



PGE Plan Focuses on Renewables and Efficiency

Builds on Diverse Energy Portfolio to Meet Customer Needs While Preparing for New Technologies

PORTLAND, Ore., Jul 11, 2007 (BUSINESS WIRE) -- Portland General Electric Company (PGE) (NYSE:POR) has filed a new Integrated Resource Plan (IRP) with the Oregon Public Utility Commission (OPUC). The plan describes an energy supply strategy for 2008 through 2015 that targets additional renewable resources, energy efficiency, demand-side resources, and power purchase agreements of varying terms. The plan also envisions the purchase of additional capacity to assure reliability under peak-demand situations and help with the integration of variable wind generation.

"Our customers want and expect PGE to meet growing demand, protect the environment, and keep prices reasonable," said Jim Lobdell, PGE's vice president for power operations and resource planning. "This plan has been developed carefully over 18 months of research and discussion with customer groups, regulators, and outside experts to help us achieve those goals by building on an already diverse portfolio of hydro, natural gas, coal and wind generation resources."

The IRP planning process is designed to identify the best combination of least cost and least risk energy resources available, taking into account factors such as environmental impacts, fuel supply availability and price volatility, and the ability of different kinds of resources to be dispatched to meet demand.

Plan highlights

-- Continued development of the Biglow Canyon wind project in Sherman County, Ore. PGE expects to erect wind turbines with a total maximum generating capacity of between 400 and 450 megawatts. The project will be completed in three phases and should provide enough power to supply about 100,000 homes. The first phase is currently under construction. Although wind power's variability means it must be operated in combination with other resources that can be dispatched on demand, improved technology, the ability to operate without costly fuels and favorable tax treatment have combined to make it possible for new wind facilities such as Biglow Canyon to be cost-competitive.

-- Procure an additional 218 average megawatts of renewable power, which in combination with Biglow Canyon and other existing renewable resources will help PGE meet Oregon's new Renewable Energy Standard. The new standard requires PGE to meet 15 percent of load with renewable energy by 2015.

-- Expansion of energy efficiency programs in partnership with the Energy Trust of Oregon. The goal is to increase the amount of load met through efficiency measures by an additional 45 megawatts by 2012, beyond the amount already targeted by the Energy Trust.

-- Reduced reliance on volatile energy markets through purchase power agreements of 5 to 10 year duration, helping to stabilize customer prices and meet demand for electricity while giving new technologies time to mature and become cost-effective.

Meeting the challenge of load growth

PGE anticipates that baseload demand for electricity in the company's service territory - the basic, day to day amount of electricity needed to serve customers - will increase by approximately 2.2 percent per year. Combined with expiration of existing supply contracts, this growth will result in an expected gap between demand and available resources of 818 average megawatts by the year 2012. Forecasted peak load, however, continues to grow faster than baseload needs. In the summer, this is driven largely by increased use of air conditioning. Measures called for in the new IRP to help meet peak demand include:

-- Expansion of the company's successful dispatchable standby generation program - where customers with large-scale backup generators make those resources available to help meet demand in times of unusually high demand.

-- Additional demand-side measures such as direct load control, which allows remote adjustment of heating and cooling equipment to help moderate peak demand.

-- Acquisition of 100 megawatts of peaking capacity - through ownership or contract - to help with integration of variable wind resources and to meet winter and summer peak needs.

"We're building new resources like Biglow Canyon and Port Westward while enhancing existing workhorses like our Boardman plant and Pelton Round Butte hydro project so that they can continue to serve our customers' daily demand for cost-effective power," Lobdell said. "This IRP builds on those efforts while helping us to bridge the gap to developing technologies that may prove to be new workhorses for the future."

Exploring new technologies

Several new technologies not yet targeted in this plan are highlighted for their potential to play a significant role in helping meet customers' energy needs on a commercial scale in future resource plans. Promising areas include wave energy, solar and clean coal. On the demand side, PGE is actively supporting research into technology for appliances that automatically sense the need for temporary load reductions to help assure reliability of the electrical grid. PGE is also monitoring developments with emerging technologies like carbon capture and storage, and will continue to evaluate developments in this area as part of its ongoing resource-planning process.

The planning process

Following guidelines provided by the OPUC, PGE formulated its plan to address the baseload and peak demand gaps and lay the groundwork to meet future demand in a process that included seven public meetings with presentations from independent experts concerning regional load and resource adequacy, energy efficiency, and PGE customers' attitudes and preferences toward power supply. The company also conducted extensive research on expected future availability and costs for various resource types and fuels, as well as future technology and policy developments that could affect power supply portfolio choices. Studies undertaken included the impact of local climate change, potential federal and state climate change legislation, wind integration impacts, and transmission congestion.

What's next?

Submission of the IRP to the OPUC begins a process of up to six months, during which PGE will respond to questions and solicit feedback from stakeholders and the OPUC staff. Once that process is complete, the plan becomes final if the OPUC determines that the plan as a whole appears reasonable and issues an order acknowledging it.

PGE will work with the OPUC and stakeholders to determine how best to identify and decide on the most appropriate options to secure the energy supply and peak capacity resources identified in the plan. That could include issuance of a request-for-proposals (RFP) or series of RFPs for both supply and demand side alternatives.

Learn more

More information is available on www.PortlandGeneral.com, including the Integrated Resource Plan's executive summary as well as the complete plan.

About Portland General Electric Company

Portland General Electric, headquartered in Portland, Ore., is a fully integrated electric utility that serves more than 796,000 residential, commercial and industrial customers in Oregon. Visit our Web site at www.PortlandGeneral.com.

Safe Harbor Statement

All statements contained in this press release that are not historical facts are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. They are not guarantees of future events. Rather, they are based on current expectations, estimates, beliefs and assumptions and are subject to uncertainties that are difficult to predict. As a result, actual events or results may differ materially from the statements made. Forward-looking statements made in this press release include statements regarding the company's energy strategy for future periods, the expected gaps in future periods between demand and available resources, the expected completion and generating capacity of the first phase of the Biglow Canyon project, the effectiveness of energy efficiency initiatives in decreasing energy consumption, the Company's achievement of a portfolio that is 15 percent renewable energy by 2015, the company's expected reduction in reliance on volatile energy markets, the anticipated increase in baseload and peak demand for electricity in the Company's service territory and the acquisition of additional capacity to meet such demand, the anticipated role of new technologies in helping meet future energy needs, and the anticipated acknowledgment of the Integrated Resource Plan by the OPUC. These forward-looking statements are based upon our assumptions about and assessment of the future, which may or may not prove true, and involve a number of risks and uncertainties including, but not limited to, risk factors detailed in the Company's most recent Annual Report on Form 10-K, the Company's reports on Form 10-Q and other filings with the United States Securities and Exchange Commission.

POR-F

Source: Portland General Electric Company

SOURCE: Portland General Electric Company

PGE

Steve Corson, 503-464-8444

Copyright Business Wire 2007

News Provided by COMTEX