Media Release

Oregon PUC approves PGE corporate reorganization with added customer protections and benefits

SALEM, Ore. – The Oregon Public Utility Commission (PUC) approved Portland General Electric's (PGE's) application to form a new holding company, determining the structure meets the requirements of Oregon law when paired with additional conditions that ensure net benefits for customers.

PGE proposed creating Portland General Holdings, a parent company that would own PGE and its current affiliates. The company said the move was consistent with common industry practice, but the Commission emphasized that Oregon law requires a clear demonstration that a proposed reorganization will serve the public interest and provide net benefits to customers.

After reviewing the record, the Commission found that PGE did not provide enough evidence that the new holding company would offer direct customer benefits or adequately reduce potential risks as proposed. Those risks include higher long-term costs, less regulatory oversight, and possible conflicts of interest within the corporate governance. As a result, the Commission approved the reorganization only with a stronger set of conditions taken from staff recommendations and modified by the Commission.

"These conditions ensure that PGE maintains strong financial health while delivering clear, measurable benefits for its customers," said PUC Chair Letha Tawney. "Oregon law requires that customers benefit from this kind of transaction, and these conditions are essential to making sure that happens."

Commissioner Karin Power added, "The Commission took a hard look at the risks and benefits, and we concluded that stronger guardrails were needed. I appreciate the thorough work of staff and stakeholders to carefully scrutinize this proposal."

Commissioner Les Perkins said, "The Commission struck a balance between PGE's stated need for corporate restructuring and the requirement to not only protect ratepayers and all Oregonians from harm but to also show a benefit to customers. The conditions in the order are designed to ensure transparency, maintain strong oversight, and make sure customers see real value."

To ensure the reorganization provides customer benefits, the Commission adopted 65 conditions, including:

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- A rate credit of about $78 million for PGE customers over seven years.
- A requirement that PGE notify the PUC if its common equity falls below the minimum 45 percent level.
- A seven-year “hold harmless” provision to ensure the reorganization does not increase customer costs.
- Invest $2 million over three years to support community-based clean energy projects, help customers manage overdue bills, and expand training programs for clean energy jobs. This funding comes from Portland General Holdings and not PGE.
- Provide at least $1 million per year for three years to improve public trails and access to waterfalls and other natural sites in Oregon. Priority will go to natural areas near PGE facilities.
- Additional guardrails to maintain transparency, limit financial risk, and preserve regulatory oversight.

The Commission’s order states that PGE’s application meets statutory requirements only when these conditions are applied. PGE must file a revised master service agreement and cost allocation for further Commission review.

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