

# Investor Presentation

PORTLAND GENERAL ELECTRIC  
FEBRUARY 16, 2023



**An Oregon kind of energy.**

# Cautionary statement

## Information Current as of February 16, 2023

Except as expressly noted, the information in this presentation is current as of February 16, 2023 – the date on which PGE filed its Annual Report on Form 10-K for the year ended December 31, 2022 – 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. 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 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," "based on," "believes," "conditioned upon," "considers," "estimates," "expects," "forecast," "goals," "impacts," "intends," "needs," "plans," "predicts," "projects," "promises," "seeks," "should," "subject to," "targets," 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 materials 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; the costs of 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 and cost of purchased power and fuel; the development of alternative technologies; changes in capital and credit market conditions, including volatility of equity markets, 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 a PSPS and de-energize its system in the event of heightened wildfire risk; cyber security breaches of the Company's customer information system or operating systems, data security breaches, or acts of terrorism, 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; PGE business activities are concentrated in one region and future performance may be affected by events and factors unique to Oregon; widespread health emergencies or outbreaks of infectious diseases such as COVID-19, 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; and risks and uncertainties related to 2021 All-Source RFP final shortlist projects. 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](http://www.sec.gov) and on the Company's website, [investors.portlandgeneral.com](http://investors.portlandgeneral.com). Investors should not rely unduly on any forward-looking statements.

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# The Company



# PGE at a glance

## Quick facts

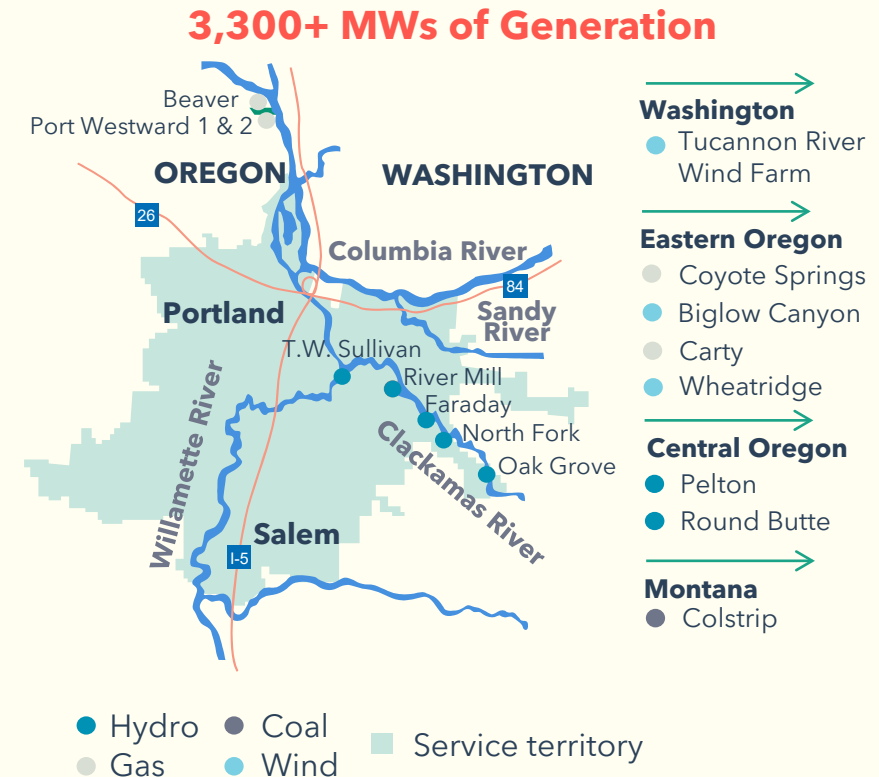
- Vertically integrated electric utility encompassing generation, transmission and distribution
- Approximately 926,000 retail customers within a service area of approximately 1.9 million residents<sup>(1)</sup>
- Roughly half of Oregon's population lives within PGE service area, encompassing 51 incorporated cities entirely within the State of Oregon
- Roughly two-thirds of Oregon's commercial and industrial activity occurs in PGE service area

## Leading the way to a clean energy future for Oregon

- Our goals align with the 100% clean energy by 2040 framework as mandated by ORS 469A.410<sup>(2)</sup>. The targets to reduce baseline greenhouse gas emissions from power served to Oregon retail customers are:
  - 80% reduction in greenhouse gas emissions by 2030
  - 90% reduction in greenhouse gas emissions by 2035
  - 100% reduction in greenhouse gas emissions by 2040

(1) As of December 31, 2022

(2) ORS 469A.410 is an Oregon statute that sets a timetable for Oregon's electricity providers to eliminate emissions associated with power used to serve retail customers in Oregon by 100% by 2040



## Financial snapshot

- 2022 revenue: \$2.6 billion
- 2022 diluted earnings per share: \$2.60 GAAP, \$2.74 adjusted non-GAAP
- Net utility plant assets: \$8.0 billion<sup>(1)</sup>



# Investment thesis

## Investing in a reliable and clean energy future

- Adopting 100% clean energy framework mandated by ORS 469A.410
- Procuring 2,000 to 3,000 MW of renewable generation and 1,000 MW of non-emitting capacity through multi-stage RFP processes through 2030

## High-growth service area

- Urban service territory with strong growth in residential and high-tech industrial segments
- Strong in-migration, growing number of customer connects and 2% long-term load growth, through 2027

## Building a smarter more resilient grid

- Investing in our system to maintain and increase resiliency to mitigate against extreme weather and wildfires
- Modernizing our grid with a community-centered distribution system to advance environmental justice, accelerate distributed energy resources and maximize grid benefits

## Constructive regulatory environment

- Regulatory mechanisms to recover costs and add renewables, including a Renewable Adjustment Clause, and forward test year
- Vertically integrated, regulated utility

## Focusing on operational effectiveness and efficiency

- 5% to 7% long-term EPS growth from 2022 adjusted base year, and 5% to 7% long-term dividend growth guidance<sup>(1)</sup>
- Continuing to implement efficiencies and manage costs through technology

## Delivering exceptional customer experiences

- No. 1 ranked renewable power program in the United States for 13 years<sup>(2)</sup>
- Named a 2022 Environmental Champion Utility for PGE's environmental stewardship efforts on behalf of customers<sup>(3)</sup>

(1) The amount and timing of dividends payable and the dividend policy are at the sole discretion of the Portland General Electric Board of Directors and, if declared and paid, dividends may be in amounts that are materially less than projected. EPS estimates and projections are based on assumptions and there can be no assurance regarding the amount of future earnings consistent with earnings guidance

(2) National Renewables Energy Laboratory. NREL did not release rankings in 2011

(3) Escalent Cogent Syndicated Utility Trusted Brand & Customer Engagement: Residential management advisory study



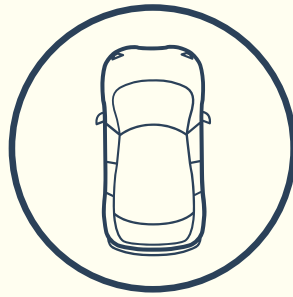
# Strategy for a Clean Energy Future

## Strategic Goals



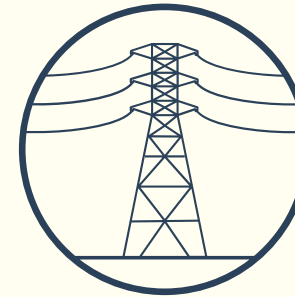
### Decarbonize Power

Reduce greenhouse gas emissions from power served to Oregon retail customers by at least 80% by 2030 and 100% by 2040



### Electrify the Economy

Increase beneficial electricity use to capture the benefits of new technologies while building an increasingly clean, flexible and reliable grid



### Advance our Performance

Improve efficiency, safety and system and equipment reliability while maintaining affordable energy service and growing earnings per share 5% to 7% annually

## How we are achieving our goals

### Accelerating the clean energy transformation

- Integrated Operations Center, smart grid test beds
- Wheatridge Renewable Energy Facility
- Clearwater Wind Project
- Procuring 2,000 to 3,000 MW of renewables and 1,000 MW of non-emitting capacity through 2030

### Delivering cleaner, integrated customer solutions

- Improving our customer experience through new digital payment platforms and a new website
- Expanding EV infrastructure through make-ready investments
- EV Transit Partnerships

### Increasing operational efficiency

- Leveraging technology to drive efficiency: advanced metering, outage mapping, restoration estimation
- Executing our capital plan
- Improving procurement management and increasing supplier diversity

**We are taking a holistic approach to decarbonizing the power supply while continuing to provide reliable, affordable energy to everyone we serve**

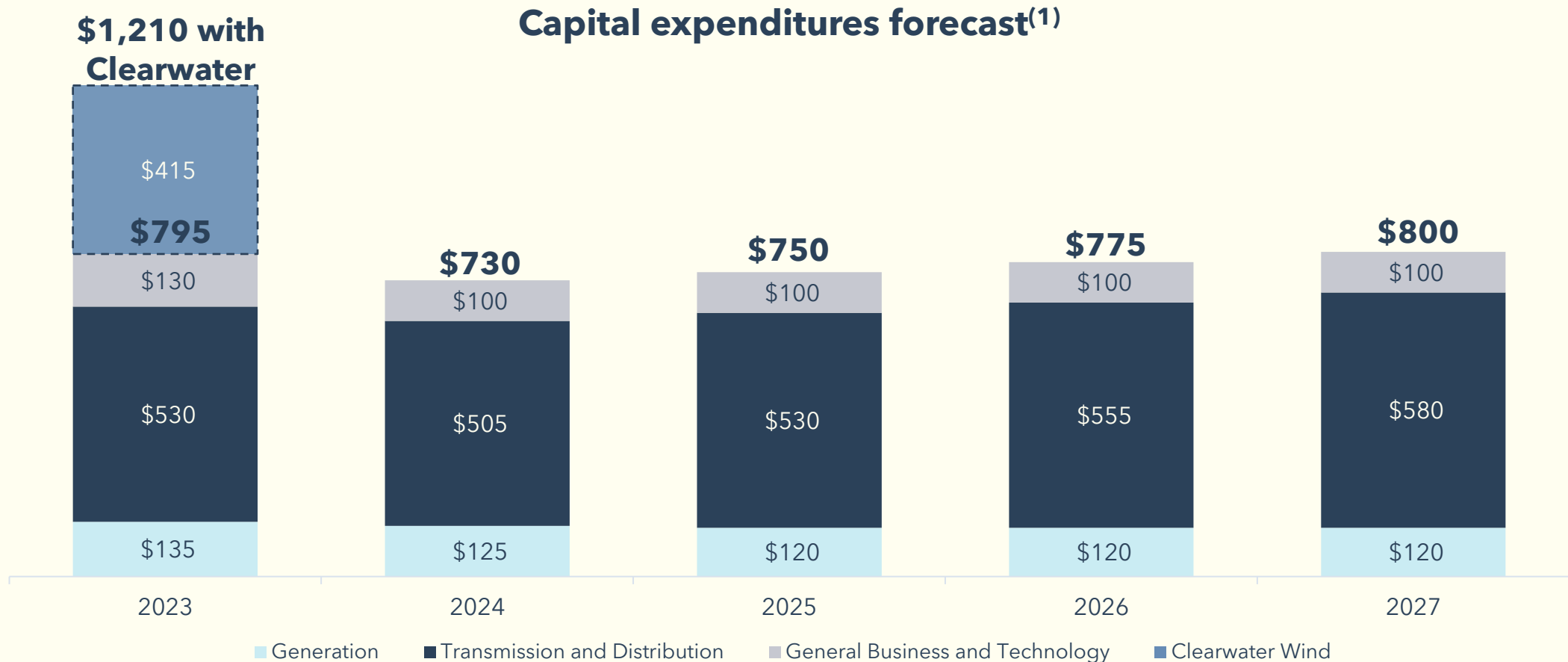


# Diverse, growing service area

- Growing **core urban service area** with strong population growth supporting services (government, education, restaurants, healthcare, and other services)
- **I-5 corridor** and port access provide opportunity for transportation and warehousing and market access for traditional manufacturing (wood products, food, metals)
- **'Silicon Forest' high tech cluster** includes R&D and component manufacturing. Hillsboro fiber infrastructure provides unique opportunity for continued data center development
- Residential customers accounted for 38% of retail deliveries in 2022, commercial 34%, industrial 28%
- Strong industrial load growth in recent years, 6.8% CAGR from 2017-2022
- Forecast long-term annual energy deliveries growth of 2% driven by growth in high-tech industrial customers and stability in residential and commercial class, as increases in customer count are offset by more efficient usage



# Reliability and resiliency investments



Note: Dollar values in millions. Capital expenditures exclude allowance for funds used under construction. These are projections based on assumptions of future investment. Actual amounts expended will depend on various factors and may differ materially from the amounts reflected in this capital expenditure forecast

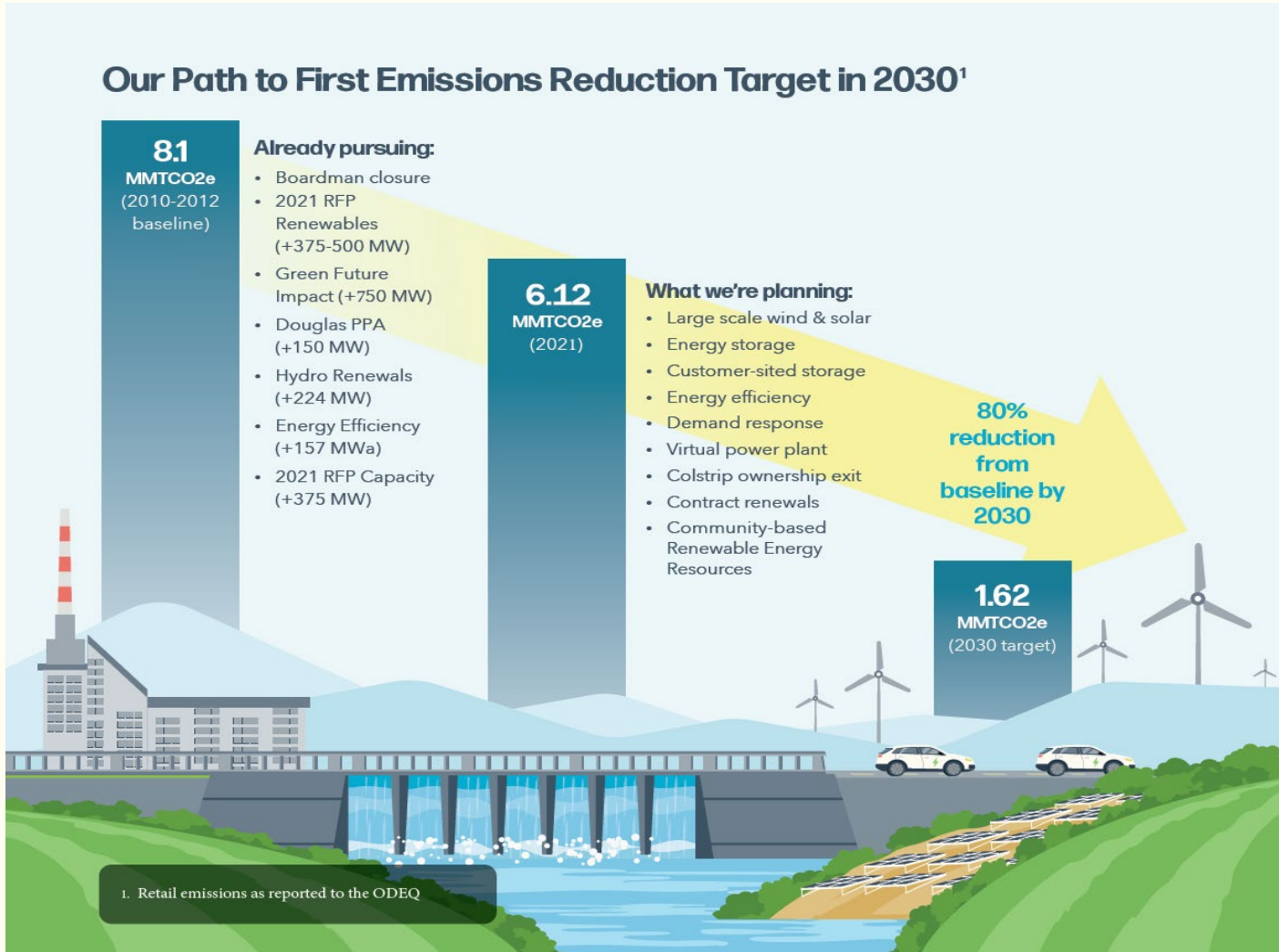
(1) Values presented do not include incremental potential RFP investments for the 2021 RFP or future RFP cycles





# Clean energy transition

Advancing toward a clean energy future



## PGE has taken significant steps to decarbonize its system:

- 2021 emissions 24% below HB 2021 baseline levels (average emissions 2010-2012)
- 2022 decarbonization data released with the release of PGE's Environmental, Social and Governance (ESG) report in March 2023

## Meaningful steps underway to meet 2030 emissions targets:

- Removing coal from our portfolio to meet our legislative requirement
- Procuring approximately 2,000 to 3,000 MW of renewable generation and 1,000 MW of non-emitting dispatchable capacity resources via multi-stage RFP processes

## Our decarbonization strategy is multi-faceted to support reliable and affordable power:

- Clean energy
- Customer-sited solutions
- Technology and innovation
- Regional solutions to resource adequacy



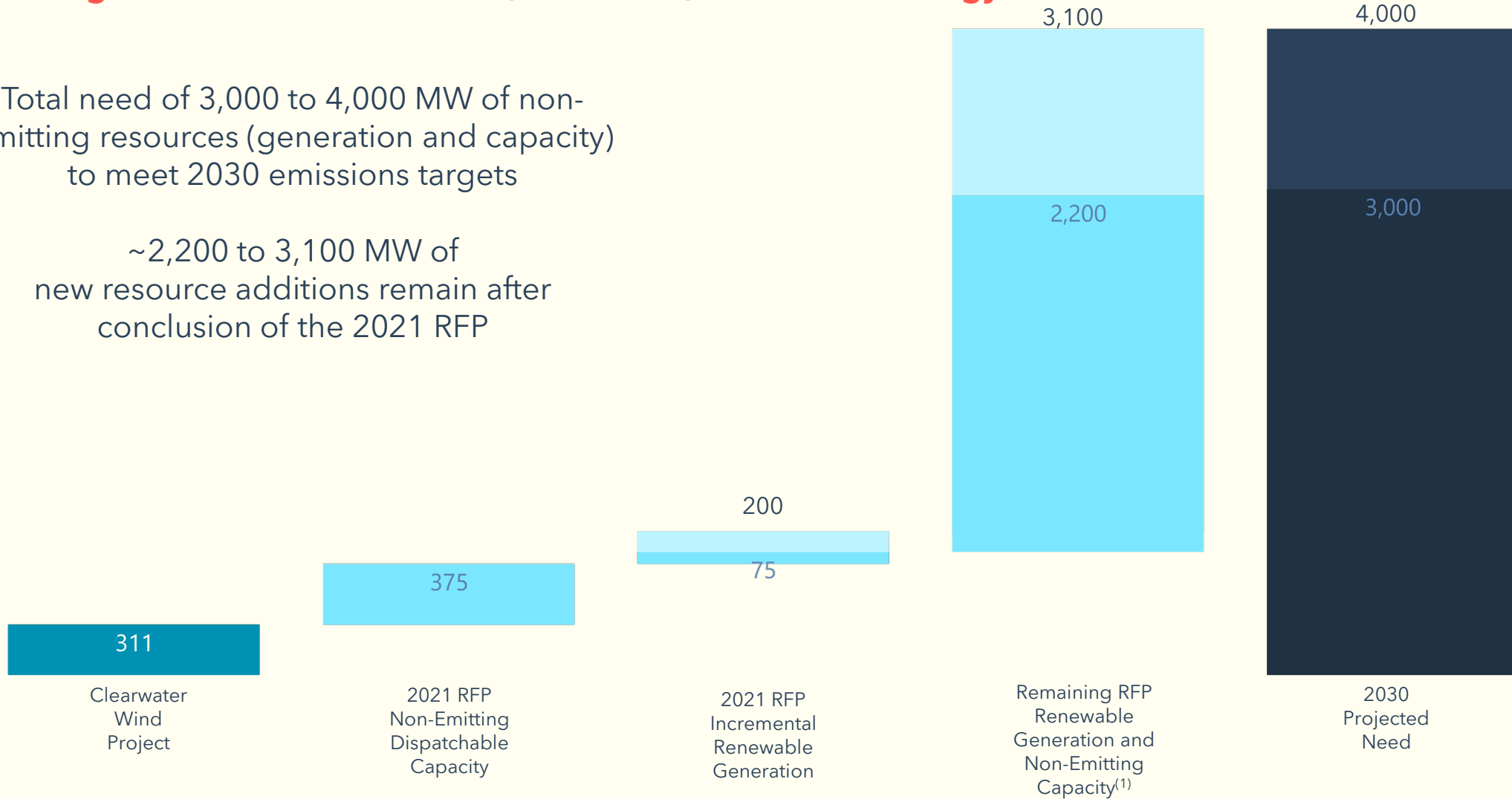
# Investing in a clean energy future

Charting the course toward a clean, affordable, and reliable energy future

Total need of 3,000 to 4,000 MW of non-emitting resources (generation and capacity) to meet 2030 emissions targets

~2,200 to 3,100 MW of new resource additions remain after conclusion of the 2021 RFP

Megawatts



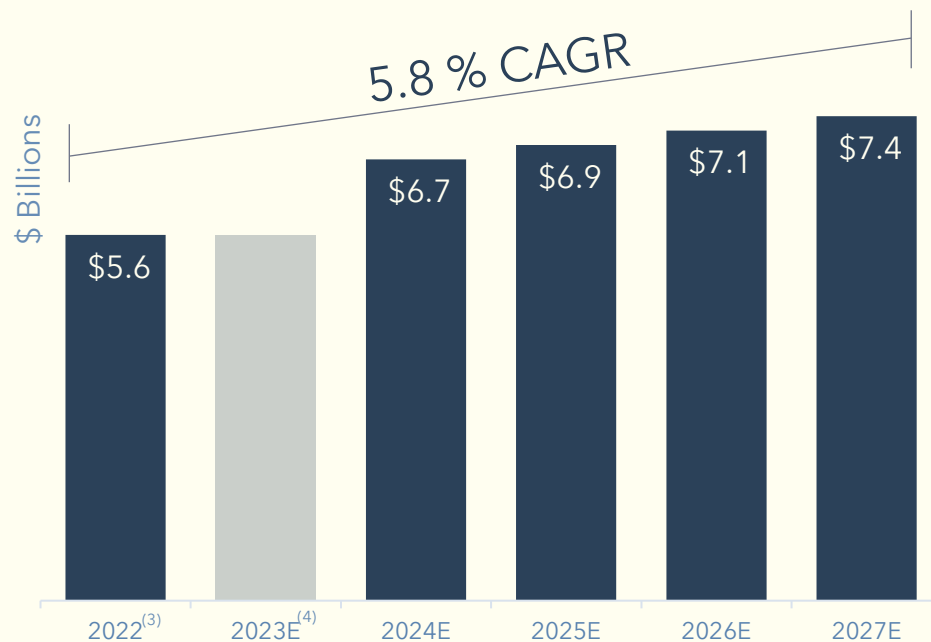
(1) Remaining 2030 projected need after the conclusion of the 2021 RFP will be procured via serial procurement cycles through 2030



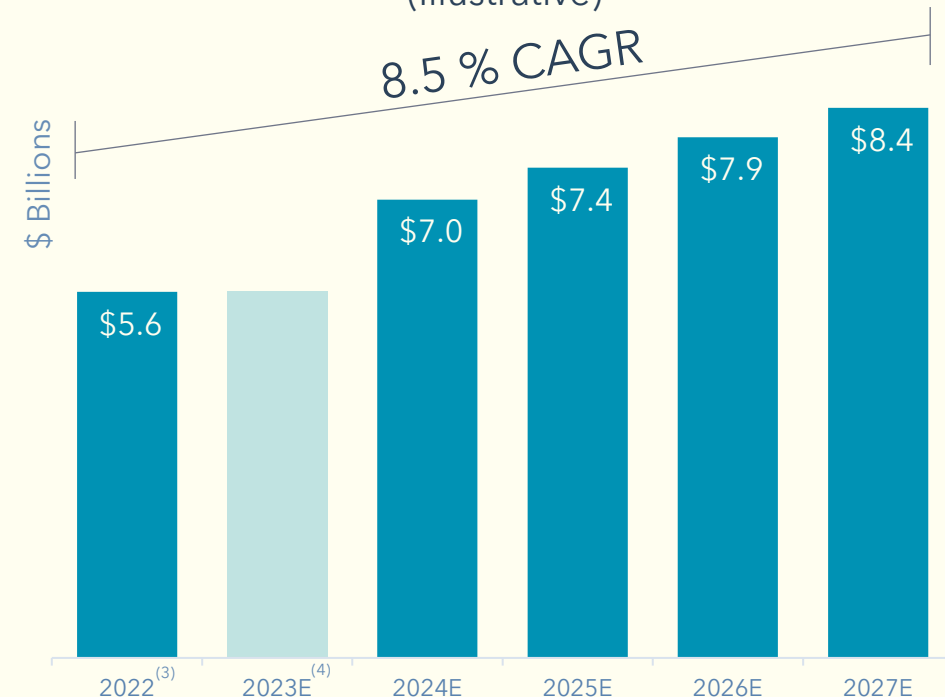
# Illustrative rate base growth

- PGE's five-year base plus Clearwater Wind capital expenditure forecast of \$4.3 billion drives 5.8% rate base growth from 2022 base year
- Illustrative incremental RFP opportunities<sup>(1)</sup> potentially increase rate base growth to 8.5%, from 2022 base year
- Amounts presented below are for illustrative purposes and represents potential values based on the assumptions outlined below. Amounts do not represent guidance and actual amounts may differ materially

Rate Base: Base Capital + Clearwater  
(Illustrative)<sup>(1)</sup>



Rate Base: Base Capital + Clearwater + RFP  
Opportunity<sup>(2)</sup>  
(Illustrative)



- (1) Base + Clearwater scenario illustrates the potential impact of the following assumptions: a) 2024 earnings power rate base is assumed consistent with the 2024 GRC value (\$6.3B) plus \$415M spend for the Clearwater wind project in 2023; b) annual capital expenditures from 2024-2027 consistent with current capital expenditures forecast on slide 9; and c) 2023 depreciation and amortization of \$455M (mid-point of 2023 earnings guidance assumption) and 25-year useful life for new asset additions thereafter
- (2) The incremental opportunity from RFPs illustrates the potential impact of the following assumptions: a) a total IRP opportunity of 3,500 MW (mid-point of total resource need of 3,000 to 4,000 MW, including both energy and capacity resources); b) 25% ownership of the midpoint 3,500 MW opportunity; c) \$2,000 installed cost per KW (based on indicative values for Clearwater); d) RFP projects procured in serial cycles and with evenly spread project spend through 2027 (Note: This is illustrative and actual RFP opportunity spend may be unevenly distributed); and e) 25-year useful life for RFP asset additions
- (3) 2022 rate base value based on UE 394 2022 GRC Rate Base amount, inclusive of Colstrip
- (4) 2024 base rate base value based on UE 416 2024 GRC Rate Base initial filing value



# Update on RFP processes

## Remaining 2021 RFP Milestones

- ❑ **1H 2023** Expected execution of final contracts with additional winning bidders

With the execution of the Clearwater Wind project in Q4 2022, PGE is still seeking approximately:

- 375 MW of non-emitting dispatchable capacity resources that can be used to meet peak customer demand
- 75-200 MW of renewable resources
- 100 MW of renewable energy in support of the Green Future Impact program's PGE supply option

PGE expects to announce winning bids for additional projects in the first half of 2023

If the above targets are not achieved in the 2021 RFP, the 2023 RFP would look to procure the remaining 2021 RFP amounts in addition to the stated need coming from the upcoming 2023 Integrated Resource Plan and Clean Energy Plan

- ❑ **Year-end 2024** Projects expected to be in-service

## 2023 Resource Procurement Plan

- ✓ **January 2023** Filed notice with the OPUC that an RFP in 2023 is needed
- ❑ **March 2023** Filing IRP and PGE's first Clean Energy Plan, outlining PGE's strategy to meet decarbonization targets under Oregon law <sup>(1)</sup>
- ❑ **Fall 2023** Issuance of 2023 All-Source Request for Proposal
- ❑ **Year-end 2023** Final shortlist selection and submission for shortlist acknowledgement to the OPUC



(1) ORS 469A.410 is an Oregon statute that sets a timetable for Oregon's electricity providers to eliminate emissions associated with power used to serve retail customers in Oregon by 80% by 2030, 90% by 2035 and 100% by 2040

# 2024 General Rate Case

Rate Case Key Terms	
Rate Base	\$6.3 billion
Rate Base Increase	\$859 million, 16%
ROE	9.8%
Capital Structure	50/50
Cost of Debt	4.32%
Cost of Capital	7.06%
Revenue Requirement Increase	\$338 million
Key Proposals	<ul style="list-style-type: none"> <li>• Modify Power Cost Adjustment Mechanism (PCAM) structure               <ul style="list-style-type: none"> <li>• Remove deadbands with 90/10 sharing of cost variances</li> <li>• Provide for full cost recovery during reliability contingency events</li> <li>• +/- 2.5% rolling cap on customer price changes year-over-year for cost amounts beyond cap roll to the next year</li> <li>• Update forecast modeling to reflect new market and climate dynamics</li> </ul> </li> <li>• Clarify associated battery storage will be included in Renewable Clause filings</li> </ul>

Management cannot predict the outcome of the rate case and all items are subject to OPUC approval



# Key strengths



# Focus on customers



**Top quartile  
system  
reliability<sup>(1)</sup>**

Edison Electric Institute  
2021

**#1**

**No.1 renewable  
energy program in  
the nation for 13  
years<sup>(2)</sup>**

National Renewables  
Energy Laboratory  
2021



**Environmental  
Champion**

Utility Trusted Brand &  
Customer Engagement™  
Residential Study Escalent  
2022

**#3**

**No. 3 utility in  
the U.S. for  
customer  
experience**

Forrester  
The US  
Customer Experience  
Index  
2022

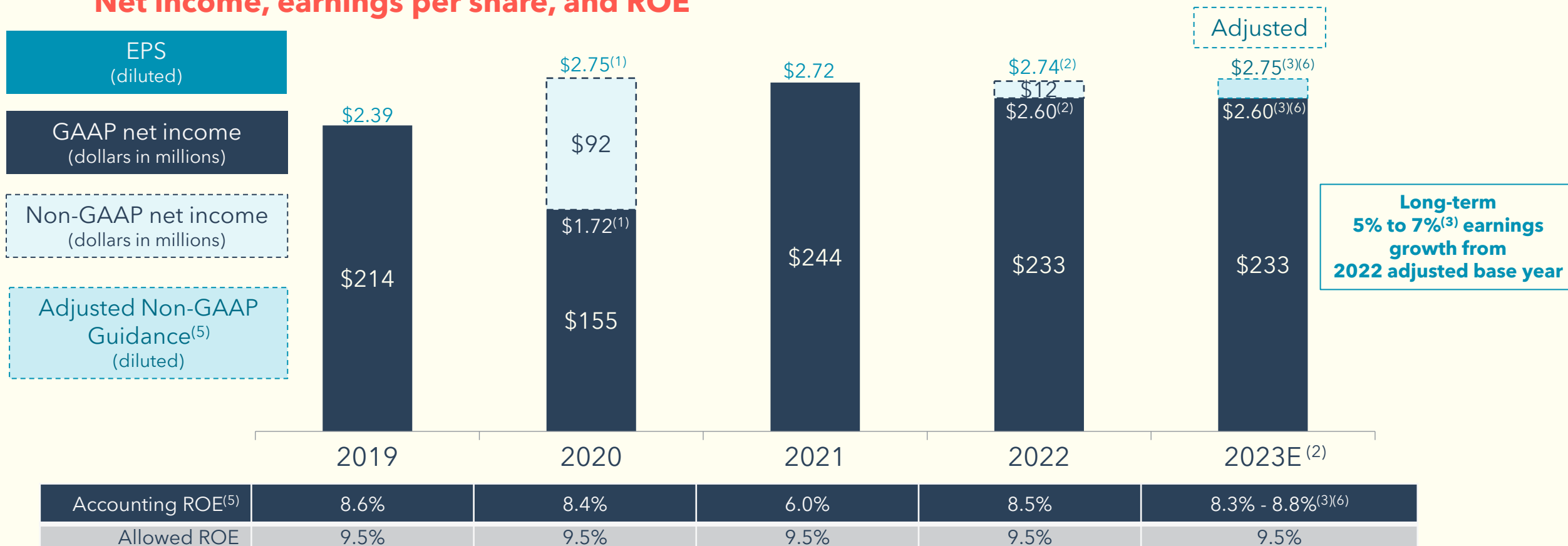


(1) Overall System - SAIFI (Excluding Major Events)

(2) NREL did not release rankings in 2011

# Long-term financial performance

## Net income, earnings per share, and ROE



(1) In 2020 GAAP net income was \$155 million, or \$1.72 per diluted share. After adjusting for the impacts of the Energy Trading Losses, non-GAAP net income was \$247 million, or \$2.75 per diluted share. The net effect of the energy trading losses was \$1.03 per diluted share (see appendix for important information about non-GAAP measures, guidance, and reconciliations)

(2) In 2022, GAAP net income was \$233 million, or \$2.60 per diluted share. After adjusting for the impacts of released deferrals related to 2020, non-GAAP net income was \$247 million, or \$2.74 per diluted share. The net effect of the deferral release was \$0.14 per diluted share (see appendix for important information about non-GAAP measures, guidance, and reconciliations)

(3) Estimates and projections are based on assumptions and there can be no assurance regarding the amount of future earnings consistent with earnings guidance and earnings growth guidance

(4) 2023E Accounting ROE calculated based on Non-GAAP adjusted earnings guidance range of \$2.60 to \$2.75 (see appendix for important information about non-GAAP measures, guidance, and reconciliations)

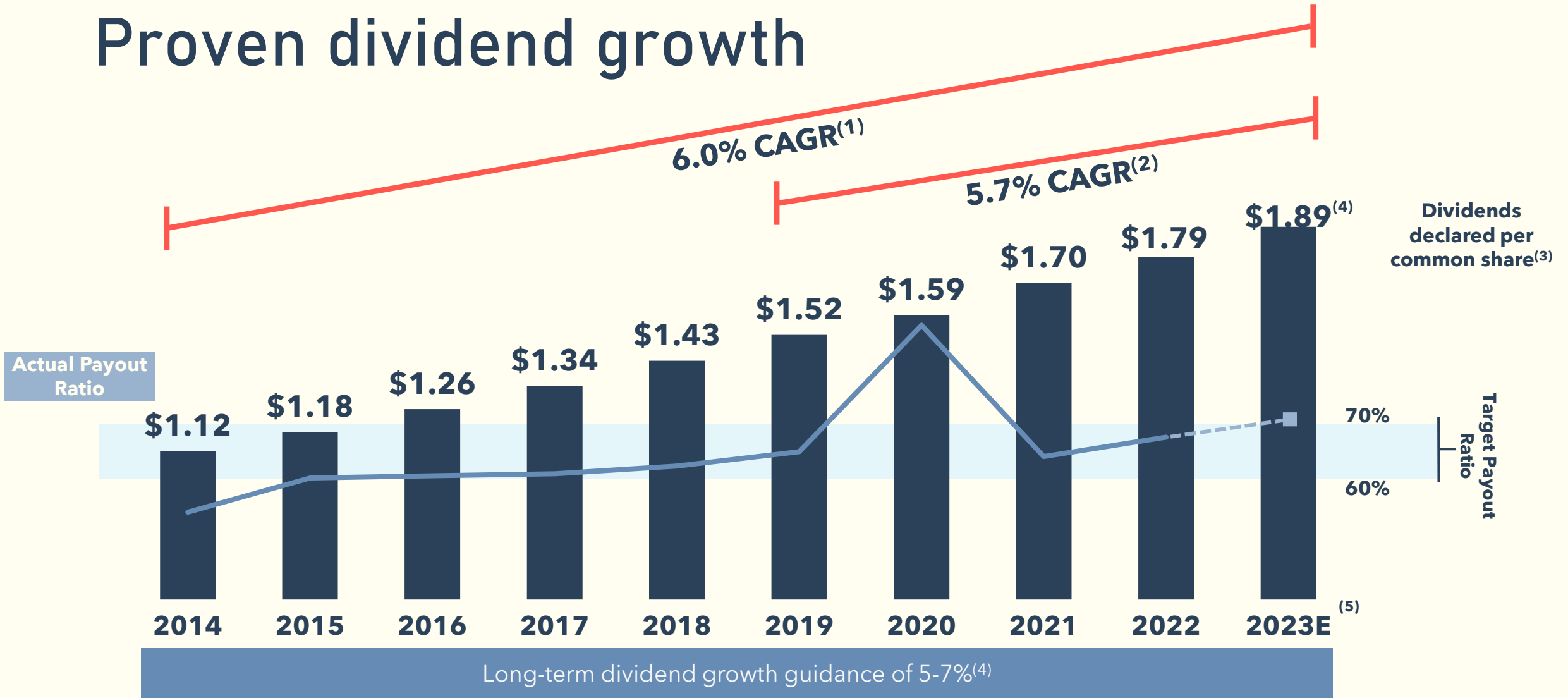
(5) Return on average equity

(6) See appendix for important information about non-GAAP measures, guidance, and reconciliations





# Proven dividend growth



(1) Compound Annual Growth Rate from 2014 through 2023E

(2) Compound Annual Growth Rate from 2019 through 2023E

(3) Represents annual dividends declared per common share

(4) Estimates and projections are based on assumptions and there can be no assurance regarding the amount of future dividends. The amount and timing of dividends payable and the dividend policy are the sole discretion of the Portland General Electric Board of Directions, and if declared and paid, dividend may be in amounts that are less than projected

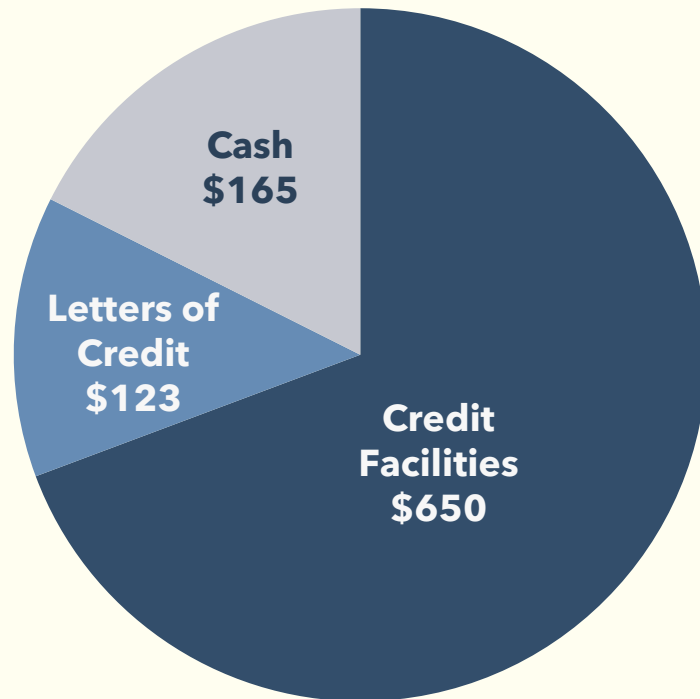
(5) 2023E estimated dividend payout ratio calculated using the midpoint of adjusted earnings guidance of \$2.60 to \$2.75



# Liquidity and financing

## Total Liquidity: \$938 million

as of December 31, 2022 (dollars in millions)

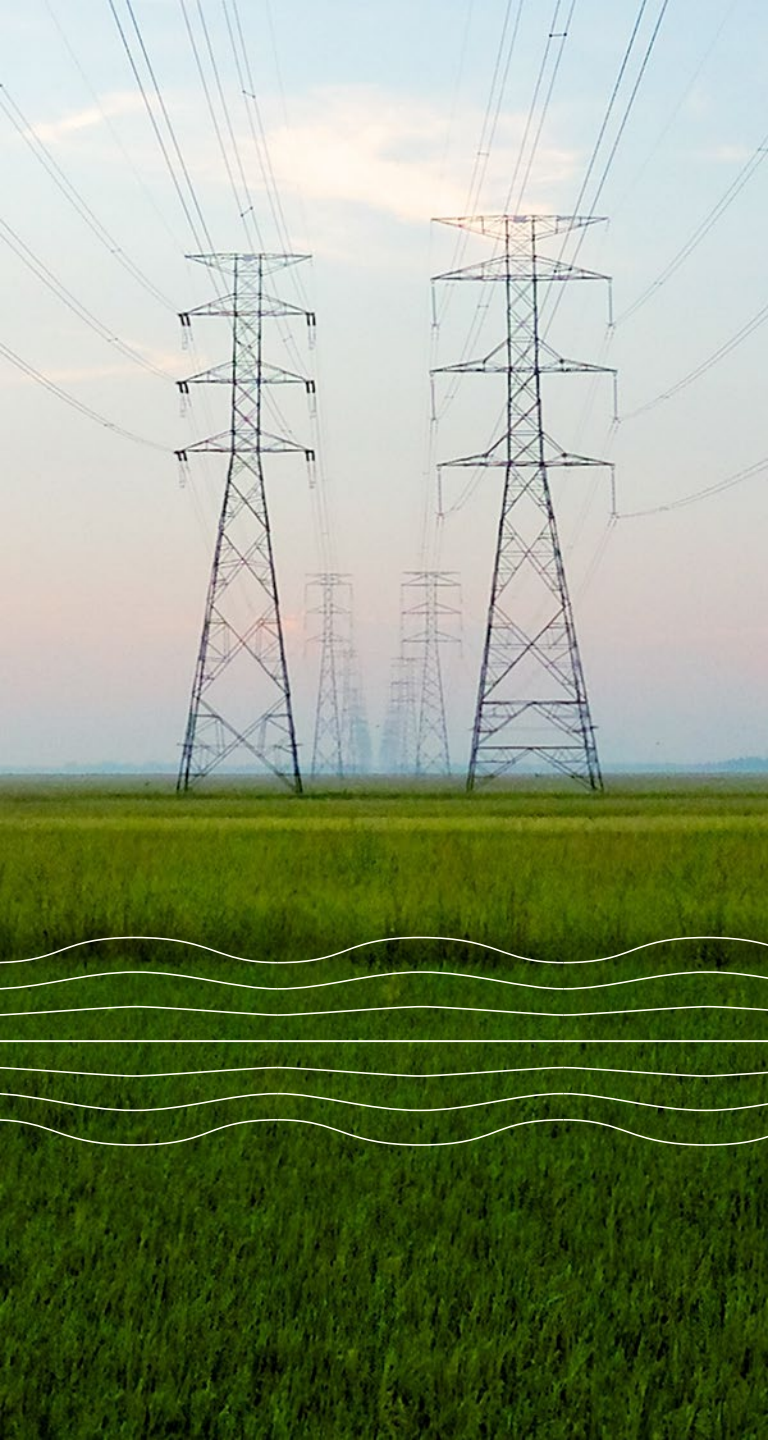


Ratings	S&P	Moody's
Senior Secured	A	A1
Senior Unsecured	BBB+	A3
Commercial Paper	A-2	P-2
Outlook	Stable	Stable

Expected 2023 (dollars in millions)	Q1	Q2	Q3	Q4
Long-term debt	\$100 <sup>(2)</sup>	-	-	\$250
Short-term debt	-	-	-	-
Common equity <sup>(1)</sup>	~\$300	-	-	-

(1) Expected 2023 common equity issuances will be under the existing 2022 Equity Forward Sale Agreement. Remaining draws against the equity forward will be completed by the end of the Agreement's 24-month term. Amounts presented are net of underwriting discount of \$1.23625 per share

(2) Bonds were issued on November 30, 2022 and Bonds were funded in full on January 13, 2023

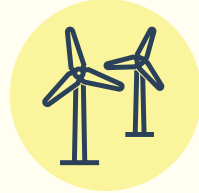


# Environmental, Social and Governance

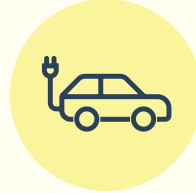


# ESG highlights

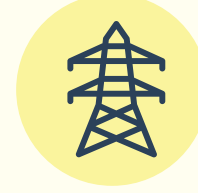
Our strategic goals aim to lead the clean energy future







Decarbonize














Electrify



Perform

 <p><b>Clean Energy and GHG Reduction</b></p>	<p>PGE helped shape groundbreaking legislation in 2021 (HB 2021) that established targets for PGE to</p> <ul style="list-style-type: none"><li>• 80% GHG reduction by 2030</li><li>• 90% GHG reduction by 2035</li><li>• 100% GHG reduction by 2040</li></ul>
 <p><b>Diversity, Equity and Inclusion</b></p>	<p>In 2021, for the eighth year in a row, PGE achieved a perfect score on the Human Rights Campaign Corporate Equality Index and for the third year, Bloomberg's Gender-Equality Index included PGE for commitment to transparency and advancing women's equity.</p>
 <p><b>Green Financing Framework</b></p>	<p>In 2021, we established a Green Financing Framework, issued a \$150 million green bond with net allocated to fund development of renewable energy, and closed on a \$650 million sustainability-linked credit facility.</p>
 <p><b>Management Incentives with Decarbonization</b></p>	<p>Since 2019, our CEO and other executives' incentive awards have been tied to the achievement of goals such as decarbonization, environmental leadership and integrated grid initiatives.</p>

# Diverse and experienced Board

Name	Age	Director Since	Industry/Experience	Diversity	Committee Membership <sup>(1)</sup>	Other Public Boards
 <b>Rodney Brown</b> Independent	66	2007	Law/Environmental/Regulatory	White/Male	<ul style="list-style-type: none"> <li>• Compensation</li> <li>• Finance</li> </ul>	0
 <b>Jack Davis</b> Independent Chair	76	2012	Utilities/Regulatory	White/Male	<ul style="list-style-type: none"> <li>• Governance</li> </ul>	0
 <b>Dawn Farrell</b> Independent	62	2022	Utilities	White/Female	<ul style="list-style-type: none"> <li>• Finance</li> <li>• Governance</li> </ul>	2
 <b>Mark Ganz</b> Independent	61	2006	Healthcare/Law	White/Male	<ul style="list-style-type: none"> <li>• Audit &amp; Risk</li> <li>• Compensation</li> </ul>	0
 <b>Marie Oh Huber</b> Independent	60	2019	Law/Technology	Asian/Female	<ul style="list-style-type: none"> <li>• Compensation</li> <li>• Governance</li> </ul>	1
 <b>Kathryn Jackson</b> Independent	65	2014	Technology/Environmental	White/Female	<ul style="list-style-type: none"> <li>• Audit &amp; Risk, Chair</li> <li>• Finance</li> </ul>	3
 <b>Michael Lewis</b> Independent	60	2021	Utilities	African American/Male	<ul style="list-style-type: none"> <li>• Audit &amp; Risk</li> <li>• Finance, Chair</li> </ul>	1
 <b>Michael Millegan</b> Independent	64	2019	Technology	African American/Male	<ul style="list-style-type: none"> <li>• Audit &amp; Risk</li> <li>• Finance</li> </ul>	1
 <b>Lee Pelton</b> Independent	72	2006	Education/Non-Profit Foundations	African American/Male	<ul style="list-style-type: none"> <li>• Audit &amp; Risk</li> <li>• Governance, Chair</li> </ul>	0
 <b>Patricia Pineda</b> Independent	70	2022	Industry/Law/Human Resources	Hispanic/Female	<ul style="list-style-type: none"> <li>• Compensation</li> <li>• Finance</li> </ul>	1
 <b>Maria Pope</b> President and CEO	57	2018	Utilities/Finance	White/Female		1
 <b>Jim Torgerson</b> Independent	69	2021	Energy/Finance	White/Male	<ul style="list-style-type: none"> <li>• Compensation, Chair</li> <li>• Finance</li> </ul>	1

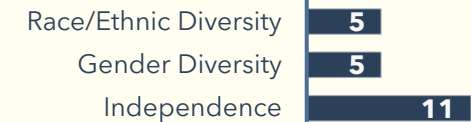
Track record of thoughtful refreshment enables us to have a Board with the experience and diverse perspectives needed to oversee our business

Diverse and Independent Leadership

Board Tenure



Board Diversity



Board Skills



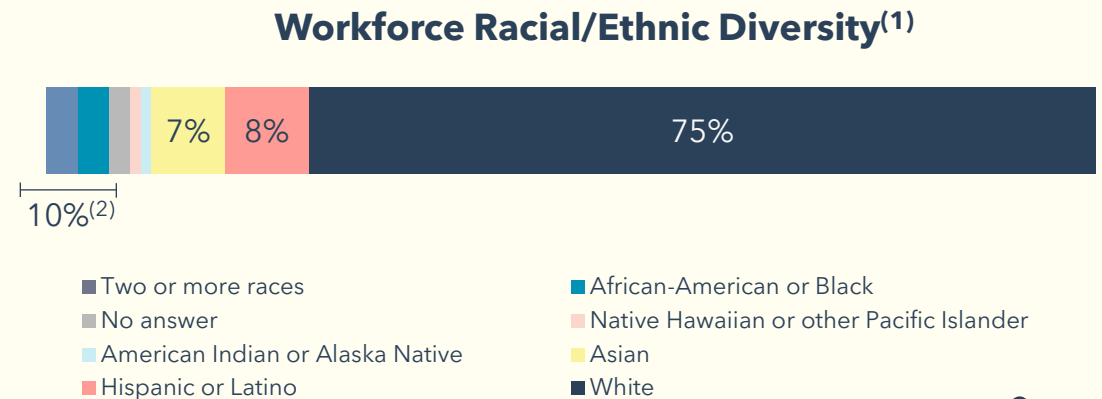
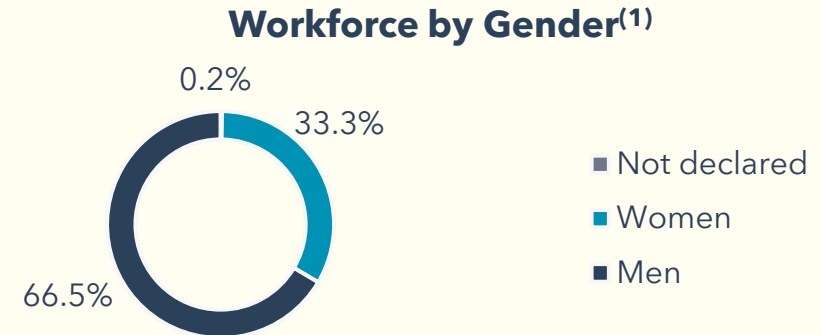
(1) Key to Abbreviated Committee Names: Compensation- Compensation, Culture and Talent Committee, Governance- Nominating, Governance and Sustainability Committee

Note: Information current as of October 1, 2022

# Diversity, equity, and inclusion

## Committed to DEI across our business

- **Partners and suppliers:** Increased our supplier diversity to 14% of total supplier spending in 2022
- **Awareness, education, and training:** Racial equity education for our board, leadership and employees
- **Recruitment and development:** Development opportunities for underrepresented, high-potential employees interested in leadership
- **Awards and recognition:** Perfect score on the Human Rights Corporate Equality Index and Gender-Equality Index, with active participation in the CEO Action for Diversity & Inclusion
- **Competitive pay and benefits:** Diversity metrics included in incentive programs. PGE employees in the same role, with comparable work experience, at the same location earn a near-perfect dollar-for-dollar pay
- **Policies and purpose:** Human Rights Policy Statement established, promoting our commitment to our employees, communities, suppliers and partners



(1) As of December 31, 2021

(2) Two or more races, 3%; African-American or Black, 3%; No answer, 2%; Native Hawaiian or other Pacific Islander, 1%; American Indian or Alaska Native, 1%;



# Sustainability reporting

- Our [2021 ESG Report](#) shares information about PGE's commitment to sustainability along with strategic projects that illustrate our commitment to **advancing a sustainable future and caring for our community**
- Sustainability principles are woven into the fabric of who we are and how we operate. We are:
  - Taking a holistic approach to decarbonizing the power supply while continuing to provide reliable, affordable energy to everyone we serve
  - Accelerating electrification, allowing us to power more things with clean, non-emitting energy
  - Being good stewards of Oregon's land, water and wildlife
  - Supporting our customers, our communities and our employees
  - Leading with integrity by setting the bar high at the top level of our organization
  - Maintaining a robust board refreshment process to oversee our creation of long-term value and support our clean energy development and environmental, social and governance goals
- Our 2022 ESG Report will be released in March 2023 and will be available on our [ESG investor webpage](#).





# Portland General Electric

## APPENDICES





# Major deferral update

On October 24, 2022, PGE and parties submitted stipulations to the OPUC reflecting an agreement that resolved all matters related to 2021 of the 2020 Labor Day Wildfire, February 2021 Ice Storm and most of the 2021 Power Cost Adjustment Mechanism

Deferral	Balance as of 31, 2022 (Millions)	Stipulated Amount (Millions)	Stipulated Period
<b>2020 Labor Day Wildfire</b> (Docket UM 2115)	\$31	\$30	7 years, beginning January 2023
<b>February 2021 Ice Storm</b> (Docket UM 2156)	\$74	\$73	7 years, beginning January 2023
<b>2021 PCAM</b> (Docket UE 406)	\$28	\$28	2 years, beginning January 2023
<b>COVID-19</b> (Dockets UM 2114, ADV)	\$22	PGE has filed docket ADV 1474 requesting recovery of the 19 deferral over a 4-year period	



# 2022 GRC order deferral earnings test

- OPUC Order 22-129 created earnings tests for certain major deferrals, including the Boardman revenue requirement at a regulated Return on Equity (ROE) threshold of 9.5% and the 2020 labor day wildfire and the 2021 ice storm deferrals using a 9.3% regulated ROE threshold
- The application of these earnings tests also required the inclusion of deferred expenses related to COVID-19 in the earnings test calculation
- As a result of the earnings tests outlined in the OPUC’s Order, PGE released expenses deferred in 2020, resulting in a pre-tax, non-cash charge to earnings for the three months ended March 31, 2022 in the estimated amount of \$17 million
- 2021 and estimated 2022<sup>(1)</sup> regulated ROE are below the earnings test threshold and costs deferred in those years are not expected to be impacted
- PGE filed a Motion for Clarification asking the OPUC to clarify its ruling on earnings reviews for the wildfire and ice storm deferrals, requesting specification that the ruling applies only to the 2020 wildfire and 2021 ice storm deferrals, does not establish precedent for future deferrals, and does not establish precedent on the procedures for evaluating deferral authorizations or deferral amortizations
- The OPUC issued Order 22-188, granting PGE’s motion, clarifying that the Commission has an established practice of evaluating deferrals on a case-by-case basis, that earnings tests included in Order 22-129 were based on the specific circumstances of the deferrals impacted, and such tests are not binding on the current or future Commissions when other deferrals are considered under different circumstances

	2020	2021	2022
Regulated ROE <sup>(1)</sup>	10.40%	8.72%	Below 9.3% <sup>(2)</sup>
Boardman revenue requirement subject to earnings 9.5% ROE threshold	\$14 million	\$66 million	\$23 million
Existing major deferrals subject to earnings test (wildfire, ice storm) at 9.3% ROE threshold	\$25 million	\$123 million	\$5 million
COVID-19 deferral release	\$2 million	\$0	\$0
2020 Labor Day Wildfire deferral release	\$15 million	\$0	\$0
<b>Total deferral release Q1 2022</b>	<b>\$17 million</b>	<b>\$0</b>	<b>\$0</b>

(1) Regulated ROE published in annual Results of Operation Report, OPUC docket RE 119

(2) 2022 estimated Regulated ROE based on 2022 GAAP EPS of \$2.60 per diluted share



# Constructive regulatory / policy environment

## Oregon

- ORS 469A.410/HB 2021 legislation mandates 100% clean energy by 2040
- Oregon Public Utility Commission
  - Governor-appointed 3-member commission with staggered 4-year terms
  - Commission has consistently approved investments in renewables, going back to Biglow Canyon Wind Farm, which went online 15 years ago
- Regulatory dynamics support PGE and the transition to clean energy
  - Renewable Portfolio standard (adopted in 2007; increased in 2016)
  - Renewable Adjustment Clause
  - Forward test years
  - Integrated resource planning framework
  - Accelerated depreciation of Colstrip to 2025
  - History of reasonable settlements in rate cases
  - Regulatory support for recovery of storm response and wildfire mitigation costs

## Federal

- The Inflation Reduction Act (IRA), which was signed into law in August 2022, is expected to further enhance PGE's already strong prospects for renewables-based growth
- Better positions renewables to be owned and operated by regulated utilities like PGE and makes renewables more affordable for PGE customers
  - Allows for solar projects to elect ITC or PTC
  - Allows for the transfer of tax credits after 2022
  - Standalone storage can earn tax credits
- Makes tax credits available for renewable energy through the later of 2032 or when annual greenhouse gas emission in the U.S. electric sector falls 75% from 2022 levels
  - Effectively increases the competitiveness of renewables relative to conventional generation, bolstering long-term deployment
  - Improves the economics for repowering existing renewables as they age

**PGE's regulatory environment in Oregon, along with the recently-signed IRA, position the company to play an important role in the decarbonization of Oregon**

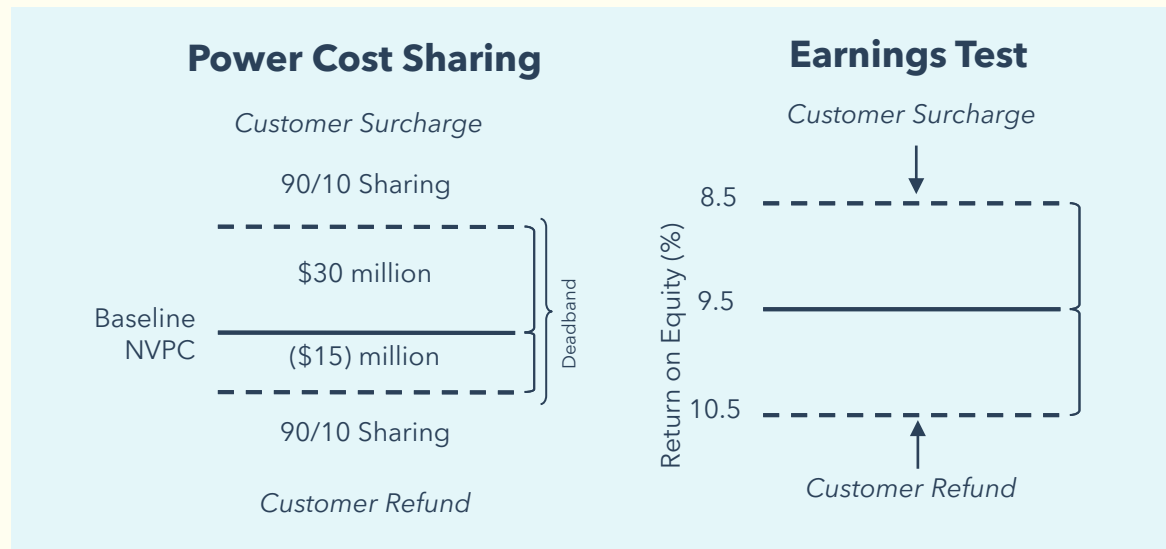


# Recovery of power costs

## Annual power cost update tariff

- Annual reset of prices based on forecast of net variable power costs (NVPC) for the coming year
- Subject to OPUC prudence review and approval, new prices go into effect on or around January 1 of the following year

## Power Cost Adjustment Mechanism (PCAM)



- PGE absorbs 100% of the costs/benefits within the deadband, and amounts outside the deadband are shared 90% with customers and 10% with PGE
- An annual earnings test is applied using the regulated ROE as a threshold
- Customer surcharge occurs if PGE's actual regulated ROE is below 8.5%; ROE will not exceed 8.5% with surcharge
- Customer refund occurs if PGE's actual regulated return is above 10.5%; regulated return will not decrease below 10.5% with refund

Detriment / (Benefit) PCAM Baseline at Year End <sup>(1)</sup> :										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Over / (Under)</b>	\$11	(\$7)	(\$3)	(\$10)	\$15	(\$3)	\$5	\$ (13)	\$30 <sup>(2)</sup>	\$23

(1) Dollar values in millions

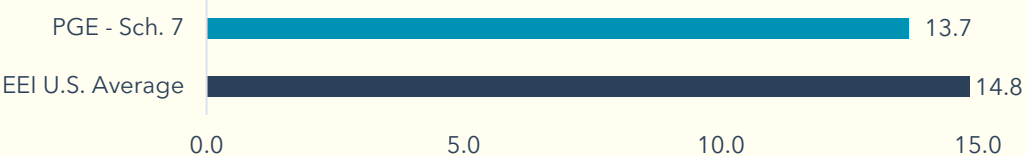
(2) Represents 90% of the excess variance to be collected from customers



# Average retail price comparison

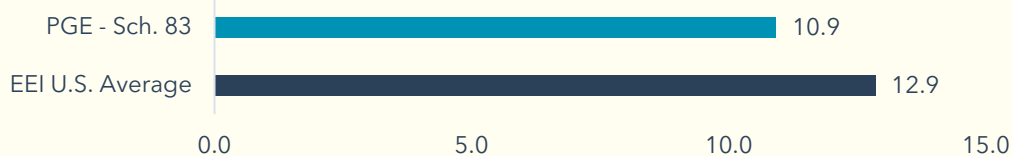
## Residential Electric Service Prices:

1,000 kWh monthly consumption  
(Prices in cents per kWh)



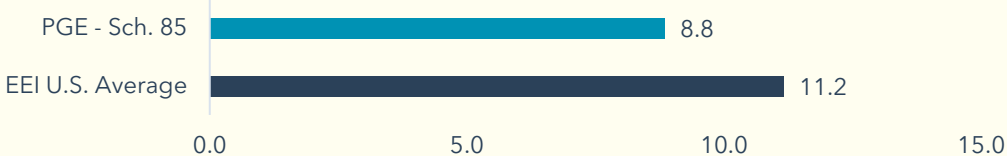
## Commercial Electric Service Prices:

40 kW demand and 14,000 kWh monthly consumption  
(Prices in cents per kWh)



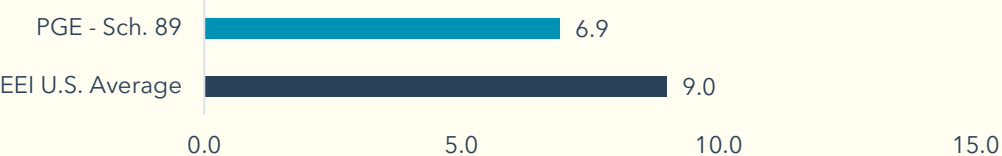
## Industrial Electric Service Prices

1,000 kW peak demand and 400,000 kWh monthly consumption  
(Prices in cents per kWh)



## Large Industrial Electric Service Prices

50,000 kW peak demand and 32,500,000 kWh monthly consumption  
(Prices in cents per kWh)



Note: EEI U.S. Average is based on Investor-owned utilities only  
Source: EEI Typical Bills and Average Rates Report for Prices in effect January 1, 2022



# 2023 Earnings Sensitivities

	<b>Sensitivity</b>	<b>Full-Year Adjusted EPS Impact</b>
Load Growth - Residential <sup>(1)</sup>	± 1%	± \$0.06
Load Growth - Commercial <sup>(1)</sup>	± 1%	± \$0.02
Load Growth - Industrial <sup>(1)</sup>	± 1%	± \$0.01
O&M Expense	± \$10 million	± \$0.08
Interest Rates <sup>(2)</sup>	± 25 bps	± \$0.02
Effective Tax Rate	± 1%	± \$0.03

(1) Assumes incremental load is charged at average retail rate per customer class and served at average Annual Update Tariff (AUT) power cost rate

(2) Assumes interest rate impact for full year on existing debt issuances and expected debt financings in 2023



# Non-GAAP financial measures

This press release contains certain non-GAAP measures, such as adjusted earnings, adjusted EPS and adjusted earnings guidance. These non-GAAP financial measures exclude significant items that are generally not related to our ongoing business activities, are infrequent in nature, or both. PGE believes that excluding the effects of these items provides a meaningful representation of the Company's comparative earnings per share and enables investors to evaluate the Company's ongoing operating financial performance. Management utilizes non-GAAP measures to assess the Company's current and forecasted performance, and for communications with shareholders, analysts and investors. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP.

Items in the periods presented, which PGE believes impact the comparability of comparative earnings and do not represent ongoing operating financial performance, include the following:

- 2020: Certain energy trading losses
- 2022: Non-cash Wildfire and COVID deferral reversal charge associated with the year ended 2020, resulting from the OPUC's 2022 GRC Final Order earnings test

Due to the forward-looking nature of PGE's non-GAAP adjusted earnings guidance, management is unable to estimate specific items requiring adjustment, which could potentially impact the Company's GAAP earnings (such as potential adjustments described above) for future periods and therefore cannot provide a reconciliation of non-GAAP adjusted earnings per share guidance to the most comparable GAAP financial measure without unreasonable effort.

PGE's reconciliation of non-GAAP earnings for the years ended December 31, 2020, and December 31, 2022 are on the following slide.



# Non-GAAP financial measures

<b>Non-GAAP Earnings Reconciliation for the year ended December 31, 2020</b>		
<b>(Dollars in millions, except EPS)</b>	<b>Net Income</b>	<b>Diluted EPS</b>
<b>GAAP as reported for the year ended December 31, 2020</b>	\$155	\$1.72
Exclusion of certain trading losses	127	1.42
Tax effect <sup>(1)</sup>	(35)	(0.39)
<b>Non-GAAP as reported for the year ended December 31, 2020</b>	<b>\$247</b>	<b>\$2.75</b>

<b>Non-GAAP Earnings Reconciliation for the year ended December 31, 2022</b>		
<b>(Dollars in millions, except EPS)</b>	<b>Net Income</b>	<b>Diluted EPS</b>
<b>GAAP as reported for the year ended December 31, 2022</b>	\$233	\$2.60
Exclusion of released deferrals related to 2020	17	0.19
Tax effect <sup>(1)</sup>	(5)	(0.05)
<b>Non-GAAP as reported for the year ended December 31, 2022</b>	<b>\$245</b>	<b>\$2.74</b>

(1) Tax effects were determined based on the Company's full-year blended federal and state statutory tax rate

