from what is expected; Construction and development risks associated with the completion of capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all; Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; The ability to control operation and maintenance costs; The level of creditworthiness of counterparties to transactions; The ability to obtain adequate insurance at acceptable costs; Employee workforce factors, including the potential inability to attract and retain key personnel; The performance of projects and the success of efforts to invest in and develop new opportunities; Asset or business acquisitions and dispositions, including our ability to successfully consummate the second closing of the minority investment in Duke Energy Indiana or that the sale may not yield the anticipated benefits; The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings.
- Additional risks and uncertainties are identified and discussed in the company's reports filed with the SEC and available at the SEC's website at sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made and the company expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Duke Energy Indiana at a Glance



Largest electric utility in Indiana

23,000 square-mile service area,
covering 69 of 92 counties

880,000 customers

36,800 miles of transmission and
distribution lines

6,300 megawatts at 12 large power
generation sites

2,500 Duke Energy Employees in
Indiana

MISO Seasonal Accredited Capacity (SAC) Transition

- FERC approved MISO tariff revisions for SAC 8/31/22
- Transition and implementation for plan year 2023-2024
 - Challenges already with new outage exemption rules as of 9/1/22
 - Generator seasonal thermal accreditation calculation is difficult to perform
 - MISO to post PY 23-24 generator SAC values ~12/15/22
 - Leaves little time to manage the portfolio before the next auction
 - Seasonal bilateral market doesn't exist yet; annual bids only, at or near CONE
- Transitional risks, actions, and behaviors
 - Internal "SAC Implementation Team" working on strategy and processes

<i>Risks</i>	Actions and Behaviors
Increased uncertainty/volatility in DEI capacity position forecast	Simulate seasonal construct in IRP process
Reduced flexibility in outage management	Re-optimize planned outage schedule around the "31-Day Rule"
Increased complexity in daily commit & dispatch decisions	Increase coordination among Dispatch Desk, outage managers, system planners

MISO Seasonal Accredited Capacity Impact

- Four-Season program: Seasonal PRM applies to seasonal peak loads
- DEI is summer peaking, but may become winter planning due to high PRM

<i>PY22-23 Load Forecast with PY23-24 Draft PRM</i>	Annual (Actual)	Summer	Fall	Winter	Spring
PRM	8.7	7.4	14.9	25.5	24.5
DEI Peak Load	5,546	5,546	4,896	5,067	4,713
DEI Reserves Requirement	483	410	730	1,292	1,155
DEI Load Obligation	6,029	5,957	5,626	6,360	5,868



- Thermal ICAP generally highest in winter, can serve the higher load obligation
- Renewables contribution to peak (CTP) varies by resource type, by season
 - Solar has minimal CTP in winter
 - Wind generally has higher CTP in winter than summer
- Less Demand Response opportunity in winter, but has higher PRM gross-up
- Spring and fall seasons will be governed by >31-Day planned outages withheld
- Overall, we perceive an increased emphasis on having dispatchable resources to balance intermittent resources, especially in the winter season

Generation – Actions to Prepare for Winter

Mid-Summer

Review system status and initiate seasonal preparation

Early September

System readiness walkdowns, punch list review

Mid-October

Complete winter preparation for personnel safety (non-NERC)

Late October

Site readiness meetings, final preparation review

Mid-November

Complete winter preparation for maintenance, training (NERC)

Mid-April

End of season review, lessons learned

Ensure a safe working environment

Procure winter PPE supplies to protect personnel

Identify staffing requirements, inclement weather plan

Verify operational readiness of critical systems and equipment

Perform system walkdowns; complete maintenance tickets

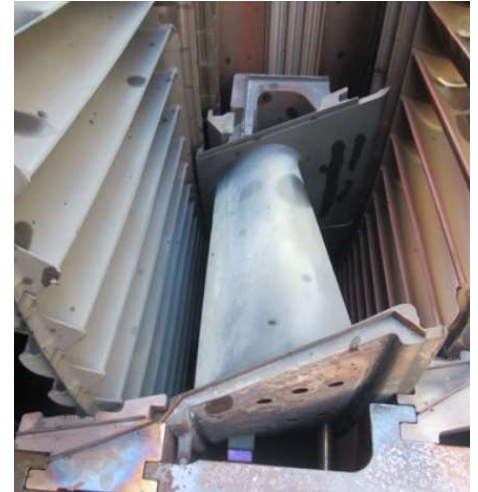
Ensure operation of dampers/louvers/doors, heating equipment

Verify inventory of supplies and equipment

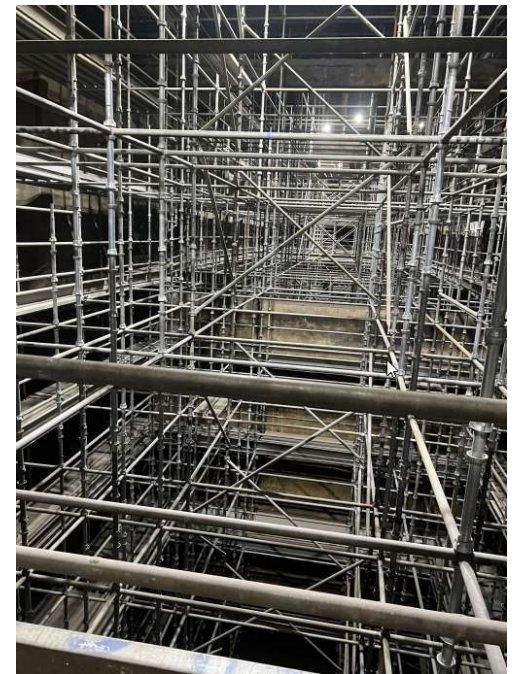
Ensure alternate suppliers are identified

Generation – Maintenance for Winter 2022-2023

- About 51 weeks of base load unit outages and over 60 combustion turbine outages performed Spring 22 to Fall 22.
- Execution of capital maintenance plan
- All planned outages except two scheduled to be complete by Nov 30; one longer major outage terminates mid-Dec
- All MISO capacity resource units available this winter
- Managing environmental risks
 - Ozone Season NOx emission compliance: Cayuga/Gibson Spring/Fall Catalyst replacements/activity
 - Cayuga river temperature IDEM protocols year round
- Weather related coal pile management for consistent fuel handling



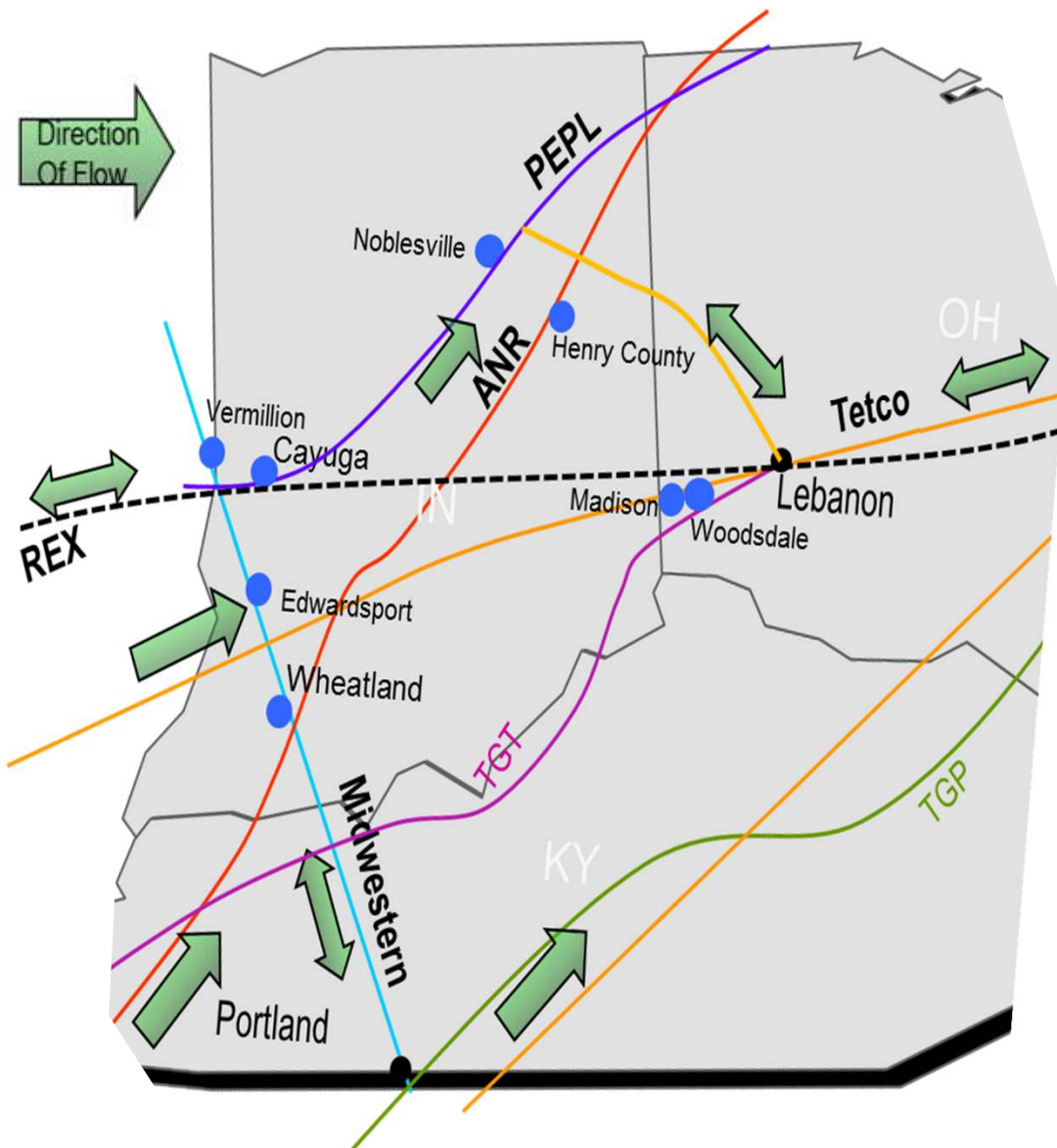
Noblesville Unit 3
Combustion Turbine



Gibson Unit 1 Coal Bunker

Gas Supply – Winter Preparations

Natural Gas Pipeline Systems – DEI Generators and Gas Transportation



Natural Gas Supply

- Diverse supply from four pipelines
- DEI contracts with an asset manager and the market for firm delivered gas supply
- Asset manager provides fuel security, operational flexibility, 24-hour availability, helps mitigate risk
- Contracted Fixed and Indexed daily pricing to align with gas hedging supply locations

Firm Capacity Held

- Midwestern – 52,800 dth/day
- Panhandle – 25,000 dth/day
- Ensures delivery of gas during times of high demand

Winter Planning and Operations

- Monitor gas supply, increase communication
- Reflect the price and availability of natural gas through the Company's MISO cost offers
- Day-Ahead economic: Offer unit(s) as must run and buy corresponding gas
- Real Time: Modify unit offers to account for price and amount of natural gas available

Coal Supply – Winter Preparations

Illinois Basin Coal Mines and Suppliers



Coal Supply

- Coal contracted at upper end of projected procurement needs for Q4 2022 and 2023 to ensure adequate delivered supply
- Increasing coal inventories remain on pace to reach winter inventory targets
- Supply and transportation constraints due to rising supplier costs and labor shortages remain and are expected to continue into 2023

Mitigation Efforts

- Maintaining truck deliveries to Cayuga and Gibson
- Maintaining 3rd party on-site train operations at Gibson
- Continued engagement with railroads and suppliers

Winter Planning and Operations

- Continuing to adjust MISO offer price at Gibson and Cayuga to reflect the economics of the constrained coal delivery
- Price adjustment expected to continue into 2023
- Winterization of handling/rail infrastructure

Coal

- Supply procured to 100% of projected need for winter 2022-2023
- On pace to reach target winter going-in inventory levels
- Price adjustment remains in place to reflect the economics of continued coal supply constraints

Natural Gas

- Follow approved hedging program using NYMEX hedging targets
- NYMEX Financially Hedged – 65% of monthly forecasted gas burns through June 2023
- Financial products used to mitigate daily price volatility

Power

- Execute monthly, weekly, and daily Indiana Hub power hedges based on relationship between gas and power exposures

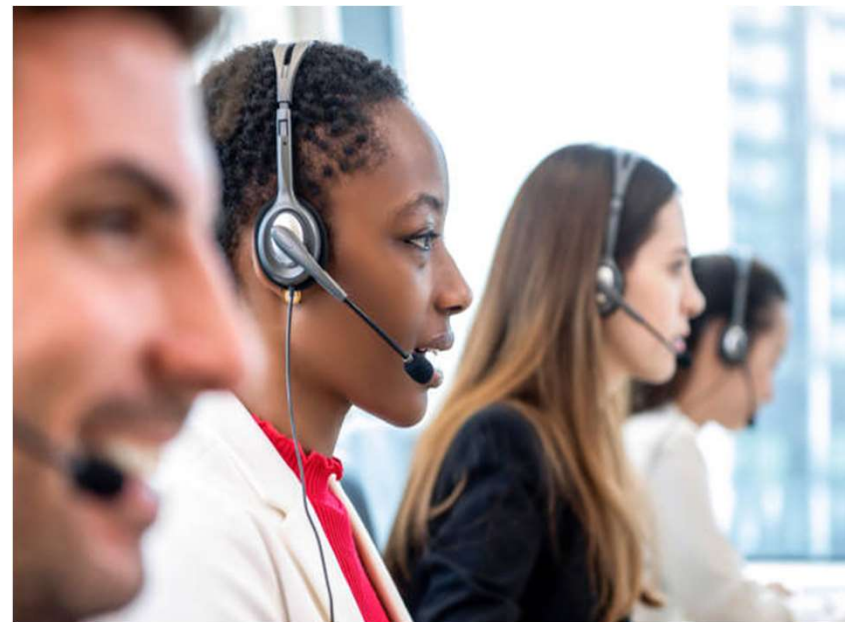
Customer Delivery and Customer Service – Winter Preparations

Control centers and call centers staffed 24x7x365

Review planned line outages and maintenance work orders

Annual winter storm drill exercise held in October

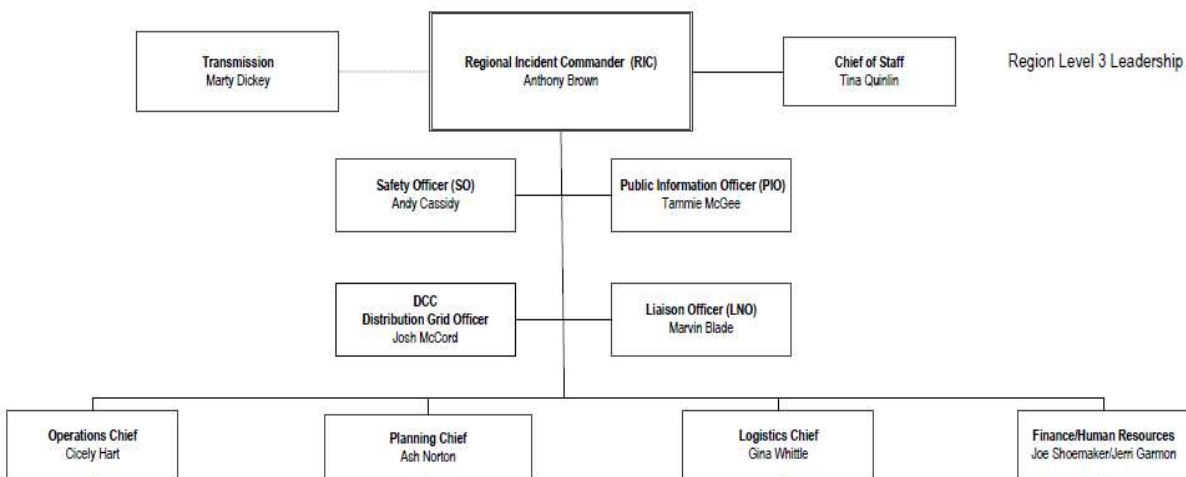
Meteorology, Generation, Transmission, Distribution, Customer Service participate in the annual GridEx winter preparedness exercise



“Duke Energy gathers 10,000 linemen in preparation for Ian’s arrival”
(www.villages-news.com)



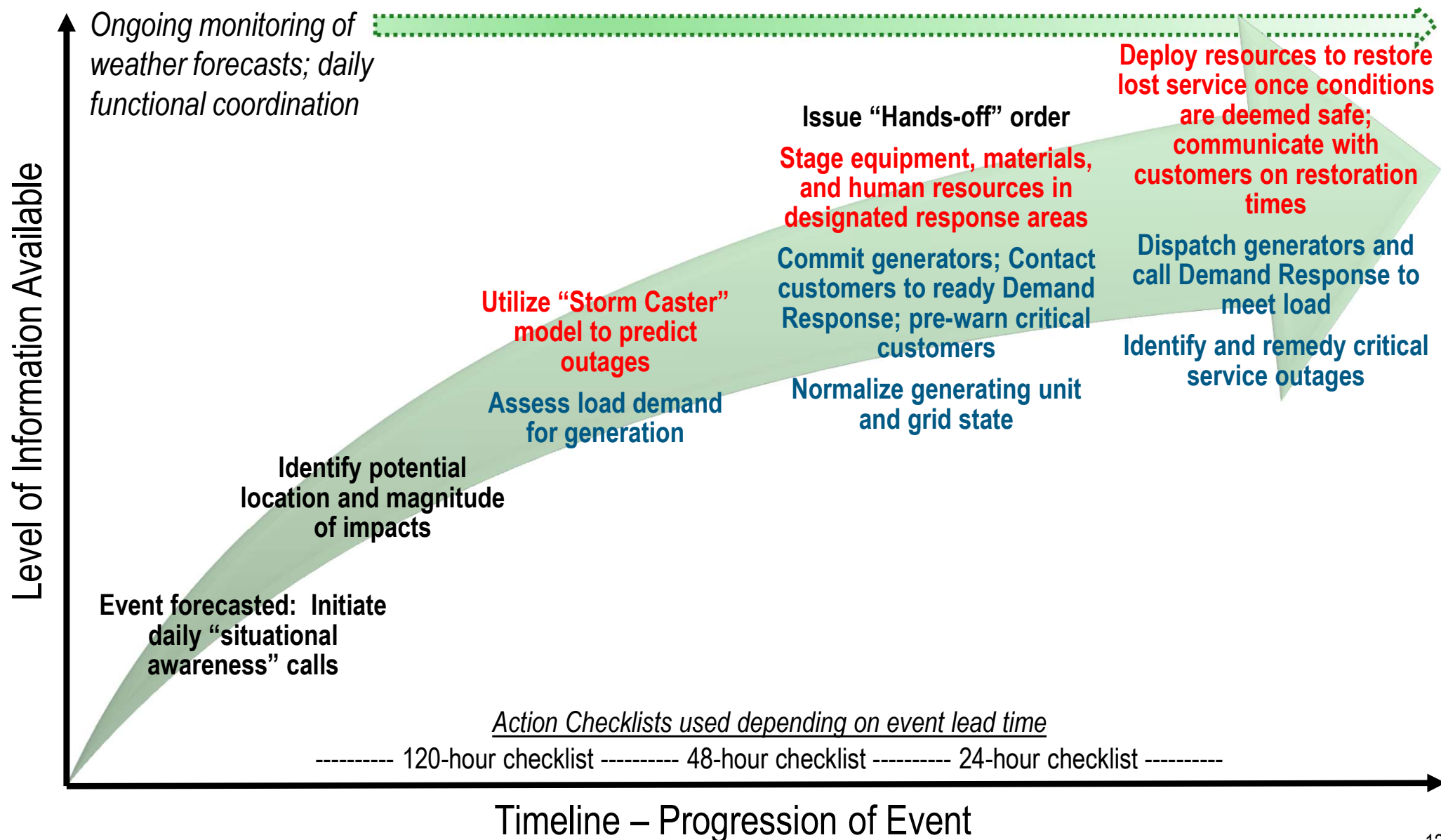
More than 2,000 trucks with more than 6,000 workers rolled into the 80 acre staging site in The Villages.



System Readiness: Event Identification and Response

Major Storm Event
T&D outage restoration focus

Extreme Cold Event
Generation/Demand Response/Operations focus



Customer Bills: Projected Rates Into Winter 2022-2023



- Flat-to-declining customer rate trends into Winter 22-23
- Volumes due to heating demands will influence bills
- DEI programs aid customers struggling with higher bills
 - Share the Light Fund
 - Partnering with State agencies on weatherization and LIHEAP outreach
 - Budget Bill
 - Pick Your Due Date
 - 6-Month interest-free installment plan options
 - Mid-cycle usage and budget alerts



Recent Customer Rate Drivers	DEI Mitigation Actions
Coal transportation constraints driving operation of higher cost resources	Optimizing available coal deliveries and consumption to minimize cost
Higher fuel prices, and MISO market prices and volumes for purchased energy	Implementing enhanced hedging practices to reduce price volatility
Reconciliations for under-collections driven by rising prices	Have spread under-collections across two FAC periods instead of one

Duke Energy Indiana is Prepared to Serve Customers Reliably



