May 2020 PSEG Investor Update



• NYSE: PEG •

BUILDING A SUSTAINABLE, FINANCIALLY SOUND ENERGY INFRASTRUCTURE COMPANY

PSEG
We make things work for you.

Forward-Looking Statements

Certain of the matters discussed in this presentation 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 constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. When used herein, the words "anticipate," "intend," "estimate," "believe," "expect," "plan," "should," "hypothetical," "potential," "forecast," "project," variations of such words and similar expressions are intended to identify forward-looking statements. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Other factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are discussed in filings we make with the United States Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K. These factors include, but are not limited to:

- fluctuations in wholesale power and natural gas markets, including the potential impacts on the economic viability of our generation units;
- our ability to obtain adequate fuel supply;
- market risks impacting the operation of our generating stations;
- increases in competition in wholesale energy and capacity markets;
- changes in technology related to energy generation, distribution and consumption and customer usage patterns;
- economic downturns;
- third-party credit risk relating to our sale of generation output and purchase of fuel;
- adverse performance of our nuclear decommissioning and defined benefit plan trust fund investments and changes in funding requirements;
- the impact of changes in state and federal legislation and regulations on our business, including PSE&G's ability to recover costs and earn returns on authorized investments;
- PSE&G's proposed investment programs may not be fully approved by regulators and its capital investment may be lower than planned;
- the impact on our New Jersey nuclear plants if such plants are not awarded Zero Emission Certificates (ZEC) in future periods, there is an adverse change in the amount of future ZEC payments, the ZEC program is overturned or modified through legal proceedings or if adverse changes are made to the capacity market construct;
- adverse changes in energy industry laws, policies and regulations, including market structures and transmission planning;
- the impact of state and federal actions aimed at combating climate change on our natural gas assets;
- risks associated with our ownership and operation of nuclear facilities, including regulatory risks, such as compliance with the Atomic Energy Act and trade control, environmental and other regulations, as well as financial, environmental and health and safety risks;
- changes in federal and state environmental regulations and enforcement;
- delays in receipt of, or an inability to receive, necessary licenses and permits;
- the impact of any future rate proceedings;
- adverse outcomes of any legal, regulatory or other proceeding, settlement, investigation or claim applicable to us and/or the energy industry;
- changes in tax laws and regulations;
- the impact of our holding company structure on our ability to meet our corporate funding needs, service debt and pay dividends;
- lack of growth or slower growth in the number of customers or changes in customer demand;
- any inability of PSEG Power to meet its commitments under forward sale obligations;
- reliance on transmission facilities that we do not own or control and the impact on our ability to maintain adequate transmission capacity;
- any inability to successfully develop, obtain regulatory approval for, or construct generation, transmission and distribution projects;
- any equipment failures, accidents, severe weather events or other incidents, including pandemics such as the ongoing coronavirus pandemic, that may impact our ability to provide safe and reliable service to our customers;
- our inability to exercise control over the operations of generation facilities in which we do not maintain a controlling interest;
- any inability to recover the carrying amount of our long-lived assets and leveraged leases;
- any inability to maintain sufficient liquidity;
- any inability to realize anticipated tax benefits or retain tax credits;
- challenges associated with recruitment and/or retention of key executives and a qualified workforce;
- the impact of our covenants in our debt instruments on our operations;
- the impact of the ongoing coronavirus pandemic; and
- the impact of acts of war, terrorism, cybersecurity attacks or intrusions.

All of the forward-looking statements made in this presentation are qualified by these cautionary statements and we cannot assure you that the results or developments anticipated by management will be realized or even if realized, will have the expected consequences to, or effects on, us or our business, prospects, financial condition, results of operations or cash flows. Readers are cautioned not to place undue reliance on these forward-looking statements in making any investment decision. Forward-looking statements made in this presentation apply only as of the date of this presentation. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even in light of new information or future events, unless otherwise required by applicable securities laws.

The forward-looking statements contained in this presentation are intended to qualify for the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

GAAP Disclaimer

PSEG presents Operating Earnings in addition to its Net Income reported in accordance with accounting principles generally accepted in the United States (GAAP). Operating Earnings is a non-GAAP financial measures that differs from Net Income. Non-GAAP Operating Earnings excludes the impact of returns (losses) associated with the Nuclear Decommissioning Trust (NDT), Mark-to-Market (MTM) accounting and material one-time items. The last slide in this presentation (Slide A) includes a list of items excluded from Net Income to reconcile to non-GAAP Operating Earnings with a reference to that slide included on each of the slides where the non-GAAP information appears.

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 this non-GAAP financial measure 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.

These materials and other financial releases can be found on the PSEG website at https://investor.pseg.com. From time to time, PSEG, PSE&G and PSEG Power release important information via postings on their corporate website at https://investor.pseg.com. Investors and other interested parties are encouraged to visit the corporate website to review new postings. The "Email Alerts" link at https://investor.pseg.com may be used to enroll to receive automatic email alerts.

PSEG powering New Jersey's response to COVID-19

PSEG Response to COVID-19

- ✓ Work continues in NJ with capital plan largely intact, given the essential nature of the businesses
- ✓ Activated pandemic response plan and senior-level, cross-functional team
- ✓ Voluntarily suspended shut-offs of electric and gas service to residential customers for non-payment
- ✓ Donated 50,000 N95 masks and 200,000 pairs of gloves to NJ health care organizations
- ✓ PSEG Foundation announced commitment of $2.5 million to regional food banks, medical and community organizations, including a $1 million donation to the NJ Pandemic Relief Fund
- ✓ PSE&G and PSEG-LI assisting with electricity provisioning for emergency medical facilities construction

PSEG Operations

- ✓ Began planning a "responsible re-entry" that will incorporate re-imagined, better ways to operate the business
- ✓ Employees operating effectively with latest COVID-19 health and safety protocols; PPE for all field associates
- ✓ Confirmed COVID-19 incidence rates among PSEG employees are lower than those of the NJ and LI general populations
- ✓ Construction crews continuing work on essential projects to replace and upgrade critical energy infrastructure
- ✓ Salem 2 nuclear refueling outage successfully de-scoped non-critical work and reduced outage days
- ✓ Dedicated workforce maintaining high service quality during recent storms
- ✓ Most customer service associates converted to home-based communications; improvements seen in response times and customer satisfaction
- ✓ PSE&G temporarily suspended certain non-critical repair work inside customer homes and business premises
- ✓ Annual Meeting of Stockholders held as a virtual meeting and broadcast on website

PSEG well positioned during COVID-19 challenges

❖ Strong Liquidity Position

- ✓ Total credit facilities $4.2B; $4B of credit facilities extended through March 2024; Ended Q1 with ~$4B of liquidity
- ✓ In May 2020, PSE&G issued $375M MTNs, in addition to $600M MTNs issued in January
- ✓ PSEG closed on three term loans totaling $800M in March and April for general corporate purposes
- ✓ Debt Maturities of $1.4B in 2020: PSEG Power $406M (Apr), PSE&G $259M (Aug/Nov), and PSEG $700M (Nov)
- ✓ PSE&G's $2.7B 2020 capital program to be funded consistent with authorized capital structure of 54% equity
- ✓ No need to issue new equity to fund 2020-2024 capital program

❖ Pension has No Near-term Cash Requirements

- ✓ Funded status: 86% at YE 2019; Next pension re-measurement at YE 2020
- ✓ Expect accumulated pension funding credits of ~$600M can be used to defray future cash contributions over next two years
- ✓ Market/asset performance is measured at year-end and amortized over several years

❖ State Regulatory Proceedings Continuing Online

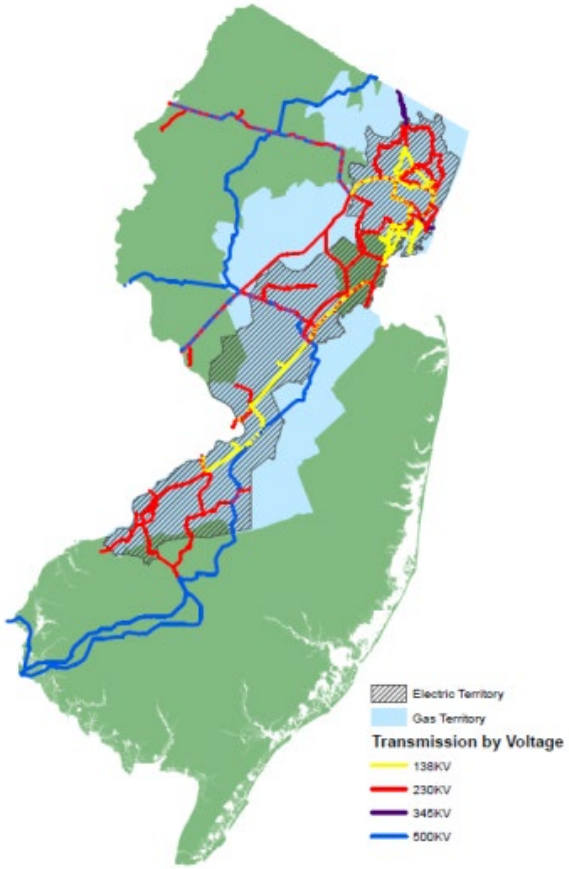
- ✓ NJ Board of Public Utilities (NJBPU) holding regular commission agenda meetings via internet teleconference
- ✓ NJBPU Staff finalizing EE Transition Stakeholder Proceeding via Webinars; NJBPU Order in May/June 2020 to establish broad EE framework for NJ
- ✓ PSE&G CEF-EE scheduled for conclusion by September 2020
- ✓ PSE&G updated its $0.6 billion CEF–EC/AMI filing following NJBPU lifting of NJ moratorium; Procedural schedules set for EC/AMI and EV/ES, resolutions expected towards turn of the New Year
- ✓ NJBPU to consider the Fixed Resource Requirement (FRR) option to procure future NJ capacity requirements

AMI=AUTOMATED METERING INFRASTRUCTURE; MTN = MEDIUM TERM NOTES; CEF = CLEAN ENERGY FUTURE; EE = ENERGY EFFICIENCY; EC = ENERGY CLOUD; EV = ELECTRIC VEHICLE INFRASTRUCTURE; ES = ENERGY STORAGE.

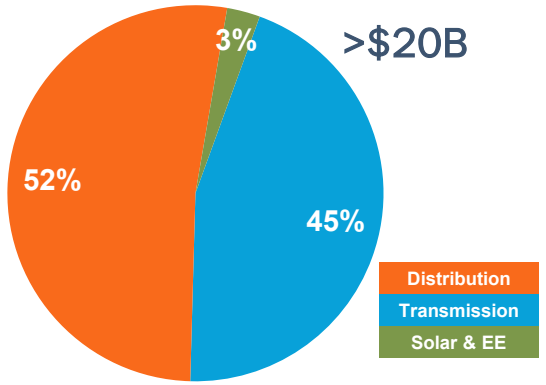
PSE&G – New Jersey's largest:

- Electric and Gas Distribution utility
- Transmission business
- Investor in renewables and energy efficiency
- Appliance service provider

	Electric	Gas
Customers 5-Year Annual Customer Growth*	2.3 Million 0.8%	1.9 Million 0.7%
2019 Electric and Gas Sales	40,684 GWh	2,589M Therms**
Sales Mix (2019)		
Residential	33%	58%
Commercial	58%	38%
Industrial	9%	4%

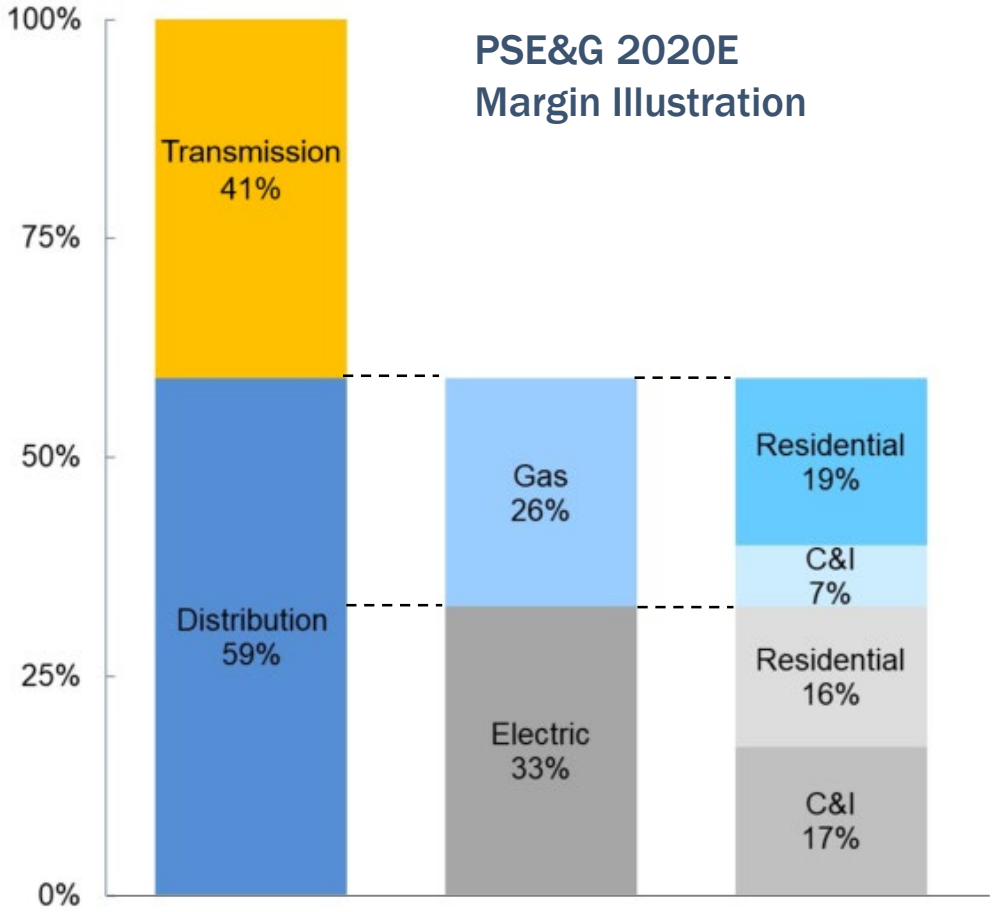


PSE&G 2019 Rate Base***



*ANNUAL CUSTOMER GROWTH USES 2014 AS BASE YEAR.
**GAS FIRM SALES ONLY.
***EXCLUDES CWIP. YEAR-END CWIP BALANCE WAS $1.6 BILLION.

PSE&G T&D Margin Allocation



- Transmission and Residential segments of Distribution expected to contribute 75% of total PSE&G margin
- Transmission is fixed with no variable/ volume risk
- Distribution margin is ~60% Residential
- Significant portion of remaining margin comprised of fixed versus variable
- Near-term COVID-19 Distribution impacts expected to ↑ Residential margins and ↓ C&I margins
- Variable margin is lowest during the current Q2 shoulder season period
- Electric bad debt expense recovered through the societal benefits clause
- Weather normalization clause for Gas Distribution

DISTRIBUTION MARGIN IS WEATHER NORMALIZED AND COMPRISED OF FIXED (FLAT MONTHLY SERVICE CHARGE) + VARIABLE VOLUME (RESIDENTIAL, ELECTRIC SMALL COMMERCIAL & INDUSTRIAL, GAS C&I) + PEAK DEMAND (ELECTRIC C&I, LARGE GAS C&I). E=ESTIMATE

Regulatory and Policy Initiatives - Update

Investment Priorities Aligned with NJ's Clean Energy Agenda

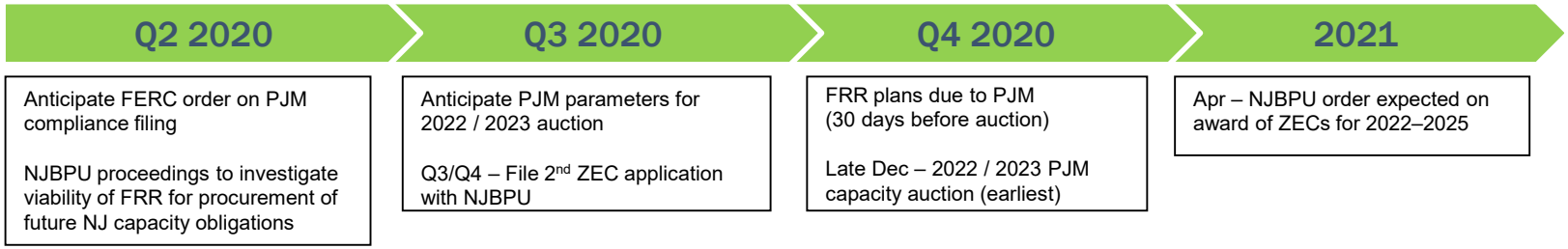
- Energy Efficiency: NJBPU extended schedule to September 2020; Investment in existing programs extended by $111M
- Procedural schedules for CEF-EC/AMI and CEF-EV/ES set; resolutions expected towards turn of the New Year
- PSEG continuing due diligence and negotiations toward a joint venture agreement to potentially acquire a 25% equity interest in Ørsted's 1,100 MW Ocean Wind project

Federal Energy Regulatory Commission (FERC) / PJM

- FERC's NOPR on transmission incentives supports continued incentives for projects and an expanded RTO incentive
- PJM's compliance filing to FERC's Capacity Order proposes floor prices that would allow full flexibility for NJ nuclear units to bid in the upcoming capacity auction
- FERC operating remotely; new commissioner installed, 4 of 5 commissioners seated

PJM Capacity Auction Timeline

- PJM's Independent Market Monitor recently offered an assessment that capacity costs for New Jersey would rise should the state pursue the FRR option to procure future capacity; similar to the IMM's assessment for Maryland and ComEd/Illinois
- In the NJ case, the IMM assessment does not reflect the avoidance of the state having to pay twice for pursuing its clean energy agenda and assumes that bids are at the offer cap, inflating prices
- The NJBPU's FRR proceeding is ongoing; parties in this case will submit briefs in mid-May with a conclusion expected year-end



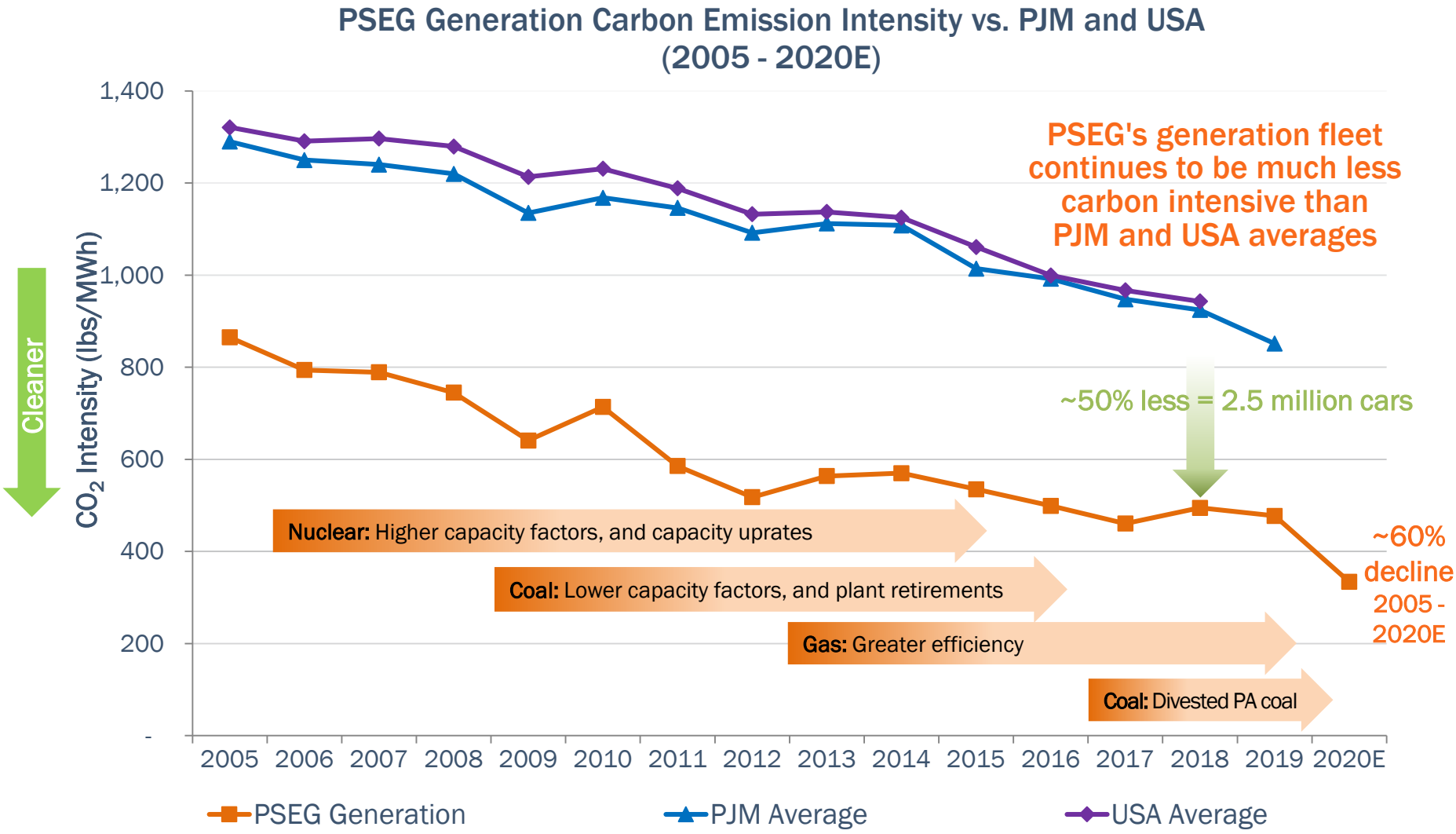
Clean Energy Future program supports economic recovery, helps lower bills and sized to achieve NJ's Clean Energy Act targets

PSE&G's ~$3.5 Billion, 6-year investment proposal offers cost-effective, innovative and ready-to-implement solutions supporting NJ's clean energy goals

- **Energy Efficiency:** Helps achieve NJ's targets of 2% and 0.75% electric & gas savings requirements; green jobs ready
- **Electric Vehicles:** "Smart" infrastructure focused on residential, workplace, multi-family, underserved communities and travel corridors
- **Energy Storage:** Utility-scale systems help defer distribution investment, enables more solar and enhances resiliency
- **Energy Cloud – AMI:** Accelerated roll-out of ~2 million electric meters and supporting infrastructure

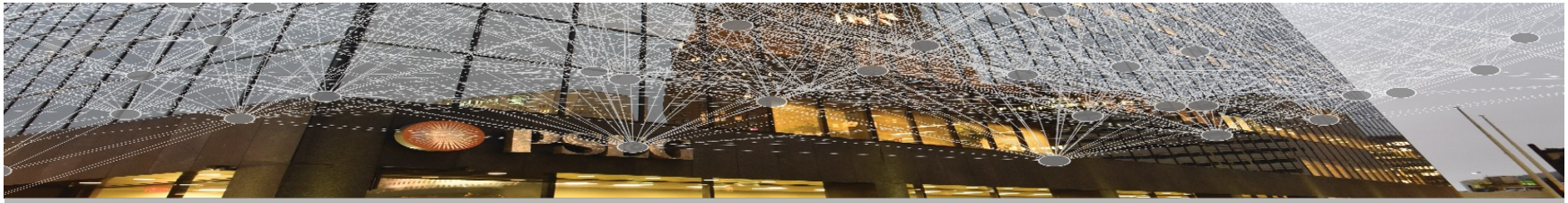
Program Investment	$ Billions
Energy Efficiency	$2.5
Electric Vehicles	$0.3
Energy Storage	$0.1
Energy Cloud – AMI	$0.6
Investment Total	$3.5

Climate Strategy – PSEG's fleet transformation is addressing climate change



E=ESTIMATE

PSEG is committed to real reductions in CO_2 intensity and emissions, and to strengthening PSE&G's system to withstand a climate challenged world



PSEG is Powering Progress

To find out more, visit www.pseg.com/poweringprogress

Reducing CO_2 Intensity/Emissions

- Goal to cut PSEG Power's CO_2 emissions 80% by 2046 from 2005 levels, and achieve **Net-Zero** CO_2 emissions by 2050, assuming advances in technology, public policy and customer behavior
- PSE&G is a founding partner of EPA's Methane Challenge and a leader in methane reduction through GSMP - reduced annual methane emissions by approximately 40,000 metric tons of CO_2 equivalent during 2019
- Advocating for a national price on carbon
- PSEG Power to retire its remaining coal unit in mid-2021
- No plans to build or buy new fossil generation
- Third lowest CO_2 emissions rate and top10 producer of zero carbon generation(1)

Clean Energy & Resiliency

- Clean Energy Future – Filings intended to expand energy efficiency, electric vehicle infrastructure, energy storage and energy cloud offerings to the broadest set of customers at the least cost
- Continuing Energy Strong reliability and resiliency infrastructure improvements to minimize the impact of extreme weather events

Governance / ESG Disclosure

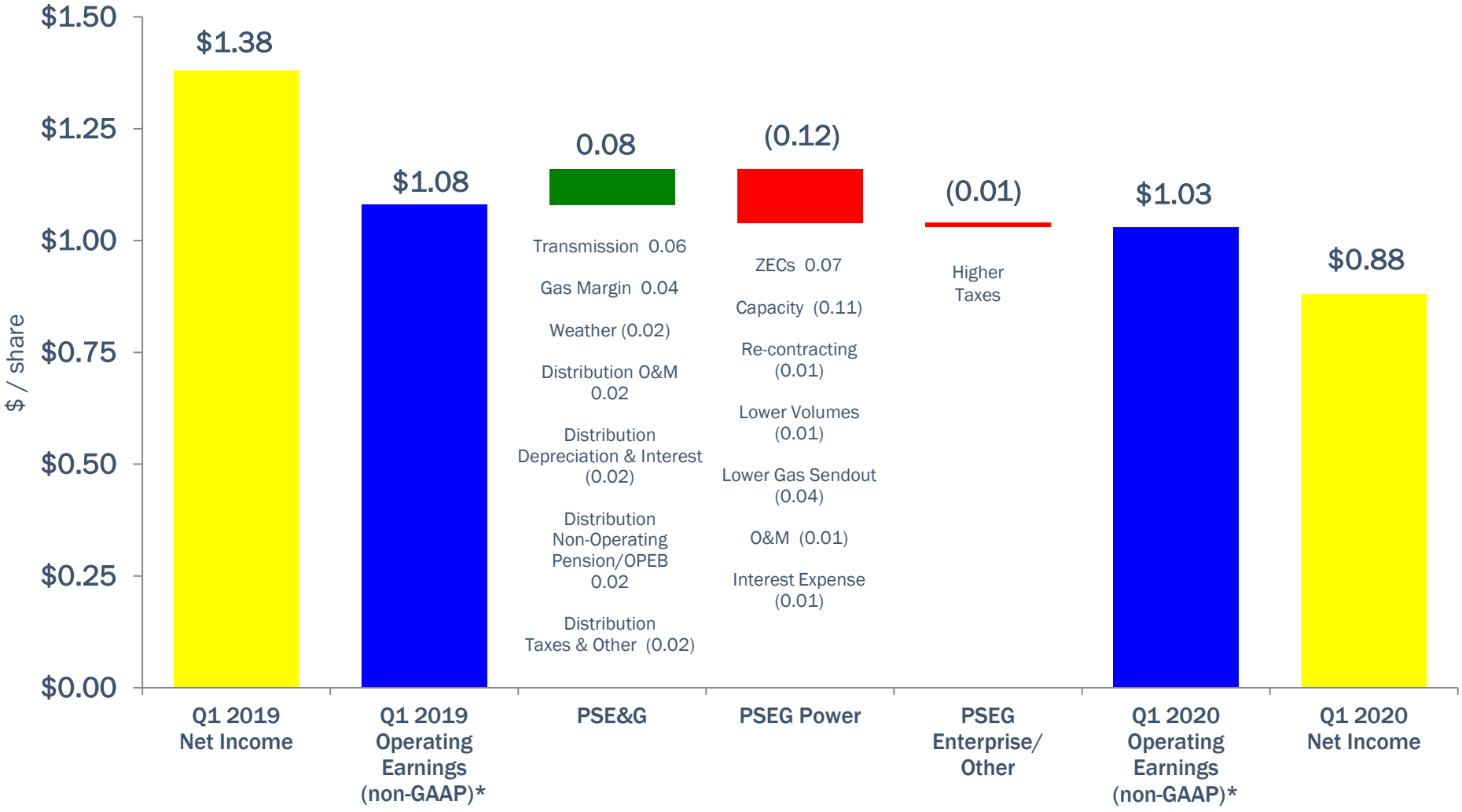
- Board of Directors oversees sustainability matters and the transition to a **Net-Zero** future
- Membership in CEO Climate Dialogue
- PSEG published inaugural Climate Report in April 2020 utilizing TCFD framework
- Sustainability Report (December 2019) incorporated SASB framework
- PSEG named to the Forbes JUST 100 List of America's Best Corporate Citizens for 2020 by Forbes and JUST Capital
- PSEG named to the Forbes list of America's Best Employers for Diversity for 3rd year

(1) SOURCE: MJ BRADLEY BENCHMARKING AIR EMISSIONS, JUNE 2019; CO_2 EMISSION RATE RANKINGS OF TOP 20 PRIVATELY / INVESTOR OWNED POWER PRODUCERS (BY TOTAL GENERATION) IN LB/MWH; ZERO-CARBON GENERATION RANKINGS OF TOP 100 LARGEST U.S. POWER PRODUCERS IN MILLION MWH. GSMP = GAS SYSTEM MODERNIZATION PROGRAM; TCFD = TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE, SASB = SUSTAINABILITY ACCOUNTING STANDARDS BOARD.

APPENDIX

PSEG
We make things work for you.

PSEG EPS Reconciliation – Q1 2020 versus Q1 2019



*SEE SLIDE A FOR ITEMS EXCLUDED FROM NET INCOME TO RECONCILE TO OPERATING EARNINGS (NON-GAAP).

Reconciliation of Non-GAAP Operating Earnings

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

Reconciling Items	Three Months Ended March 31,	
	2020	2019
	($ millions, Unaudited)	
Net Income	**$ 448**	**$ 700**
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax (PSEG Power)	219	(127)
(Gain) Loss on Mark-to-Market (MTM), pre-tax[(a)] (PSEG Power)	(107)	(106)
Oil Lower of Cost or Market (LOCOM) adjustment, pre-tax (PSEG Power)	20	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items[(b)]	(60)	80
Operating Earnings (non-GAAP)	**$ 520**	**$ 547**
PSEG Fully Diluted Average Shares Outstanding (in millions)	**507**	**507**
	($ Per Share Impact - Diluted, Unaudited)	
Net Income	**$ 0.88**	**$ 1.38**
(Gain) Loss on NDT Fund Related Activity, pre-tax (PSEG Power)	0.44	(0.25)
(Gain) Loss on MTM, pre-tax[(a)] (PSEG Power)	(0.21)	(0.21)
Oil LOCOM adjustment, pre-tax (PSEG Power)	0.04	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items[(b)]	(0.12)	0.16
Operating Earnings (non-GAAP)	**$ 1.03**	**$ 1.08**

(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 (losses) from qualified NDT funds.