

Frequently Asked Questions

Questions About Oregon's
Electricity Market?

**Get your answers right here,
in this helpful FAQ**



1. Why was the electricity market restructured?

Oregon's electricity market was restructured in order to achieve an efficient, competitive market where consumers would have more options when it comes to how they purchase energy.

As part of this restructuring, "Direct Access" has been introduced. This gives consumers the ability to opt out of the default Cost of Service (COS) rate from their local utility and purchase electricity directly from or have direct access to Electricity Service Suppliers (ESSs) certified by the Oregon Public Utilities Commission (OPUC).

2. How will market restructuring affect my business?

This restructured market gives business consumers like you more control over how you purchase your electricity. Specifically, it brings opportunities for possible money-saving electricity supply options.

3. How do I know if I qualify?

This is based entirely on your rate class.

Portland General Electric (PGE)

• **Business customers** – Predominantly Schedule 83, but also Schedules 15, 32, 38, 47, 49, 83R, 91, 92, 93 and 483 (call PGE directly to confirm)

4. How do I know if I'm on a Schedule that gives me choices when it comes to my electricity supply?

Check your electricity bill. For PGE customers, this information is located on the 2nd page of your bill under the "Details of this month's charges" section. It is listed next to the meter number.

5. What are my options?

When it comes to selecting how you purchase electricity, you now have 3 options:

- a) Annual Cost of Service (COS) rate from your local utility,
- b) Direct Access Service through an Electricity Service Supplier (ESS), or
- c) Standard Offer (market-based) rate for the subsequent calendar year.

6. How do these options compare?

COS – A fixed price rate for electricity, determined and quoted annually. Available only through your local utility.

Direct Access Service – A customized, negotiated rate for your business based on your historical consumption patterns. Available only through an ESS.

Standard Offer – The daily, monthly or quarterly fixed price options are tied to market prices. Available only through your local utility if the COS or Direct Access Service option is not selected.

7. Why would I consider Direct Access Service from an ESS?

There are several reasons to purchase electricity from an ESS:

Savings

- Negotiated rate offered by an ESS may be lower than what is offered through the COS and Standard Offer market-based rates, allowing you to lower your operating costs.
- \$4.00/MWh Shopping Credit. If you are a PGE customer, there is a remaining pool of 4.5 MWs that will be offered on a first-come, first-served basis to eligible customers (<1 MW) on up to 10% of qualifying load. The Shopping Credit was due to expire at the end of 2006 but the OPUC has extended it for Direct Access customers in PGE's service territory through 2009. However, it will decline to \$3.00/MWh for 2009.

Budgetary Certainty

The negotiated rate offered by an ESS is guaranteed for the one-year term versus the Standard Offer rate which will fluctuate based on market conditions and subjects customers to market volatility and price risk.

Risk Management

Traditionally, the local utilities provided this service, which was based upon how best to manage risk for all of their customers (i.e. one size fits all) within a customer class. Each business is in reality quite different and may have an appetite for more or less risk in return for potential gains. Taking control of your electricity price risk, and managing it in accordance with your own tolerance for risk, allows you to align electricity procurement with your strategic objectives.

8. What are the timelines?

The OPUC has approved the following rules and timelines which indicate when and how rate information is to be provided to consumers:

- 1) On November 8, 2007, the utilities will update and post their indicative non-binding estimates of electricity prices for calendar year 2008 on their web sites. ESSs will do the same.
- 2) On November 15, 2007, 2:00 p.m., the utilities will post their fixed COS rates for calendar year 2008;
- 3) Utilities will give eligible customers a 5 business day enrollment window from November 15 – November 26, 2007 to opt out of the COS rate and elect:
 - Direct Access Service through an ESS, or
 - Standard Offer rate for the subsequent calendar year.

9. When do I need to make my purchasing decision?

Once you have selected an ESS during the opt-out period you simply need to work with your ESS to put a purchasing strategy in place by January 1, 2008. It is not necessary to “lock in” a price strategy during the shopping window; however, some companies feel more comfortable selecting an ESS and finalizing a purchasing strategy at the same time. The electricity markets, just like any other commodity, “float” up and down. You may choose to fix your price immediately, put in place a more strategic plan that works to manage your expected costs within certain limits, allow your price to “float”, or choose a combination of these strategies. Flexibility in how you buy electricity is one of the key advantages of Direct Access.

10. Is the upcoming November election window the only opportunity for me to elect Direct Access?

No. Beginning in 2007, eligible business customers in PGE's service territory will have three additional opportunities to "opt out" of the COS rate and elect Direct Access Service. Each quarterly enrollment window will remain open for 3 business days and the customer's election will be effective for the remainder of the calendar year. For example, if a customer "opts out" of the COS rate to have Direct Access service begin on April 1, 2007, the COS rate option will not be available again until January 1, 2008. In addition, under PGE's Schedule 483, eligible business customers can elect to "opt out" of the COS rate for a minimum five-year term during the annual election window in September.

11. Are there electricity reliability risks if I purchase from an ESS?

No. Regardless of whether you buy electricity from your local utility or an ESS, the transmission and delivery of electricity as well as the responsibility for infrastructure maintenance is still carried out by your local utility, so there is no risk of being without electricity. The utility also continues to provide your local emergency response services if your power supply is interrupted.

12. Will my billing be affected if I purchase from an ESS?

You have a choice regarding how your bills will be prepared. You can either choose to receive a single consolidated bill from your ESS; or, you can receive two separate bills – one for electricity charges from your ESS and one for distribution and transmission charges from your utility.

13. If I decide to purchase from an ESS, can I go back to purchasing from my utility in the future?

Yes. When your Direct Access contract with an ESS expires, you may return to purchasing electricity from your utility.

14. Is Constellation NewEnergy able to serve Oregon businesses?

Constellation NewEnergy has been certified by the OPUC as a Scheduling ESS since January 2002. Constellation NewEnergy is registered to transact business with Portland General Electric and Pacific Power and can enroll eligible business customers in the two utilities' service territories for Direct Access Service. In fact, Constellation NewEnergy has been serving some business customers in Portland General Electric's service territory since January 1, 2005.

15. Why choose Constellation NewEnergy as your ESS?

Constellation NewEnergy is the single most trusted and widely used provider of competitive energy, serving over 10,000 commercial and industrial clients across North America, including two-thirds of the Fortune 100, which represents more than 15,500 megawatts of peak load nationwide. We help businesses throughout the United States and Canada maximize the value of their energy investment.

16. How do I sign up for Direct Access Service with Constellation NewEnergy?

You can begin your Direct Access Service in 5 easy steps:

- Step 1:** PGE customers must first sign and return the Direct Access Historical Release form. Pacific Power customers must first sign and return the Customer Information/Payment History Release form. (Please note that neither utility accepts faxed forms or e-mails.)
- Step 2:** Constellation NewEnergy obtains your historical electricity usage data from your utility, analyzes your power consumption patterns and develops a customized proposal for your business.
- Step 3:** You and Constellation NewEnergy execute an Electricity Supply Agreement.
- Step 4:** Constellation NewEnergy seamlessly transitions your accounts to Direct Access Service.
- Step 5:** You begin receiving power from Constellation NewEnergy on your next meter read date in January, 2008.

Key Dates

November 8	November 15	November 26	January 1, 2008
<p>Check your utility web site for indicative Cost of Service prices; CNE posts current market rates.</p> <p>Attend the Constellation NewEnergy “Power to Choose” seminar to evaluate your electricity supply options.</p> <p>Submit historical usage release forms to your utility via courier (if you have not already done so).</p>	<p>Enrollment window opens to elect Direct Access or to “opt out” of the utilities’ 2007 COS rates.</p> <p>Utilities announce their Calendar Year 2008 COS prices.</p>	<p>Deadline for Enrollment at 5:00 p.m.</p>	<p>Selected pricing option goes into effect.</p>

Constellation NewEnergy is North America's #1 Competitive Energy Supplier serving businesses

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NewEnergy®**

The way energy **works.**
for your business™

Two California Plaza
350 South Grand Avenue
Suite 3800
Los Angeles, CA 90071

tel: 213.576.6000
toll-free: 888.825.0700
fax: 213.576.6060
www.newenergy.com

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DETROIT • HOUSTON • LOS ANGELES • NEW YORK • TORONTO