

PSEG POWER 485-MW COMBINED-CYCLE GAS PLANT CLEARS ISO-NEW ENGLAND FORWARD CAPACITY AUCTION

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\$550 million plant will help ensure energy reliability in region, create jobs and tax revenues for Bridgeport

Community Environmental Benefit Agreement Announced

\$2 million environmental benefit fund created

February 11, 2016 – Bridgeport, CT – PSEG Power Connecticut announced today that it has cleared 485 MWs of Installed Summer Capacity from a new gas-fired combined-cycle power plant in the ISO-New England Forward Capacity Auction. PSEG Power Connecticut expects to begin construction of the clean, natural gas-fired plant in 2017. The plant, which represents an investment of more than \$550 million, is targeted to be completed and supplying needed energy to the Connecticut region for the year beginning June 2019. The plant will be located at PSEG Power Connecticut's existing Bridgeport Harbor Station site.

"This is a true win for Bridgeport – not only adding new clean energy to the grid, but creating jobs, tax revenue, and general economic activity within the region," said Richard P. Lopriore, president of PSEG Fossil. "We look forward to providing reliable energy to Connecticut and the region for many years to come."

The plant will create 350 construction jobs and approximately 20 permanent jobs, add tax revenue to the City of Bridgeport, as well as other economic benefits. The plant primarily will run on natural gas, but also will be able to run on ultra-low-sulfur distillate (ULSD) fuel oil as a back-up fuel, ensuring fuel diversity and exceptional dependability.

"We are pleased that PSEG Power will be making further investments in power generation in our city," said Bridgeport Mayor Joe Ganim. "The new plant will result in jobs and tax-base generation, adding more than \$5 million in additional tax revenue per year to the city."

PSEG Power Connecticut, the City of Bridgeport, and several community groups and environmental organizations also announced today that they have agreed to a Community Environmental Benefit Agreement (CEBA) associated with the plant.

The agreement supports the objectives of Connecticut's Environmental Justice Act. Implementing the agreement is conditioned on receiving key permits necessary for construction. Among the components of the CEBA, if all conditions are met, PSEG Power Connecticut agreed to finalize plans to retire Bridgeport Harbor Station Unit 3; establish a \$2 million fund to support projects and improvements focused on creating environmental benefits for Bridgeport residents; assign a Community Liaison Officer to be the main point of contact with community groups and work with the community to support local and regional hiring. In the CEBA, the City agrees to express its unqualified support for the new gas-fired combined cycle plant.

"This is a great example of the City, community groups, and a local business working together for the benefit of all," Ganim said. "Along with PSEG's investment in this power plant and the potential for additional renewable generation, the company will be investing in local civic groups and community projects, as well as charting a course for the future of this significant property that doesn't involve coal. This is a real win for all parties."

"This agreement strengthens PSEG's partnership with the City of Bridgeport and the community," Lopriore said. "We wish to thank Mayor Ganim and his administration, as well as leaders of the community, for helping develop and negotiate this agreement."

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PSEG Power Connecticut's Bridgeport Harbor and New Haven Harbor stations are part of PSEG Power LLC's generating fleet.

PSEG Power LLC is an independent power producer that generates and sells electricity in the wholesale market, with a fleet totaling 11,782 MWs of electric generating capacity. It is a nationally recognized industry leader on environmental issues. **PSEG Fossil LLC** is one of four main subsidiaries of PSEG Power, and operates the company's portfolio of natural gas, coal and oil-fired electric generating units.

PSEG Power is a subsidiary of **Public Service Enterprise Group Incorporated (PSEG)** (NYSE:PEG), a diversified energy company (www.pseg.com [4]).

Forward-Looking Statement

The statements contained in this communication about our and our subsidiaries' future performance, including, without limitation, future revenues, earnings, strategies, prospects, consequences and all other statements that are not purely historical, are forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Although we believe that our expectations are based on information currently available and on reasonable assumptions, we can give no assurance they will be achieved. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. A discussion of some of these risks and uncertainties is contained in our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission (SEC), and available on our website: <http://www.pseg.com> [5]. These documents address in further detail our business, industry issues and other factors that could cause actual results to differ materially from those indicated in this communication. In addition, any forward-looking statements included herein represent our estimates only as of the date hereof and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even if our internal estimates change, unless otherwise required by applicable securities laws.

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