

PUBLIC SERVICE ENTERPRISE GROUP

NYSE: PEG

Q3 2020 Performance Update

We delivered a solid quarter at both PSE&G and PSEG Power and remain on track to deliver full year results within our updated guidance range. PSEG reported Net Income for the third quarter of 2020 of \$575 million, or \$1.14 per share, as compared to Net Income of \$403 million, or \$0.79 per share, for the third quarter of 2019. Non-GAAP Operating Earnings for the third quarter of 2020 were \$488 million, or \$0.96 per share, compared to non-GAAP Operating Earnings for the third quarter of 2019 of \$495 million, or \$0.98 per share. We are updating and narrowing PSEG's full-year 2020, non-GAAP Operating Earnings guidance to \$3.35 to \$3.50 per share, raising the low end of our guidance to reflect strong cost control at PSEG Power and overall results through the first three quarters of the year. We remain on track to execute on PSEG's 2020-2024, \$13 billion to \$15.7 billion capital plan, which we updated following the Clean Energy Future (CEF) – Energy Efficiency (EE) decision. We continue to expect to fund these investments without the need to issue new equity as we prioritize greater visibility in our regulated earnings and opportunities for dividend growth.

On September 23, the New Jersey Board of Public Utilities (NJBP) approved a settlement of PSE&G's CEF-EE filing, outlining a \$1 billion commitment toward energy efficiency investments over the next three years. The CEF-EE investment program will establish a clean energy jobs training program and create over 3,200 clean energy jobs, as it also helps New Jersey avoid 8 million metric tons of carbon emissions through 2050. The investments will receive recovery of and on capital through a clause mechanism at the current authorized return on equity of 9.6%. In addition, the NJBP approved a Conservation Incentive Program (CIP), allowing for the recovery of sales variations in revenues, such as those that could be caused by energy efficiency, weather, and other variables; the CIP will begin in June 2021 for electric revenues and in October 2021 for gas revenues. The \$1 billion of remaining CEF programs proposed to implement Energy Cloud-Automated Metering Infrastructure, expand Electric Vehicle infrastructure and Energy Storage are entering hearings stages later this year, and we expect the hearings to conclude in first quarter 2021. PSE&G's 2020 capital investment program remains on schedule to deploy approximately \$2.7 billion in infrastructure upgrades to its transmission and distribution facilities. PSE&G updated its 2020-2024 Compound Annual Growth in Rate Base projection to 7% to 8% and narrowed its capital investment program over the same 5-year period to \$12.5 billion to \$14.7 billion.

PSEG is also continuing efforts to optimize strategic alternatives for PSEG Power's non-nuclear generating fleet to accelerate the transformation of PSEG into a primarily regulated electric and gas utility focused on reliability and resiliency infrastructure, clean energy investments, methane reduction, and zero-carbon generation. We expect to begin marketing the non-nuclear assets later this year.

Ralph Izzo, Chairman, President & CEO - October 30, 2020

PSEG – Q3 2020 Highlights

Third Quarter Highlights

- Net Income per share of \$1.14 in Q3 2020 vs. \$0.79 in Q3 2019
- Non-GAAP Operating Earnings* per share of \$0.96 in Q3 2020 vs. \$0.98 in Q3 2019
- PSEG results on track for full-year 2020: non-GAAP Operating Earnings Guidance updated to remove \$0.05 per share from lower end of range, now \$3.35 - \$3.50 per share
- PSE&G results reflect ongoing investment in utility infrastructure, higher gas work and storm related O&M, and several tax adjustments expected to reverse over coming quarters
- PSEG Power results benefited from higher capacity revenues and cost reductions

Operational Excellence

- Tropical Storm Isaias was most damaging since Superstorm Sandy in 2012; ~1 million PSEG customers lost power; 90% and 80% restored within 72 hours in NJ and LI, respectively
- Nuclear operations achieved a capacity factor of 95.7% for the quarter and 94.2% for YTD

Disciplined Investment

- NJBP approved 3-year, \$1 billion CEF - EE settlement
- PSE&G on track to invest \$2.7 billion in Transmission & Distribution infrastructure, including Energy Strong II and Gas System Modernization Program II
- Remaining \$1 billion of proposed CEF investments in Energy Cloud - Automated Metering Infrastructure, Electric Vehicle Infrastructure and Energy Storage pending at NJBP

PSEG – Narrowing 2020 Full Year Guidance

Raising the low end of guidance to reflect strong cost control at PSEG Power and overall results through the first three quarters

PSEG Non-GAAP Operating Earnings per Share*



Q3 Results by Subsidiary

	Financial Results		Earnings per Share (EPS)	
	2020	2019	2020	2019
\$ millions (except EPS)				
PSE&G (Net Income)	\$ 313	\$ 344	\$ 0.61	\$ 0.68
PSEG Power (Net Income)	\$ 254	\$ 53	\$ 0.51	\$ 0.10
PSEG Power (non-GAAP Op. Earnings)*	\$ 167	\$ 145	\$ 0.33	\$ 0.29
Enterprise/Other (Net Income)	\$ 8	\$ 6	\$ 0.02	\$ 0.01
PSEG (Net Income)	\$ 575	\$ 403	\$ 1.14	\$ 0.79
PSEG (non-GAAP Operating Earnings)*	\$ 488	\$ 495	\$ 0.96	\$ 0.98

Key Performance Highlights

as of 9/30/2020	
Stock Price on 9/30/2020	\$54.91
Dividends Paid per Share (year-to-date)	\$1.47
Dividend Yield (%)	3.6%
Average Shares Outstanding, Diluted (in millions)	507
Book Value Per Common Share	\$31.43

* See Items excluded from Net Income to reconcile to non-GAAP Operating Earnings on next page or <https://investor.pseg.com/non-GAAP>.

GAAP Disclaimer

Non-GAAP Operating Earnings exclude the impact of returns (losses) associated with the Nuclear Decommissioning Trust (NDT), Mark-to-Market (MTM) accounting and material one-time items.

Management uses non-GAAP Operating Earnings in its internal analysis, and in communications with investors and analysts, as a consistent measure for comparing PSEG's financial performance to previous financial results. The presentation of non-GAAP Operating Earnings is intended to complement, and should not be considered an alternative to, the presentation of Net Income, which is an indicator of financial performance determined in accordance with GAAP. In addition, non-GAAP Operating Earnings as presented in this release may not be comparable to similarly titled measures used by other companies.

Due to the forward looking nature of non-GAAP Operating Earnings guidance, PSEG is unable to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measure. Management is unable to project certain reconciling items, in particular MTM and NDT gains (losses), for future periods due to market volatility. Guidance included herein is as of October 30, 2020.

From time to time, PSEG, PSE&G and PSEG Power release important information via postings on their corporate Investor Relations website at <https://investor.pseg.com>. Investors and other interested parties are encouraged to visit the Investor Relations website to review new postings. You can also use the "Email Alerts" link at <https://investor.pseg.com> to sign-up for automatic email alerts regarding new postings.

Items Excluded from Net Income to Reconcile to Non-GAAP Operating Earnings

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED Consolidated Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended September 30,		Year Ended December 31,
	2020	2019	2019
	(\$ millions, Unaudited)		
Net Income	\$ 575	\$ 403	\$ 1,693
(Gain) Loss on Nuclear Decommissioning Trust (NDT)			
Fund Related Activity, pre-tax (PSEG Power)	(100)	4	(255)
(Gain) Loss on Mark-to-Market (MTM), pre-tax ^(a) (PSEG Power)	82	121	(285)
Plant Retirements and Dispositions, pre-tax (PSEG Power)	(122)	7	402
Goodwill Impairment, pre-tax (PSEG Power)	-	-	16
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	-	58
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	53	(40)	37
Operating Earnings (non-GAAP)	\$ 488	\$ 495	\$ 1,666
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507
	(\$ Per Share Impact - Diluted, Unaudited)		
Net Income	\$ 1.14	\$ 0.79	\$ 3.33
(Gain) Loss on NDT Fund Related Activity, pre-tax (PSEG Power)	(0.20)	0.01	(0.50)
(Gain) Loss on MTM, pre-tax ^(a) (PSEG Power)	0.16	0.24	(0.56)
Plant Retirements and Dispositions, pre-tax (PSEG Power)	(0.24)	0.01	0.79
Goodwill Impairment, pre-tax (PSEG Power)	-	-	0.03
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	-	0.11
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	0.10	(0.07)	0.08
Operating Earnings (non-GAAP)	\$ 0.96	\$ 0.98	\$ 3.28

(a) Includes the financial impact from positions with forward delivery months.

(b) Income tax effect calculated at statutory rate except for lease related activity which is calculated at a combined leveraged lease effective tax rate, and NDT related activity which is calculated at the statutory rate plus a 20% tax on income (loss) from qualified NDT funds.

PSEG Power Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended September 30,		Year Ended December 31,
	2020	2019	2019
	(\$ millions, Unaudited)		
Net Income	\$ 254	\$ 53	\$ 468
(Gain) Loss on NDT Fund Related Activity, pre-tax	(100)	4	(255)
(Gain) Loss on MTM, pre-tax ^(a)	82	121	(285)
Plant Retirements and Dispositions, pre-tax	(122)	7	402
Goodwill Impairment	-	-	16
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	53	(40)	63
Operating Earnings (non-GAAP)	\$ 167	\$ 145	\$ 409
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507

(a) Includes the financial impact from positions with forward delivery months.

(b) Income tax effect calculated at statutory rate except for NDT related activity which is calculated at the statutory rate plus a 20% tax on income (loss) from qualified NDT funds.

PSEG Enterprise/Other Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended September 30,		Year Ended December 31,
	2020	2019	2019
	(\$ millions, Unaudited)		
Net Income (Loss)	\$ 8	\$ 6	\$ (25)
Lease Related Activity, pre-tax	-	-	58
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(a)	-	-	(26)
Operating Earnings (non-GAAP)	\$ 8	\$ 6	\$ 7
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507

(a) Income tax effect calculated at a combined leveraged lease effective tax rate.