

PUBLIC SERVICE ENTERPRISE GROUP

NYSE: PEG

Q4 & Full-Year 2020 Performance Update

We are pleased to report that PSEG posted strong operating and financial results for the fourth quarter, and our full-year 2020 non-GAAP Operating Earnings per share rose by 4.6% over 2019 and marked the 16th year in a row that PSEG delivered results within our original earnings guidance. We have also made steady progress on several key business priorities, the most important of which is our transition to becoming primarily a regulated utility with contracted generation, comprised of our zero-carbon nuclear fleet and future investments in regional offshore wind. PSE&G successfully initiated its landmark Clean Energy Future (CEF) program, securing approval to spend nearly \$2 billion of investment in energy efficiency, smart meter installations and electric vehicle charging infrastructure that will enhance New Jersey's environmental profile for years to come.

Working with COVID-19 health and safety protocols since last March, PSE&G was able to execute on its planned \$2.7 billion capital spending program in 2020. These programs provided critical investment to support the New Jersey economy, particularly in the early months of the pandemic, and preserved essential jobs while replacing vitally important energy infrastructure and generating customer benefits of improved reliability and resiliency, as well as methane reduction.

At PSEG Power, we are continuing all activities related to the exploration of strategic alternatives we announced last July. In the fourth quarter of last year, we launched the formal sales processes of the 467 MW_{DC} Solar Source and over 6,750 MW Fossil portfolios. We are currently evaluating indications of interest and believe we are on track to announce an outcome in the second half of 2021. PSEG Nuclear's Zero Emission Certificate (ZEC) application and the extension of the current ZECs is currently under consideration at the NJ Board of Public Utilities (NJBPU).

Our PSEG 5-year capital spending forecast has been updated to \$14 billion - \$16 billion for the 2021-2025 period. Consistent with past years, approximately 90%, or \$13 billion to \$15 billion, of this capital program will be directed to grow regulated operations at PSE&G, and is expected produce 6.5% to 8% compound annual growth in rate base over the five-year period, starting from \$22 billion at year-end 2020.

For 2021, we are introducing non-GAAP Operating Earnings guidance of \$3.35 - \$3.55 per share, with PSE&G expected to contribute over 80% of consolidated earnings at the mid-point of guidance. The Board of Directors' recent decision to increase the company's common dividend to the indicative annual level of \$2.04 per share reflects our ongoing commitment to returning capital to our shareholders to enhance our total return profile as we also pursue growth.

Ralph Izzo, Chairman, President & CEO - February 26, 2021

PSEG – Q4 & FY 2020 Highlights

2020 Highlights

- Q4 2020 Net Income of \$0.85 per share;
Full year 2020 Net Income of \$3.76 per share
- Q4 2020 non-GAAP Operating Earnings* of \$0.65 per share;
Full year 2020 non-GAAP Operating Earnings* of \$3.43 per share
- PSE&G's full year results reflect ongoing investment in infrastructure partly offset by weather
- PSEG Power's full year non-GAAP Operating Earnings* impacted by lower capacity revenues and market prices

Operational Excellence

- PSE&G named most reliable electric utility in the Mid-Atlantic region for the 19th year in a row
- Nuclear operations achieved a capacity factor of 90.3% for 2020

Disciplined Capital Investment

- NJBPU approved investment of nearly \$2 billion of CEF programs
 - Energy Efficiency: new \$1 billion, 3-year commitment and \$111 million extension to existing programs
 - Energy Cloud/Advanced Metering Infrastructure: \$707 million for accelerated rollout of ~2 million electric meters
 - Electric Vehicles: \$166 million to support EV charging infrastructure
- PSE&G invested \$2.7 billion in 2020 in Transmission & Distribution infrastructure, including Energy Strong II and Gas System Modernization Program II

PSEG – Introducing 2021 FY Guidance

PSEG Non-GAAP Operating Earnings per Share*



Q4 Results by Subsidiary

	Financial Results		Earnings per Share (EPS)	
	2020	2019	2020	2019
\$ millions (except EPS)				
PSE&G (Net Income)	\$ 291	\$ 276	\$ 0.58	\$ 0.54
PSEG Power (Net Income)	\$ 157	\$ 159	\$ 0.30	\$ 0.32
PSEG Power (non-GAAP Op. Earnings)*	\$ 55	\$ 52	\$ 0.10	\$ 0.10
Enterprise/Other (Net Income/(Loss))	\$ (17)	\$ 2	\$ (0.03)	\$ -
PSEG (Net Income)	\$ 431	\$ 437	\$ 0.85	\$ 0.86
PSEG (non-GAAP Operating Earnings)*	\$ 329	\$ 330	\$ 0.65	\$ 0.64

Key Performance Highlights

	as of 12/31/2020
Stock Price	\$58.30
Dividends Paid per Share (year-to-date)	\$1.96
Dividend Yield (%)	3.4%
Average Shares Outstanding, Diluted (in millions)	507
Book Value Per Common Share	\$31.72

*Comparison of 2020 to 2019 quarterly non-GAAP operating earnings per share is impacted by rounding to sum to year-to-date totals and does not reflect an actual increase quarter over quarter. See Items excluded from Net Income/(Loss) 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 February 26, 2021.

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 December 31,		Year Ended December 31,	
	2020	2019	2020	2019
	(\$ millions, Unaudited)			
Net Income	\$ 431	\$ 437	\$ 1,905	\$ 1,693
(Gain) Loss on Nuclear Decommissioning Trust (NDT)				
Fund Related Activity, pre-tax (PSEG Power)	(158)	(91)	(231)	(255)
(Gain) Loss on Mark-to-Market (MTM), pre-tax ^(a) (PSEG Power)	(1)	(90)	81	(285)
Plant Retirements and Dispositions, pre-tax (PSEG Power)	-	-	(122)	402
Oil Lower of Cost or Market (LOCOM) adjustment, pre-tax (PSEG Power)	(9)	-	2	-
Goodwill Impairment, pre-tax (PSEG Power)	-	16	-	16
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	-	-	58
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	66	58	106	37
Operating Earnings (non-GAAP)	\$ 329	\$ 330	\$ 1,741	\$ 1,666
PSEG Fully Diluted Average Shares Outstanding (in millions)	508	507	507	507
	(\$ Per Share Impact - Diluted, Unaudited)			
Net Income	\$ 0.85	\$ 0.86	\$ 3.76	\$ 3.33
(Gain) Loss on NDT Fund Related Activity, pre-tax (PSEG Power)	(0.31)	(0.18)	(0.46)	(0.50)
(Gain) Loss on MTM, pre-tax ^(a) (PSEG Power)	-	(0.18)	0.16	(0.56)
Plant Retirements and Dispositions, pre-tax (PSEG Power)	-	-	(0.24)	0.79
Oil LOCOM adjustment, pre-tax (PSEG Power)	(0.02)	-	-	-
Goodwill Impairment, pre-tax (PSEG Power)	-	0.03	-	0.03
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	-	-	0.11
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	0.13	0.11	0.21	0.08
Operating Earnings (non-GAAP)^(c)	\$ 0.65	\$ 0.64	\$ 3.43	\$ 3.28

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

(b) Income tax effect calculated at the 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.

(c) Comparison of 2020 to 2019 quarterly non-GAAP operating earnings per share is impacted by rounding to sum to year-to-date totals and does not reflect an actual increase quarter over quarter.

PSEG Power Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
	(\$ millions, Unaudited)			
Net Income	\$ 157	\$ 159	\$ 594	\$ 468
(Gain) Loss on NDT Fund Related Activity, pre-tax	(158)	(91)	(231)	(255)
(Gain) Loss on MTM, pre-tax ^(a)	(1)	(90)	81	(285)
Plant Retirements and Dispositions, pre-tax	-	-	(122)	402
Oil LOCOM adjustment, pre-tax	(9)	-	2	-
Goodwill Impairment, pre-tax	-	16	-	16
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	66	58	106	63
Operating Earnings (non-GAAP)	\$ 55	\$ 52	\$ 430	\$ 409
PSEG Fully Diluted Average Shares Outstanding (in millions)	508	507	507	507

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

(b) Income tax effect calculated at the 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 December 31,		Year Ended December 31,	
	2020	2019	2020	2019
	(\$ millions, Unaudited)			
Net Income (Loss)	\$ (17)	\$ 2	\$ (16)	\$ (25)
Lease Related Activity, pre-tax	-	-	-	58
Income Taxes related to Lease related activity ^(a)	-	-	-	(25)
Operating Earnings (non-GAAP)	\$ (17)	\$ 2	\$ (16)	\$ 7
PSEG Fully Diluted Average Shares Outstanding (in millions)	508	507	507	507

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