



PGE Proposes Acquisition of One of Largest Wind Power Sites in The Nation; Gov. Ted Kulongoski Applauds PGE's Efforts for More Wind Energy

PORTLAND, Ore., Apr 11, 2006 (BUSINESS WIRE) -- Portland General Electric (NYSE:POR) today announced it has executed an agreement with Orion Energy, LLC to acquire the development rights for the 25,000-acre Biglow Canyon Wind Farm in Sherman County, Ore. The Oregon Public Utility Commission (OPUC) is currently reviewing the agreement and is expected to announce its recommendation in the next several weeks. If the agreement is approved by the OPUC, Portland General Electric (PGE) could develop between 350 and 450 megawatts (MW) of wind energy capacity at the site, which could produce enough electricity to power 100,000 homes. It would be one of the largest wind power projects in the nation.

"Oregon must lead by example in its production of energy, and I applaud PGE for taking steps in helping get more wind power in our state's energy mix," said Oregon Gov. Ted Kulongoski. "This is the kind of project that will help achieve my goals of meeting 25 percent of the state's electricity through renewable energy sources by 2025 and 100 percent renewable energy in state government by 2010."

PGE officials said the agreement fits well with what customers want and with the company's goal to minimize energy price volatility by reducing exposure to fuel costs.

"If we get approval to acquire these development rights, we will be taking a significant step toward positioning ourselves to further shift our supply portfolio away from more volatile fuel sources," said Jim Lobdell, PGE vice president of power operations and resource strategy. "This site holds a lot of promise, but it is important to note that the construction planning is at an early stage. If the economics of developing the project continue to pencil out, our plan is to develop the site in phases over time, not all at once."

The proposed acquisition of the development rights would enable PGE to hold wind easements from more than 23 private landowners in Sherman County for a term of 30 years or more. Orion Energy worked with local representatives of these landowners, collectively known as Praise the Wind, Inc., to develop and execute the wind easements. The land is currently used as farm and pasture land and will largely stay that way given the small footprint of modern wind projects.

Orion Energy is the developer of Biglow Canyon and is working with the Oregon Department of Energy's Energy Facility Siting Council to obtain a site certificate for the project. Orion Energy also has been working closely with Sherman County throughout the development process to ensure the project meets local needs. Additionally, the Bonneville Power Administration (BPA) will provide engineering and construction expertise to develop the transmission infrastructure and connect the project into the region's grid.

"This certainly is a project with true cooperation at its core," Lobdell said. "Sherman County landowners and Orion Energy, in addition to BPA, did a tremendous job bringing the project agreement together and helping shape it to meet our needs. These landowners and organizations will be instrumental in helping us move the project forward, if it is approved and deemed feasible."

"We are very pleased to be working with PGE and Sherman County to bring additional supplies of clean, renewable energy to Oregon," said Reid Buckley, Orion Energy vice president for development. "We value PGE's strong commitment and leadership in renewable energy and look forward to continuing to work with them."

Turbines needed to make project a reality

PGE proposes to construct the wind farm in three phases during a five-year timeframe. In its first phase, PGE would install enough wind turbines at the site to produce about 126 MW of capacity, which could power up to 32,000 homes. Depending on the availability of turbines and other factors such as regulatory approval, phase one could be completed as early as the end of 2007.

"One of the challenges for any organization developing a new wind project today is finding a source of quality wind turbines that are competitively priced and available when needed," Lobdell said. "We want turbine manufacturers to know that if they have a product that meets those broad parameters, we would be very interested in having discussions."

This first phase would help PGE fulfill its 200 MW (65 average MW) wind power target from the company's most recent Integrated Resource Plan. Under that plan's resource strategies, PGE customers already receive all 75 MW of wind capacity from PPM Energy's Klondike II wind farm in Sherman County through a 30-year agreement that began

last fall.

PGE also is active in securing an extension to the federal production tax credit (PTC), which helps renewable power producers reduce the price of their power offerings so they are more competitive with the pricing of traditional energy sources on the market. Lobdell said the PTC will be a critical component in the development of the Biglow Canyon project.

PGE currently is first in the nation for residential renewable energy sales through its retail sign-up program, which gives customers the opportunity to have more renewable energy delivered to the electrical grid than what is provided from the standard mix. At the end of 2005, a total of 40,579 PGE residential and commercial customers participated in one of the company's three retail renewable power options, a 21 percent increase throughout the year and an eight-fold increase since 2001.

About Portland General Electric Company

Portland General Electric, headquartered in Portland, Ore., is a fully integrated electric utility that serves more than 780,000 residential, commercial and industrial customers in Oregon. Visit our Web site at PortlandGeneral.com

About Orion Energy, LLC

Orion Energy, LLC, headquartered in Oakland, Calif., is a leading wind energy company with world-class expertise in the development, finance, construction and operation of wind power projects throughout the United States. Visit their Web site at Orion-Energy.com.

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. Forward-looking statements may be identified by words including, but not limited to, "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 matters and events related to extension of the federal production tax credit; investigations by the City of Portland, Oregon, with regard to rates charged by the Company and possible attempts to set rates for PGE customers located within the city; approvals of the Oregon Public Utility Commission; obtaining the necessary site certificate, the cost and timing of the purchase of wind turbines. As a result, the outcome of various legal and regulatory proceedings 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 the date hereof. The Company assumes no obligation to update any such forward-looking statement. 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 Operations and the risks described therein from time to time.

SOURCE: Portland General Electric

PGE Scott Simms, 503-464-7342

Copyright Business Wire 2006