

Economic contributions of Portland General Electric

Understanding our economic impact on Oregon

Based on a report by ECONorthwest



About PGE

Portland General Electric is a fully integrated energy company based in Portland, Oregon, serving almost 900,000 customers in 51 cities. For more than 125 years, PGE has been delivering safe, affordable, reliable and increasingly clean energy to Oregonians. With our employees across the state, PGE is building a cleaner, more efficient energy future.

PGE OFFICES, SERVICES AND OPERATION CENTERS

- 5 in Clackamas County
- 5 in Marion County
- 5 in Multnomah County
- 6 in Washington County
- 2 in Yamhill County



PGE Service Area

PGE GENERATION ASSETS IN OREGON

- 5 in Clackamas County
- 3 in Columbia County
- 3 in Morrow County
- 2 on the Deschutes River
- 1 in Sherman County

PGE-OWNED PUBLIC PARKS AND RECREATION SITES

- 3 in Clackamas County
- 1 in Columbia County
- 4 in Jefferson County

Key findings

Portland General Electric retained ECONorthwest — the largest economic consulting firm in the Pacific Northwest — to evaluate how our operations contribute to Oregon's economy. The report looked at how PGE's capital and operations spending supported jobs, gross economic output and tax revenues in Oregon during 2016.



We're homegrown and spend locally

We accounted for almost \$2.8 billion in economic output in 2016. We also bought \$561 million in goods and services from local businesses to support ongoing and new construction activities in 2016.



We live and work here

Just like our customers, we call Oregon home. In 2016, we employed 3,205 people in Oregon and an additional 963 people as contractors. Because of our impact on the rest of the economy, we ultimately supported 8,824 jobs in the state — totaling almost \$642 million in wages and benefits.

As part of a stable, localized industry, our employees are able to build their careers and raise their families in Oregon while establishing strong community ties. There is a PGE employee or retiree living in 30 of Oregon's 36 counties, and 98 percent of the \$23.3 million in pension dollars goes to retirees still living in Oregon.



We care about our community

Our company, along with our employees, retirees and the PGE Foundation, gave over \$4.1 million to Oregon charities.



We contribute statewide

We are a significant contributor to local taxes across the state. In 2016, we paid \$56.8 million in property taxes to 17 counties in Oregon. We were the largest single taxpayer in Columbia, Jefferson, Sherman and Morrow counties and one of the top three largest taxpayers in most of the counties in our service area, including Washington, Clackamas and Marion counties.

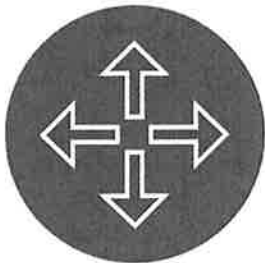
PGE's economic output

Economic output gives a snapshot of goods and services produced by the company, and it's the broadest measure of economic activity.

Our economic output for Oregon was significant. We directly produced \$1.9 billion worth of economic output in Oregon during 2016. The number jumps to \$2.8 billion when factoring in our 3,205 employees' and 963 contractors' impact on the Oregon economy and the hundreds of millions of local goods and services bought by our company.

The impact of our output was also far-reaching. Our seven-county service area captured the majority of that activity, but the rest of the state saw \$341.8 million in output because of our company, employees, retirees and suppliers.

Direct labor contributions



\$1.9B

Economic output



\$345.5M

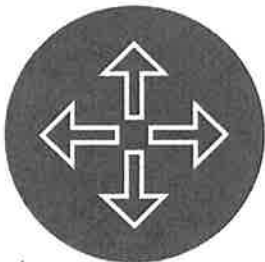
Labor income



3,205

Jobs and an additional
963 contractors

Total economic contributions



\$2.8B

Economic output



\$641.9M

Labor income



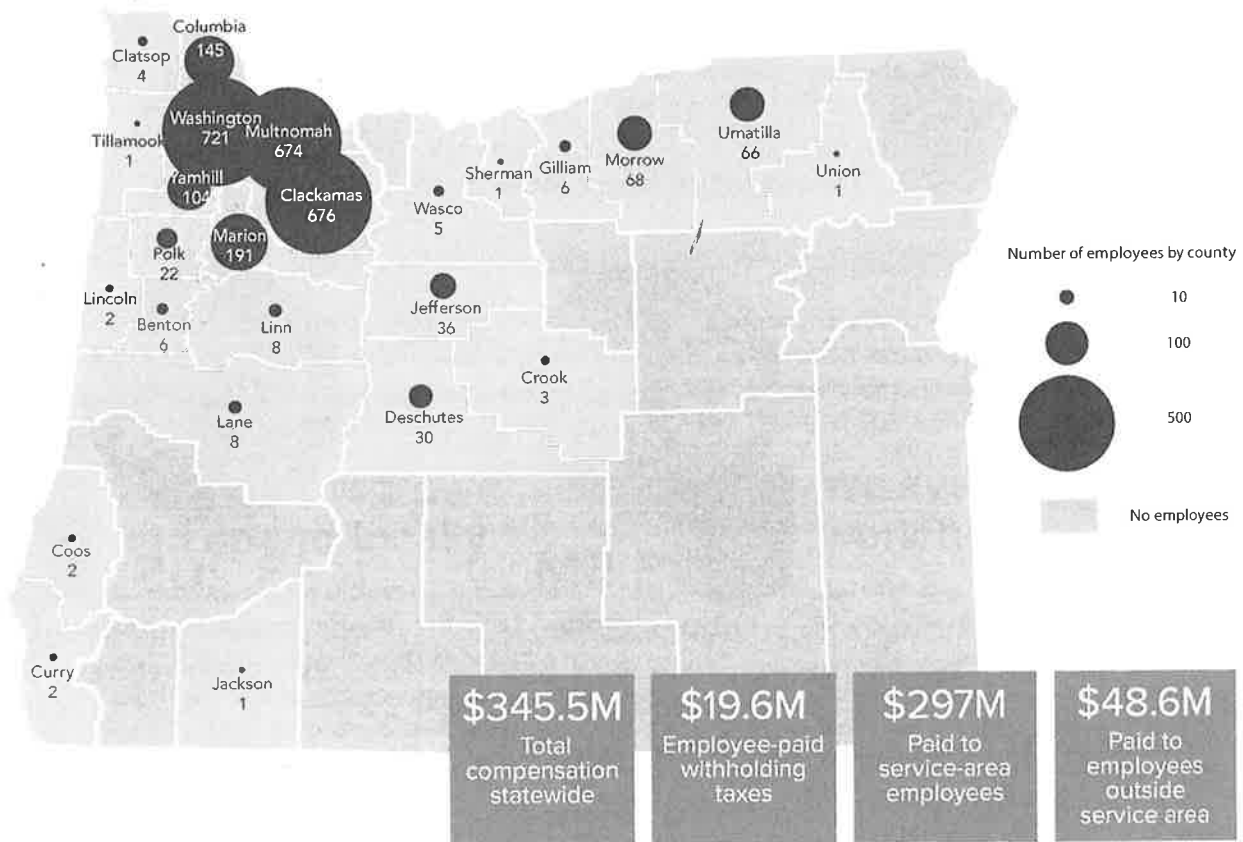
8,824

Jobs supported
statewide

Jobs

We employed 3,205 people and an additional 963 contractors in 2016. Of our PGE employees, 2,764 people work in our service area and 441 outside of our service area. Through company and employee spending, along with charitable donations, we supported an additional 7,844 jobs in our seven-county service area and 980 jobs in 29 other Oregon counties.

PGE's impact on jobs statewide



By providing jobs across the state, we're giving employees the opportunity to stay local and establish homes, send their kids to Oregon schools, invest in their communities, pay taxes, donate to nonprofits and spend their money in state. That spending helps fuel the local economy through higher sales for businesses, which stimulates more local hiring.

Wages

Local spending by employee households is one way our economic impact spreads throughout the state. We require highly skilled workers and offer competitive wages to attract those individuals. With a median wage of \$79,192, we support higher consumption spending in the communities where our employees' families live. In comparison, the median wage in Oregon in 2016 was about \$38,000.

Our total compensation (wages plus benefits and employer payroll taxes) was \$107,800 per job or \$345.5 million statewide. From that, our employees paid \$19.6 million in state of Oregon withholding taxes. Nearly \$2 million of that tax came from PGE employees living in Washington who are obligated to pay income taxes to Oregon.

In our service area, we paid employees \$297 million, but that number was closer to \$568.8 million when factoring in economic impacts as they ripple through the state's economy. Outside of the service area, we supported \$73.1 million in wages and benefits spread over 980 jobs.

Supporting local nonprofits

PGE and our employees continually seek to invest in our community through educational programs, volunteering, charitable giving and other initiatives. Each year, our employees donate to the causes they care about and can choose to direct a 100 percent matching donation from PGE. In 2016, those donations totaled more than \$1.04 million to 1,247 nonprofits. PGE corporate and the PGE Foundation — our corporate foundation — awarded more than \$1.97 million in grants in 2016 to help improve the quality of life for Oregonians today and to encourage hope for a brighter tomorrow.



Employees and their families also volunteered 45,182 hours to local nonprofits. Through our Cause Card program, employees have the opportunity to direction cash contributions — \$200 for every 20 hours an employee volunteers — to area nonprofits in recognition of their volunteer service. In 2016, we contributed \$140,000 in Cause Cards to area nonprofits.

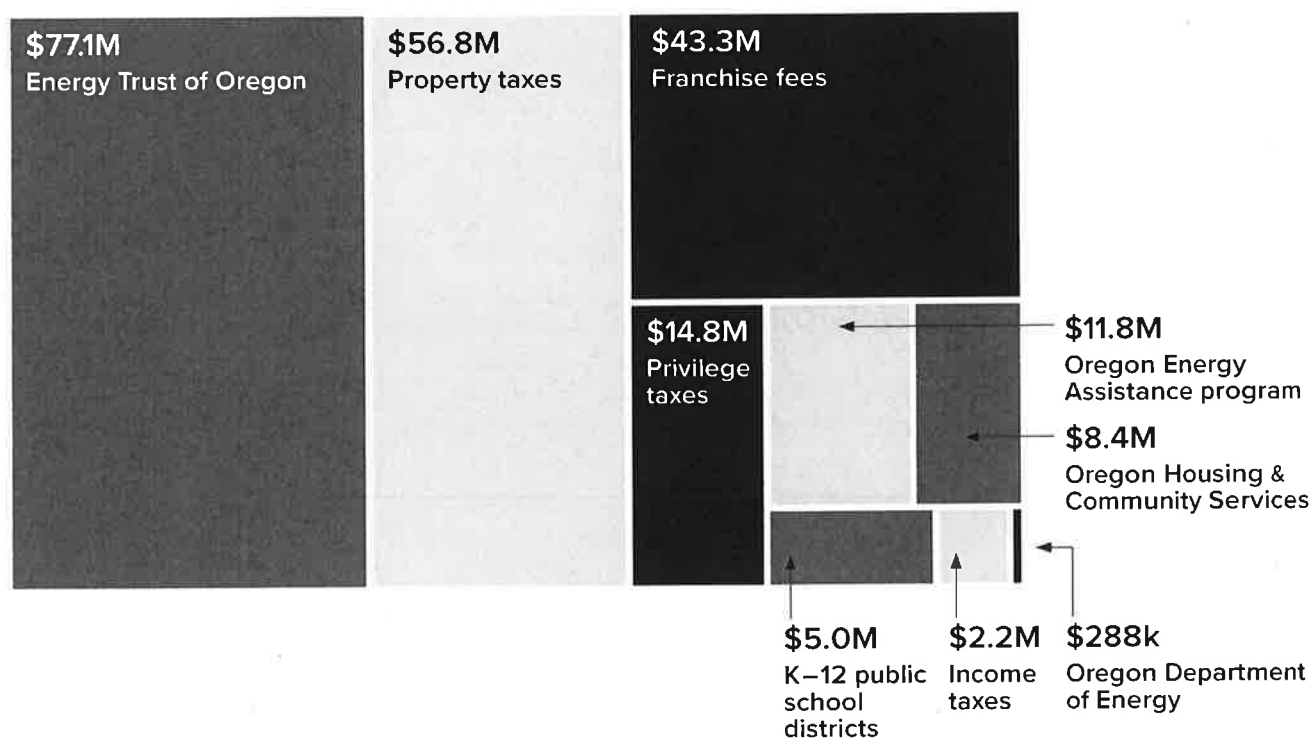
Note: All contributions are from PGE employees, shareholder dollars, or the PGE Foundation.

Taxes and charges

We paid \$117 million in taxes and remitted \$102.5 million to the state in customer charges. Our Oregon state and local taxes exceeded the amount we earned in profits. The 2016 total, \$219.6 million, equaled one out of every \$78 in total state and local government tax receipts.

We paid over \$58 million in franchise fees and privilege taxes to city governments in our service area for the right to operate within their municipalities. The amount we pay a city ranges from 3.5 to 7 percent of the annual gross revenue we earned in that city.

Oregon state, local taxes, and charges remitted by PGE



Source: ECONorthwest analysis of data from PGE

In addition to these payments, we also pay a significant amount in property taxes, with some of the biggest checks going to counties in eastern Oregon where we have generation facilities and transmission lines. We were the largest single taxpayer in Columbia, Sherman, Jefferson and Morrow counties.

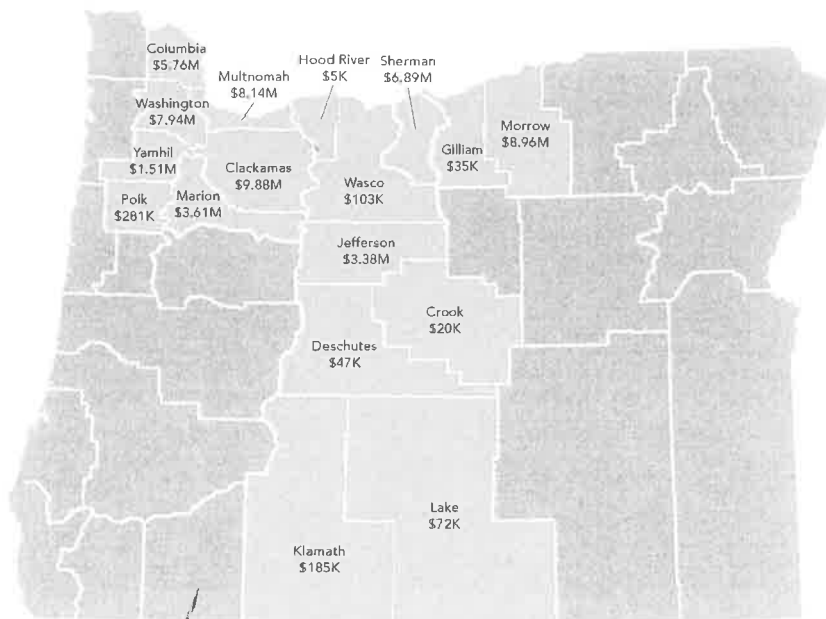
Public school districts were the greatest benefactors of tax payments, receiving \$22 million from our property taxes. We paid another \$648,930 in property taxes to education service districts, which support school districts. An additional \$1.3 million went to community colleges.

On top of property taxes, we collected state-mandated charges from customers that were earmarked for special projects. For instance, almost \$5 million was collected from customers for public school energy projects that, in 2016, funded energy efficiency projects at 43 school districts. Another \$288,093 went to the Oregon Department of Energy, which administered the program.

We also remitted \$8.4 million in customer charges to the Oregon Housing & Community Services Department for the Oregon Energy Assistance Program, which sent the funds to Community Action Agencies in counties we serve. The program helped restore service and prevent disconnections at 22,334 households that struggled with their bills.

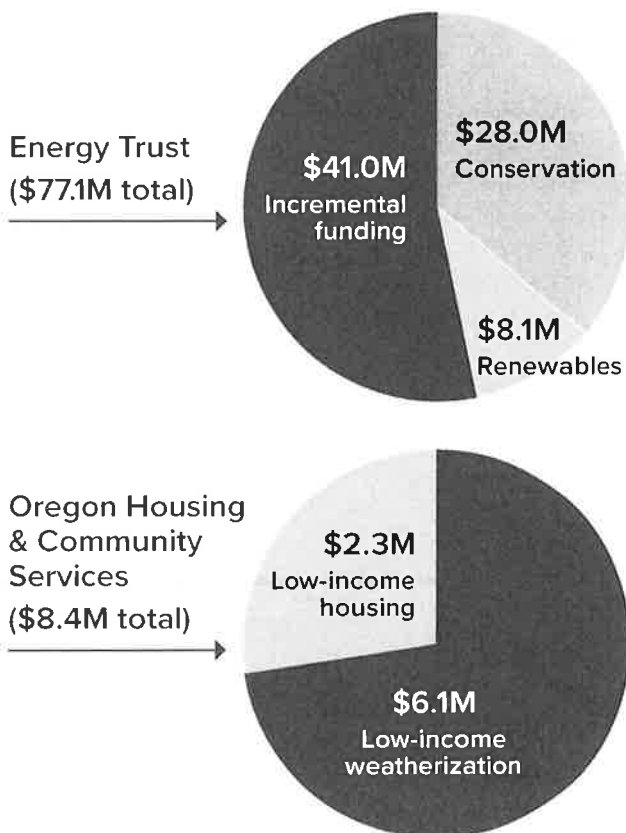
The largest recipient of charges from our customers was the Energy Trust of Oregon. They received over \$77.1 million for conservation, market transformation and renewable energy. The Energy Trust funds, plus \$6.1 million for low-income weatherization and housing programs overseen by the Oregon Housing & Community Services Department, are largely spent on projects in our service area. Some funds, mostly used to support renewable energy projects, are spent statewide.

PGE property tax payments by county



Source: PGE provided total property taxes paid to county assessors to ECONorthwest

Funding for energy efficiency in 2016



Source: PGE provided total payments to ECONorthwest

Economic contributions

To perform the economic impact analysis, ECONorthwest used a methodology that looked at PGE's spending on payroll, goods and services, and capital projects. This method is often referred to as the "expenditure approach." Using the expenditure approach, company spending directly influences the economy and begins a chain reaction of additional spending elsewhere in the economy. These secondary impacts are measured by the IMPLAN input-output modeling software. This model offers several advantages:

- IMPLAN is widely used and well respected. The United States Department of Agriculture (USDA) recognized IMPLAN as "one of the most credible regional impact models used for regional economic impact analysis."
- The IMPLAN model relies on regional data that are collected and vetted by government agencies. This analysis uses 2016 baseline data — the most current year available.
- It's highly flexible and allows users to input their own data into the economic impact model. This is particularly important in this analysis where detailed data provided by PGE are used to build a custom production function for its activities. This approach provides the most reliable estimate of economic impacts.



Output represents the total value of goods and services produced. This is the largest, most encompassing measure of economic activity and includes personal income.



Labor income consists of total payroll costs (including bonuses and benefits) paid to workers, as well as self-employment income earned by individuals.



Jobs represent the number of people working full- or part-time jobs in terms of full-year-equivalents (FYE).