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PGE, BPA Pursuing Change to Cascade Crossing Transmission Project

Utility collaboration identifies option that could benefit region, reduce impacts

PORTLAND, Ore.--(BUSINESS WIRE)-- Portland General Electric (NYSE: POR) and the Bonneville Power Administration today announced they have signed a Memorandum of Understanding to pursue a modification to PGE's proposed Cascade Crossing Transmission Project that could benefit the region's grid while significantly reducing environmental impacts.

PGE initially proposed a 215-mile transmission project from Boardman, Ore. to Salem, Ore. Under the modification in the MOU, the line would begin at Boardman and follow the path of the original project, but terminate at a new Pine Grove substation that PGE would build about 18 miles southwest of Maupin. This would eliminate about 101 miles of the project from the Maupin area to Salem, avoiding most impacts to the Confederated Tribes of Warm Springs Reservation, the Mt. Hood and Willamette national forests and private forest and agricultural land in Marion and Linn counties.

PGE also would invest in grid enhancements and/or exchange assets with BPA to increase transmission capacity, and potentially reduce congestion and enhance reliability of the grid. In return, PGE could receive up to 2,600 megawatts of transmission capacity ownership rights to deliver electricity to customers in Portland and the Willamette Valley. Specific contract terms are still under discussion.

"PGE and BPA have been working collaboratively, using a 'one-utility' approach, to identify opportunities to leverage both utilities' current and future transmission assets," said Bill Nicholson, PGE senior vice president of customer service, transmission and distribution. "This solution should reduce the impacts of new transmission, manage costs and benefit customers of both utilities."

"We are very pleased with the collaborative effort with PGE and believe we have found a better alternative that reduces the overall economic and environmental costs of adding transmission capacity," said BPA Transmission Services senior vice president Larry Bekkedahl. "We are in the early stages of exploring the commercial business aspects of working together to assure adequate, reliable and cost-effective transmission is provided for the Northwest."

BPA will conduct a formal stakeholder review process prior to entering into any further agreement. PGE and BPA would cooperate to complete necessary environmental reviews.

PGE intends to file amendments to the public permitting processes for the Cascade Crossing project. PGE will focus on permitting the project from Boardman to the Pine Grove substation and will suspend permitting of the previously proposed section west of the Maupin area. The project currently is undergoing review by the Oregon Energy Facility Siting Council and federal agencies involved in the National Environmental Policy Act process.

PGE is proposing the Cascade Crossing Transmission Project to meet its customers' growing energy needs, enhance the region's grid and support development of wind generation projects east of the Cascades. It is one of seven projects in the nation that have been identified as a Job-Creating Grid Modernization Pilot Project by the Obama administration and are the focus of the Interagency Rapid Response Team for Transmission. The RRTT aims to improve the quality and timeliness of electric transmission infrastructure permitting, review and consultation by the federal government.

PGE first began developing Cascade Crossing in response to an order issued by the Oregon Public Utility Commission in 2004 directing PGE to work with BPA and others to develop transmission capacity over the Cascade Mountain Range. The project was included in PGE's most recent Integrated Resource Plan, which was acknowledged by the OPUC in November 2010.

About Bonneville Power Administration

BPA is a nonprofit federal agency that markets renewable hydropower from federal Columbia River dams, operates three-quarters of high-voltage transmission lines in the Northwest and funds one of the largest wildlife protection and restoration programs in the world. BPA and its partners have also saved enough electricity through energy efficiency projects to power four large American cities. For more information, contact us at 503-230-5131 or visit our website at www.bpa.gov.

About Portland General Electric Company

Portland General Electric, headquartered in Portland, Ore., is a fully integrated electric utility that serves approximately 829,000 residential, commercial and industrial customers in Oregon. Visit our website at PortlandGeneral.com.

PGE Safe Harbor Statement

Statements in this news release that relate to future plans, objectives, expectations, performance, events and the like may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include statements concerning the potential construction and benefits of the Cascade Crossing project, as well as other statements identified by words including, but not limited to, "will," "anticipates," "believes," "intends," "estimates," "promises," "expects," "should," "conditioned upon" and similar expressions. Investors are cautioned that any such forward-looking statements are subject to risks and uncertainties, including regulatory, operational and legal matters, as well as other factors that could affect the successful completion and operation of the project. As a result, actual results may differ materially from those projected in the forward-looking statements. All forward-looking statements included in this news release are based on information available to the Company on the date hereof and such statements speak only as of the date hereof. The Company assumes no obligation to update any such forward-looking statements. Prospective investors should also review the risks and uncertainties listed in the Company's most recent Annual Report on Form 10-K and the Company's reports on Forms 8-K and 10-Q filed with the United States Securities and Exchange Commission, including Management's Discussion and Analysis of Financial Condition and Results of Operation and the risks described therein from time to time.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/multimedia/home/20130114006454/en/>

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