



Portland General Electric

2021 Green Financing Framework



1. PGE and Our Commitment to Sustainability



1.1 Company Overview

Portland General Electric Company (PGE) is an investor-owned utility in Northwest Oregon engaged in the generation, transmission, and distribution of electricity to 900,000 residential, commercial, and industrial customers in 51 cities and seven counties.

For more than 130 years, we've been powering our region, keeping energy safe, reliable, and responsibly generated. We are deeply committed to the success of the communities we serve and strive to bring innovative solutions to our customers and a bright energy future for Oregon.

1.2. Commitment to Sustainability

Sustainability principles are woven into the fabric of who we are and how we operate. We are executing on our strategy to achieve a clean and reliable energy future by decarbonizing, electrifying, and performing sustainably. We are taking a holistic approach that balances our commitment to reduce greenhouse gas emissions with the core values that define our culture and high standards of corporate governance in order to achieve our mission and create value for PGE's shareholders, customers, and other stakeholders. The benefits of a future powered by clean electricity are real, and our annual sustainability report highlights our goals as well as our progress and actions we've taken in support of our long-term goals. These include:

- Achieving company-wide net zero greenhouse gas emissions by 2040.
- Reducing greenhouse gas emissions associated with the power supplied to customers by at least 80% by 2030 (from 2010 levels).
- Achieving zero greenhouse gas emissions associated with the electricity we serve customers with by 2040.
- Exit investment at Colstrip coal plant and adding more renewable generation through wind and solar, as well as battery storage.
- Electrifying more than 60% of PGE's fleet by 2030, including 100% of Class 1 vehicles like sedans, SUVs, and small pickups, as well as forklifts, by 2025.
- Creating new, innovative programs, like our Green Future products, that offer a variety of choices to customers looking for clean, green energy options to power their homes and businesses.
- To meet our goals, we'll transform every part of our business: from the power we supply to our customers, to the vehicles we drive, to the materials we purchase, to how we operate our buildings.



1.3 Taking Action

Clean, renewable electricity is at the center of an emissions-free future, and PGE knows our customers — families, individuals, businesses large and small, and the communities where we live — are calling on us to reduce our emissions. Our recent actions demonstrate how we are responding to that call:

In 2019, we launched Green Future Impact giving local businesses, cities and counties the opportunity to source up to 100% of their electricity from a new regional wind or solar facility.

In 2020, we brought online the first-of-its scale Wheatridge Renewable Energy Facility, which integrates 300 megawatts of wind and 50 megawatts of solar generation with 30 megawatts of battery storage in one location.

In 2020, we closed our coal-fired Boardman plant fulfilling a groundbreaking agreement reached with stakeholders, customer groups and regulators in 2010 to significantly reduce air emissions from power production in Oregon by ending operations at Boardman 20 years ahead of schedule.

In 2021, we completed the largest habitat restoration project in the City of Portland and on the Willamette River. The Harborton Restoration Project will transform our Harborton substation property into a haven for wildlife, including threatened salmon and sensitive frog species, for decades to come.

In 2020, we announced our partnership with Daimler Trucks North America and the co-development of “Electric Island,” a large public charging site for medium- and heavy-duty electric commercial vehicles expected to be the first of its kind in the United States.

We are pleased that our efforts—and those of our customers—continue to be recognized:

- PGE has been the No. 1 renewable energy program in the nation by enrollment for the last 11 years according to National Renewables Energy Laboratory.
- PGE has been rated a “Trusted business partner & environmental champion” according to Cogent Syndicated Utility Trusted Brand & Customer Engagement™ Studies.

2. Green Financing Framework



PGE has adopted this Green Financing Framework (“Framework”) under which we may issue bonds (“Green Bonds”) to finance or refinance investments in assets and projects that advance our sustainability goals. The Framework allows the company to issue Green Bonds under different formats, including but not limited to public and private placements.

The Framework aligns with the Green Bond Principles (2021) published by the International Capital Markets Association (ICMA). The Green Bond Principles are voluntary guidelines for best practices when issuing green securities, including practices for transparency, disclosure and reporting. The ICMA Green Bond Principles (GBP) address four key components of green financing which this Framework provides: the use of proceeds; the process for project evaluation and selection; management of proceeds; and reporting.

The Framework also aligns with the United Nations (UN) Sustainable Development Goals (SDGs), which were adopted to provide a common global framework for achieving sustainable development by the year 2030. Specifically, the Framework contemplates the use of Green Bond proceeds for investments aligned with the following SDGs:



SDG 7 - Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all.



SDG 9 - Industry Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



SDG 11 - Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient, and sustainable.



SDG 13 - Climate Action

Take urgent action to combat climate change and its impacts.

2.1 Use of Proceeds

For each issuance of Green Bonds under this Framework, PGE intends to allocate an amount equal to the net proceeds of the issuance to financing or refinancing, in whole or in part, Eligible Investments. “Eligible Investments” include investments and expenditures made by PGE during the period from two years prior to the issuance of the Green Bonds through maturity that satisfy the eligibility criteria outlined in the tables below:

| GBP Eligible Investment Category | Environmental Objective | Eligibility Criteria | Alignment with UN SDG |
|----------------------------------|---------------------------|--|--|
| Renewable Energy | Climate change mitigation | <p>Investments in or expenditures related to the acquisition, development, operation, and maintenance of new and existing renewable energy generation.</p> <p>Examples include wind and solar energy generation and battery storage, as well as all related transmission and distribution infrastructure.</p> <p>Investments or expenditures must relate to:</p> <ul style="list-style-type: none"> • Land acquisition and leasing • Purchase of renewable energy applications and technologies and associated equipment • Construction • Maintenance • Equipment manufacturing • Purchase of renewable energy power purchase agreements (PPAs) with a minimum tenor of 10 years | <p>7- Affordable and Clean Energy</p> <p>9- Industry, Innovation, and Infrastructure</p> <p>11- Sustainable Cities and Communities</p> <p>13- Climate Action</p> |

| GBP Eligible Investment Category | Environmental Objective | Eligibility Criteria | Alignment with UN SDG |
|----------------------------------|--|--|--|
| Energy Efficiency | <p>Climate change mitigation</p> <p>Pollution prevention and control</p> | <p>Investments in or expenditures related to:</p> <ul style="list-style-type: none"> • Advanced metering and grid infrastructure, including smart electric meters and related communication networks and information technology to provide the data needed for the electric systems to operate more efficiently • Energy efficient infrastructure (such as building energy management systems and modeling technology), electric products, and appliances (such as LED lighting) that reduce energy loss as well as the Company’s overall carbon footprint • Technology to enable customers to better manage their energy use including grid-enabled end use appliances such as water heaters, HVAC, thermostats and batteries • Expenditures in programs and technology that provide clean energy resource options for customers, including demand response participation, time-of use and flexible load programs | <p>7- Affordable and Clean Energy</p> <p>9- Industry, Innovation, and Infrastructure</p> |

2.1 Use of Proceeds

(Cont.)

| GBP Eligible Investment Category | Environmental Objective | Eligibility Criteria | Alignment with UN SDG |
|----------------------------------|---|---|--|
| Clean Transportation | Climate change mitigation Pollution prevention and control | <p>Investments in or expenditures related to transportation electrification activities including:</p> <ul style="list-style-type: none"> • Fleet electrification including passenger cars, commercial vehicles and heavy-duty vehicles • Site design, construction and ownership of electric vehicle charging stations and other related infrastructure such as network extensions or capacity upgrades • Electrification of public transportation systems (bus, train or trucks) that supports clean transportation | <p>9- Industry, Innovation, and Infrastructure</p> <p>11- Sustainable Cities and Communities</p> |

| GBP Eligible Investment Category | Environmental Objective | Eligibility Criteria | Alignment with UN SDG |
|----------------------------------|---------------------------|--|---------------------------|
| Climate Change Adaptation | Climate change adaptation | <p>Investments in or expenditures related to helping to mitigate weather-related damage from elevated wildfire risk and enhancing the resilience of the grid. This includes:</p> <ul style="list-style-type: none"> • Grid hardening (pole design and replacement, utilization of tree wire, and undergrounding of cables) • Smart technology such as early fault detection systems, and advanced reclosers • Utilization of LiDAR and other imaging technology to identify and monitor high-risk area • Proactive community engagement and protection including public safety power shutoffs (PSPS) and community resource centers to minimize impact of service disruptions <p>A vulnerability assessment and associated adaptation plan will be conducted for such investments, where applicable.</p> | <p>13- Climate Action</p> |

PGE will not knowingly allocate proceeds of any Green Bonds to the following:

- Investments to the extent they have received an allocation of proceeds under any other PGE green financing
- Activities related to the exploration, production or transportation of fossil fuels (e.g., coal, oil or gas)
- Consumption of fossil fuels for the purpose of power generation
- Nuclear energy

2.2 Project Evaluation and Selection Process

The Company's Treasury Department will be responsible for evaluating and selecting Eligible Investments in collaboration with internal subject matter experts from other departments (including Accounting, Financial Planning & Analysis, Investor Relations and Legal). Eligible Investments will be evaluated based on financial and risk-based analyses as well as strategic considerations to determine prioritization.

2.3 Management of Proceeds

PGE intends to allocate the net proceeds of any Green Bonds to the financing or refinancing, in whole or in part, of existing and future Eligible Investments, which will be reflected in PGE's internal records. The Company's Treasury Department will establish and maintain a register to record allocation of the proceeds of Green Bonds to Eligible Investments on an ongoing basis. In the case of divestment or if an Eligible Investment no longer meets the eligibility criteria listed above, PGE intends to use reasonable efforts to reallocate the proceeds to one or more other Eligible Investments. We expect to allocate the majority of the net proceeds from any issuance of Green Bonds to Eligible Investments within three years of the date of issuance of the bonds.

Pending allocation, the Company will manage any portion of the net proceeds of Green Bonds that have not yet been allocated to an Eligible Investments in accordance with the Company's normal liquidity management practices.



2.4 Reporting

PGE will publish a Green Bond Report on its dedicated Green Bonds webpage following the one-year anniversary of the issuance of any Green Bonds and will update it annually until the net proceeds of the Green Bonds have been fully allocated. The report is expected to include:

- A complete list of Eligible Investments to which Green Bond proceeds have been allocated, the amounts allocated and the remaining balance of proceeds that have not yet been allocated.
- Where feasible, quantitative environmental impact metrics for Eligible Investment expenditures for the period covered by the Green Bond Report, as well as the methodologies and assumptions underlying such metrics. The definition, calculation, and reporting of environmental impact metrics will be at PGE’s sole discretion. Metrics may include:

| Eligible Investment Category | Potential Quantitative Impact Metrics |
|------------------------------|---|
| Renewable Energy | Renewable energy generated by PGE (MWh) Installed capacity (MW) |
| Energy Efficiency | Energy efficiency acquired (average megawatts) Incremental electricity savings from Energy Efficiency Measures (MWh) |
| Clean Transportation | Number of charging stations installed Electric vehicles added to fleet (number of vehicles) |
| Climate Change Adaptation | Number of inspections completed in high-risk areas Number of wood poles replaced |

- To the extent possible, qualitative reporting on the positive environmental impacts of selected projects to which Green Bond proceeds have been allocated.

2.5 External Review

Second Party Opinion

PGE has retained Sustainalytics, an independent organization with recognized environmental expertise and experience, to provide a Second Party Opinion (“SPO”) on the Green Financing Framework’s alignment to the Green Bond Principles. The SPO can be found on the Company’s Green Financing webpage [here](#).

Verification

We expect each Green Bond Report will be accompanied by an attestation from an independent registered public accounting firm with respect to such firm’s examination of the assertion by PGE’s management team as to the aggregate amount of net proceeds allocated to specific categories of Eligible Investments. Examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

3. Additional Information



3.1 No Impact on Covenants, Etc.

The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. None of PGE, its subsidiaries or any of its affiliates assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current PGE policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by PGE and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by PGE as to the fairness, accuracy, reasonableness or completeness of such information.

No representation is made as to the suitability of any financing to fulfill environmental and sustainability criteria required by prospective investors. Each potential purchaser should determine for itself the relevance of the information contained or referred to in this Framework or the relevant documentation for such financing regarding the use of proceeds and its purchase should be based upon such investigation as it deems necessary. PGE has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and reporting, in connection with PGE's issuance of Green Bonds. However, nothing in this Framework is intended to modify or add to any covenant or other contractual obligation undertaken by PGE in any issuance of Green Bonds under this Framework. This Framework does not create any legally enforceable obligations against PGE; any such legally enforceable obligations relating to any issuance of Green Bonds are limited to those expressly set forth in the documentation governing such issuance. Therefore, unless expressly set forth in the indenture, bond purchase agreement, bonds, or other financing documents governing such issuance, it will not be an event of default or breach of contractual obligations under the terms and conditions of any such issuance if PGE fails to adhere to this Framework, whether by failing to fund or complete Eligible Investments or by failing to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in this Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise.

This Framework does not constitute a recommendation regarding any securities of PGE. This Framework is not, does not contain and is not intended as an offer to sell or a solicitation of any offer to buy any securities issued by PGE. In particular, neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. Any decision to purchase should be made solely on the basis of the information to be contained in any offering document provided in connection with the respective offering. Prospective investors are required to make their own independent investment decisions.

3.2 Cautionary Statement

Statements in this Framework 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 but are not limited to statements regarding the Company’s future investments and anticipated results, benefits, goals, commitments, and targets related to sustainability plans or initiatives, 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 made based on management’s current expectations, assumptions, estimates, beliefs, and projections and are subject to risks and uncertainties. As a result, actual results may differ materially from those projected in the forward-looking statements. Certain important factors that could cause actual results and the use of proceeds to differ materially from expectations or estimates reflected in such forward-looking statements can be found in the “Risk Factors” and “Forward-Looking Statements” sections included in PGE’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Prospective investors should review the risks, assumptions and uncertainties described in such documents and contained in other documents that the Company files with the United States Securities and Exchange Commission. The Company expressly disclaims any current intention to update publicly any forward-looking statement after the date of this Framework, whether as a result of new information, future events, changes in assumptions or otherwise.

