PGE receives decision from Oregon Public Utility Commission in 2025 rate review

December 21, 2024

Rate decision supports investments in battery storage, transmission infrastructure and maintenance to improve reliability for customers.

PORTLAND, Ore., Dec. 20, 2024 /PRNewswire/ -- The Oregon Public Utility Commission (OPUC) issued its decision today in the 2025 rate review requested by Portland General Electric in February 2024. The resulting rate changes, ranging from 5.5% to 7.7% based upon customer type, will take effect January 1, 2025, and support infrastructure investments serving customers, including a local battery energy storage system designed to improve the availability of PGE's renewable energy sources and reduce the need to purchase power, and include investments to modernize infrastructure and technology.

"PGE is working to keep prices as low as possible, knowing that customers depend on the energy we provide every day," said John McFarland, VP Chief Commercial and Customer Officer. "To achieve this, we are making investments in a smarter and stronger energy grid to reduce outages, connect to more carbon-free energy resources and protect against damage from extreme weather and wildfires."

The Commission authorized a residential rate increase of 5.5%, the lowest rate change among customer classes. More than half the residential rate change consists of the result of increased power costs (1.9%) and an increase to mandated funding of the Energy Trust of Oregon (1.1%). The remaining 2.5% of the residential rate increase is for capital investments and upgrades to poles, wires, maintenance and technology to support service improvements.

Estimated authorized rate increases beginning January 1, 2025

2025	Base Rates	Power Costs	Other	Total
Averages*	3.3 %	1.9 %	1.1 %	6.2 %
Residential	2.5 %	1.9 %	1.1 %	5.5 %
Commercial	4.3 %	1.9 %	1.3 %	7.5 %
Industrial	2.8 %	2.5 %	0.7 %	6.0 %

*Not all customer classes are represented in this chart

Calculations of 2025 rates for each customer class will be finalized in a required PGE compliance filing with the Commission next week.

The Commission's decision approved an expected revenue requirement increase of $98 million, which is approximately 54% recovery from PGE's final open brief filing of $182 million. The final order approved a capital structure of 50% debt and 50% equity and a return on equity (ROE) of 9.34%.

PGE is evaluating the full impact of the order, which includes decisions on certain items related to operating and maintenance costs, PGE's fleet electrification and the Clearwater Wind Energy Center. As the Commission invited in its decision, PGE will submit a new filing to recover investments in the Seaside battery project with expedited review. PGE remains committed to customer affordability, carefully managing its cost structure and deploying resources for high-impact investments that provide maximum benefits to all stakeholders.

In its decision, the Commission noted it is not aware of significant influence from large user demand growth in the adopted rate changes for 2025. In a separate filing with the Commission today, PGE filed a proposal (UE 430) to strengthen protections for residential and small business customers and fairly allocate the cost and risk of serving large amounts of electricity to new industrial customers. The proposal includes securing up-front payments and requiring long-term contractual commitments and exit fees, among other measures. These will help pay for system investments while giving new industrial 'large load' customers greater clarity about the cost and timing for the energy they are seeking.

The rate review and approval process administered by the OPUC is an open, transparent public regulatory proceeding. Over the 11 months of the process, PGE provided nearly 2,000 pages of written testimony and responded to approximately 1,120 commission data requests and engaged with multiple intervenor groups.

PGE is here to help customers with their energy use and costs.

PGE is committed to helping customers access the energy they need. PGE has worked with the Commission and customer advocates to expand customer protections. PGE will suspend any disconnection for income-qualified bill discount (IQBD) customers and customers with medical certificates through March 31, 2025. In addition, PGE is forgiving up to $1000 past-due balances for the company's most vulnerable, lowest-income IQBD customers, and expanding cold-weather disconnection protections for all customers.

Rising prices are a challenge for many customers and PGE is committed to helping customers access the energy they need. The company offers a

variety of tools that help customers take control of their energy, such as usage dashboards, rebates, and incentives for energy efficiency. PGE continues to work to increase enrollment in its Income-Qualified Bill Discount program (IQBD) and offers a variety of assistance and resources for customers in need.

To learn more about energy assistance, cost savings programs or tools to help manage your bill, visit portlandgeneral.com/save-money or portlandgeneral.com/help/resources

For more information on rate making, visit Oregon.gov/PUC

About Portland General Electric Company
Portland General Electric (NYSE: POR) is an integrated energy company that generates, transmits, and distributes electricity to over 930,000 customers, serving an area of 1.9 million Oregonians. For more than 130 years, Portland General Electric (PGE) has powered social progress, delivering safe, affordable, reliable and increasingly clean electricity while working to transform energy systems to meet evolving customer needs. PGE has the largest voluntary renewable energy program in the country and was ranked the No. 1 utility in the 2024 Forrester U.S. Customer Experience Index. PGE is committed to reducing emissions from its retail power supply by 80% by 2030 and 100% by 2040. PGE is recognized by the Bloomberg Gender-Equality Index for the company's commitment to creating a more equal, inclusive workplace. In 2023, PGE employees, retirees and the PGE Foundation donated nearly $4.6 million and volunteered over 23,000 volunteer hours to more than 400 nonprofit organizations. For more information: portlandgeneral.com/news

Safe Harbor Statement
Statements in this press 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. These forward-looking statements represent our estimates and assumptions as of the date of this report. The Company assumes no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

Forward-looking statements include statements regarding the Company's full-year earnings guidance (including assumptions and expectations regarding annual retail deliveries, average hydro conditions, wind generation, normal thermal plant operations, operating and maintenance expense and depreciation and amortization expense) as well as other statements containing words such as "anticipates," "assumptions," "based on," "believes," "conditioned upon," "considers," "could," "estimates," "expects," "expected," "forecast," "goals," "intends," "needs," "plans," "predicts," "projects," "promises," "seeks," "should," "subject to," "targets," "will continue," "will likely result," or similar expressions.

Investors are cautioned that any such forward-looking statements are subject to risks and uncertainties, including, without limitation: the timing or outcome of various legal and regulatory actions; changing customer expectations and choices that may reduce demand for electricity; the sale of excess energy during periods of low demand or low wholesale market prices; operational risks relating to the Company's generation and battery storage facilities, including hydro conditions, wind conditions, disruption of transmission and distribution, disruption of fuel supply, and unscheduled plant outages, which may result in unanticipated operating, maintenance and repair costs, as well as replacement power costs; delays in the supply chain and increased supply costs (including application of tariffs impacting solar module imports), failure to complete capital projects on schedule or within budget, failure of counterparties to perform under agreement, or the abandonment of capital projects, which could result in the Company's inability to recover project costs, or impact our competitive position, market share, revenues and project margins in material ways; default or nonperformance of counterparties from whom PGE purchases capacity or energy, which require the purchase of replacement power and renewable attributes at increased costs; complications arising from PGE's jointly-owned plant, including ownership changes, regulatory outcomes or operational failures; changes in, and compliance with, environmental laws and regulations, including those that govern emissions from thermal power plants; changes in weather, hydroelectric and energy market conditions, which could affect the availability, cost and required collateral for purchased power and fuel; changes in the availability and price of wholesale power and fuels; changes in customer growth, or demographic patterns, including changes in load resulting in future transmission constraints, in PGE's service territory; changes in capital and credit market conditions, including volatility of equity markets as well as changes in PGE's credit ratings and outlook on such credit ratings, reductions in demand for investment-grade commercial paper or interest rates, which could affect the access to and availability or cost of capital and result in delay or cancellation of capital projects or execution of the Company's strategic plan as currently envisioned; general economic and financial market conditions, including inflation; the effects of climate change, whether global or local in nature; unseasonable or severe weather conditions, wildfires, and other natural phenomena and natural disasters that could result in operational disruptions, unanticipated restoration costs, third party liability or that may affect energy costs or consumption; the effectiveness of PGE's risk management policies and procedures; PGE's ability to effectively implement Public Safety Power Shutoffs (PSPS) and de-energize its system in the event of heightened wildfire risk; cybersecurity attacks, data security breaches, physical attacks and security breaches, or other malicious acts against the Company or against Company vendors, which could disrupt operations, require significant expenditures, or result in claims against the Company; employee workforce factors, including potential strikes, work stoppages, transitions in senior management, and the ability to recruit and retain key employees and other talent and turnover due to macroeconomic trends; widespread health emergencies or outbreaks of infectious diseases, which may affect our financial position, results of operations and cash flows; failure to achieve the Company's greenhouse gas emission goals or being perceived to have either failed to act responsibly with respect to the environment or effectively responded to legislative requirements concerning greenhouse gas emission reductions; social attitudes regarding the electric utility and power industries; political and economic conditions; acts of war or terrorism; changes in financial or regulatory accounting principles or policies imposed by governing bodies; new federal, state, and local laws that could have adverse effects on operating results; and risks and uncertainties related to generation and transmission projects, including, but not limited to, regulatory processes, transmission capabilities, system interconnections, permitting and construction delays, legislative uncertainty, inflationary impacts, supply costs and supply chain constraints. As a result, actual results may differ materially from those projected in the forward-looking statements.

Risks and uncertainties to which the Company are subject are further discussed in the reports that the Company has filed with the United States Securities and Exchange Commission (SEC). These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov and on the Company's website, investors.portlandgeneral.com. Investors should not rely unduly on any forward-looking statements.

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