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## **PGE to Build Additional Natural Gas Plant at Port Westward**

*Project selected through competitive bidding process to fulfill capacity needs*

Portland General Electric Company (NYSE: POR) today announced its proposed Port Westward Unit 2 flexible generating resource, to be located near Clatskanie, was selected as the successful bid in a capacity request for proposals to help meet customer needs and provide system reliability. PGE will begin construction of the plant this year, and expects to have the new resource online in 2015.

Port Westward Unit 2 was the company's benchmark proposal in a competitive bidding process seeking approximately 200 megawatts of flexible peaking capacity. The process was initiated in 2011 and overseen by an independent evaluator who reports to the Oregon Public Utility Commission.

"Port Westward Unit 2 will be an important, versatile resource to meet our customers' current and future needs," said Jim Piro, PGE's president and CEO. "The new natural gas plant will be a highly efficient and environmentally responsible facility designed for maximum flexibility to help meet real-time fluctuations in customer demand and integrate variable renewable resources like wind and solar into PGE's system. It will also serve as a 'peaking' resource during periods of high demand, helping maintain system reliability."

The 220-megawatt plant will be located adjacent to PGE's existing natural gas-fired Port Westward and Beaver plants in Columbia County. The project will create up to 200 new construction jobs, and is expected to cost between \$285 million and \$310 million, excluding allowance for funds used during construction.

Port Westward Unit 2 will use reciprocating engine gensets supplied by Wärtsilä. Black & Veatch and Oregon-based Harder Mechanical, as a contractual joint venture, will have the turnkey contract for construction of the project.

The RFP was conducted pursuant to competitive bidding guidelines established by the OPUC, using objective scoring criteria intended to identify projects that will provide the best balance of cost and risk while meeting PGE customers' needs for reliable, affordable electric power.

The RFP also sought 300 to 500 megawatts of baseload energy resources, as well as seasonal capacity resources. PGE has completed its evaluation of bids. The company will begin negotiations soon with the top bidder from the final short list of baseload projects. The bids on the final short list include power purchase agreements and PGE-ownership options. PGE intends to ask the independent evaluator to monitor the negotiations for the baseload resource. The company will also conduct negotiations to secure power purchase agreements for the seasonal capacity resources.

Accion Group Inc., the independent evaluator selected by the OPUC, oversaw the RFP and review of bids to assure an objective and impartial process. On Jan. 30, 2013, the independent evaluator gave the OPUC a final assessment of the bid scoring and final short list selection, and a closing report with a detailed assessment of the process. The independent evaluator report confirmed "the RFP was conducted in a fair and unbiased manner and that the Final Short List accurately identified the Bids with the most value for PGE customers." The report and more information about the competitive bidding process are available at [PortlandGeneralRFP.accionpower.com](http://PortlandGeneralRFP.accionpower.com).

PGE also issued a separate RFP last year, seeking approximately 100 average megawatts of renewable power to help meet Oregon's Renewable Energy Standard. The company is currently evaluating the bids received. Final selections are expected by June 2013, and PGE expects the resources acquired will be brought into the company's portfolio in the 2013-2017 timeframe.

**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](http://PortlandGeneral.com).*

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