



Plan protects environment, customers

During its 2016 session, Oregon’s Legislature passed a landmark energy bill that will help preserve our environment while protecting PGE customers and the economy. By 2040, half of the electricity PGE delivers to our customers will come from qualifying renewable energy sources. The legislation also transitions Oregon off coal-fired electricity generation by 2035.

As a result, Oregon’s electricity sector will be on track to meet the state’s greenhouse gas reduction goals – reducing carbon emissions to 75 percent below 1990 levels by 2050.

The legislation includes important provisions to keep PGE prices manageable and ensure reliability for all PGE business and residential customers. Other provisions promote community solar installations, electric transportation, energy efficiency, small-scale renewable power projects, and power generation from biomass.

The Clean Electricity and Coal Transition

plan was developed by a diverse group of consumer advocates, environmental organizations, PGE, Pacific Power and other businesses.

Environmental benefits

The legislation increases the Renewable Portfolio Standard to 50 percent by 2040. These new renewable energy investments will reduce CO² pollution across the western states by an estimated 30 million metric tons - the equivalent of taking 6.4 million cars off the road. Once the legislation’s renewable targets are met in 2040, annual CO² emissions in the West will be reduced by 4 million metric tons.

Investments PGE has made over the past decade are already avoiding nearly 1.6 million tons of carbon emissions per year. We’re on track to achieve another 2.2 million tons of carbon reductions annually by 2021 through energy efficiency measures, renewable power development, and actions at our Boardman plant.

PGE previously agreed that by 2020, we will stop burning coal at the Boardman plant. The new legislation requires us to stop serving customers with power from the Colstrip coal plant in Montana by the end of 2035. PGE owns 20 percent of two units at Colstrip.

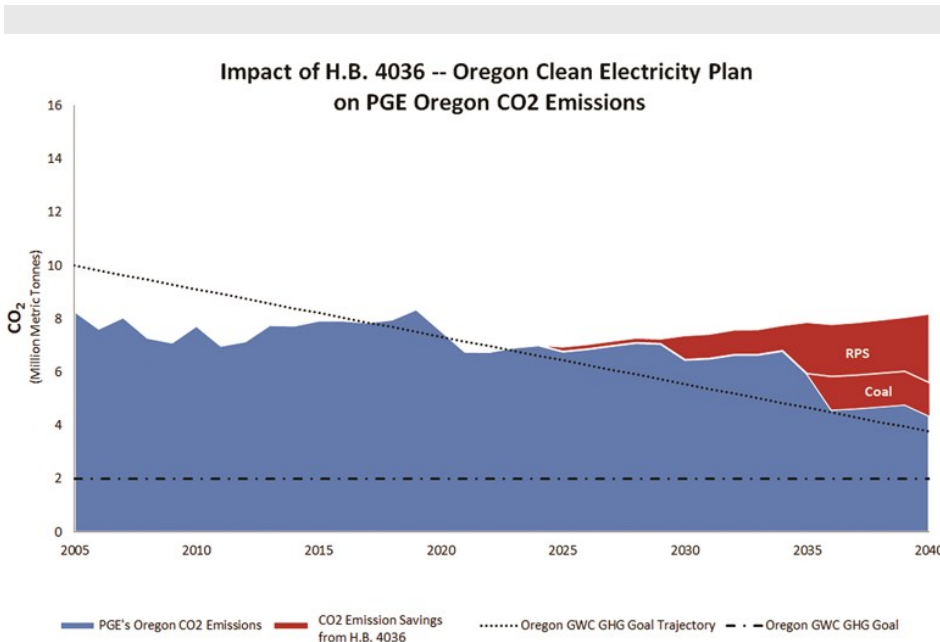
In October 2015, PGE affirmed our commitment to reducing climate change by signing the White House’s American Business Act on Climate Pledge.

Affordability, reliability

PGE kept affordability and reliability key elements of the legislation. As a result, PGE customers are protected from excessive cost increases or reliability problems.

- The Oregon Public Utility Commission can suspend the RPS if meeting it would conflict with grid reliability.
- Renewable investments cannot be more than 4 percent above the cost of comparable non-renewable power. This cost cap has been in place since 2007 and has never been needed. Meanwhile, the cost of renewable energy continues to come down.
- PGE can serve customers with electricity generated from the Colstrip plant until 2035, providing us with the flexibility to manage cost impacts to customers.
- PUC-requested language ensures that costs associated with coal transition are fair and ratepayers receive the value of renewable tax credits.
- Utilities retain the value of their existing Renewable Energy Certificates.

PGE estimates the new requirements in this legislation could result in an average price increase of about 1.5 percent per year from 2017 and 2040. PGE will continue to work with stakeholders and the OPUC to ensure this policy is enacted in a way that manages costs and protects our customers and the state of Oregon.



The blue portion of the chart shows PGE’s projected carbon emissions path as a result of the new legislation. The red portion shows what PGE’s carbon path would have been if the legislation had not passed.