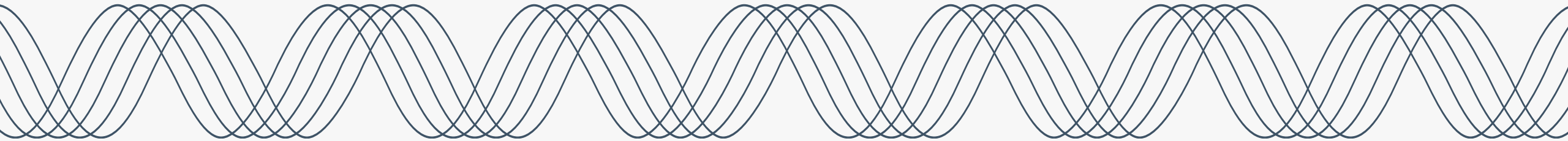


PGE CBIAG Meeting #2

May 31, 2023





Meeting Participation Tips

- Thank you for joining us today!
- Please join audio by either phone or computer, not both.
- We encourage CBIAG members to turn on your video.
- Please keep your audio on mute when not speaking.
- Observer = you are not a CBIAG member, facilitator or speaker.
- If you experience technical difficulties, please contact Emilee (Espousal Strategies staff) at: (832) 535-0731



AGENDA

- Welcome & Check-in Questions
- Group Agreements
- Proposed Decision-making Mechanism
- PGE Presentation & Q&A
- Group Discussion
- Closing & Next Steps



Welcome and Introductions



Please state your name and pronouns (if you choose)



Please share what organization(s) you represent, if any



What is something you get to do in your job that you really love?



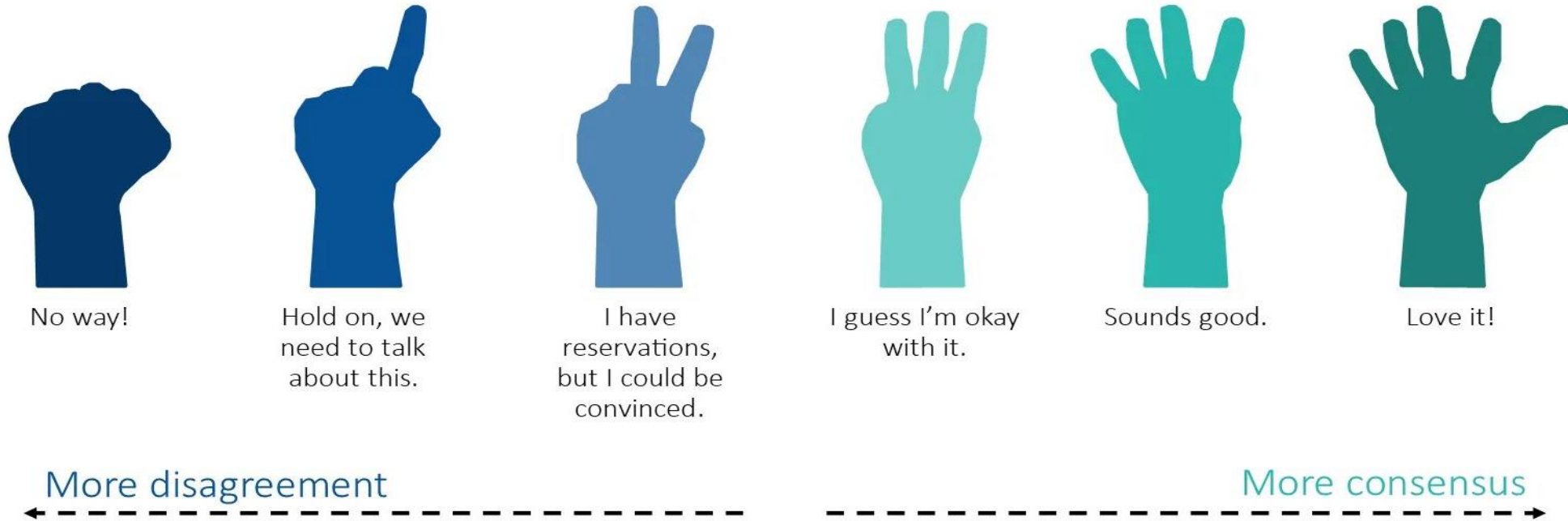
Facilitation Style & Group Agreements

- Take care of your personal needs as they come up. Let facilitator know if you need to step away
- This is a learning space for everyone
- Participate by sharing your responses in the chat, taking written notes, or by raising your hand to speak
- Welcome diverse perspectives; it's okay to disagree
- Facilitator will call on people to speak. This will be done in a way that centers our equity priority communities and not in first come, first serve
- I will use facilitator's privilege and may need to gently interrupt to have you close out your comments and move the meeting forward
- Move up your talking or move up your listening
- Assume and have good intentions
- Any others you all want to add?



Modified Consensus Decision Making Model

Which best describes your level of agreement?



Proposed Temperature Check Model

- Best used for in-person meetings
- Participants will be given physical cards - red, yellow, green
- Visual temperature check to see if the discussion is headed in the right direction, or if we need to pause and get feedback from those with a yellow or red card



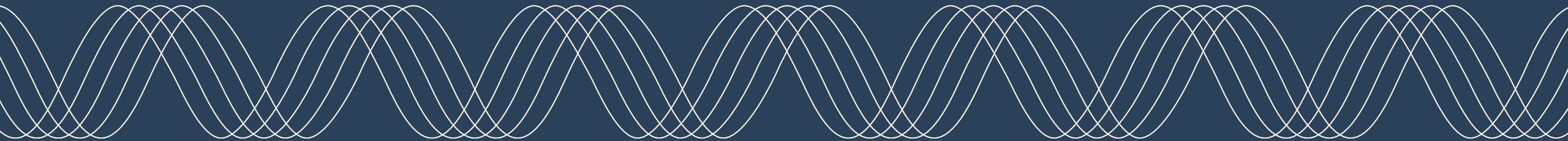


PGE Update



Portland General Electric Overview

Nik Blosser, Vice President Public Affairs





PGE at a Glance

- Serving Oregon **since 1889**
- More **than 900,000 retail customers** within a service area of approximately 1.9 million residents
- Roughly half of Oregon's population lives within PGE service area, encompassing **51 incorporated cities** entirely within the State of Oregon
- About **two-thirds of Oregon's commercial and industrial activity** occurs in PGE service area
- Vertically integrated electric utility encompassing **generation, transmission** and **distribution**:
 - 16 generating plants, 14 of which are in Oregon
 - 30,000 circuit miles of transmission and distribution lines⁽¹⁾
- Publicly traded **Fortune 1000 company**
- **2,900 employees** across the state
- PGE is committed to **creating a cleaner and more equitable energy future** for all Oregonians. This means reflecting, integrating and supporting the diverse voices represented in the communities we serve.

(1) As of December 31, 2021



3,300+ MWs of Generation



Power Generation

PGE meets our area's growing energy demands with a diverse mix of generation facilities that includes hydropower, solar, wind, coal and natural gas



Hydro generation

- Sullivan is PGE's oldest hydro generating plant and one of two in the nation to be continuously running since construction.



Thermal generation

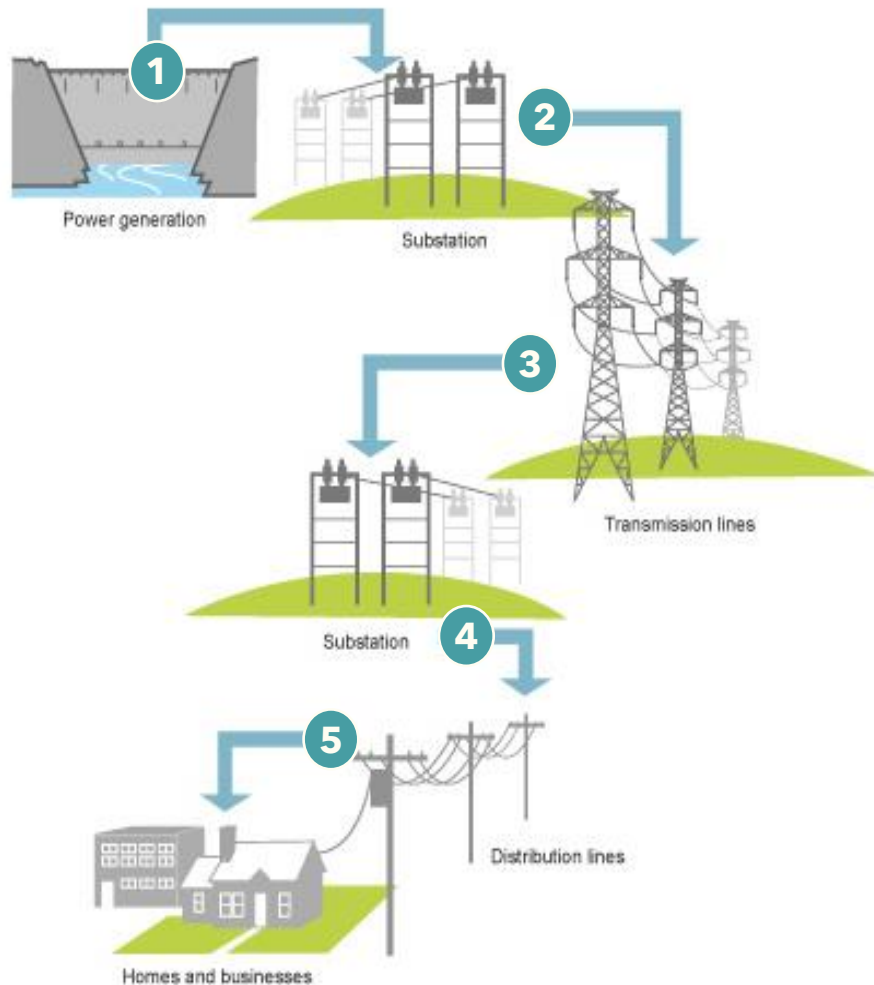
- In operation since 2007, Port Westward 1 is one of the most efficient gas-fired plants in the Western U.S. Using a G-class turbine, Port Westward has the capability of generating 407,000 net kW, including 382 base load plus 25 MW duct firing.



Wind power generation

- PGE was an early adopter of wind energy in our state, starting with Biglow Canyon Wind Farm in 2007. This first-generation facility and was the largest project of its kind in Oregon at the time of its construction

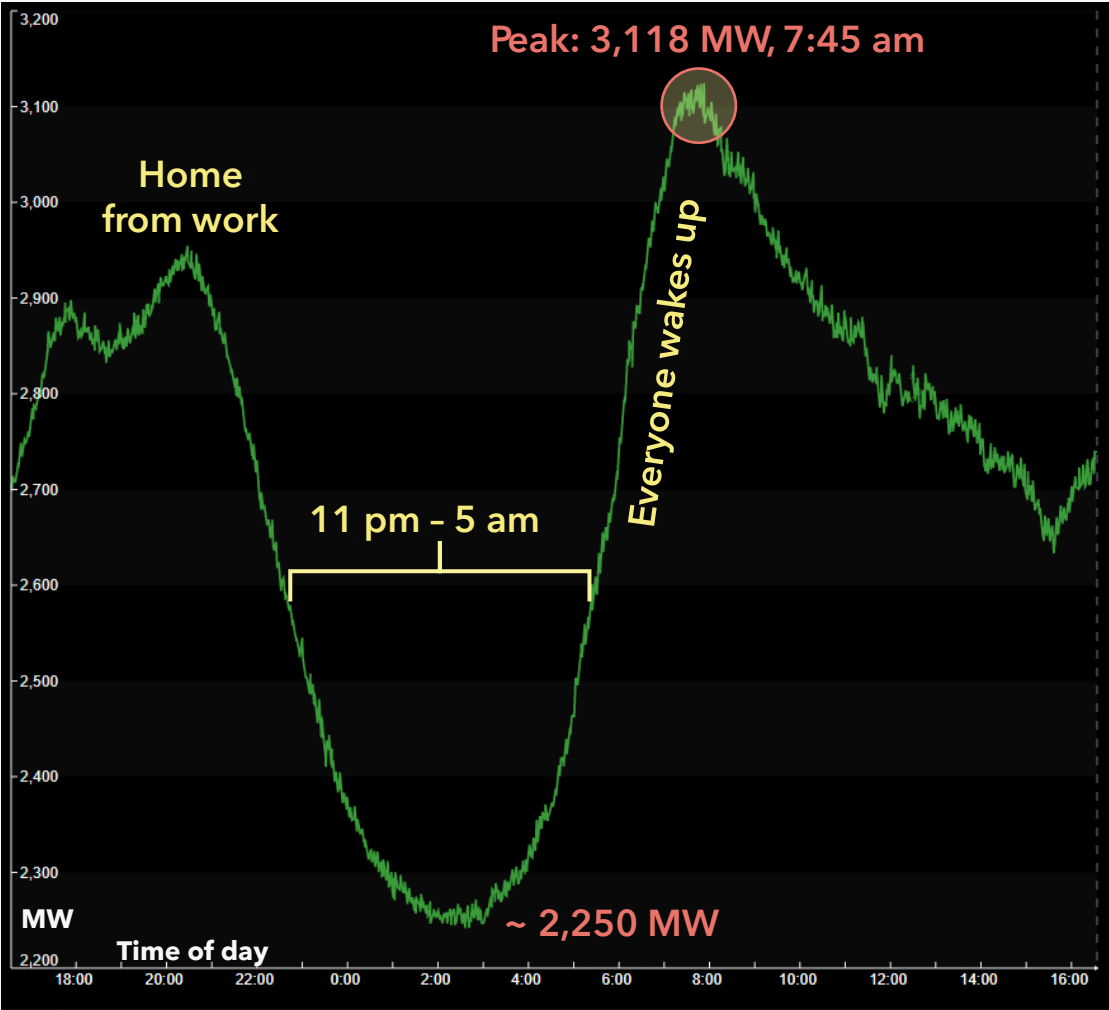
For more than 130 years, electricity flowed in one direction.



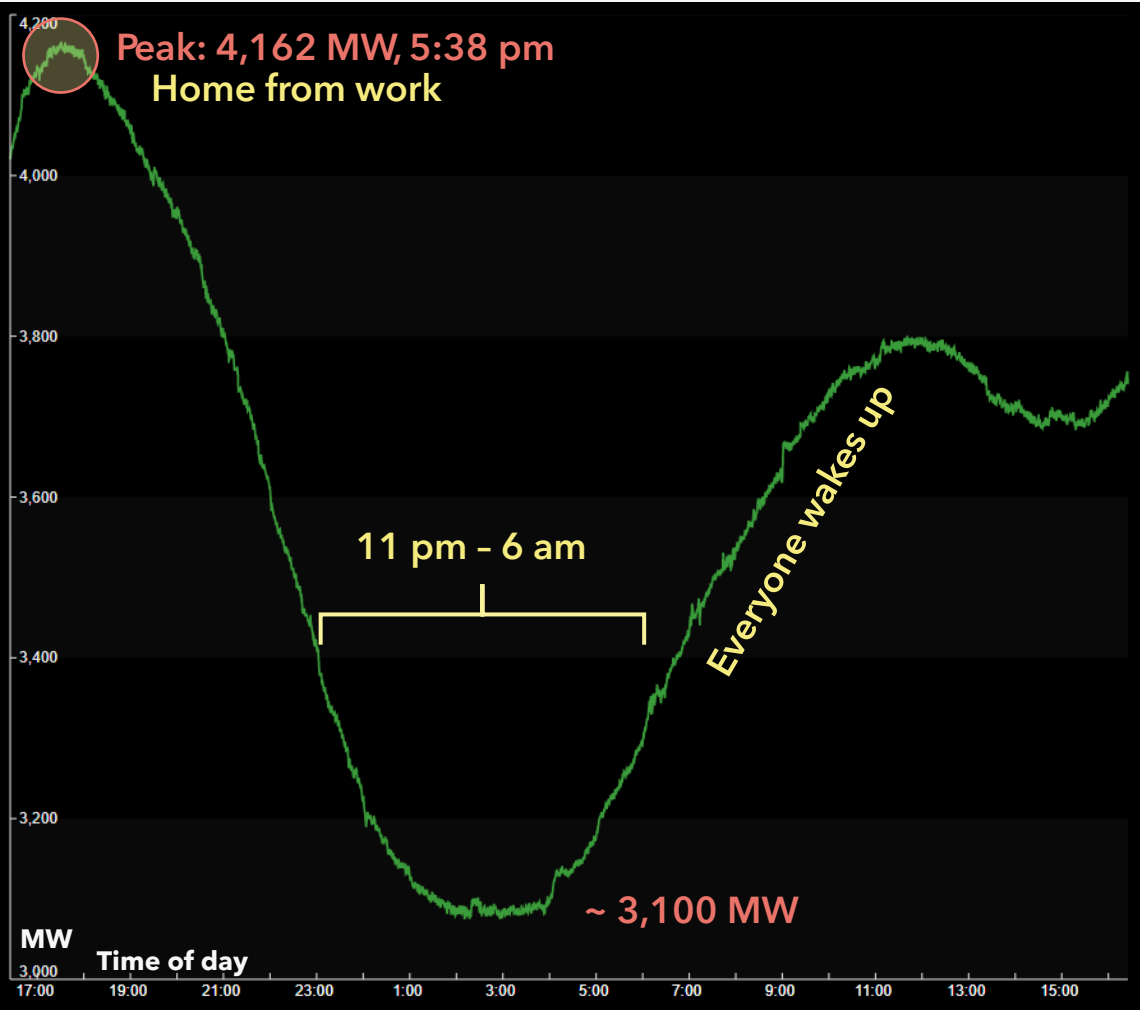
- Generated from hydro, thermal (fossil), or renewables
- High voltage for efficiency over long-distance transmission lines
- Lower voltage for safer operation and use in commercial, industrial, and residential areas
- Delivered via distribution lines safely and reliably

**To operate a stable grid,
generation must equal load.**

Sample Load (demand) Shapes



Apr 17 17:00 - Apr 18 17:00, 2023 System Load

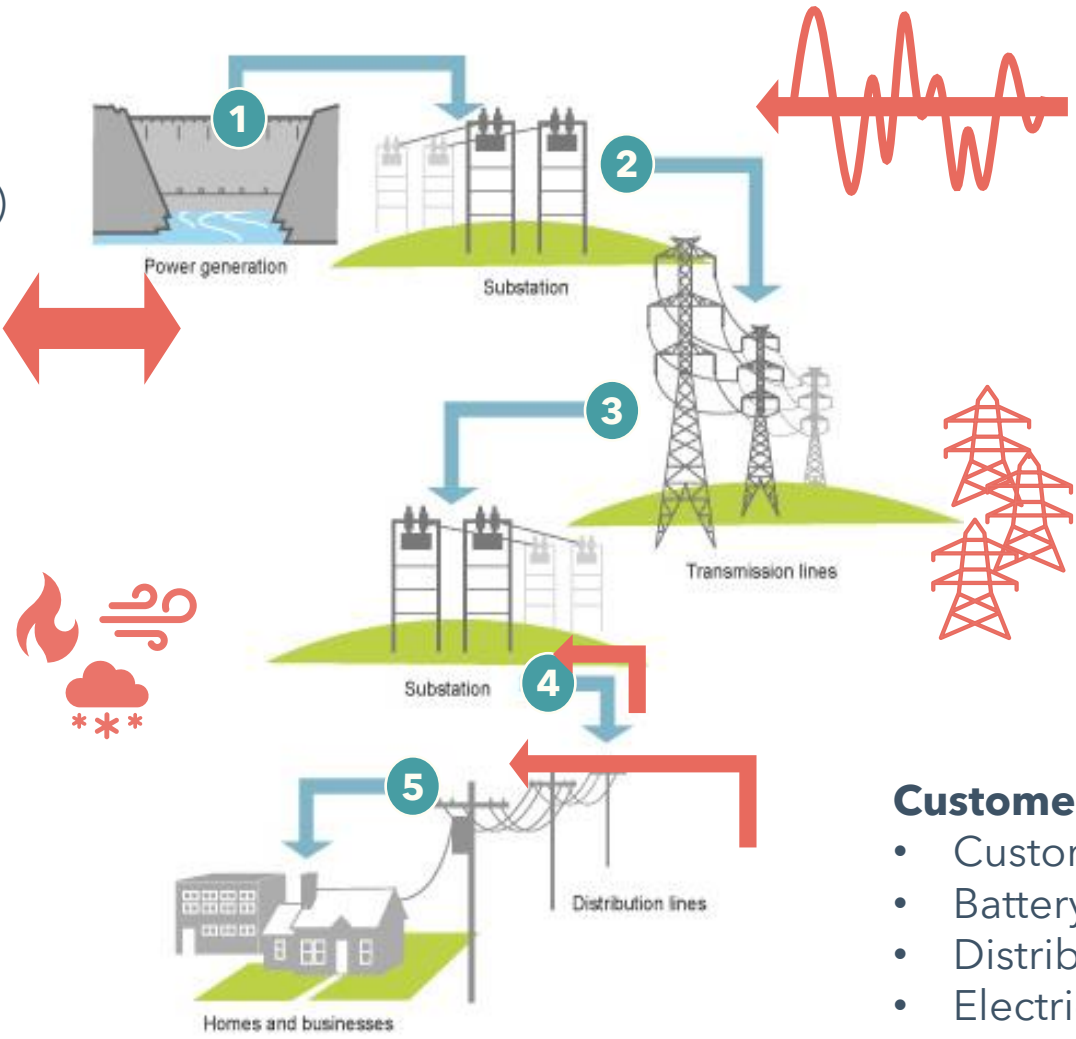


Dec 22 17:00 - Dec 23 17:00, 2022 System Load

Today's modern grid is more complex.

Western energy markets & resource adequacy

- Energy imbalance market (EIM)
- Day ahead market options
- Western resource adequacy program (WRAP)



Variability from carbon-free resources

- Wind
- Solar

Constrained transmission system

- BPA at capacity
- Critical to enabling decarbonization

Unprecedented weather & wildfire risk

- Ice storms
- Wildfire risk
- Public safety power shutoff



Customer participation

- Customer demand response
- Battery storage
- Distributed solar
- Electric vehicles

Clean Energy Transition

Greenhouse gas emissions reduction targets

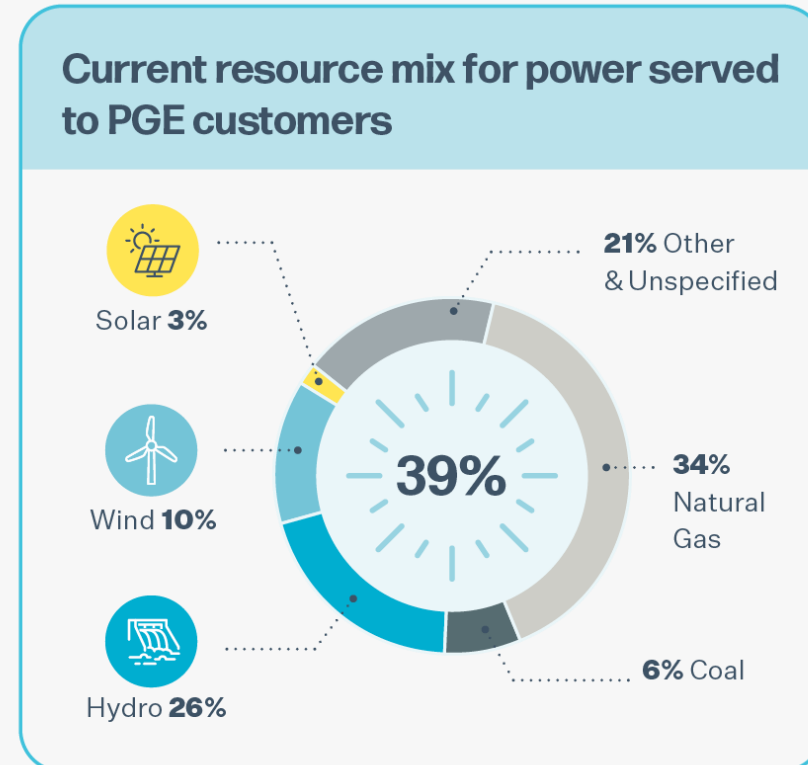
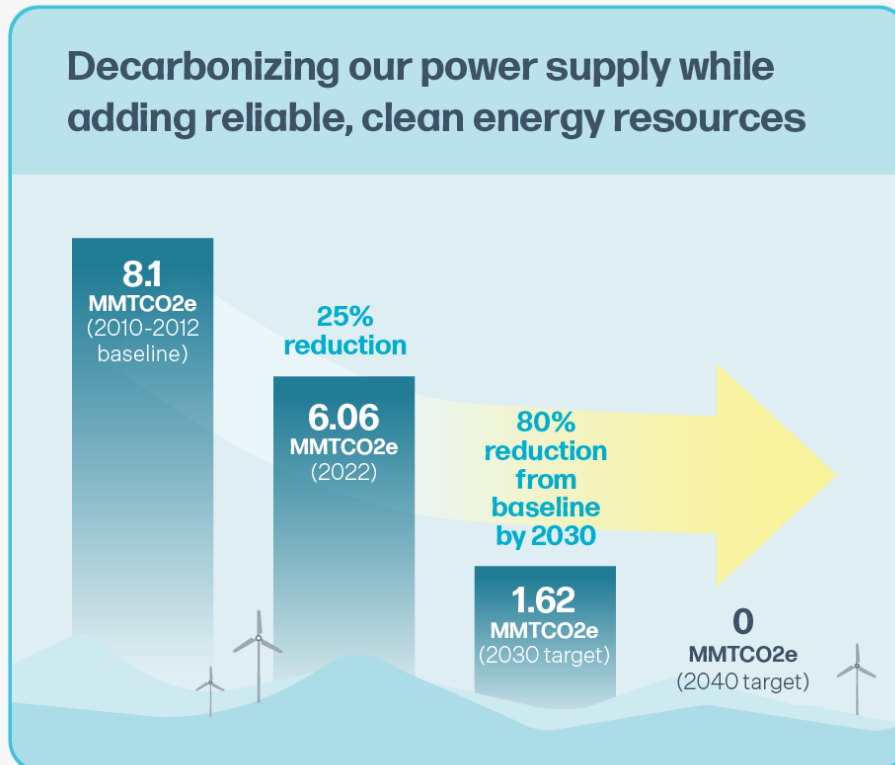
To meet the targets set in state law, we must reduce PGE’s greenhouse gas emissions in power sold to retail customers in Oregon by 80% by 2030, 90% by 2035, and 100% by 2040.

Net zero emissions goal

Achieve net-zero emissions from PGE scope 1, 2, and 3 source of emissions—which reflect our carbon footprints across our corporate operations.

Non-emitting resource goal

Serve 100% clean electricity to retail customers in Oregon by 2040.



Clean Energy Transition

Important steps to serve our customers

Accelerating non-emitting resource acquisition (>3000MW) at an unprecedented rate while managing customer costs



Clearwater Wind Facility

- Includes 208 MW to be owned by PGE and 103MW to be through a power purchase agreement with NextEra
- PGE investment of \$438M qualifies for 100% Production Tax Credits
- Project-in-service date planned for December 31, 2023



Faraday Hydro Facility

- Rebuild of over 100-year-old non-emitting hydro facility
- Lake fill completed and Unit 6 returned to service January 2023

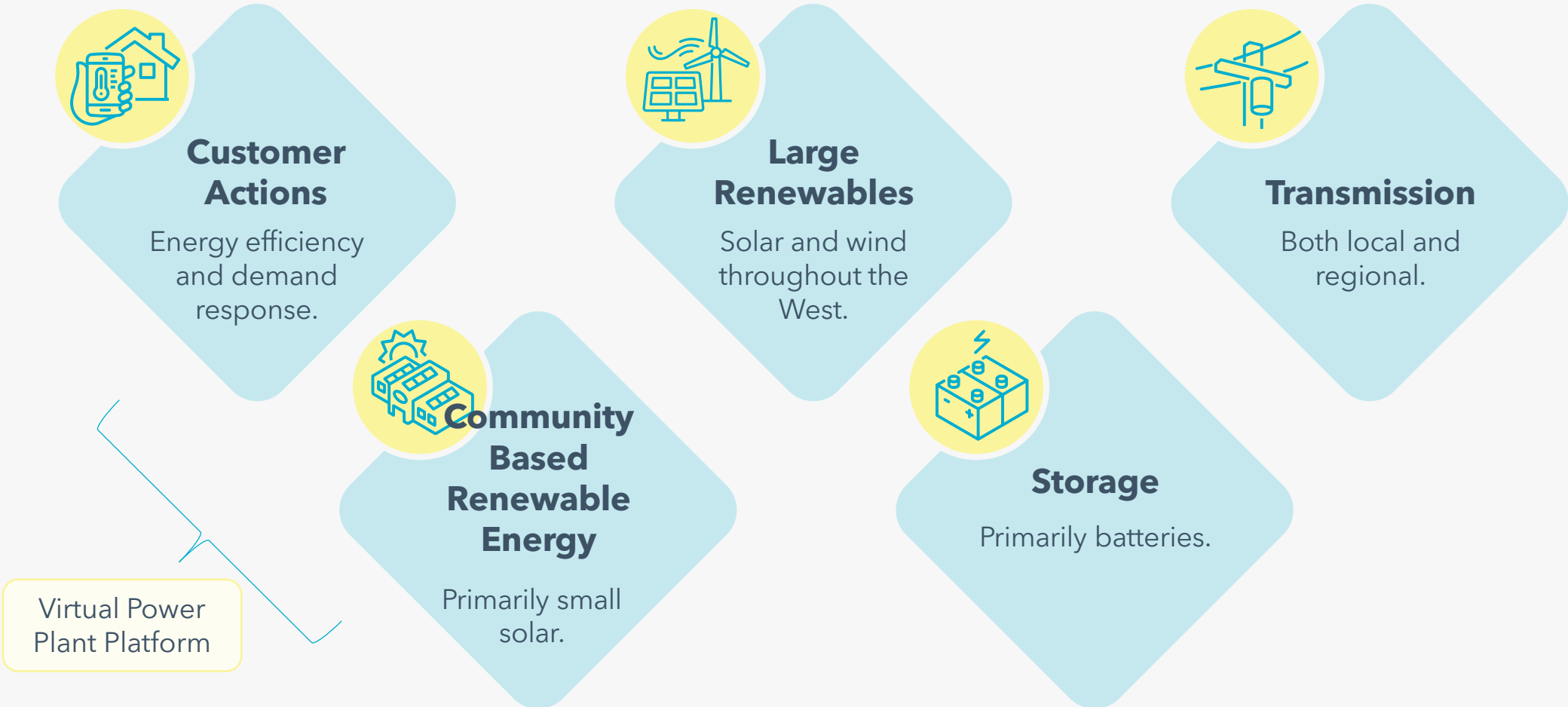


Seaside & Troutdale Battery Storage Facilities

- The procurement of 400 megawatts (AC) of new battery storage projects announced April 2023
- Both projects provide flexibility to PGE's grid operators to meet changing conditions and help manage costs.

How we will decarbonize while maintaining reliability and affordability

Results from Clean Energy Plan and Integrated Resource Plan submitted to PUC March 31, 2023





Investments in Reliability & Resilience

- **Generation resilience:** Faraday resiliency project, Beaver GT6 Modernization, Coyote Springs Generator Rewinds, Coyote Springs Fogging System, West Side Hydro Restore Facilities post-fire
- **Grid resilience:** New and Refurbished Substations, Physical Security Upgrades, Transmission Line Upgrades, Distribution Upgrades, Wildfire Mitigation and Resiliency
- **Regional markets:** Coordinating across our region with the Western Resource Adequacy Program (WRAP), Western Energy Imbalance Market (EIM), and working to harness federal funds and regional partnerships to accelerate transmission expansion.

Increased weather severity is driving new record summer and winter peaks.



Focus on Customers



**Top quartile
system
reliability⁽¹⁾**

Edison Electric Institute
2021

#1

**No.1 renewable
energy program in
the nation for 13
years⁽²⁾**

National Renewables
Energy Laboratory
2021



**Environmental
Champion**

Utility Trusted Brand &
Customer Engagement™
Residential Study Escalent
2022

#3

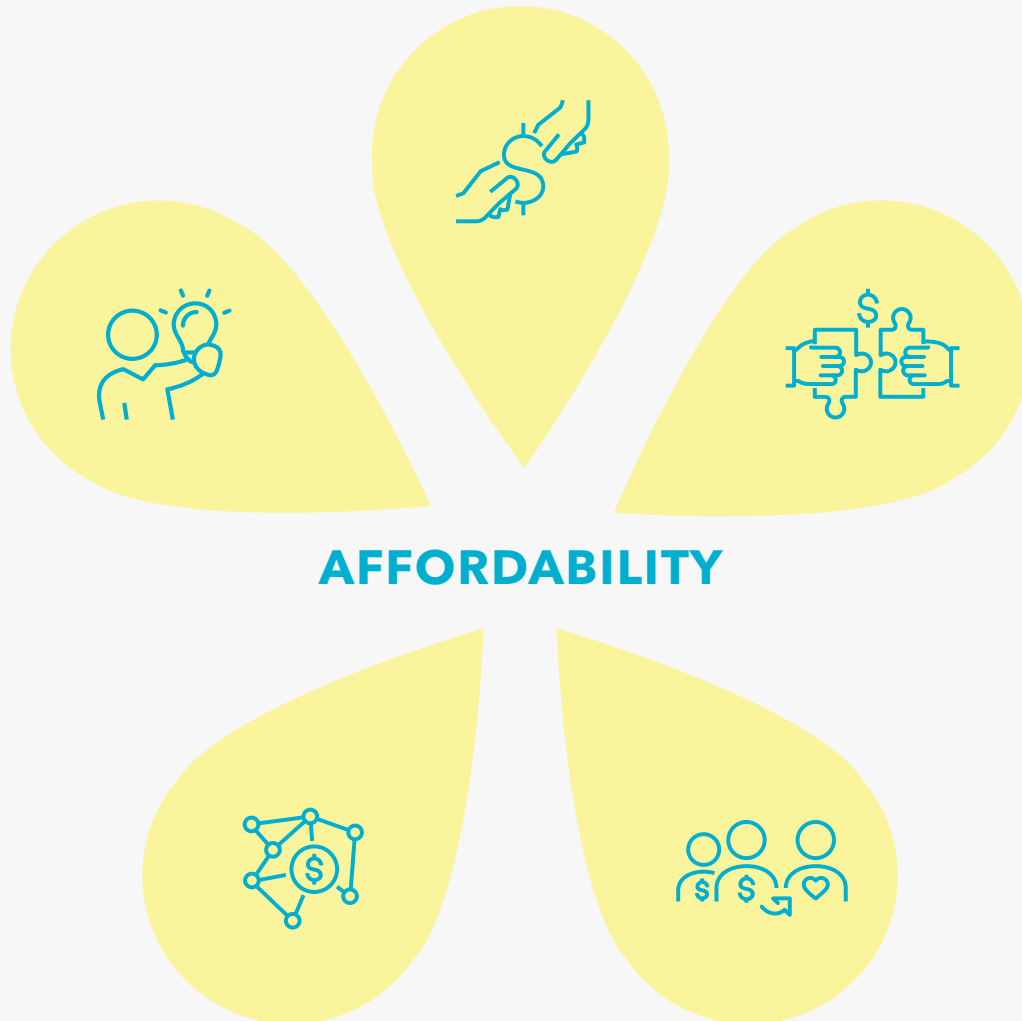
**No. 3 utility in
the U.S. for
customer
experience**

Forrester
The US
Customer Experience
Index
2022

(1) Overall System - SAIFI (Excluding Major Events)

(2) NREL did not release rankings in 2011

Reducing Cost Pressure



Giving customers tools to control their own costs

Smart thermostats, energy usage dashboards and text alerts, Peak Time Rebates.

Assistance for energy-burdened households

Income qualified bill discount program (IQBD) offer 15%/25% bill discounts.

Maximizing federal funds to support investments

Direct grant applications for transmission, grid resilience, hydropower upgrades, and more for IIJA funds.

Managing power purchases

Utilizing hedging and advance contracts.

Managing our own costs

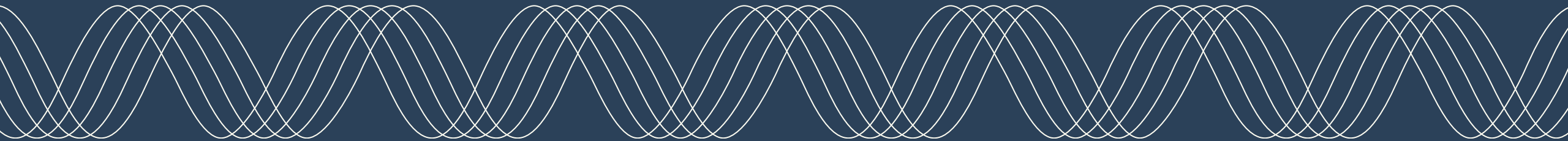
Generally flat operations and maintenance costs reported in Q1 2023 (not including wildfire mitigation).

Questions



Introduction to the Regulated Utility Business Model

Sam Newman, Senior Principal Strategy Integrator • Resource & Regulatory Strategy



Foundation of Utility Regulation

Electric utilities are granted exclusive service territories...



Wires in New York,
1903 and 1887



...so federal and state regulatory bodies have been established to provide detailed oversight of utility operations and rates

Public Utility Commission of Oregon (OPUC) offices in Salem



From <https://sos.oregon.gov/blue-book/Pages/state/executive/public-utility.aspx>

OPUC Overview

Three commissioners appointed by the Oregon governor

PUC Authority (Per Oregon Revised Statutes (ORS): Chapters 469, 756 and 757 and Oregon Administrative Rules (OAR): Chapter 860)

- Regulate utility rates - prices of utility services to customers
- Regulate utility service - meters, poles, lines, safety and reliability, customer service

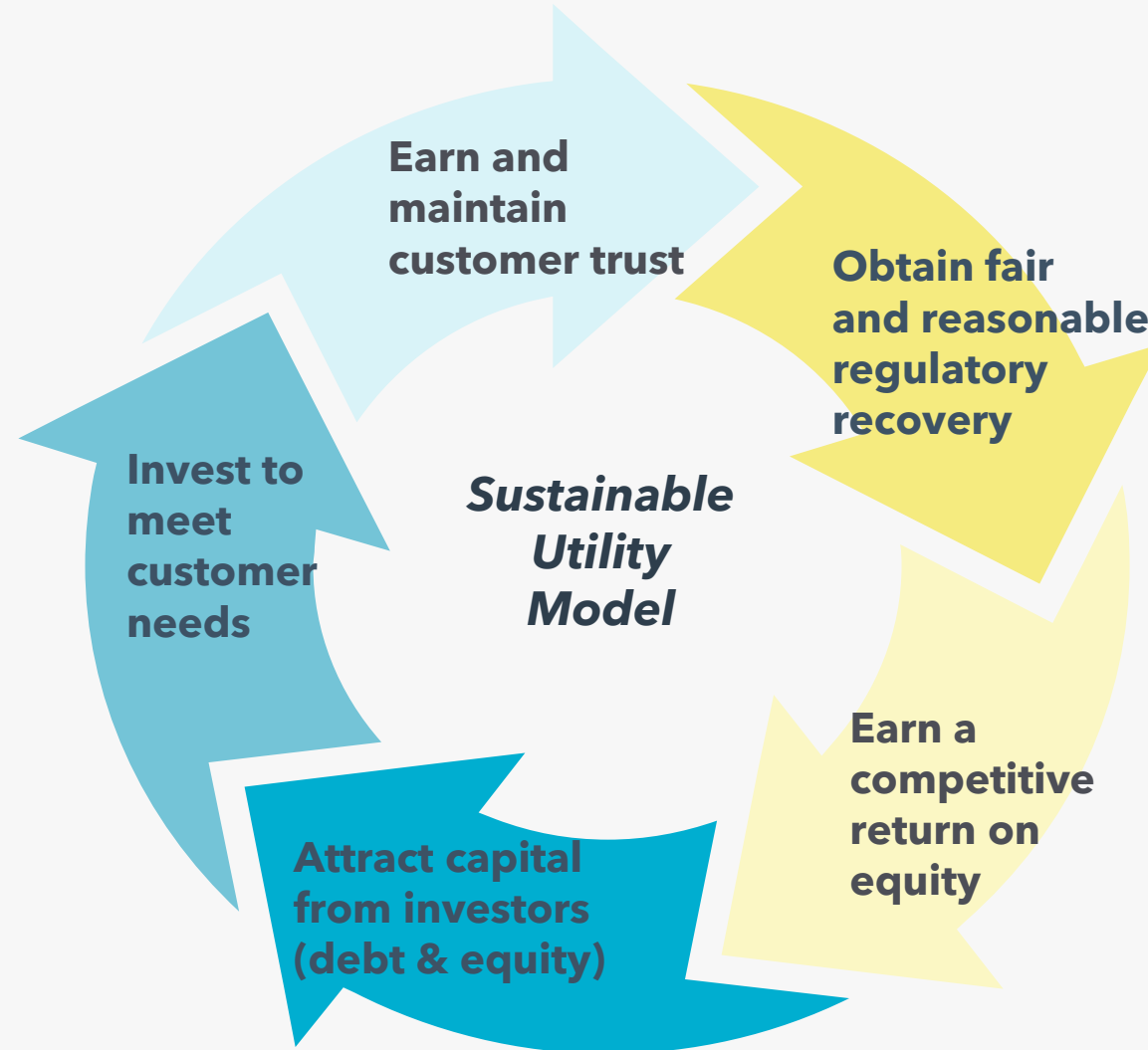
Regulatory Obligation (Per ORS 756.040)

- OPUC's regulatory obligation is to balance the interests of utility customers and utility investors
- Ensure customers receive adequate service at fair and reasonable rates
- Ensure adequate revenue for utility operations and capital investments, including sufficient returns to equity holders

Mission

“ Our mission is to ensure Oregonians have access to safe, reliable, and fairly priced utility services that advance state policy and promote the public interest. We use an inclusive process to evaluate differing viewpoints and visions of the public interest to arrive at balanced, well-reasoned, and independent decisions supported by fact and law. ”

Investor-Owned Utility Business Model



Earn and maintain customer trust

Obtain fair and reasonable regulatory recovery

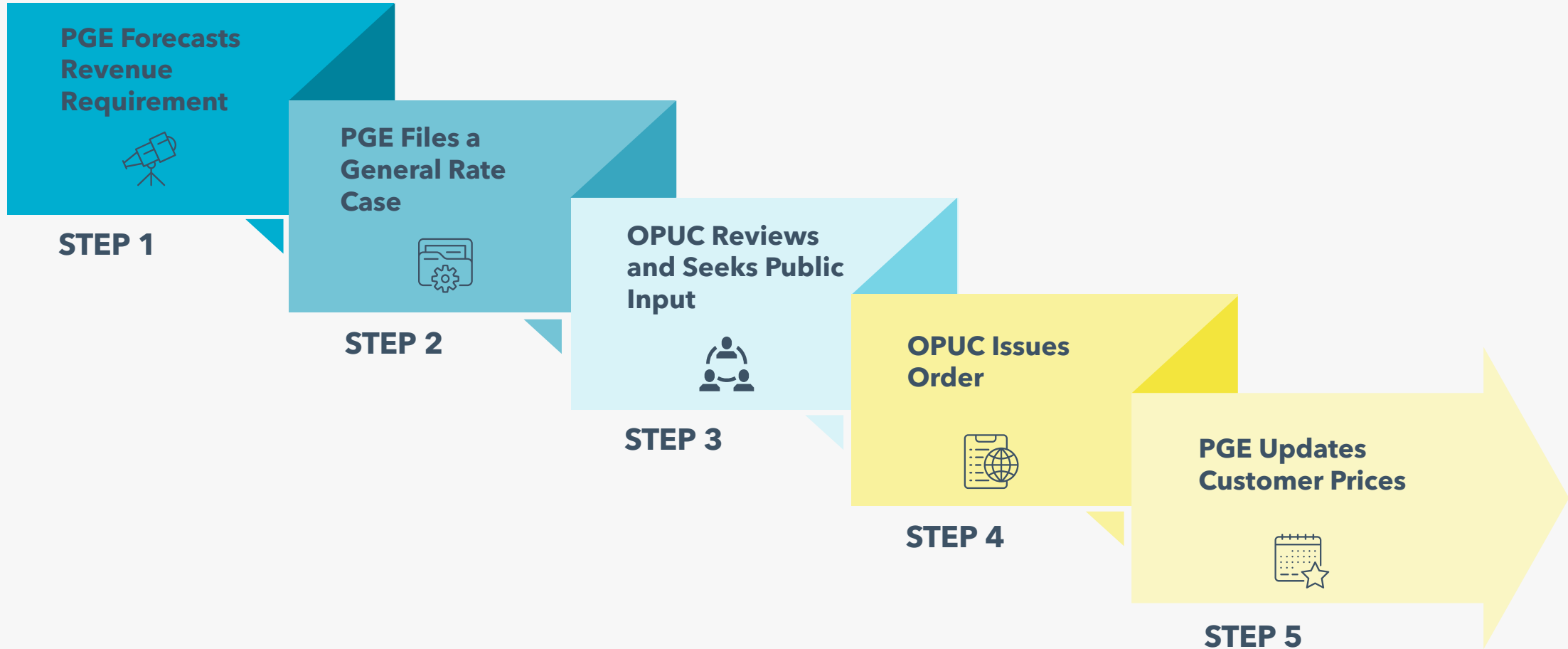
Sustainable Utility Model

Earn a competitive return on equity

Attract capital from investors (debt & equity)

Invest to meet customer needs

Process for Determining Utility Rates



Participation in Regulatory Process



PGE

- Corporate Planning
- Engineering & Planning
- Operations
- Products & Programs
- Others...



OPUC

- Three Commissioners
- Staff
- Administrative Law Judges
- Oregon Department of Justice



Intervenors

- Customer, community and environmental advocates, including energy justice and low income organizations
- Citizens' Utility Board (CUB)
- Alliance of Western Electricity Consumers (AWEC)
- Industry groups and representatives
- Individuals
- Others...

Regulatory Affairs Group coordinates PGE's involvement in regulatory processes:

General Rate Cases

Tariff Updates

Plans
(Resource, Wildfire, Clean Energy...)

Reporting

Policy Investigations

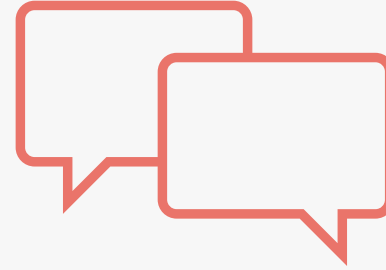


Questions





Discussion



1. What surprised you or was new information for you today?
2. What else would you like to know about PGE?



Next Steps

What to expect after this meeting
in preparation for next month's
meeting

- A high-level recap of the meeting will be sent to CBIAG members
- Meeting notes to be compiled, themed and posted on external CBIAG website (in process, launch date to be communicated)
- Communications will be sent from CBIAG@pgn.com (meeting invites, pre and post meeting asks such as surveys)
- Stipends will be distributed quarterly; June, September, December and March
- Next meeting is June 28th



Thank you