PIEDMONT CRESCENT CAPITAL

Beyond the Beltlines

From the National Forecast to Public Power Country

ElectriCities Annual Meeting | August 2026

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PART ONE

The National Forecast

Growth, Inflation and the Rate Path

THE NATIONAL PICTURE

A Capital-Led, Two-Speed Expansion

Business investment in plants, equipment and technology is driving this cycle. Protein, not carbohydrates. The closest rhyme is the late-1990s capex boom, and no peer forecast shares that framing.

2.5%

2026 GDP, PCC forecast

Above consensus. Q2 tracking near 1.7% reads as war distortion, not lost momentum.

55.6

ISM Manufacturing, July

Highest since May 2022 and the seventh straight month above 50. Employment crossed 50 for the first time in 33 months.

-23K

July payrolls

First decline since February. School calendars and the World Cup subtracted 89,600. Set those aside and payrolls rose about 67,000.

4.1%

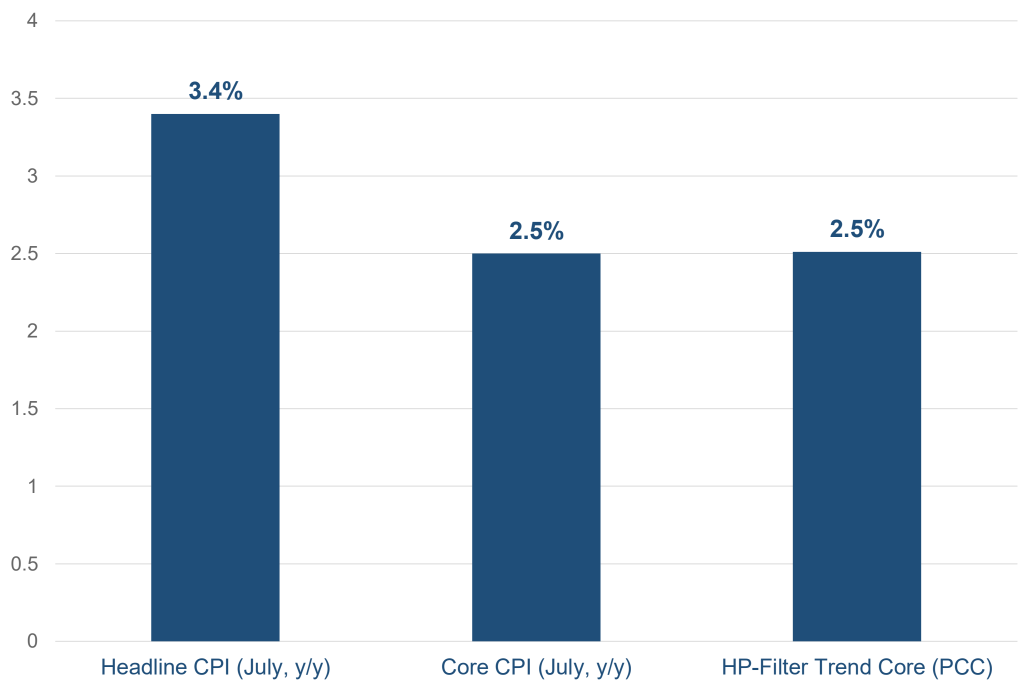
Unemployment rate

Lowest since June 2025, but the labor force shrank another 264,000 and participation slipped to 61.4%.

The two speeds: capital spending, high earners and AI infrastructure on the fast track; rate-sensitive housing, small business and the middle-income consumer on the slow one.

Source: PCC July 2026 forecast; PCC Employment Situation, August 7, 2026; PCC ISM Manufacturing, August 3, 2026; BLS; ISM.

Inflation Finally Broke the Fed's Way



- July CPI rose 0.1% after June fell 0.4%, and the 12-month rate eased to 3.4%. Energy fell 1.5% on the month and is still up 14.7% over the year.
- Core rose 0.2% and the annual rate eased to 2.5%. Our HP-filtered trend estimate fell to 2.51%, the lowest since March 2021.
- Core CPI has risen at a 1.6% annual rate over the past three months. The spread across the four underlying gauges we track is the narrowest of the cycle.
- Inflation is still above target and the producer-price pipeline is running hot. July PPI was unchanged on the month, but the core measure rose 0.4% and both are up 4.7% over the year. The pressures have eased at the margins. Dented, not solved.

Source: BLS; PCC calculations (HP filter, lambda = 129,600). August 12, 2026.

THE NATIONAL PICTURE

The Warsh Fed: No Cut in 2026

3.50–3.75%

Fed funds target

The Committee held 9 to 3 in July, with Logan, Hammack and Kashkari dissenting for a quarter point. September hike odds are running near 3 in 5.

H1 2027

Next move: a hike

We do not think the September data justifies a hike. The risk is one migrating into 2027 as a demand story rather than an oil story.

45 / 30 / 25

Scenario odds (base/upside/adverse)

Widened from 55/15/30 across a $70 to $100 Brent band. A wider distribution rather than a lower one.

4.60%

10-Year Treasury, YE base

Our table carries 4.60% at year end and 4.70% through 2027. The 30-year sits at 5.27%, its highest since 2007, as the term premium migrates to the long end.

$83

Brent, YE base case

Our Q4 average, against October Brent at $92.54 and an EIA third-quarter forecast of $85. We carry $76 for 2027.

6.66%

30-year mortgage

Our table carries 6.60% at year end and through 2027. Housing stays cooler-for-longer and no refinancing wave is coming.

The planning assumption for every community in this room: build your capital plans around rates staying near current levels, not around relief.

Source: PCC U.S. Economic & Financial Outlook, August 8, 2026; A View from the Piedmont, August 3, 2026; Freddie Mac; BLS.

PART TWO

The Energy Outlook

Oil, Natural Gas, and the Return of the Atom

A geopolitical premium in crude, record production capping gas, and an electricity load cycle that is reviving conventional nuclear long before small modular reactors deliver a megawatt-hour.

BRENT CRUDE

~$92.54/bbl

October contract, August 11. Up 5.7% in a day and 21% in a month

HENRY HUB

~$3.44/MMBtu

2026 average in EIA's August outlook

URANIUM (U3O8)

~$85/lb

Range-bound since April, off January highs

EXECUTIVE SUMMARY

Our Call

1. **Crude is trading geopolitics, not fundamentals**
Brent has round-tripped twice this year. A spike toward $117 in April, back to $85 in June after the Hormuz reopening, and now above $92. Forecast revisions are following the headlines, not leading them.

2. **The fundamental picture underneath is loosening**
EIA carries 2027 Brent at $69 and we carry $76 as shut-in barrels return and U.S. output pushes past 14 million barrels per day. Absent Hormuz, this is an oversupplied market.

3. **Record gas production is capping the near-term upside**
Henry Hub averages $3.44 this year and $3.31 in 2027 in EIA's August outlook, a striking mark-down from the $4.60 they carried in January and a sign that supply is keeping pace with LNG and power burn.

4. **The resource base is not the constraint; price and capital are**
Technically recoverable U.S. oil is roughly eight times proved reserves. What counts as a reserve is an economic judgment that moves with the price deck, not a fixed geological quantity.

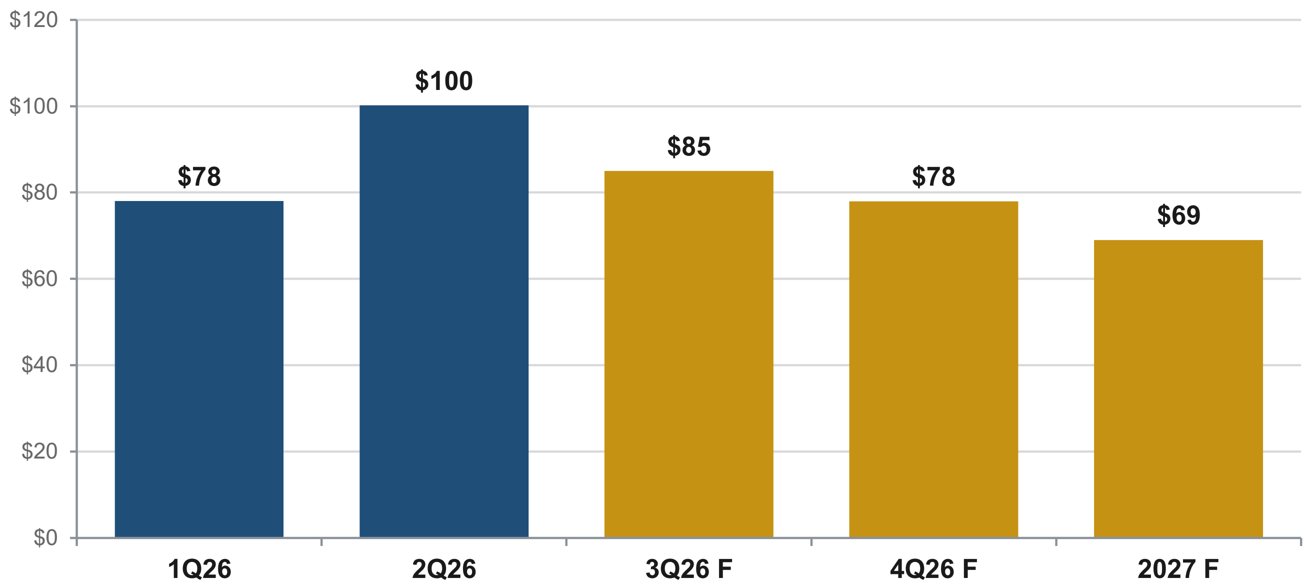
5. **Nuclear's near-term capacity comes from restarts and uprates**
Palisades is back on the grid and Crane (Three Mile Island Unit 1) is fast-tracked to 2027. New builds and small modular reactors are a 2030s story, whatever the announcement flow implies.

6. **Renewables face a policy air pocket after 2027**
The safe-harbor rush ahead of the July 4 construction-start deadline pulls activity forward. Storage, which kept its credit, is the exception rather than the rule.

OIL

Crude Oil: A Risk Premium That Will Not Settle

Brent Has Round-Tripped Twice Since the Conflict Began



Quarterly averages. 1Q26–2Q26 are realized, from the PCC forecast table of August 8, 2026; 3Q26 forward is the EIA August 2026 Short-Term Energy Outlook. Navy = realized, gold = forecast. PCC carries $87 for 3Q26 and $83 for 4Q26. Source: U.S. Energy Information Administration; Piedmont Crescent Capital

What is actually moving the price

Feb 28
Conflict begins; Hormuz traffic falls to a trickle and Brent runs toward $117 by April.

Jun 18
U.S. and Iran memorandum reopens the strait. EIA cuts its 3Q26 forecast by $27 in a single month.

Jul 8
Truce declared over. Strikes resume, tankers are hit, and the premium is rebuilt.

Today
Brent above $92 after EIA raised its third-quarter forecast by $11 to $85. The agency is chasing the market, not leading it.

Underneath the Premium, the Barrel Market Is Loosening

13.8

U.S. crude production, mb/d

EIA has 2026 output at 13.80 million barrels per day and 14.15 in 2027. A record, and evidence the shale complex responded to higher prices.

$3.60

Retail gasoline, 2H26

Down from $4.48 in May. The consumer relief from the June reopening is real, and it is the largest swing factor in the near-term CPI.

$69

EIA 2027 Brent forecast

Raised from $64.76 in the July outlook. Shut-ins averaged 5.5 million barrels a day in July and are expected back near pre-conflict levels by the first quarter of 2027.

The bull case

- Hormuz still carries roughly a fifth of seaborne crude and LNG. A genuine closure is a $120-plus scenario, not the low $90s we have now.
- The Houthi threat against Saudi shipping opens a second front independent of the Iran talks.
- Strategic reserves are thinner than in prior shocks, which shortens the policy runway.

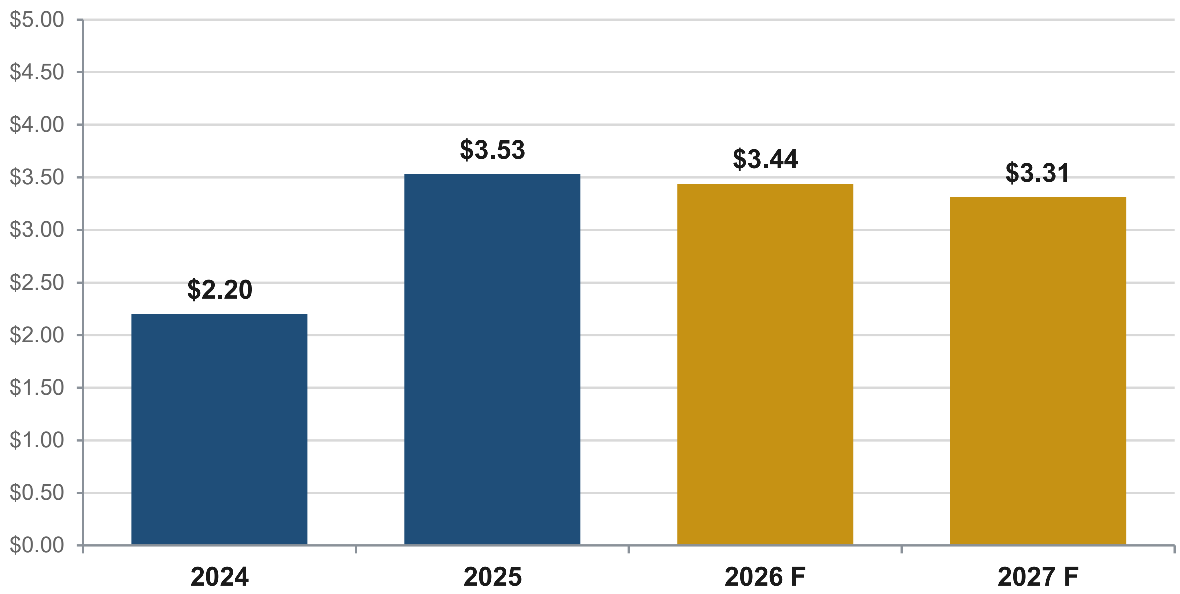
The bear case

- Global supply is forecast to rebound to roughly 110 million barrels per day in 2027 as shut-in volumes return.
- U.S. output keeps setting records, and associated gas from the Permian comes with it.
- Demand growth is unremarkable. Nothing in the consumption data justifies a price in the nineties on its own.

Source: EIA Short-Term Energy Outlook, August 2026

Natural Gas: Supply Is Winning the Argument

The Forecast Keeps Getting Marked Down, Not Up



Annual averages. Navy = realized, gold = forecast. EIA's January 2026 outlook carried 2027 at just under $4.60; the August outlook puts it at $3.31. Source: U.S. Energy Information Administration, Short-Term Energy Outlook

Demand is arriving as advertised

LNG exports run 17 Bcf/d this year and 19 next as Plaquemines, Corpus Christi Stage 3 and Golden Pass ramp. Power-sector gas burn sets a record in 2027.

Supply is arriving faster

Marketed production runs near 122 Bcf/d in 2026. Appalachia, Haynesville and Permian associated gas are all contributing, and higher oil prices pull more of the last one along.

The curve still prices seasons, not scarcity

Futures markets carry a clear winter premium rather than a year-round squeeze. The shape you would expect if the market believed in a structural shortage is not there.

Our read: the data-center thesis is real, but it is showing up in electricity prices before it shows up at Henry Hub.

Storage Is Comfortable; the Pipe Into the Carolinas Is Not

3,117 Bcf

Working gas in storage, July 31

195 Bcf, or 6.7%, above the five-year average and within 12 Bcf of last year. EIA has end-October inventories at 3,985 Bcf, the highest since 2016.

1.6 Bcf/d

Transco expansion, by 3Q 2027

FERC approved in January: 55 miles of 42-inch loop through Virginia and North Carolina, in full service in the third quarter of 2027.

200 to 300

MMcf/d of spare southbound capacity

All Transco has left on an average summer day. Zone 5 averaged $132.47 per MMBtu during a January storm.

The molecule is not scarce

- Inventories sit 6.7% above the five-year average, and EIA expects the highest end-October storage in a decade.
- Dry production runs 111.3 Bcf/d this year and 115.3 in 2027, ahead of LNG exports at 17 and 19.
- That is why Henry Hub averages $3.44 this year and $3.31 next in the August outlook.

Delivery is the binding constraint

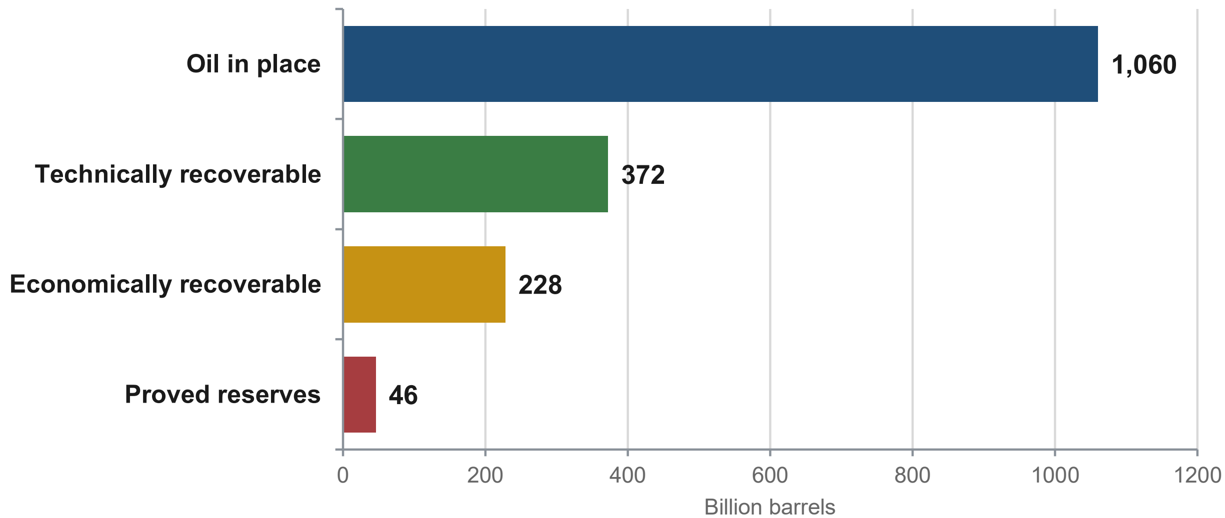
- Neither Carolina holds a single underground storage field. Peak-day supply leans on LNG peak-shaving, including Piedmont's 1 Bcf Robeson County plant.
- Transco's expansion brings partial North Carolina service as early as the first quarter of 2027; Duke Energy Carolinas holds about 1.0 Bcf/d of it.
- MVP Southgate would add 550,000 Dth/d into Rockingham County by mid-2028, at $500 million, though FERC staff flagged it as potentially redundant.

Sources: EIA weekly storage report, August 6, 2026; EIA August 2026 STEO; FERC; Williams

THE RESOURCE BASE

What Counts as a Reserve Is an Economic Judgment

U.S. Crude Oil: Only a Sliver of the Resource Base Is Booked



Proved reserves are crude oil and lease condensate at year-end 2024. Technically recoverable is proved plus EIA's Reference case unproved resource. The economically recoverable tier is proxied by EIA's low resource and technology case, which is a high-cost world rather than a formal estimate; EIA does not publish a standalone figure. Oil in place is illustrative, applying a recovery factor of roughly one-third. Sources: EIA Proved Reserves report; EIA Annual Energy Outlook assumptions; USGS

Why the distinction matters

Geology sets the ceiling

Oil in place is fixed. Recovery factors of a third are typical, so most of what is down there never comes up regardless of price.

Technology moves the middle

Technically recoverable volumes ignore cost entirely. Shale moved this line more in fifteen years than the prior fifty.

Price sets the booking

Proved reserves require reasonable certainty under existing economics. U.S. oil reserves fell 4% in 2023 and gas fell 13%. The rock did not change, the price did.

Natural gas tells the same story

Proved gas reserves of about 604 Tcf sit against roughly 3,100 Tcf technically recoverable, a ratio wider than oil's.

THE BRIDGE

Load Growth Is the Reason Nuclear Is Back

For twenty years, electricity demand in the United States was flat and the marginal generating asset was a gas turbine. That era ended. The scale of the load being added is what has made economics work for assets that could not be financed a decade ago.

176 → 580

TWh

Projected range for U.S. data center electricity demand between 2024 and 2028

10+ GW

contracted

Nuclear capacity committed by Microsoft, Meta, Google and Amazon combined

~$45

per MWh

Forecast average wholesale power price this summer, with heat-wave spike risk

23.4 GWe

planned

New nuclear generation in industry planning through 2039, up more than half

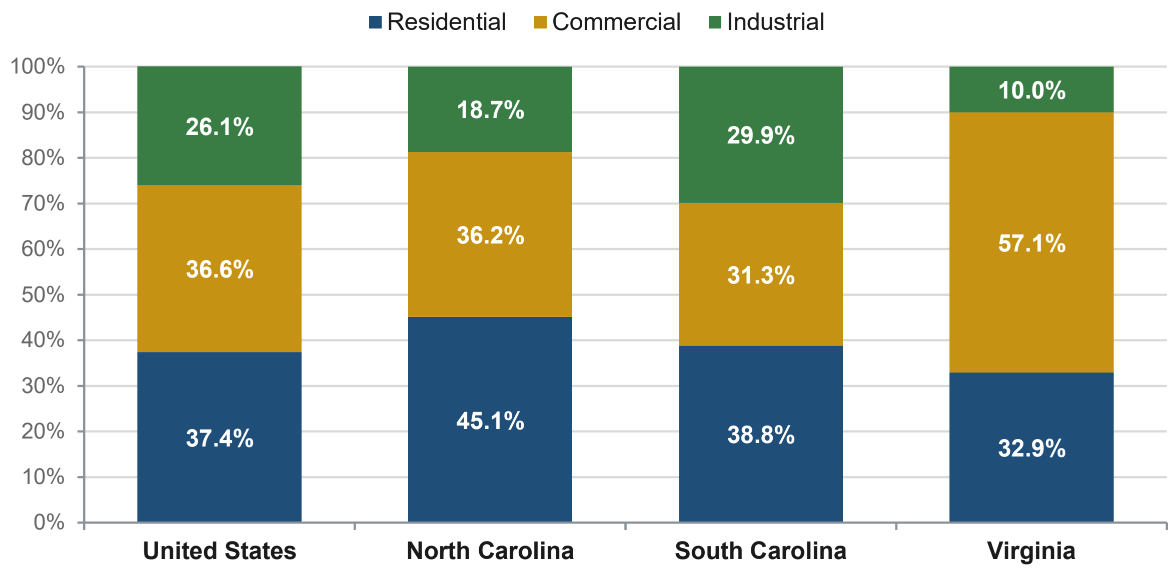
This is capital-led growth in its purest form. Protein, not carbohydrates. It is also the reason we treat the electricity buildout as a durable investment cycle even while we treat the crude rally as a headline.

Sources: EIA; Nuclear Energy Institute; company disclosures

REGIONAL LOAD COMPOSITION

Virginia Already Looks Like the Grid's Future

Commercial Is 57% of Virginia's Load Against 37% Nationally



Shares of 2024 retail sales to ultimate customers across the residential, commercial and industrial sectors. Transportation is excluded; it is under 0.25% of sales in every case. Source: U.S. Energy Information Administration, Electric Power Annual, Table 2.8

Reading the picture

Data centers land in the commercial bucket

Northern Virginia's cluster is large enough to push commercial load past residential by a factor of 1.7, the widest gap of any state in the region.

Industrial is the mirror image

Virginia's industrial share is 10%, well under half the national figure. The state's load is now overwhelmingly buildings and servers, not factories.

The Carolinas still look conventional

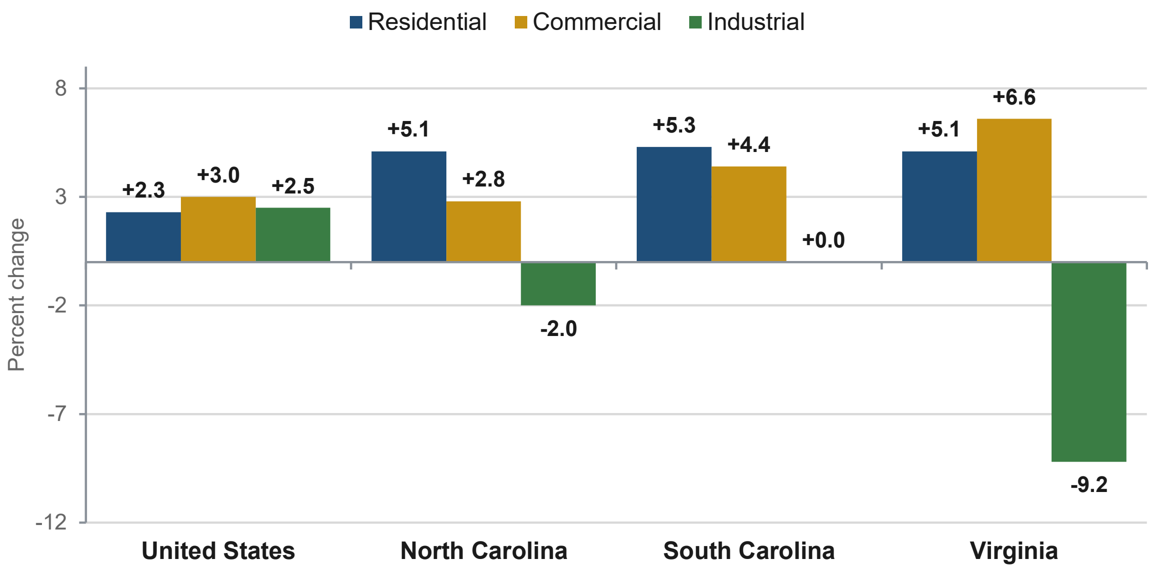
North Carolina is residential-led and South Carolina retains a heavy industrial base at 30%. Neither has yet been reshaped the way Virginia has.

Read this as a leading indicator

Every state courting hyperscale investment is moving along the same axis. Few will travel as far, but the direction of the shift is the same.

Only Virginia's Growth Is Already Commercial-Led

Change in Retail Electricity Sales by Sector, 2023 to 2024



Percent change in retail sales to ultimate customers. EIA notes that beginning in 2023, much of the movement between the commercial and industrial sectors reflects improved reporting of data center and cryptocurrency operations, so some of Virginia's industrial decline is reclassification rather than lost load. Source: U.S. Energy Information Administration, Electric Power Annual, Table 2.8

What this says

Virginia is the only commercial-led story

Commercial sales grew 6.6%, outpacing residential. Everywhere else in this comparison, households still drove the increase.

The Carolinas grew on people and weather

Residential sales rose about 5% in both states on in-migration and a warm year, not server racks. Total growth still beat the nation.

Treat the industrial line with care

Virginia's 9.2% industrial decline sits alongside a commercial surge. The reporting change makes the split between the two unreliable at the margin.

The nation moved 2.6% in one year

After a decade of essentially flat demand, with the U.S. index near 106 against 2014, a single-year gain of this size is the regime change.

NUCLEAR

Conventional Nuclear: Restarts and Uprates Do the Work

Palisades

RESTARTED

Michigan, roughly 800 MW. The first U.S. commercial reactor ever brought back after entering decommissioning, supported by a federal loan guarantee of up to $1.52 billion.

Crane Clean Energy Center

2027 TARGET

Three Mile Island Unit 1, 835 MW, on a 20-year power purchase agreement with Microsoft. Fast-tracked through the PJM queue, roughly a year ahead of the original schedule.

DOE's UPRISE program

2027–2029

Targets 2.5 GW of added capacity by 2027 and 5 GW by 2029 through uprates, restarts and efficiency gains at the existing fleet. The least expensive megawatts in the sector.

New AP1000 construction

2030S

Westinghouse has announced plans for ten new units. Nothing in that pipeline serves load this decade, and the industry's cost record on large builds is not encouraging.

The bottleneck is no longer demand or politics. It is skilled labor, long-lead components and an interconnection queue that was never built for this.

Small Modular Reactors: Real Capital, Distant Megawatt-Hours

NuScale	The only design with full NRC certification. A 6 GW deployment program with TVA and ENTRA1 is the largest announced U.S. commitment. Charlotte-based Nucor put $15 million in at the 2022 listing and signed an agreement in 2023 to study SMRs at its electric arc furnace mills.
Kairos Power	Holds the first NRC construction permit for an advanced reactor. Molten-salt cooled with TRISO fuel, building at Oak Ridge, with Google contracted for up to 500 MW.
TerraPower	Broke ground on Natrium at a retiring coal plant in Kemmerer, Wyoming, and has its construction permit. Targeting around 2030.
X-energy	Backed by $700 million from Amazon; filed a draft registration for a Nasdaq listing in March. Building with Energy Northwest in Washington.
Oklo	The largest pure-play by market value, with a 1.2 GW campus agreement with Meta and a demonstration unit planned at Idaho National Laboratory.

A reality check

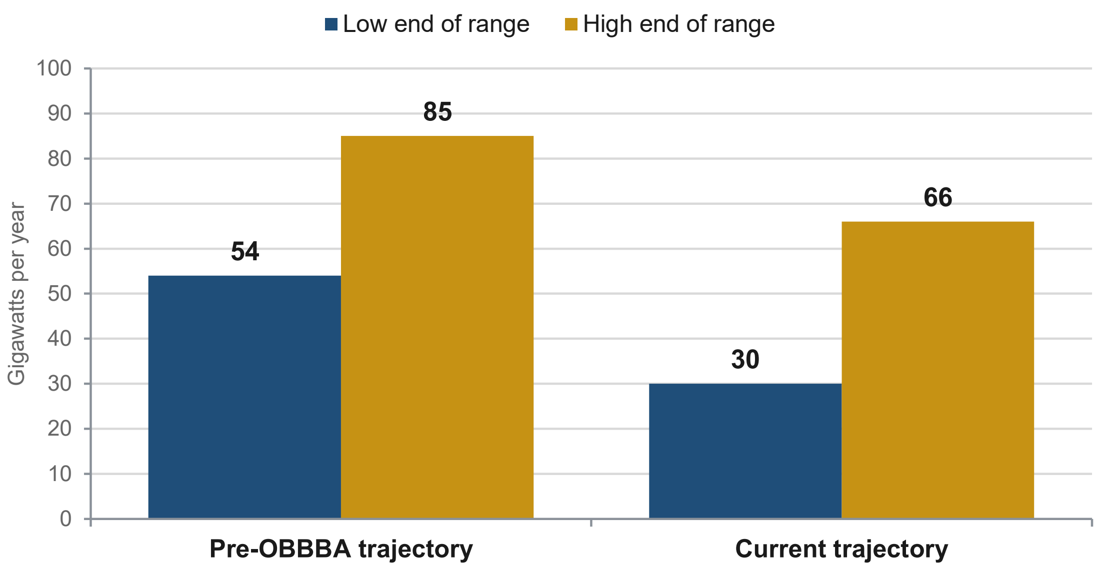
- No small modular reactor is in commercial operation anywhere in the Western world. Russia and China each got there first.
- Every project on this page is a first-of-a-kind build. The industry's historical cost and schedule record on those is poor.
- High-assay low-enriched uranium is the binding constraint. Domestic enrichment capacity is well behind reactor demand, and DOE's $2.7 billion commitment runs over a decade.
- The realistic window for first power to a data center is 2029 to the early 2030s, beyond the horizon of the load growth being contracted today.

Sources: NRC filings; company disclosures. Status as of July 2026

ALTERNATIVE ENERGY

Renewables Face a Policy Cliff, With Storage the Exception

Expected Annual Additions Have Been Cut by Roughly a Third



Projected annual solar, wind and storage capacity additions, 2026–2030, before and after the tax-credit changes. Source: Deloitte 2026 Renewable Energy Industry Outlook

What changed, and what did not

Wind and solar credits

Projects starting construction on or after July 4, 2026 must be in service by the end of 2027 to qualify. That deadline has just passed, and it drove a substantial pull-forward.

Residential solar

The homeowner credit expired at the end of 2025. Forecasters expect a collapse in 2026 with no return to record levels this decade. Third-party ownership is the workaround.

Storage

Kept its investment tax credit. A record first quarter of 3.3 GW and 8.4 GWh installed, and solar plus storage was 91% of nameplate capacity added.

Geothermal, hydro, nuclear

Credit windows extend into the 2030s. Sourcing restrictions on foreign components apply across the board and are the live compliance question.

THE BOTTOM LINE

What We Would Watch From Here

1	**Separate the chokepoint from the barrel**	Trade the Hormuz headline if you must, but underwrite the fundamentals. Global supply returns to pre-conflict levels by early 2027 in the base case, and that is a materially lower price.
2	**Watch gas storage into the winter injection season**	The 2027 mark-down assumes production keeps delivering. A cold winter and a storage deficit would reprice the curve quickly, and the power-burn record lands the same year.
3	**Treat restarts and uprates as the investable nuclear story**	They are financeable now, at known cost, against contracted load. Small modular reactors are an option on the 2030s, and the fuel supply chain is the tell.
4	**Respect the inflation channel**	Energy at these levels keeps headline inflation uncomfortable at 3.4% while our underlying trend estimate has fallen to 2.51%. Producer prices are still up 4.7% over the year, so the pipeline has not cleared. That combination argues against the rate relief the Street continues to expect.

PART THREE

Beyond the Beltlines

People, Capital and Power Across the Carolinas

FROM NATIONAL TO LOCAL

Three National Forces, Three Local Consequences

A capital-led expansion

Growth is primarily being driven by capital-intensive projects, reflecting the **AI buildout**, **reshoring** of critical industries (microchips, pharmaceuticals, metals and rare earths), **defense replenishment** and reorientation, **aerospace, the electric grid and power infrastructure buildout**, **energy and LNG export capacity, and the peak retirement of Baby Boomers**.

The Carolinas are well positioned for this shift and are gaining investment across all of these areas. Some of the largest projects in either state's history are rising in small towns.

No rate relief

The resurgence in manufacturing is good news but will make it harder for the Fed to achieve and maintain its 2% inflation target. Interest rates will likely stay higher for longer. Mortgage rates near 6.7% keep metro housing unaffordable and lock owners in place.

The affordability migration continues. Households keep moving to the periphery of major metro areas and beyond, including Fort Mill, Greer, Clayton and Leland.

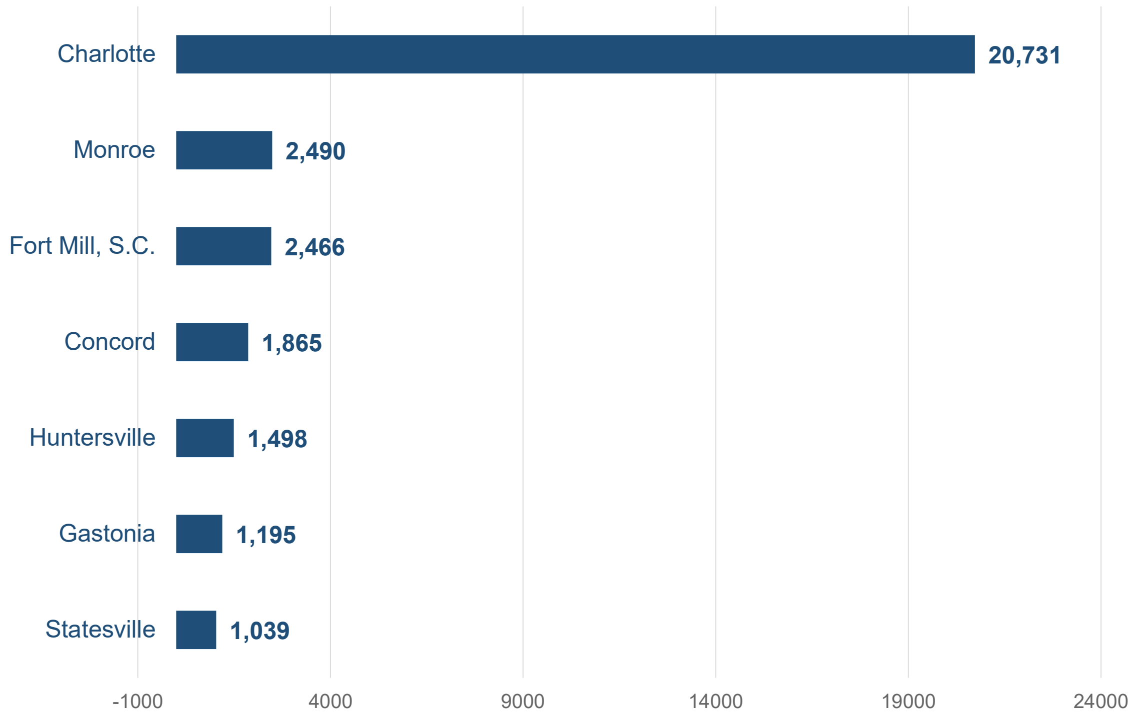
Power is scarce again

Data center demand is set to more than double by 2027, outpacing grid additions. The binding constraint has moved again: it is no longer capital and not yet power, it is entitlement risk.

Public power's moment. Communities that control their own systems can move at deal speed.

PEOPLE

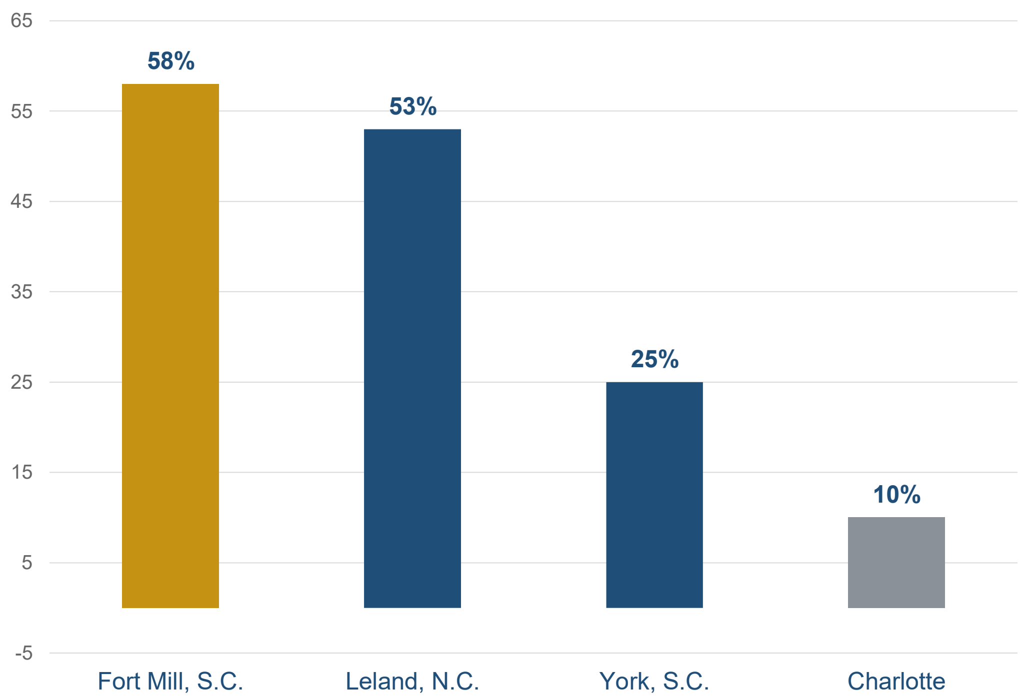
Growth Has Jumped the Beltline



- Charlotte added 20,731 residents, the most of any U.S. city, reaching 964,784.
- Yet Charlotte ranked only seventh for percentage growth within its own metro.
- Fort Mill grew 6.8%, 20th fastest in the nation. Greer grew 7.3%, 17th fastest in the U.S. and tops in South Carolina.
- **Five of the seven cities on this chart are public power communities.**

Population change, July 2024 to July 2025. Source: U.S. Census Bureau, Vintage 2025 Population Estimates.

The Rolling Affordability Frontier

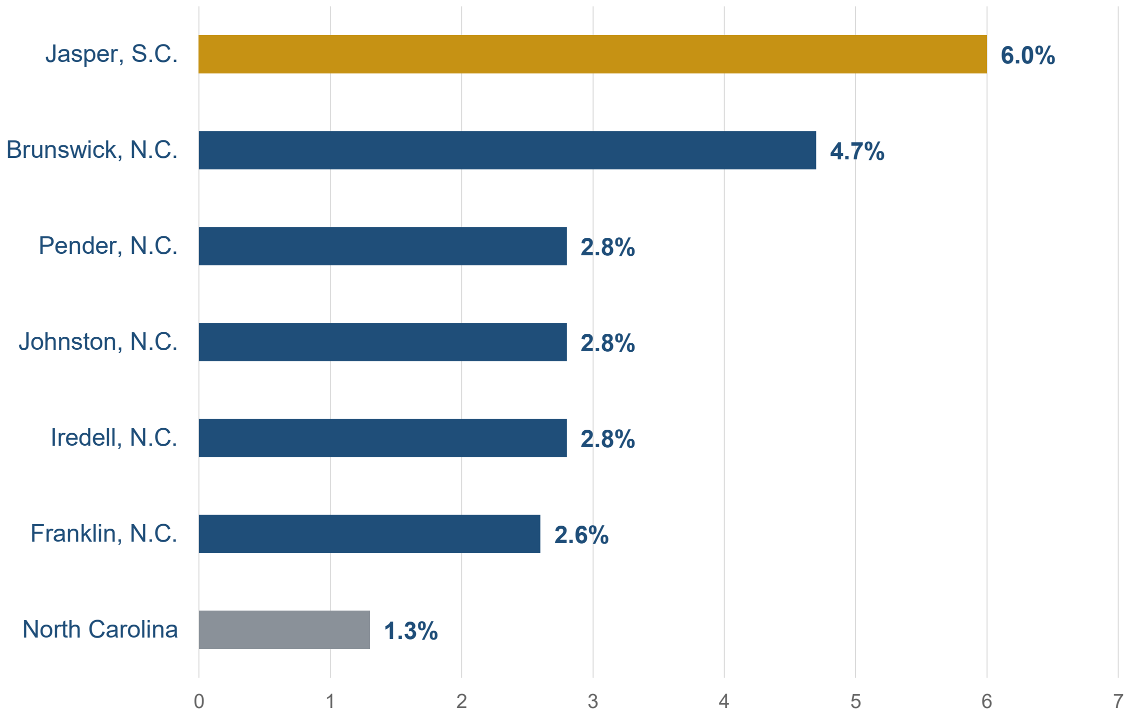


- The frontier rolls outward as each ring loses its affordability edge.
- Apex and Wake Forest were the escape valves a decade ago; now it is Wendell (17% in one year), Benson, Smithfield and Clayton.
- In the west: Lancaster County, Lincoln County and the Statesville corridor inherit the wave.
- **Housing supply decides who captures it. South Carolina grew its housing stock 1.9% last year, third fastest in the nation, with North Carolina sixth..**

Percent change in population, April 2020 to July 2025. Source: U.S. Census Bureau, Vintage 2025 Population Estimates.

PEOPLE

Small Coastal and Frontier Counties Lead the Nation



- Jasper County, S.C. was the fastest-growing county in the nation; Brunswick was sixth.
- North Carolina drew 84,064 net domestic migrants, more than any other state.
- Every U.S. county growing 4%+ did it on domestic in-migration.
- **Johnston County: fast growth plus Novo Nordisk's $4.1B. The frontier and the capital wave are converging.**

Percent change in population, July 2024 to July 2025. Source: U.S. Census Bureau; Carolina Demography.

CAPITAL

Generational Investments, Landing Beyond the Metros

Project	Location	Investment	Status
Toyota Battery Mfg. N.C.	Liberty (Randolph Co.)	$13.9B	Producing since Nov. 2025
Amazon Web Services	Richmond County	$10.0B	Under construction
JetZero aircraft plant	Greensboro (Guilford Co.)	$4.7B	Broke ground June 2026
Novo Nordisk fill-finish	Clayton (Johnston Co.)	$4.1B	Under construction, 2027-29
Scout Motors	Blythewood, S.C.	$2.3B	Under construction
Johnson & Johnson biologics	Wilson	$2.0B	Under construction
Catawba Two Kings Casino	Kings Mountain	$1.25B	Phase one open; hotel 2027
Wolfspeed materials plant	Siler City (Chatham Co.)	$5.0B	Operating; slower ramp
BMW Plant Spartanburg	Greer, S.C.	$1.7B exp.	Expanding
Vulcan Elements plant	Benson, N.C.	$918M	Under construction
USA Rare Earth plant	Blacksburg, S.C.	$1.2B	Under construction, 2026-28
Octapharma critical care plant	Rock Hill, S.C.	$1.5B	Confirmed

Almost all of it lands outside a metro core, in or beside public power communities. JetZero is the exception, and its supplier tier is the opportunity: deep manufacturing roots and ready industrial sites from Danville and Martinsville to Lexington.

Verified as of July 2026. Source: Company announcements; N.C. and S.C. Departments of Commerce; Piedmont Crescent Capital.

CAPITAL

Announced Dollars Are Not Invested Dollars

VinFast, Moncure	Site largely inactive since late 2024. The state sued in May to reclaim the 1,765-acre megasite.
Wolfspeed, Siler City	Plant complete and operating, but the 2025 Chapter 11 restructuring slowed the hiring ramp.
Epsilon, Brunswick Co.	Fully permitted $650M graphite plant; timeline on hold pending policy clarity.
Albemarle, Kings Mountain	Federal permits cleared this spring; state and local approvals and a firm date still ahead.

The pattern: the stumbles cluster in the EV supply chain. Established manufacturers with committed product lines are the ones pouring concrete. We count the announcements, but we underwrite the ones that are hiring.

CAPITAL

Data Centers Reach the Counties the Last Cycle Missed

$10.0B

AWS, Richmond County

Up to 20 buildings on 1,200 acres beside Duke's Smith Energy Complex. A rural Tier 1 county that lost its textile base now hosts a record commitment.

+$1.0B

Google, Lenoir (Caldwell Co.)

Fresh 2026 expansion of a campus running since 2010. Microsoft's $1B, four-building Catawba County campus rises nearby.

2x

U.S. data center power demand, 2025-27

Projected to more than double, with data centers reaching 8.5% of peak summer load. Power availability decided site selection last year. This year permission does.

- Data centers bring fewer jobs than factories, but enormous tax base to the counties that need it most.
- The site-selection logic, inexpensive land plus available power, points squarely at the rural Carolinas.
- Four North Carolina jurisdictions moved on moratoriums or ordinances on a single Monday in August: Edgecombe, Greensboro, Randolph and Farmville. Load is landing where the rules were written early.

Source: Company announcements; Goldman Sachs Research power-demand estimates; Piedmont Crescent Capital.

CAPITAL

Healthcare and Life Sciences: The Eds-and-Meds Anchor

$10.8B

N.C. life sciences investment, 2024 alone

Novo Nordisk's $4.1B Clayton fill-finish, J&J's $2B Wilson biologics campus (won partly on Wilson's municipal Gig East fiber), FUJIFILM's $3.2B Holly Springs campus.

$6.9B

ECU + ECU Health annual impact

57,000+ jobs across 29 eastern counties; the region's largest employer. The state's $265M Brody Center expands the medical school class from 80 to 120 in 2027.

- Belmont's template: CaroMont opened a $300M+, 54-bed hospital on land leased from Belmont Abbey's monks; the deal required launching the college's nursing program, whose first class graduated in May.
- Any small city with a college and a hospital should study it: a workforce pipeline and a teaching hospital, built simultaneously.
- **In the counties the growth frontier has not reached, eds and meds are not one sector among many. They are the load-bearing wall.**

Source: NC Biotech Center; company announcements; ECU; CaroMont Health; Piedmont Crescent Capital.

CAPITAL

Tourism: A Record Year, With a Two-Speed Asterisk

$37.2B

N.C. visitor spending, 2025

A record, up 1.3%, supporting nearly 231,000 jobs. $101 million in spending every day.

$14B

Charleston impact: record

Meanwhile Myrtle Beach occupancy fell to 65.5% and accommodations taxes dropped 10.8% as economy-tier travel pulled back.

$1.25B

Catawba Two Kings Casino Resort

Phase one open at Kings Mountain; 4,300 slots, 100 tables and a 24-story, 385-room hotel by spring 2027. 2,200+ jobs at buildout.

- The high end set records while the economy tier emptied out. Protein is outrunning carbohydrates on vacation, too.
- Western N.C. tourism is the recovery story to watch: statewide records were set despite Helene, so demand is intact; the constraint is rebuilt capacity along the Blue Ridge corridor.
- **Kings Mountain's portfolio for a city of 11,000: the state's largest operating data center, a proposed lithium mine and a resort casino.**

Source: Visit NC / Tourism Economics; College of Charleston; Colliers; Catawba Nation Gaming Authority; Piedmont Crescent Capital.

YOUR COMMUNITIES

The Public Power Map Is the Story's Map

WESTERN CLUSTER (NCMPA1)

- Monroe (+2,490) and Statesville (+1,039): top Charlotte-region gains.
- Maiden: Apple's campus and Microsoft's buildout in one small-town footprint.
- Gastonia: home base of the CaroMont system. Concord: Eli Lilly's $2B. Kings Mountain: casino, lithium, data.
- Morganton to High Point: the furniture belt, still hosting the world's largest furnishings market.
- Lexington: Siemens Mobility's $220M rail plant opened in April with 506 jobs, beside EGGER's $700M particleboard works and a proposed 849-acre megasite.
- **75% of Catawba Nuclear Unit 2: a roughly 90% carbon-free supply, a real recruiting card.**

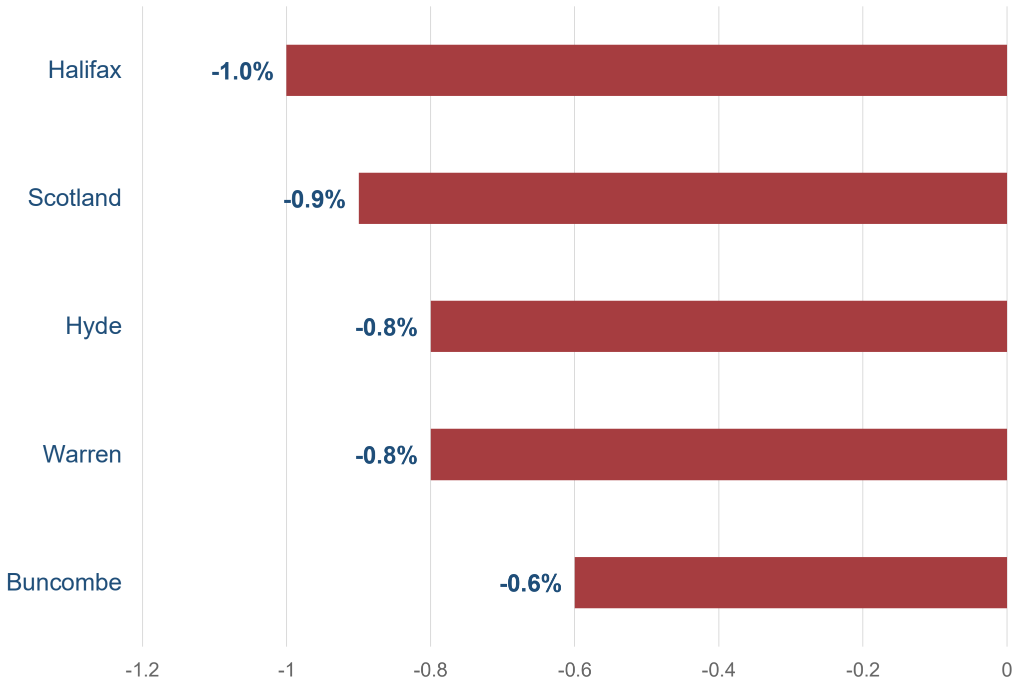
EASTERN CLUSTER (NCEMPA)

- Clayton: Novo Nordisk's $4.1B on public power territory. Wilson: Gig East fiber helped win J&J's $2B.
- Greenville: GUC serves the ECU enterprise anchoring 29 counties.
- Apex and Wake Forest grew expensive; Benson and Smithfield inherit the frontier.
- Rocky Mount and Tarboro by Pfizer's injectables complex; Kinston's Global TransPark aerospace cluster.
- **The roster spans the whole two-speed story, from Clayton's boom to Laurinburg's decline. Load growth is revenue.**

S.C. associate members extend the map: Greer, the state's fastest-growing city, runs on a municipal system in business since 1914. Rock Hill, Easley, Gaffney, Greenwood and Newberry ride the same Upstate wave.

HONESTY

The Other Carolinas



- Twelve of North Carolina's 100 counties lost population, concentrated in the rural northeast.
- Buncombe’s decline is Helene displacement and should partially reverse with rebuilding.
- The others sit outside the commute sheds, the migration frontier and the site-selection map.
- South Carolina’s own rural counties show the same pattern: Marlboro (-1.1%), Bamberg (-0.9%) and Allendale (-0.6%) all lost population, concentrated in the Pee Dee and southern Lowcountry.
- **The repositioning playbook: an interstate, a community college aligned with employers, and a government willing to permit housing. Hickory proved it works.**

Five largest N.C. county declines, July 2024 to July 2025. Source: U.S. Census Bureau; Carolina Demography.

What This Means for Public Power Communities

1. **Build capital plans around no rate relief.**

   Our base case has no Fed cut in 2026 and the next move a hike. Finance early, ladder maturities, and treat any rate dip as a window, not a trend.

2. **Invest ahead of the growth, or lose it.**

   Substations, water and schools must arrive before the households. Frontier members that build early capture a disproportionate share of the migration wave.

3. **Underwrite operating capital, not announcements.**

   Plan fiscal capacity around projects that are hiring. Court the data center wave with pre-certified sites and settled rules. A dozen Southern jurisdictions have adopted moratoriums or ordinances since late July, and the load is landing where the rules were written first.

People follow affordability. Capital follows people. In the Carolinas, both are headed beyond the beltlines.

U.S. Economic & Financial Outlook

Piedmont Crescent Capital • As of August 8, 2026

		Annual				Actual		Quarterly Forecast					
Indicator	**Units**	**2024**	**2025**	**2026**	**2027**	**Q1-26**	**Q2-26**	**Q3-26**	**Q4-26**	**Q1-27**	**Q2-27**	**Q3-27**	**Q4-27**
				Forecast				*Forecast*					
Output													
Real GDP	*% q/q SAAR*	2.8	2.1	2.5	2.6	2.1	**1.5**	2.7	2.6	2.3	2.7	2.8	2.7
4th Qtr-to-4th Qtr Change, Yr/Yr Chg for Qtly Data	*% YoY*	*2.4*	*2.0*	*2.4*	*2.6*	*2.7*	***2.1***	*1.6*	*2.1*	*2.2*	*2.4*	*2.5*	*2.5*
Final Sales to Private Domestic Purchasers	*% q/q SAAR*	3.0	2.6	2.6	2.9	1.7	**3.9**	3.8	3.6	3.5	3.4	3.3	3.2
Consumer Spending	*% q/q SAAR*	2.9	2.6	2.3	2.0	0.5	**3.2**	2.1	2.2	2.2	2.1	2.1	2.0
Nonresidential Fixed Investment	*% q/q SAAR*	2.9	4.1	6.1	4.6	10.6	**8.4**	6.7	5.9	6.1	5.9	5.7	5.4
Residential Investment	*% q/q SAAR*	3.2	-2.2	-1.8	4.0	-7.8	**0.0**	0.6	0.5	0.6	0.8	1.0	1.2
Industrial Production, Manufacturing	*% YoY*	-0.9	1.0	1.9	3.9	0.9	**1.3**	1.6	3.7	4.1	3.7	3.8	3.8
Light Vehicle Sales	*Mil. units, SAAR*	15.9	16.2	16.1	16.4	15.5	**16.3**	16.2	16.3	16.3	16.4	16.5	16.5
Labor Market													
Unemployment Rate	*%*	4.0	4.3	4.2	4.1	4.3	**4.3**	4.2	4.1	4.1	4.1	4.1	4.0
Nonfarm Payrolls	*Avg. mo. chg, thous.*	150	62	76	114	73	**77**	70	85	100	105	110	110
Employment Cost Index	*% YoY*	3.9	3.5	3.4	3.5	3.4	**3.4**	3.4	3.4	3.5	3.4	3.5	3.5
Housing Market													
Housing Starts	*Thous. units, SAAR*	1,370	1,356	1,340	1,360	1,418	**1,347**	1,380	1,390	1,400	1,420	1,440	1,450
New Home Sales	*Thous. units, SAAR*	684	679	636	680	622	**631**	640	650	660	680	700	700
Existing Home Sales	*Thous. units, SAAR*	4,060	4,060	4,137	4,250	4,043	**4,107**	4,200	4,200	4,240	4,280	4,320	4,340
Case-Shiller National Home Prices	*% YoY*	5.1	2.2	1.2	2.2	0.8	*1.2*	1.5	1.7	1.9	2.1	2.3	2.5
Inflation													
Consumer Price Index (CPI)	*% YoY*	3.0	2.6	3.2	2.6	2.7	**3.8**	3.1	3.0	2.8	2.1	2.7	2.8
Core CPI	*% YoY*	3.4	2.8	2.6	2.8	2.5	**2.7**	2.7	2.6	2.7	2.8	2.9	2.9
PCE Deflator	*% YoY*	2.6	2.6	3.3	2.8	3.1	**3.8**	3.2	3.0	2.9	2.5	2.8	2.9
Core PCE Deflator	*% YoY*	2.9	2.8	3.1	2.7	3.1	**3.3**	3.1	2.8	2.7	2.4	2.7	2.8
Interest Rates & Markets													
Fed Funds Target Range	*Avg / Range, % EOP*	5.14	4.21	3.63	4.06	3.5-3.75	**3.5-3.75**	3.5-3.75	3.5-3.75	3.75-4	4-4.25	4-4.25	4-4.25
2-Year Treasury	*% (period end)*	4.37	3.81	3.92	4.06	3.78	**4.13**	3.85	3.90	4.00	4.04	4.08	4.11
10-Year Treasury	*% (period end)*	4.21	4.29	4.48	4.69	4.35	**4.40**	4.55	4.60	4.65	4.70	4.70	4.70
30-Year Mortgage Rate	*% (period end)*	6.72	6.60	6.46	6.64	6.10	**6.49**	6.65	6.60	6.65	6.70	6.60	6.60
Brent Crude	*$/bbl, period avg*	79.91	68.32	87.05	76.25	78.00	**100.20**	87.00	83.00	79.00	77.00	75.00	74.00
Trade-Weighted Dollar Index	*period average*	122.9	122.7	121.3	127.8	119.0	**119.5**	122.3	124.5	125.2	127.6	128.7	129.7
Trade-Weighted Dollar Index	*% chg, period*	1.7	-0.1	-1.1	5.3	-1.4	**0.4**	2.3	1.8	0.6	1.9	0.9	0.8

Source: Piedmont Crescent Capital, BLS, BEA, Census, Federal Reserve, EIA. Forecast values shown in shaded cells. Annual figures are full-year averages or YoY %; quarterly figures are SAAR or period-average as

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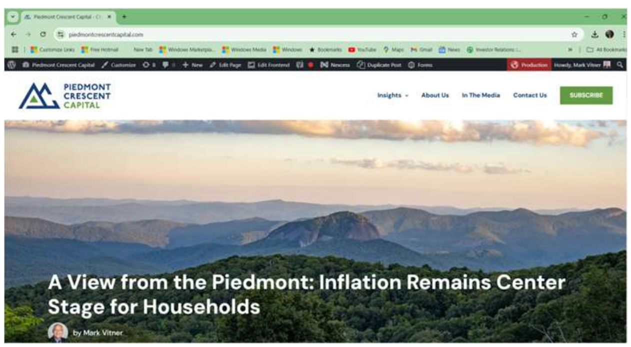

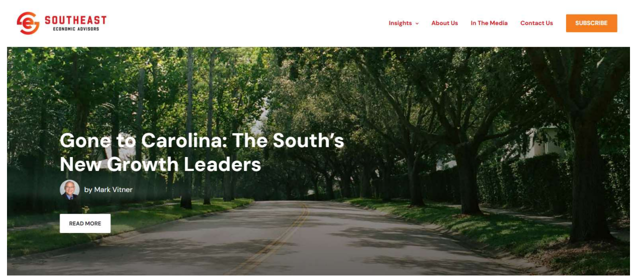

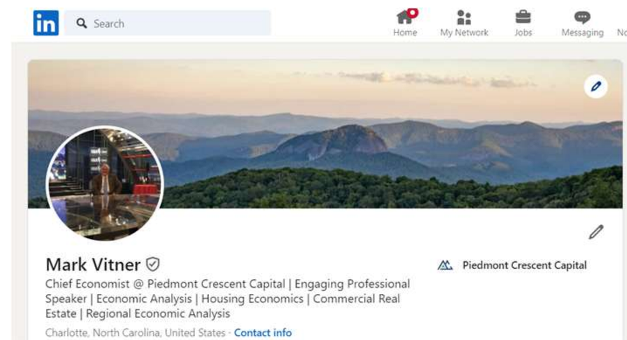

Thank You

Mark P. Vitner, President & Chief Economist

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