

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Portland General Electric
September 2018



Cautionary statement

Information Current as of July 27, 2018

Except as expressly noted, the information in this presentation is current as of July 27, 2018 — the date on which PGE filed its quarterly report on Form 10-Q for the quarter ended June 30, 2018 — and should not be relied upon as being current as of any subsequent date. PGE undertakes no duty to update this presentation, except as may be required by law.

Forward-Looking Statements

Statements in this presentation 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. Forward-looking statements include statements regarding earnings guidance; statements regarding future load, hydro conditions and operating and maintenance costs; statements concerning implementation of the company’s integrated resource plan; statements concerning future compliance with regulations limiting emissions from generation facilities and the costs to achieve such compliance; as well as other statements containing words such as “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 reductions in 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 facilities, including hydro conditions, wind conditions, disruption of fuel supply, and unscheduled plant outages, which may result in unanticipated operating, maintenance and repair costs, as well as replacement power costs; failure to complete capital projects on schedule or within budget, or the abandonment of capital projects, which could result in the company’s inability to recover project costs; the costs of compliance with environmental laws and regulations, including those that govern emissions from thermal power plants; changes in weather, hydroelectric and energy markets conditions, which could affect the availability and cost of purchased power and fuel; changes in capital market conditions, which could affect the availability and cost of capital and result in delay or cancellation of capital projects; the outcome of various legal and regulatory proceedings; and general economic and financial market conditions. As a result, actual results may differ materially from those projected in the forward-looking statements. All forward-looking statements included in this presentation are based on information available to the company on July 27 and such statements speak only as of July 27. The company assumes no obligation to update any such forward-looking statement. 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 operations and the risks described therein from time to time.



PGE at a glance

- Vertically integrated electric company encompassing generation, transmission and distribution
- 883,000 customers in 51 Oregon incorporated cities⁽¹⁾
- 50 percent of Oregon's population lives within PGE service area
- 75 percent of Oregon's commercial and industrial activity occurs in PGE service area
- Revenue: \$2.0 billion
- Non-GAAP earnings per share of \$2.29/per share for 2017⁽²⁾
- Net utility plant assets: \$6.7 billion

3,800+ MWs of Generation



3 | Confidential and Proprietary

1) As of 6/30/2018

2) Diluted earnings per share, based on generally accepted accounting principles (GAAP), was \$2.10 per diluted share. When excluding the negative effects of the recent federal Tax Cuts and Jobs Act (TCJA), non-GAAP diluted earnings per share increased \$0.19 per diluted share to \$2.29 per diluted share. Management believes that excluding the effects of the TCJA provides a more meaningful representation of the company's comparative earnings. The Company has adjusted this amount to maintain comparability between periods.

PGE goals align closely with Oregon Public Utility Commission

PGE Strategic Direction

Our Mission: Provide safe, reliable and clean energy solutions to power our customers' lives every day

- Deliver exceptional customer experiences
- Invest in reliable, clean energy
- Build a smarter more resilient grid
- Pursue excellence in our work

OPUC Strategic Goals

Protect Oregon ratepayers and obtain for them safe, reliable power at reasonable prices

- Promote customer needs in evolving markets
- Maintain safety, reliability, and security
- Promote energy efficiency and demand response
- Continually improve business performance and work environment to benefit customers, employees, regulated utilities, stakeholders and the public



Strategy designed to create value for our shareholders

Clear focus:
100% regulated
utility

High-growth
service area

Investing in a
reliable and clean
energy future

Focusing
on operational
effectiveness
and efficiency

Delivering
exceptional
customer
experiences

Building a
smarter more
resilient grid





Governance

PGE is committed to conducting business in accordance with high standards of corporate governance to achieve *our mission* while creating value for our shareholders, customers, and other stakeholders



Robust governance

Effective board leadership and independent oversight












- Board is composed of 11 Directors, 10 are independent including Chairperson
- CEO is only PGE executive on the Board
- Continuous evaluation of Board composition and refreshment
- Focus on diverse backgrounds with ~40% of Directors contributing gender/ethnic diversity, including female CEO
- Fully independent Audit, Finance, Nominating and Compensation & Human Resources committees

Committed to shareholder rights

- One share, one vote
- Annual election of all directors
- Majority voting standard in uncontested director elections
- Shareholders can take action by written consent
- Directors can be removed with or without cause
- No supermajority requirement to amend charter/bylaws or approve mergers



Board of Directors

 <p>Maria Pope President & CEO Portland General Electric Joined in 2018</p>	 <p>John W. Ballantine Retired EVP, First Chicago NBD Corp Joined in 2004</p>	 <p>Rodney L. Brown Jr. Founding Partner, Cascadia Law Group PLC Joined in 2007</p>	 <p>Jack E. Davis Retired CEO, Arizona Public Service Co Joined in 2012</p>	 <p>David A. Dietzler Retired Partner, Pacific Northwest Joined in 2006</p>	 <p>Kirby A. Dyess Principal, Austin Capital Management LLC Joined in 2009</p>
 <p>Mark B. Ganz President & CEO, Cambia Health Solutions, Inc. Joined in 2006</p>	 <p>Kathryn J. Jackson Director of Energy & Technology Consulting, KeySource, Inc Joined in 2014</p>	 <p>Neil J. Nelson President, Siltronic Corp. Joined in 2006</p>	 <p>M. Lee Pelton President, Emerson College Joined in 2006</p>	 <p>Charles W. Shivery Retired Chairman, President and CEO, Northeast Utilities Joined in 2014</p>	<p>Committed to effective governance</p>

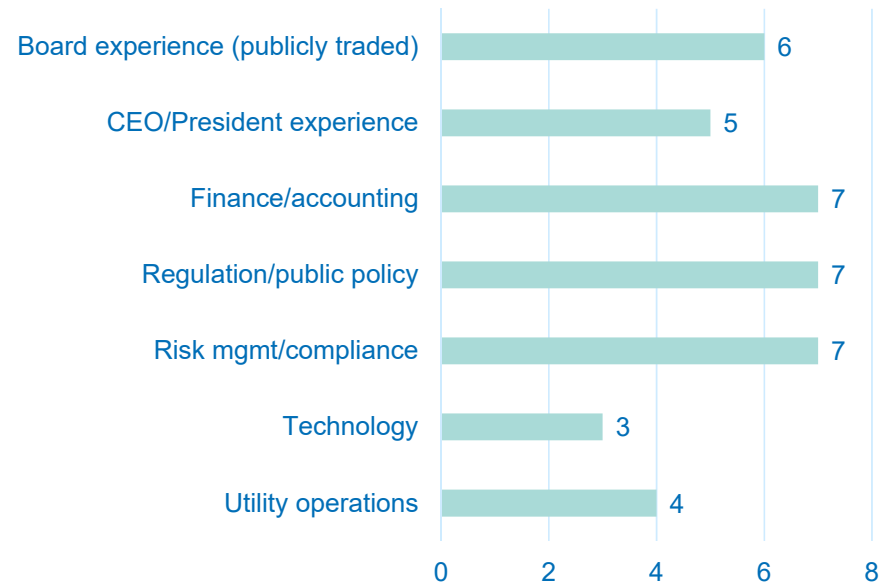
I Independent Director	A Audit Committee	F Finance Committee
C Chairperson	HR Compensation & Human Resources Committee	N Nominating & Corporate Governance Committee



Board experience and diversity

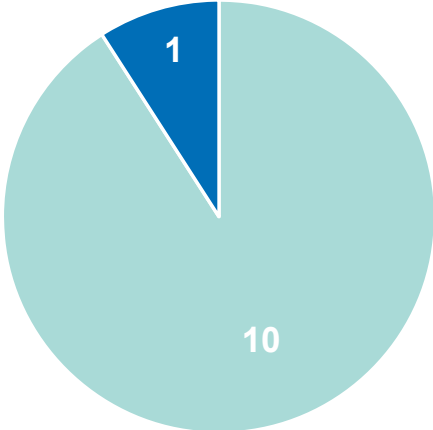
Skills and expertise:

- Strategic, operational and financial management
- Holds or has held CEO or similar leadership position in an organization
- Relationships with industry, government and/or regulators.
- Financial accounting and reporting, capital management
- Technology strategies and innovation



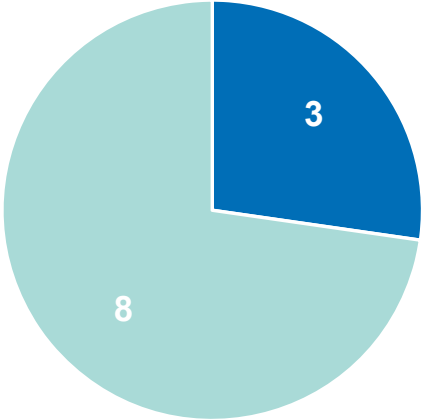
Board experience and diversity

Board composition



■ Independent ■ CEO

Gender



■ Female ■ Male

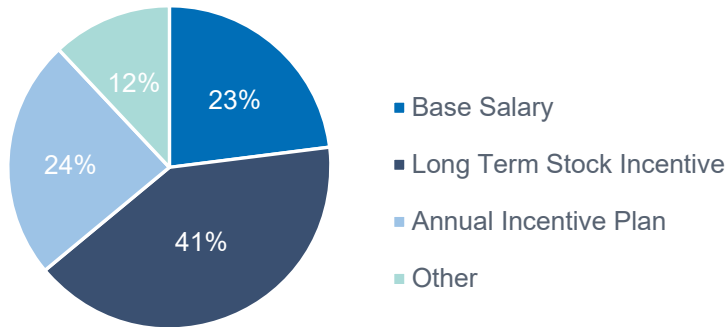


Compensation

Our Compensation Plan is designed to align metrics with our company strategy. Incentives are based on customer satisfaction, system reliability and ensuring officers pursue excellence in their work

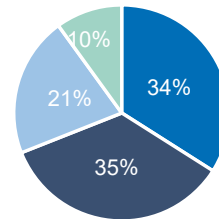
Components of CEO Compensation

2017 CEO to Median Employee Pay Ratio – 37:1

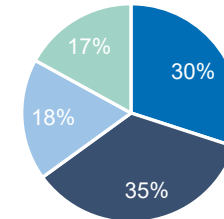


Components of NEO Compensation

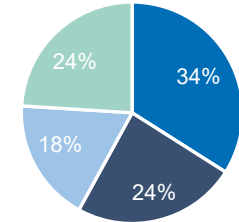
President, CEO



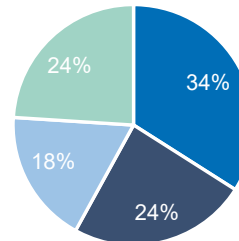
CFO, SVP Finance



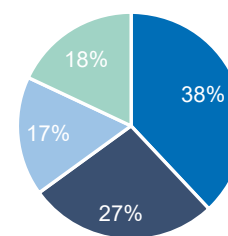
VP General Counsel



SVP T&D



VP, Public Policy



Compensation

CEO, CFO, VP GC, VP PP			
COMPONENT	PERFORMANCE METRICS		
Base salary	Market Competitive – Pay evaluated against peer median		
Annual incentive plan	50% Financial Performance 100% EPS	50% Operational Performance 40% Generation Plan Availability 30% Customer Satisfaction 30% Electric Service Power Quality & System Reliability	
Long term stock incentives	50% Total Shareholder Return Over three-year period relative to TSR achieved by a comparison group of companies over same three-year period		50% Return on Equity The average of each of three consecutive years' Accounting ROE as a percentage of Allowed ROE
Other	Health and welfare programs and 401(k) plan	Benefit pension plan.	Non-qualified deferred compensation plan
ANNUAL INCENTIVE PLAN			
	VP Generation	VP T&D	
Generation Plant Availability	40%	20%	
Customer Satisfaction	10%	40%	
Power Quality & System Reliability	10%	40%	
Power Cost Management	40%		



Corporate strategy and ESG

Responsibility for environmental, social and governance (ESG) performance is integrated with the policies and principles that govern our company





Environmental

We are committed to our strategy of helping our customers and the communities we serve achieve a clean and reliable energy future

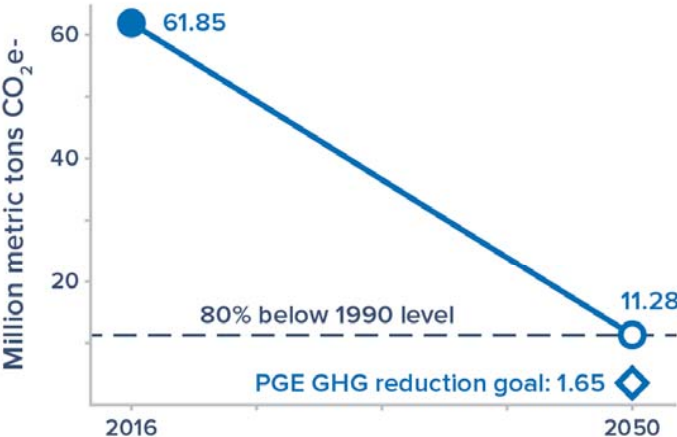


Environmental footprint

Our goal: reduce GHG emissions by more than 80% by 2050

Current: 40% of PGE's energy is carbon free (25% wind & solar, 15% hydro)

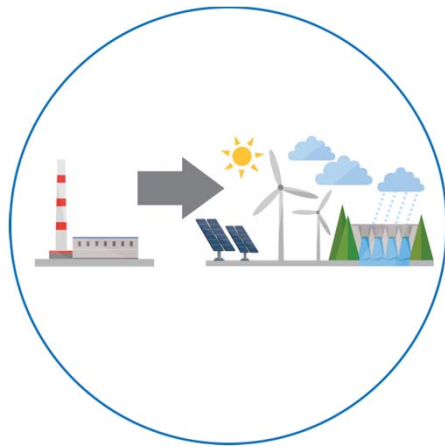
Statewide greenhouse gas reduction goals



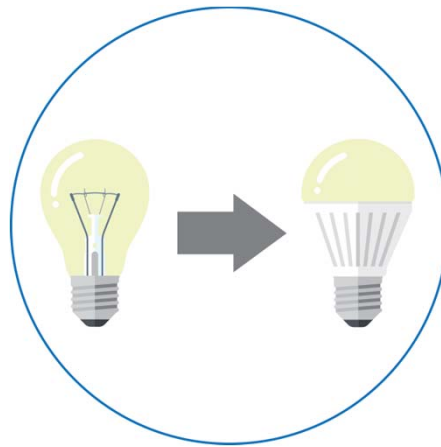
- From DEQ's Emissions Inventory (consumption-based)
- 80% below 1990 emissions (1990 emissions from Oregon Global Warming Commission Report, reported as 56.4 MTCO₂e-)
- ◇ PGE's 2050 goal is based on its proportionate share of the state's economy-wide goal using 2010 as the base year (80% reduction by 2050)



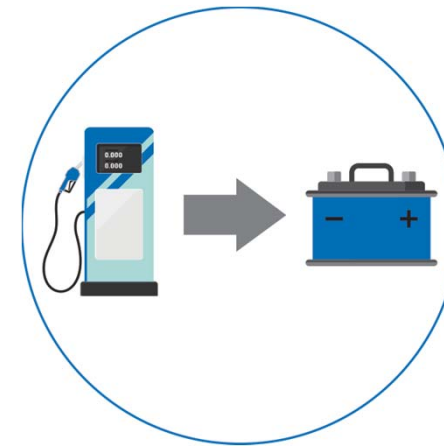
Three pathways towards a clean energy future



**Decarbonization
of electricity**



**Energy
efficiency**



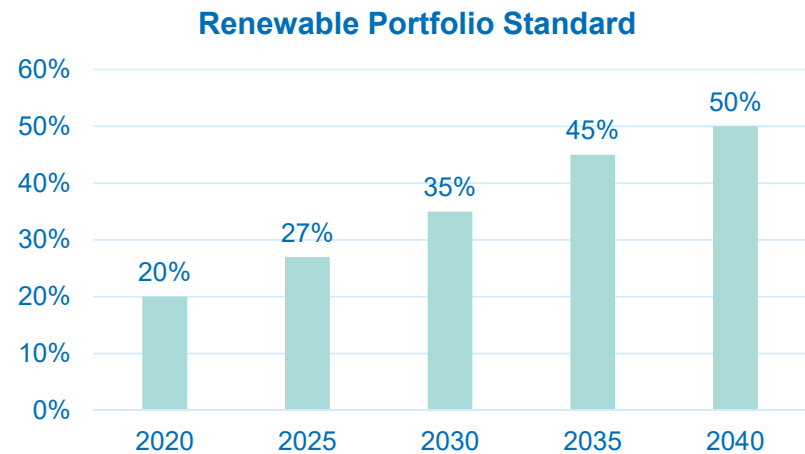
**End-use
electrification**



Path #1: decarbonization of electricity

Our strategy

- 40% of generation (including contracted for) resources already carbon free
- #1 Renewable Energy Program in the country
- 20% of PGE customers voluntarily buy 100% green energy
- Ceasing coal-fired operations at Boardman Plant in 2020
- Removing Colstrip Units 3 & 4 from our supply portfolio



By 2040 PGE will meet the RPS and meet 70% of customer demand with carbon-free energy



Path #2: energy efficiency

Commercial energy efficiency

Work through the Energy Trust of Oregon (ETO) to market energy efficiency options to customers to help reduce their electric and gas usage (typically through lighting, commercial kitchen, insulation, and HVAC upgrades)

On-bill financing

An ETO program that allows customers to finance energy efficiency upgrades through a lender (Craft3) and repay on their PGE bill. The repayment appears as a line item on their PGE bill

Energy expert

An energy monitoring service that provides interval usage data to non-residential customers. Customers pay a monthly per meter fee to participate in the service

Energy tracker

A free energy monitoring tool housed on the PGE website

Heat pumps & water heaters

An ETO program supported by PGE that encourages residential customers to purchase high efficiency heat pumps and heat pump water heaters.

**In 2017, PGE collected over \$100M
Over \$95M was distributed to the
Energy Trust of Oregon**



Path #3: end use electrification

PGE is an early leader in advancing transportation electrification

Electric Avenues

This project is part of PGE's initiative to accelerate transportation electrification as described in Oregon Senate Bill 1547

Electrification of public transit

Working with transit agencies in our service area to promote electric buses and provide public transit charging stations

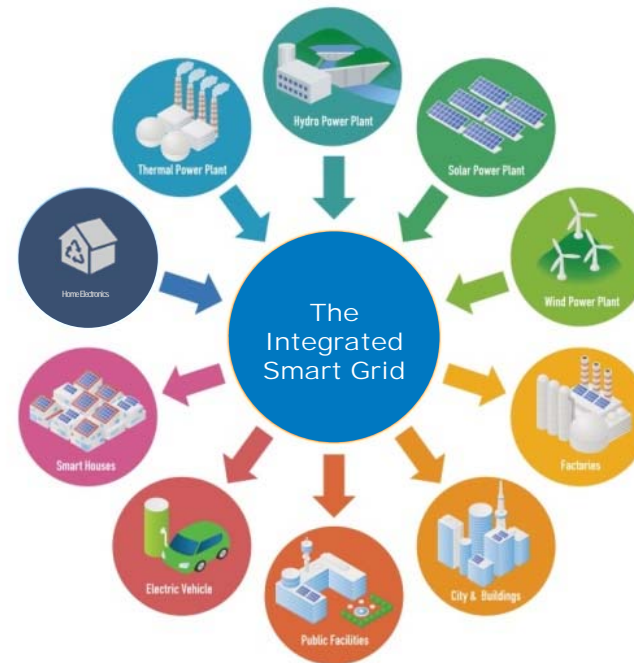


Path #3: smart grid

For 129 years PGE has excelled at integrating generation resources at the wholesale level to provide safe, reliable power. End-use electrification requires similar investments and expertise to integrate resources at the distribution level via the smart grid

Smart grid

- **New communication systems**
- **Distributed automation systems**
- **Data analytics**
- **Integrate customers' energy resources**
- **Utility-scale and residential battery storage**
- **New customer information system**



Path #3: smart grid and smart cities

Smart cities

- Built on smarter energy infrastructure
- Leverage the power of data and technology
- Improve sustainability
- Spur economic development
- Enhance the overall quality of life for their citizens





Social

At PGE our core values help define our culture, identity and beliefs

Champion relentless safety

Embrace diversity and inclusion

Act with integrity by living our
Guiding Behaviors

Listen and lead the way

Serve customers boldly

Be a great neighbor



Investing in our customers, community and employees



Customers

- JD Power ranked PGE #1 utility for business customer satisfaction
- #1 renewable energy program in the nation according to NREL
- Ensure universal access at equitable and affordable prices
- Protecting customers through rigorous emergency preparedness and cybersecurity efforts



Community

- \$4.3m donated to more than 1200 community organizations annually
- 48,000 hours of employee volunteer time contributed annually to help the community
- \$800,000+ and 6,000 volunteer hours contributed to skilled trades and CTE-STEM programs
- 52,000+ electric safety books mailed to schools



Employees

- \$140,000+ given annually for tuition reimbursement
- Pre-Apprentice training and Lineman rodeo
- 68,293 employee learning hours in 2017
- 478 unique employee training classes offered
- 83% employee engagement rating and extensive focus on further engagement efforts



Cyber security

- Enhancing our capabilities to protect, detect and respond across the enterprise
- 11 projects underway to reduce attack surface, increase visibility to malicious events, mitigate vulnerabilities and increase awareness
- Strong partnership across information, operational and customer technology teams
- Number of attempted intrusions up dramatically over the last 3 years



Questions?



PGE investor relations team

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PGE White Papers

White papers published to articulate a clear vision

