August 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;
- the impact of acts of war, terrorism, cybersecurity attacks or intrusions; and
- failure to sell or otherwise dispose of all or a portion of PSEG Power's non-nuclear generating fleet on terms that are favorable to us, or at all, or any delay of such transaction or transactions due to market conditions, the failure to satisfy conditions to closing or otherwise.

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.

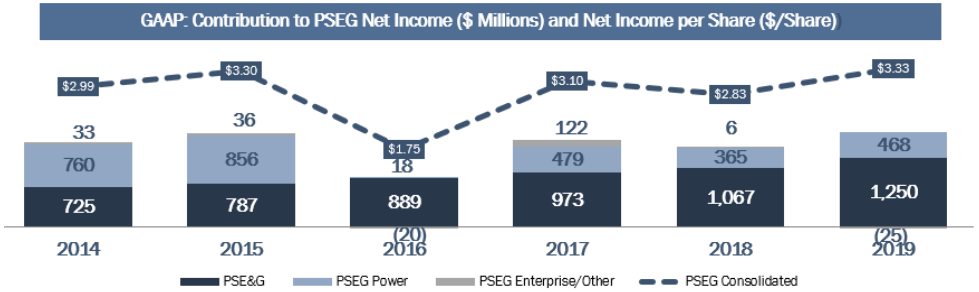
The forward-looking statements contained in this presentation are intended to qualify for the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

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 measure 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 two slides in this presentation (Slides A and B) include a list of items excluded from Net Income/(Loss) to reconcile to non-GAAP Operating Earnings with a reference to those slides 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/(Loss), 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.

A 117-year Newark-based business investing in critical energy infrastructure, providing safe and increasingly clean energy through two strong businesses



Electric & Gas Distribution and Transmission

Strategy: Investments in energy infrastructure and clean energy support reliability and customer expectations and are aligned with public policy

Value Proposition: An $11.5 Billion - $15 Billion investment program expected to produce 6.5% - 8% annual compound rate base growth through 2024

2019
Assets $33B
Net Income $1,250M



Regional Competitive Generation

Strategy: Zero carbon nuclear fleet; exploring strategic alternatives for non-nuclear generating fleet

Value Proposition: Provides substantial free cash flow and positioned to benefit from potential market rule improvements

2019
Assets $13B
Net Income $468M
Non-GAAP Operating Earnings* $409M

PSEG

ASSETS, NET INCOME AND OPERATING EARNINGS ARE FOR THE YEAR ENDED 12/31/2019.
PSE&G AND PSEG POWER DO NOT ADD TO TOTAL DUE TO PSEG ENTERPRISE/OTHER ACTIVITY.
*SEE SLIDE B FOR RECONCILIATION OF NET INCOME TO NON-GAAP OPERATING EARNINGS FOR PSEG POWER.

PSE&G's Clean Energy focus drives top-tier, regulated growth

PSE&G's Clean Energy Filing expands customer access to EE, EV charging, Smart Meters (AMI) and Energy Storage

PSE&G has invested more than **$480M** in Energy Efficiency Programs

PSE&G's Solar 4 All® program has developed **158MW** of solar within our service territory



$2.5 Billion CEF-EE proposal stands ready to create **3,700** direct and **5,000** total **jobs in the clean energy economy** to help NJ recover from the economic downturn due to COVID-19

Electric Vehicles

PSE&G has proposed significant investments in four customer segments: **37,000** Level 2 residential chargers, **2,200** mixed-use Level 2 chargers, **450** public fast-chargers, and **60** chargers for electric school buses or other customized electrification projects

Since 2008, PSE&G has approved more than **$326 Million** in loans and helped more than 1,600 PSE&G customers to finance nearly **140 MW** of solar on NJ homes and businesses

Continuing **Energy Strong** reliability and resiliency infrastructure improvements to minimize the impact of extreme weather events

Upon completion of the **Gas System Modernization Program II** (GSMP), PSE&G will have invested **$2.8 Billion** to convert more than **1,450** miles of aging cast-iron and unprotected steel pipes to more durable materials, **reducing methane** emissions by **21.7%,** from 2018 levels, by 2023

PSEG

AMI=ADVANCED METERING INFRASTRUCTURE; EE=ENERGY EFFICIENCY;
EV=ELECTRIC VEHICLES; ES=ENERGY STORAGE

PSE&G deploys capital consistent with a longstanding commitment to sustainability and environmental stewardship

PSE&G's response to climate change has led to several major investment programs:

Supporting development of solar generation in NJ:

- Solar4All® and Solar Loans — 298 MW_{DC}

Increasing system resiliency against severe weather events:

- Energy Strong I (2013 storm hardening) — $1.0 billion
- Energy Strong II (2019 extension) — $0.8 billion

Modernizing energy infrastructure and reducing methane leakage:

- Gas System Modernization I (2015) — $0.9 billion
- Gas System Modernization II (2019 extension) — $1.9 billion

Moving customers towards using less energy, that is cleaner, highly reliable & connected:

- Energy Efficiency I, II and III (2009—2018) — $0.4 billion
- Clean Energy Future (filing 2019) — $3.5 billion

"Climate change challenges us to think and act in new ways regarding how we use and provide energy … an unmatched opportunity to grow the economy, promote innovation and create new jobs while protecting the planet for future generations."

Ralph Izzo, Forbes – September 2007

ESG & Sustainability Summary

ESG Leadership

- Clean Energy Future PSE&G's $3.5B proposal for significant investments in energy efficiency, advanced metering infrastructure, electric vehicle charging infrastructure and energy storage
- Powering Progress Initiative PSEG announced commitment to reduce GHG emissions from PSEG Power's fleet by 80% from 2005 levels by 2046

- ✓ PSEG has no plans to buy/build fossil generation
- ✓ PSEG Power is already at half the CO_2 intensity of PJM/U.S. averages
- ✓ PSEG Power is coal-free by mid-2021 with the planned early retirement of Bridgeport 3

- A vision for **Net-Zero** emissions by 2050 with advances in technology, public policy and consumer behavior
- Invested ~$1.9B in **Solar Energy** projects
- 2020 Climate Report follows the TCFD framework and our 2019 Sustainability Report is SASB compliant

ESG Policies & Goals

- PSEG is a vocal advocate for an economy-wide price on CO_2 emissions and preserving nuclear power plants for their favorable zero carbon attributes
- Diversity & Inclusion Commitment
- Human Rights Policy (2018)
- PSEG's long-term ESG goals and business strategy are aligned with many of the U.N.'s Sustainable Development Goals intended to stimulate action to set the world on a sustainable path by 2030



ESG Recognition & Scores

- Named to the **Dow Jones Sustainability Index** North America 12 years in a row
- Named one of **America's Most JUST 100 Companies** by Forbes and JUST Capital
- Named to the **Forbes** 2020 List of **Best Employers for Diversity**
- **PSEG ESG Scores**

MSCI	AA
ISS	2,3 (S,E)
Bloomberg	53.6%
Sustainalytics	71.1%
SSGA R-Factor	59%

ESG=ENVIRONMENTAL, SOCIAL, GOVERNANCE; GHG=GREENHOUSE GAS; TCFD=TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES; SASB=SUSTAINABILITY ACCOUNTING STANDARDS BOARD
NOTE: PSEG ESG 2020 SCORES AS OF JUNE 30, 2020.

PSEG powering New Jersey's response to COVID-19

❖ New Jersey Gradually "Re-Opens" from COVID-19 Stay-at-Home Order

- ✓ On June 9, Governor Murphy lifted the stay-at-home order in effect since March 21, gradually re-opening NJ economy
- ✓ NJ Board of Public Utilities (NJBPU) approved restart of in-home utility services with COVID-19 safety protocols

❖ PSEG Response to COVID-19

- ✓ Utility and power work continued in NJ with capital plan largely intact, given the essential nature of the businesses
- ✓ Ongoing senior-level, cross-functional team remains engaged in overseeing dynamic pandemic response plan
- ✓ Voluntary suspension of electric and gas shut-offs extended
- ✓ 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

- ✓ Planning phased approach to "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
- ✓ Safety protocols have protected employees: Confirmed COVID-19 incidence rates among PSEG employees are about half of those of the NJ and LI general populations
- ✓ Utility has resumed on-premises work
- ✓ Salem 2 nuclear refueling outage successfully de-scoped non-critical work and reduced outage days
- ✓ Over half of all employees continue to work from home in NJ and on Long Island
- ✓ Dedicated workforce maintaining high service quality during recent storms

Regulatory and Policy Initiatives Update

State Regulatory Proceedings Continuing Online

- Order establishing recovery for COVID-19 impacts issued by NJBPU
- NJBPU adopted a framework of rules to implement Energy Efficiency throughout NJ to achieve some of the highest EE savings in the country
- EV stakeholder proceeding commenced by NJBPU to be conducted in parallel with CEV-EV filing
- Report expected by year-end on ongoing NJBPU Resource Adequacy proceeding
- ZEC applications for 2022 to 2025 period due in Fall 2020 with a NJBPU decision expected in April 2021

Investment Priorities Aligned with NJ's Clean Energy Agenda

- Energy Efficiency settlement discussions ongoing following NJBPU adoption of EE framework; NJBPU extended procedural schedule to September 2020; Investment in existing programs extended by $111M
- Procedural schedules for CEF-EC/AMI and CEF-EV/ES set; evidentiary hearings scheduled for December 2020
- PSEG continuing due diligence and negotiations toward a joint venture (JV) agreement to potentially acquire a 25% interest in Ørsted's 1,100 MW Ocean Wind project

Federal Energy Regulatory Commission (FERC) / PJM

- President Trump announced his intention to nominate Mark Christie (R) and Allison Clements (D) to fill two open FERC commissioner seats
- FERC's NOPR on transmission incentives supports continued incentives for projects and an expanded RTO incentive
- PJM's compliance filings to FERC's Capacity Order indicate low (currently zero) price floors for NJ nuclear units to bid in the upcoming 2022/2023 RPM capacity auction
- FERC adopted reforms to improve pricing in the PJM Reserve market; PJM estimates reforms could increase annual generator revenues by $1.7B

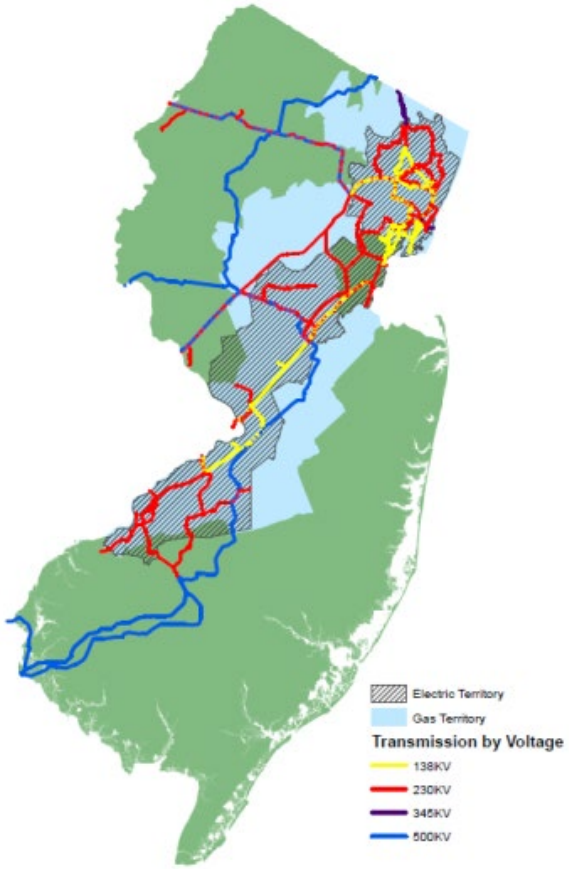
Q3 – Q4 2020	Q4 2020 - Q1 2021	2021
Anticipate FERC order on PJM compliance filings File 2nd ZEC application with NJBPU Applications due for 2nd NJ Offshore Wind RFP	FRR elections for 2022 / 2023 energy year due Anticipate PJM parameters for 2022 / 2023 auction posted Report expected on NJBPU Resource Adequacy proceeding	April 2021 – NJBPU order expected on award of ZECs for 2022–2025 Q2 2021 – 2022 / 2023 PJM capacity auction (earliest)

EC=ENERGY CLOUD; NOPR=NOTICE OF PROPOSED RULEMAKING; RTO = REGIONAL TRANSMISSION ORGANIZATION; ZEC=ZERO EMISSION CERTIFICATE; RPM=RELIABILITY PRICING MODEL; OSW=OFFSHORE WIND; RFP=REQUEST FOR PROPOSAL

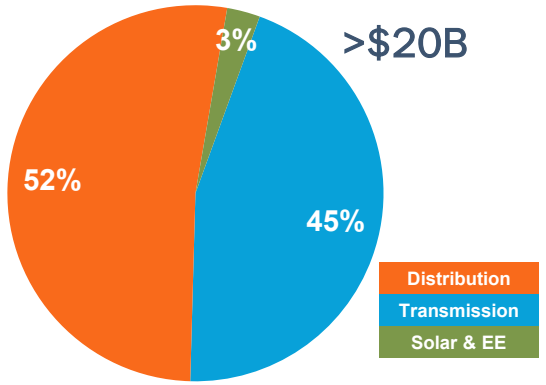
PSE&G – New Jersey's largest:

- 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%

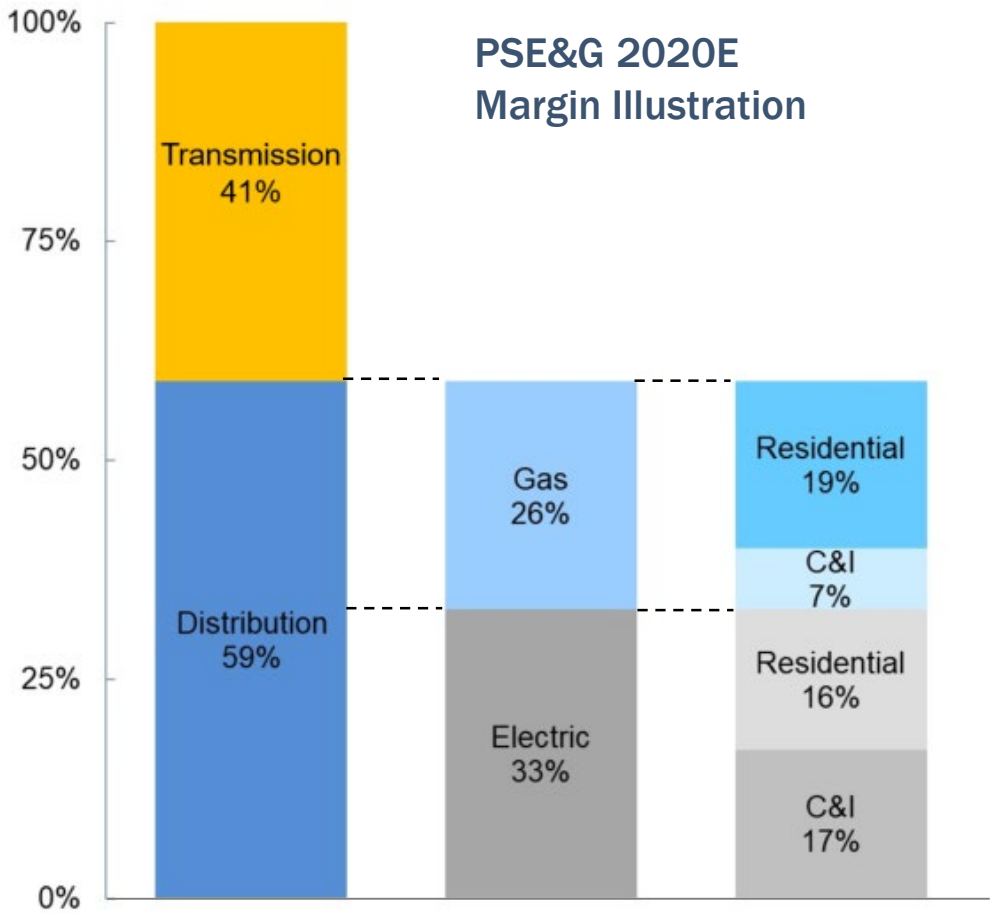


PSE&G 2019 Rate Base***



*ANNUAL CUSTOMER GROWTH USES 2014 AS BASE YEAR.
**GAS FIRM SALES ONLY.
***EXCLUDES CONSTRUCTION WORK IN PROGRESS (CWIP). 2019 YEAR-END CWIP BALANCE WAS $1.6 BILLION.

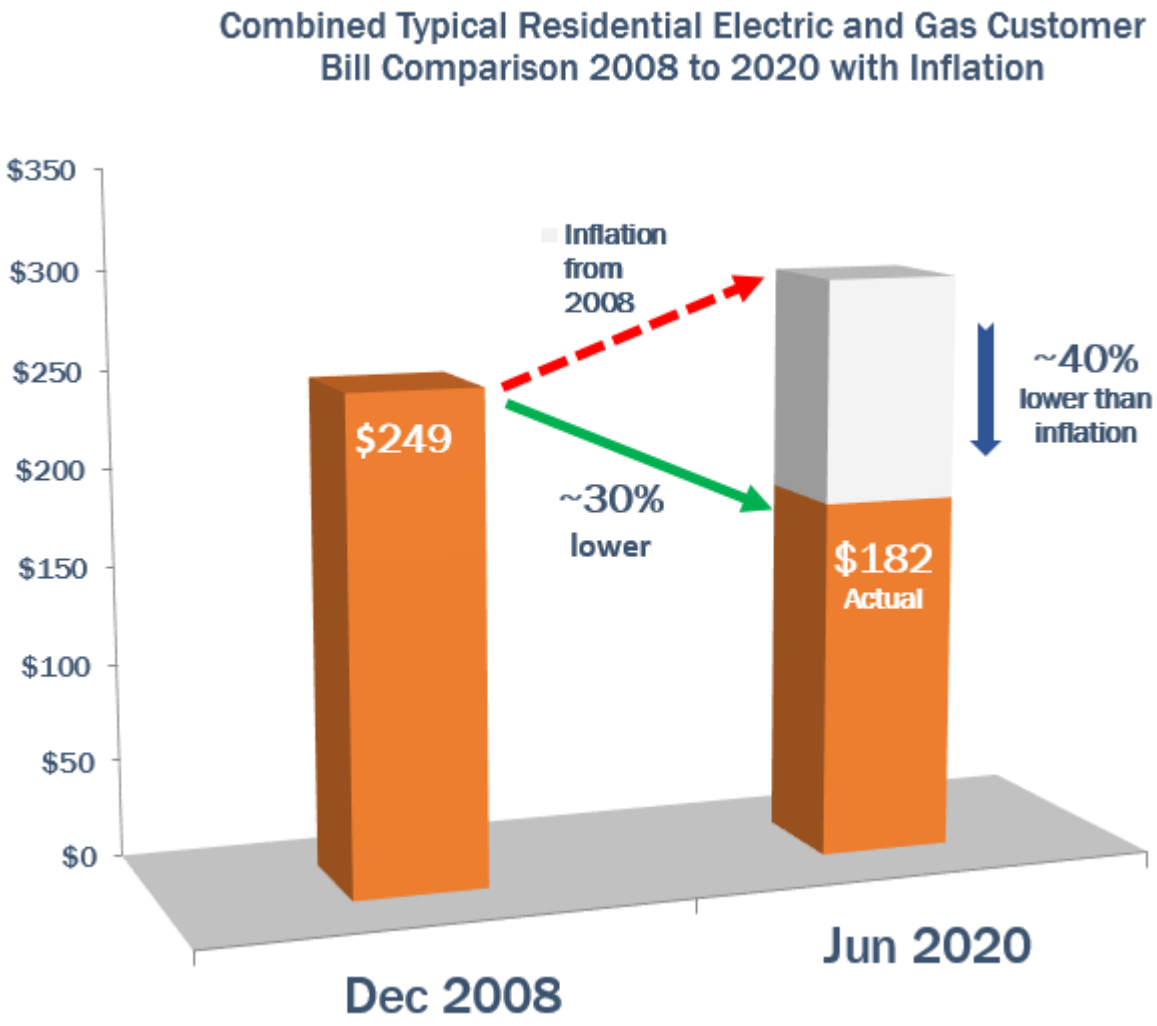
PSE&G T&D Margin Allocation



- 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
- Distribution experienced an increase to Residential margins and decrease to C&I margins from COVID-19 in Q2
- Variable margin is lowest during the Q2 shoulder season period
- Electric bad debt expense recovered through the societal benefits clause
- Weather normalization clause for Gas Distribution

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

Customer Focus – Customer bills have declined, supporting needed investment in the system



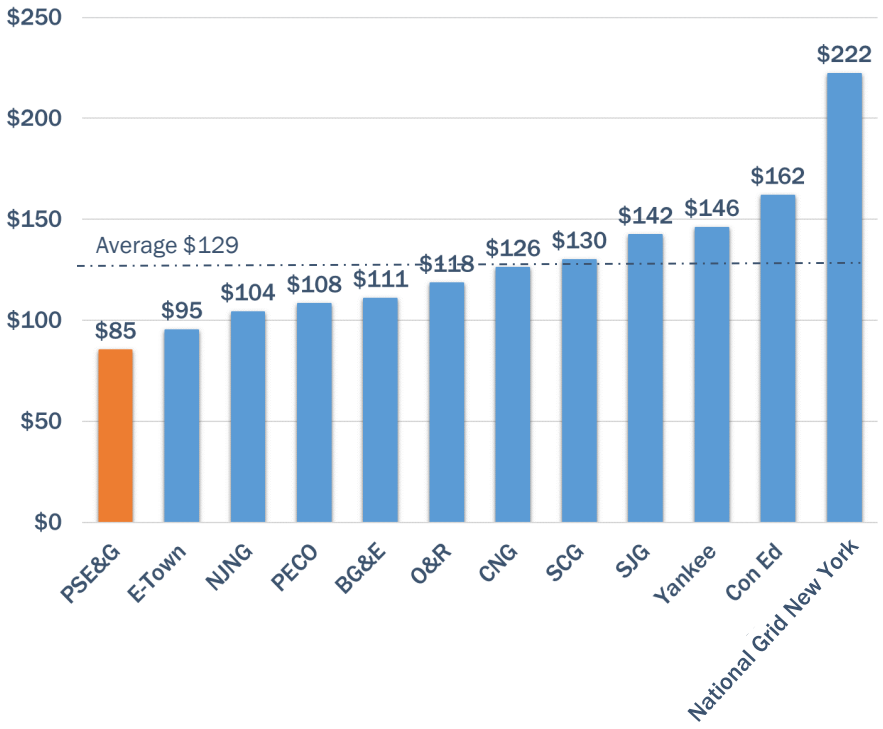
Cost impact of approved and proposed programs GSMP II, ES II, and CEF over next five years

~2% annual increase, yielding flat bills in real terms

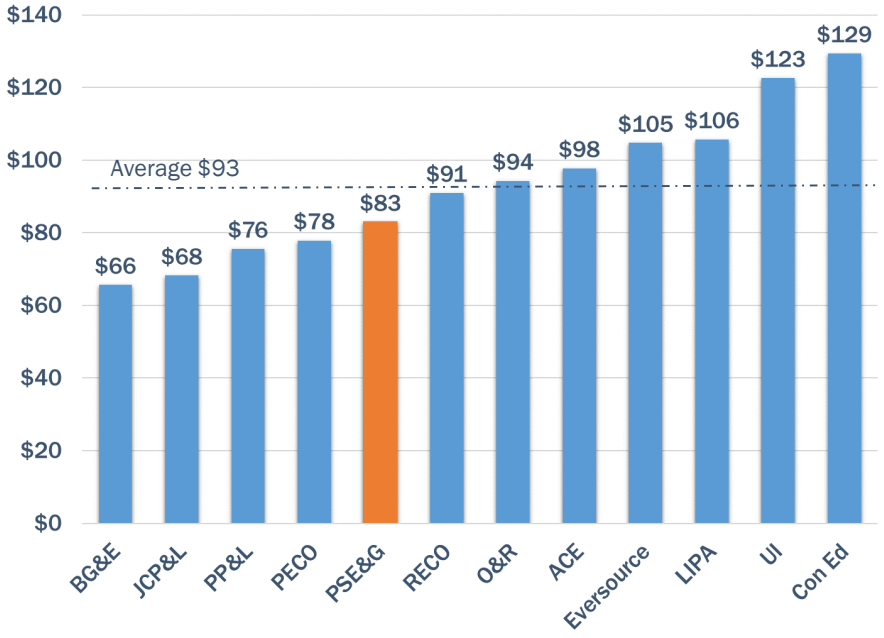
NOTE: AVERAGE MONTHLY BILL FOR A TYPICAL RESIDENTIAL ELECTRIC CUSTOMER THAT USES 6,920 KILOWATT-HOURS PER YEAR AND A TYPICAL RESIDENTIAL GAS HEATING CUSTOMER THAT USES 1,040 THERMS PER YEAR. JUNE 2020 RATES REFLECT JUNE 1, 2020 BGS-RSCP SUPPLY CHARGES INCLUDING THE RESULTS OF THE 2020 BGS-RSCP AUCTION. ES II/III=ENERGY STRONG II/III.

PSE&G: Lowest residential bills among 12 regional Gas Utilities and below the average of 12 regional Electric Utilities

Monthly Gas Bills

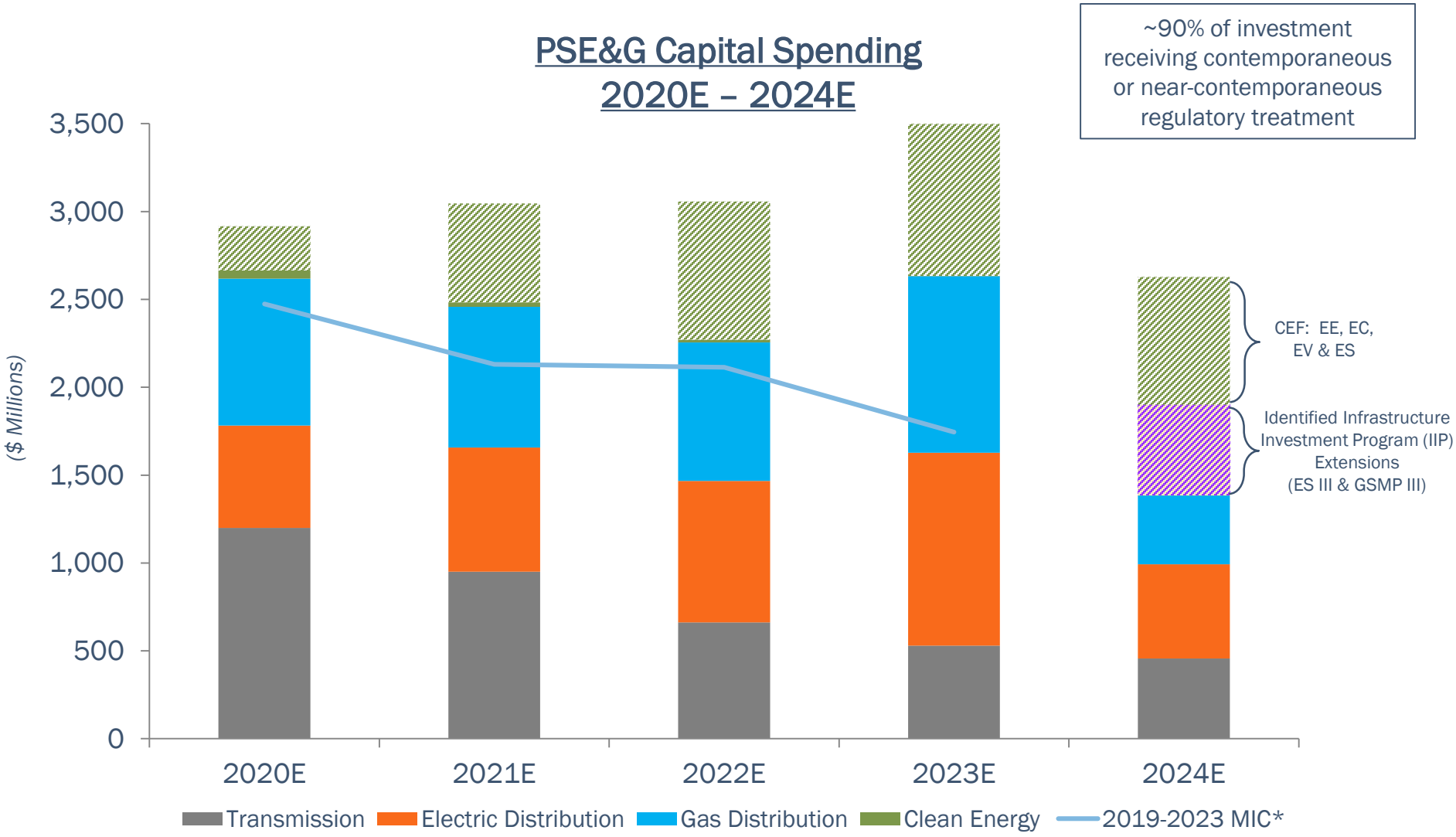


Monthly Electric Bills



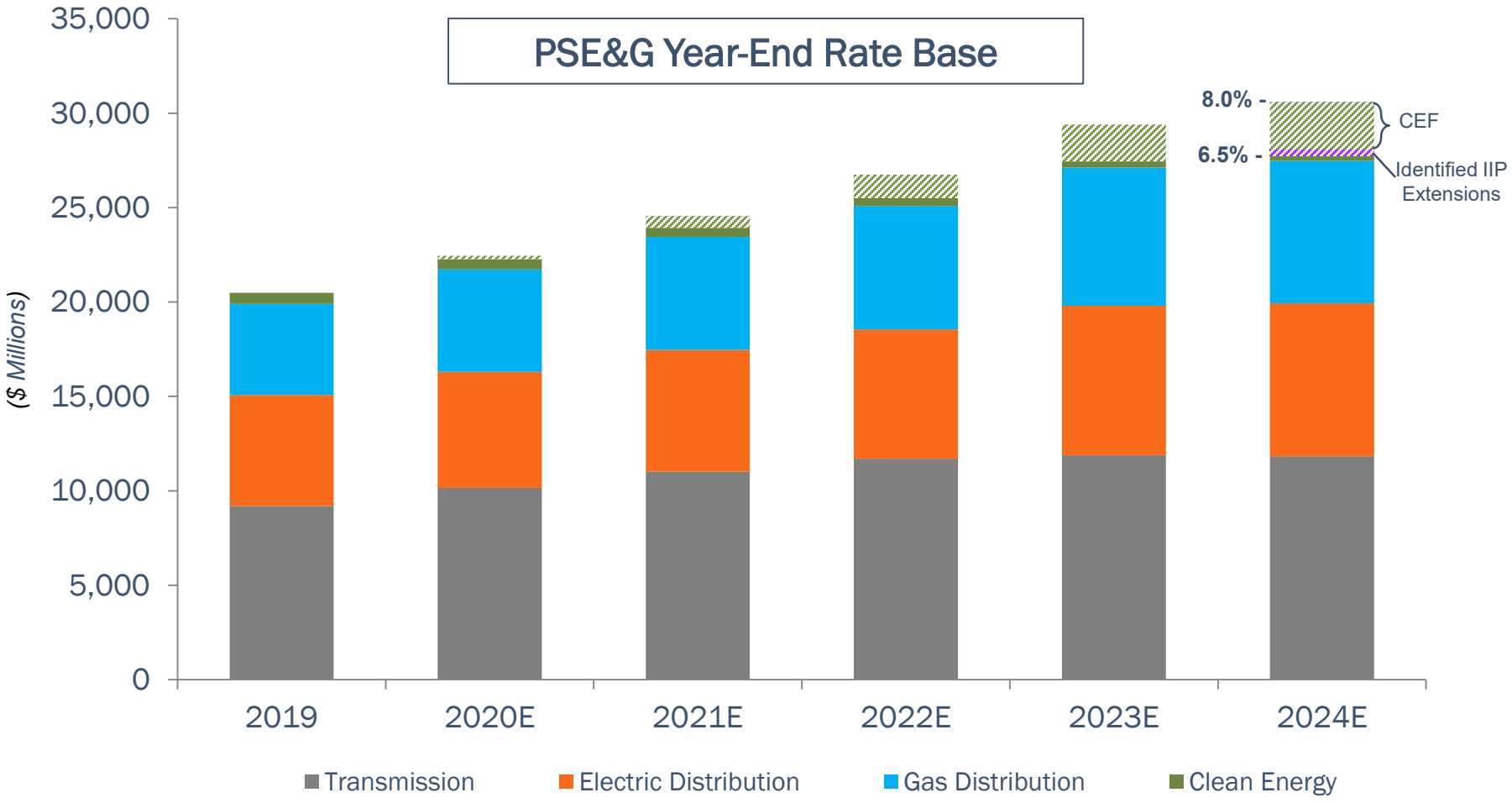
BASED UPON A CALCULATION OF MONTHLY BILLS FOR AN ELECTRIC CUSTOMER USING 500 KILOWATT-HOURS AND A GAS CUSTOMER USING 100 THERMS USING RATES AS OF OCTOBER 1, 2019. RATES SOURCED FROM PUBLIC COMPANY DOCUMENTS.

PSE&G's capital program of $11.5B to $15B focused on reliability, resiliency, grid modernization and clean energy investments



INCLUDES AFUDC DEBT. GREEN HASHED PORTION OF THE CHART REPRESENTS CEF FILINGS TO REFLECT A ONE YEAR DELAY IN DISCUSSIONS; NO CHANGE TO TOTAL FILING POSITION. PURPLE HASHED PORTION OF THE CHART REPRESENTS THE IDENTIFIED IIP EXTENSIONS (GSMP III AND ES III) E = ESTIMATE. MIC=MAY INVESTOR CONFERENCE. *2019 MAY INVESTOR CONFERENCE EXCLUDES IDENTIFIED IIP EXTENSIONS (ES III & GSMP III) AT THE TIME OF THE PRESENTATION.

Investment program provides opportunity for ~6.5% to 8% compound annual growth in rate base



GREEN HASHED PORTION OF THE CHART REPRESENTS REVISED CEF FILINGS TO REFLECT A ONE YEAR DELAY IN DISCUSSIONS; NO CHANGE TO TOTAL FILING POSITION. PURPLE HASHED PORTION OF THE CHART REPRESENTS THE IDENTIFIED IIP EXTENSIONS (GSMP III AND ES III) E = ESTIMATE. CHART EXCLUDES CWIP. YEAR-END 2019 CWIP BALANCE WAS $1.6B.

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

Gas Distribution Investments

Gas System Modernization Program focused on modernizing and replacing cast iron and unprotected steel main, resulting in a reduction in methane leaks, safety enhancements and supports customer usage of high efficiency appliances.

- **2019:** Completed replacement of ~230 miles of gas main and ~16,000 services
  - ✓ Annual methane emissions reduced by ~40,000 metric tons of CO_2 equivalent



GSMP II program provides for replacement of 875 miles over five years

- $1.9 Billion investment began in 2019
- $1.6 Billion recovered through clause
- Improved terms, with semi-annual recovery
- Creating 750 jobs
- GSMP I replaced ~450 miles/3 years for $905M

Base capital and new business >$1 Billion over five years

Energy Strong II: Continuing critical energy infrastructure program

Old Station Below/New Station Raised Above Flood Elevations



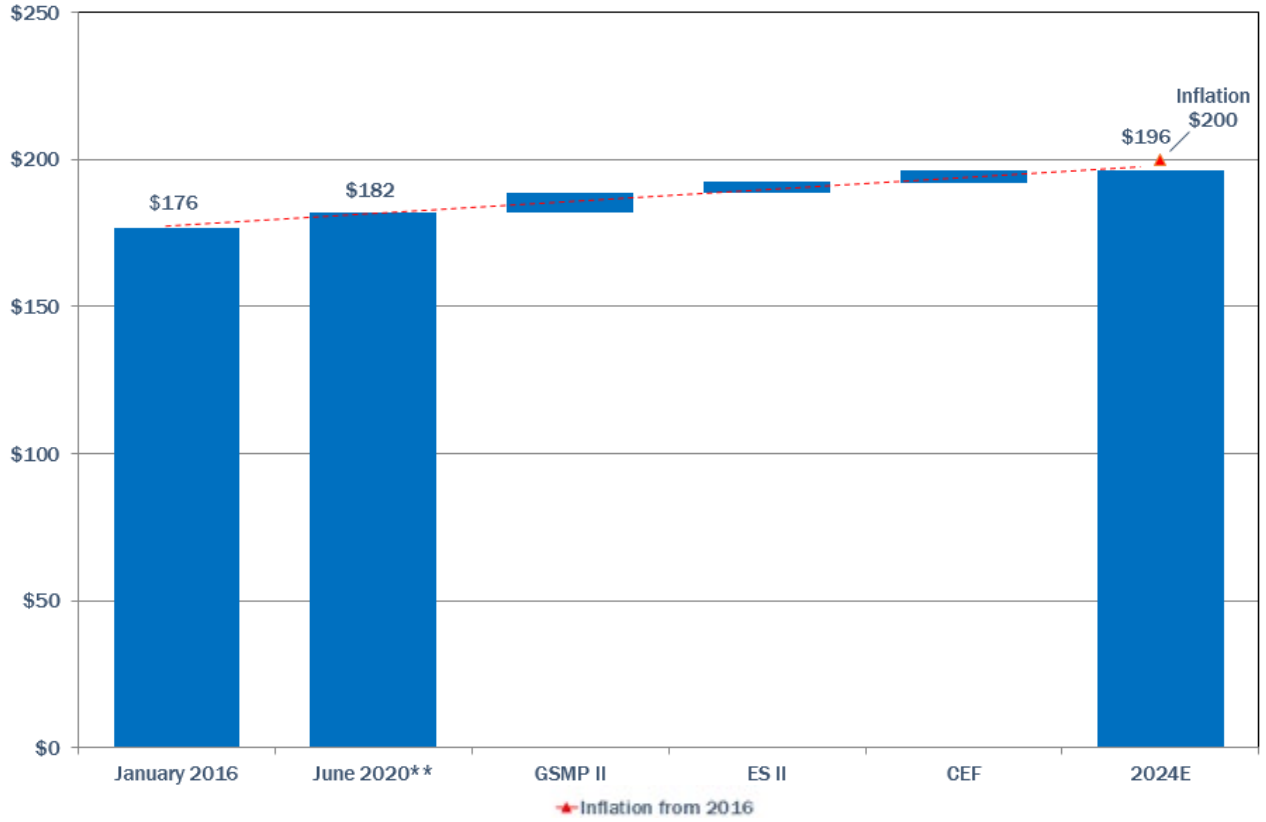
New Equipment Raised Above Flood Elevations



- $842M total spending (Clause $692M, Stipulated Base $150M)
  - $741M Electric (Clause $641M, Stipulated Base $100M): substation life cycle and flood mitigation, contingency reconfiguration and grid modernization
  - $101M Gas (Evenly split between Clause and Stipulated Base): M&R station life cycle
- Program work began Q4 2019, extending through December 2023
- Improves reliability and resiliency, modernizes system

Customer bills will remain in line with inflation, even with inclusion of our active and proposed programs

Combined Typical Monthly Residential Electric and Gas Customer
2024E Bill Impacts* of Projected Program Asks



- Bills remained flat in real terms from 2016 to 2020, even with inclusion of GSMP I, ES I, 2018 Rate Case and ZECs
- Over the next 5 years, the impact of GSMP II, ES II and proposed CEF programs on customer bills will be ~2%/year, flat in real terms

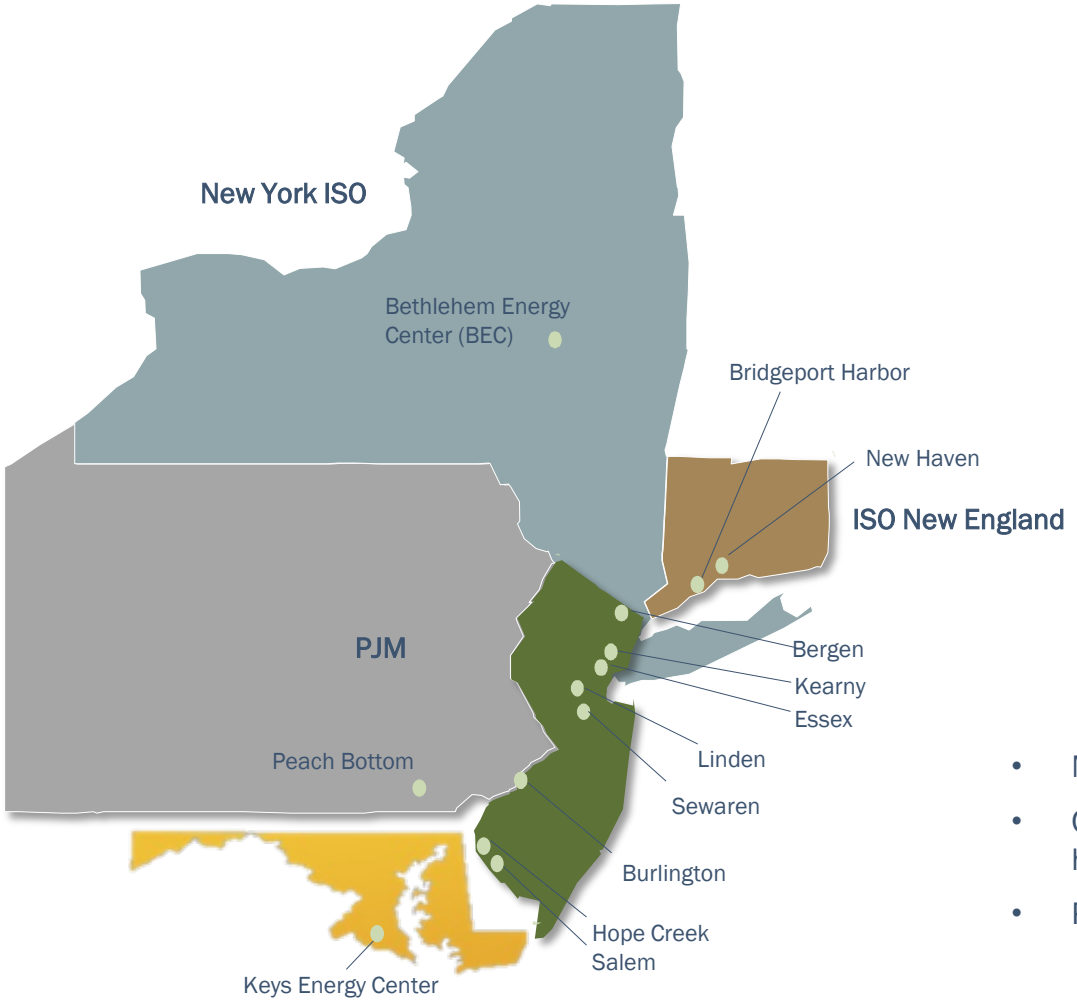
… and EE can help lower bills going forward.

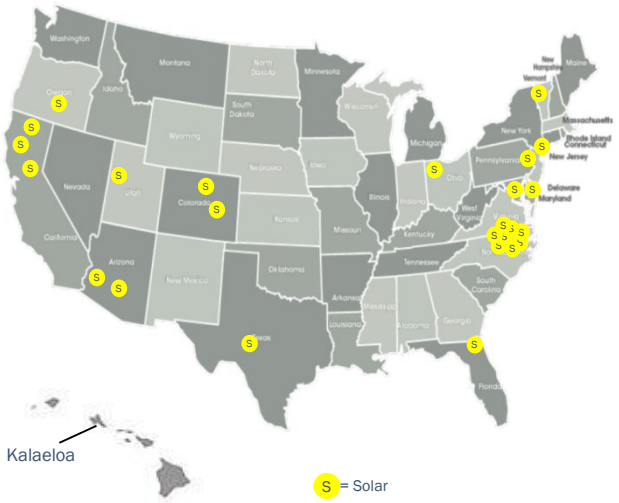
*AVERAGE MONTHLY BILL FOR A TYPICAL RESIDENTIAL ELECTRIC CUSTOMER USING 6,920 KILOWATT-HOURS PER YEAR AND A TYPICAL RESIDENTIAL GAS HEATING CUSTOMER USING 1,040 THERMS PER YEAR. **JUNE 2020 RATES REFLECT JUNE 1, 2020 BGS-RSCP SUPPLY CHARGES INCL. RESULTS OF 2020 BGS-RSCP AUCTION. ***CEF INCLUDES THE PROPOSED NET IMPACTS OF THE CEF PROGRAMS AS FILED. CEF-EE INCLUDES IMPACTS SUCH AS GREEN ENABLING MECHANISM, REDUCTIONS IN THE SBC, COST SHIFTING AND OTHER BILL SAVINGS. E=ESTIMATE.

PSEG exploring strategic alternatives for non-nuclear fleet

- **Accelerate transformation into primarily regulated electric and gas utility and contracted business**
  - ✓ Reduce overall business risk and earnings volatility
  - ✓ Improve credit profile
  - ✓ Enhance ESG position
  - ✓ Focus on New Jersey's Clean Energy Agenda
- **Retain ownership of nuclear fleet**
- **No impact on current shareholder dividend policy, subject to board approval**
- **Take into account interests of diverse stakeholders, including 13,000 employees**
- **No impact on PSE&G or PSEG LI customers, operations or tariffs**
- **Marketing of transaction anticipated in 4Q20, expected completion sometime in 2021**

PSEG Power's generating assets mainly located in three competitive markets





Solar Source assets:

- Solar (467 MW_{DC}/365 MW_{AC})

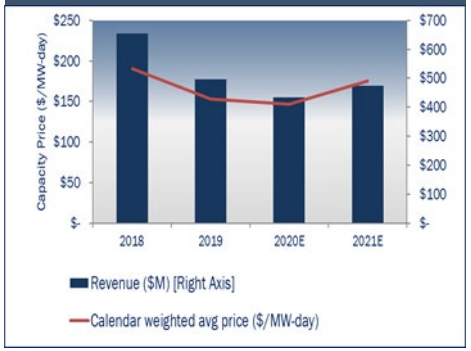
- Major assets located near key load centers
- Completed construction program of three new, highly efficient combined-cycle units
- Positioned to benefit from market volatility

Capacity markets provide a solid and continuing revenue stream

PJM's RPM Auction Results*

Delivery Year	2019/2020	2020/2021	2021/2022
PSEG Power's Average Prices ($/MW-day)	$116	$168	$180
Rest of Pool Prices ($/MW-day)	$100/$80 (CP/Base)	$77 (CP)	$140 (CP)
PSEG Power's Cleared Capacity (MW)	8,500	7,900	7,100

PJM Capacity Revenue



RPM Auctions will be informed by changes in:

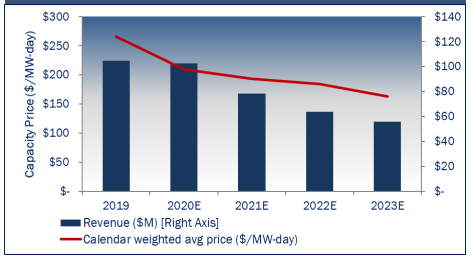
- Net CONE
- PJM Parameters
- Demand Response Rules
- Environmental Regulations
- Load Forecasts
- FERC Market Reforms

Timing of the postponed 2022/2023 Capacity Auction (expected Q2 2021 earliest) to be determined by the final FERC order on PJM Compliance Filing

ISO New England's Forward Capacity Market Auction Results**

Delivery Year	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
PSEG Power's Average Prices ($/MW-day)	$231	$195	$192	$179	$152
PSEG Power's Cleared Capacity (MW)	1,330	1,330	950	950	930

NE Capacity Revenue



PSEG Power's average price reflects Bridgeport Harbor 5, which cleared the 2019/2020 auction at $231/MW-day for seven years, with escalations based on Handy-Whitman Index

NOTE: DELIVERY YEARS RUN FROM JUNE 1 TO MAY 31 OF THE NEXT CALENDAR YEAR E=ESTIMATE; *AVERAGE PRICES AND CLEARED CAPACITY (MW) REFLECT BASE AND INCREMENTAL AUCTIONS. KEYSTONE AND CONEMAUGH HAVE BEEN EXCLUDED FROM Q4 2019 AND BEYOND. **AVERAGE PRICES AND CLEARED CAPACITY (MW) REFLECT BRIDGEPORT HARBOR 5 ADDITION IN MID-2019 AND THE ANNOUNCED RETIREMENT OF BRIDGEPORT HARBOR 3 IN MID-2021. CONE = COST OF NEW ENTRY

Stable Gross Margin - Hedging strategy is designed to mitigate risk and secure free cash flow

		Jul-Dec 2020	2021	2022
Nuclear	Volume TWh	15	31	31
	% Hedged	100%	100%	45-50%
	Price $/MWh	$36	$35	$35
Combined Cycle	Volume TWh	8-10	18-20	19-21
	% Hedged	95-100%	5-10%	0%
	Price $/MWh	$36	$35	$ -
Total	Volume TWh	23-25	49-51	50-52
	% Hedged	95-100%	65-70%	25-30%
	Price $/MWh	$36	$35	$35

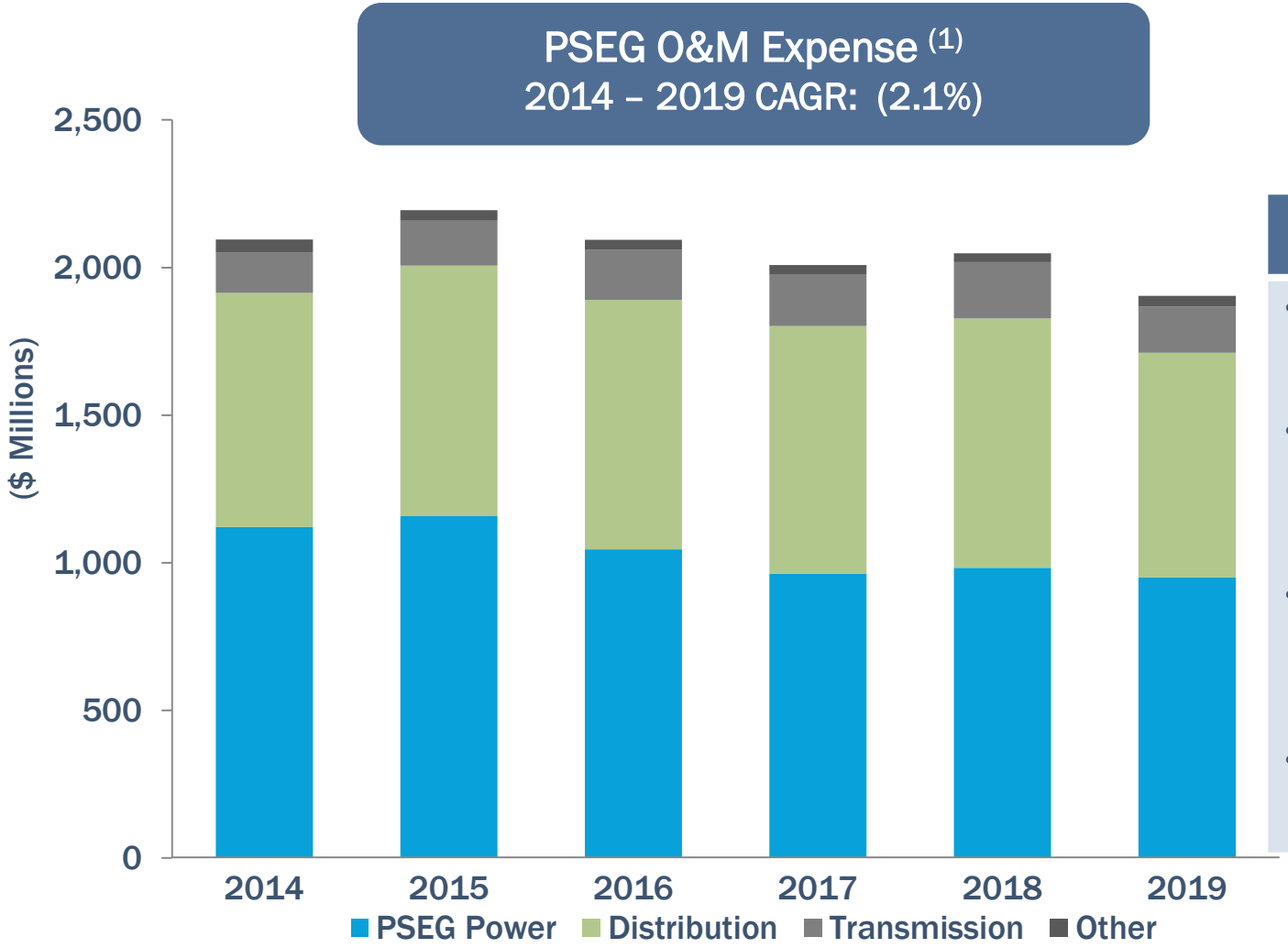
NOTE: VOLUMES REFLECT MANAGEMENT'S VIEW OF HEDGE PERCENTAGES AND PRICES AS OF JUNE 30, 2020 AND REFLECT REVENUES OF FULL REQUIREMENT LOAD DEALS BASED ON CONTRACT PRICE INCLUDING RENEWABLE ENERGY CREDITS, ANCILLARY AND TRANSMISSION COMPONENTS BUT EXCLUDING CAPACITY. HEDGES INCLUDE POSITIONS WITH MTM ACCOUNTING TREATMENT AND OPTIONS.

Potential investment in Ørsted's Ocean Wind is aligned with New Jersey's clean energy policy goals

- PSEG exercised an option to potentially acquire a 25% equity interest in the 1,100 MW Ocean Wind project
- Ocean Wind was the winner of NJ's first offshore wind solicitation in June 2019
- The Ocean Wind project will be located off the coast of Atlantic City and is scheduled to come on-line in 2024
- Potential investment is subject to advanced due diligence, negotiations toward a JV agreement and any required regulatory approvals
- Updated NJ's offshore wind capacity target to 7,500 MW by 2035 in November 2019



PSEG has controlled O&M with actions focused on continuous improvement



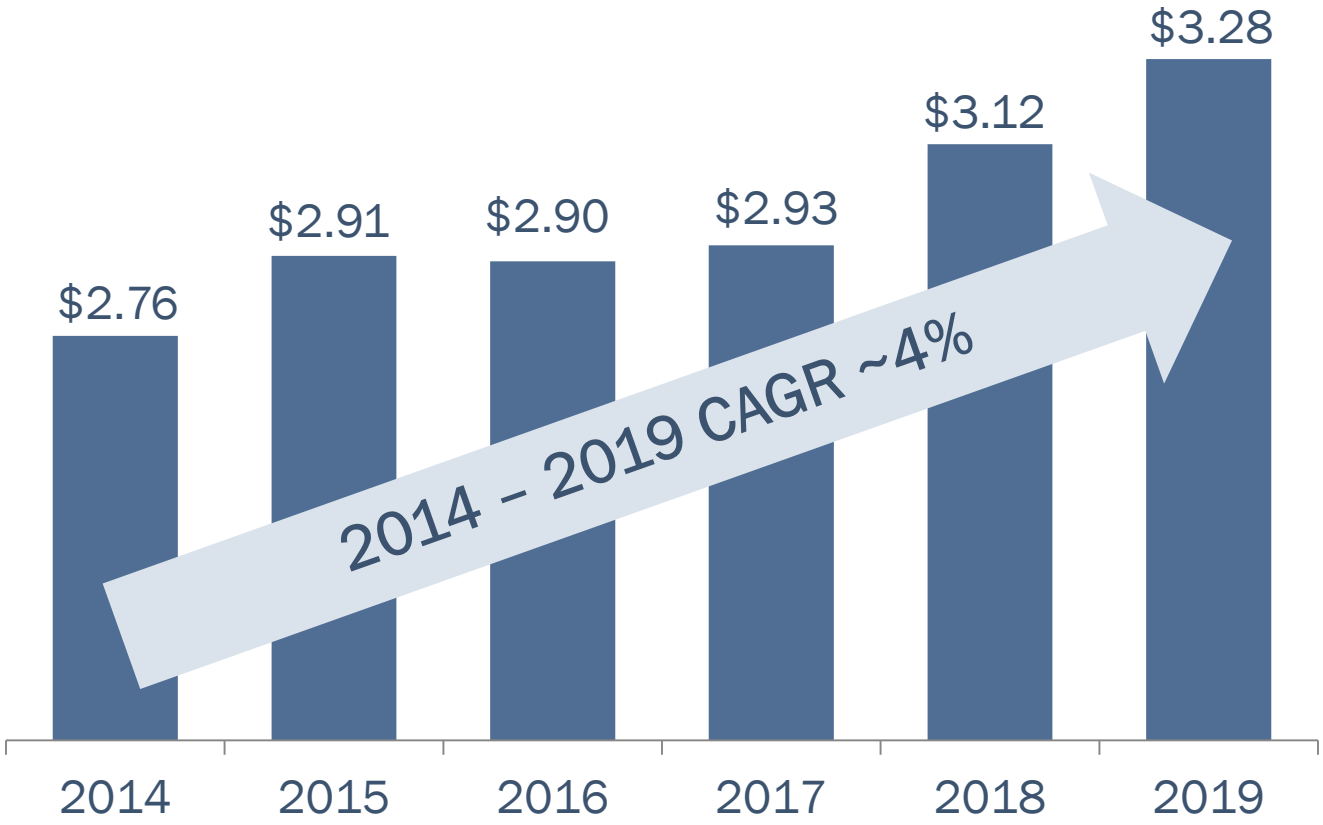
Cost control actions

- Continued focus on vendors to ensure maximum value
- Frequent organizational reviews to drive efficiency and cost optimization
- 'Best practices' teams focused on improving performance while managing costs
- Technology investments to improve productivity

(1) EXCLUDES NUCLEAR ARO, EARLY RETIREMENT OF HUDSON / MERCER COAL PLANTS, IMPACTS FROM SANDY STORM RECOVERY COSTS, GOODWILL IMPAIRMENTS AND CERTAIN REGULATORY BALANCE ACCOUNT AND PASS THROUGH ITEMS. INCLUDES NON-OPERATING PENSION AND OPEB AMOUNTS WHICH ARE REPORTED SEPARATELY AND NO LONGER SUBJECT TO CAPITALIZATION EFFECTIVE JANUARY 1, 2018 AS A RESULT OF NEW ACCOUNTING GUIDANCE.

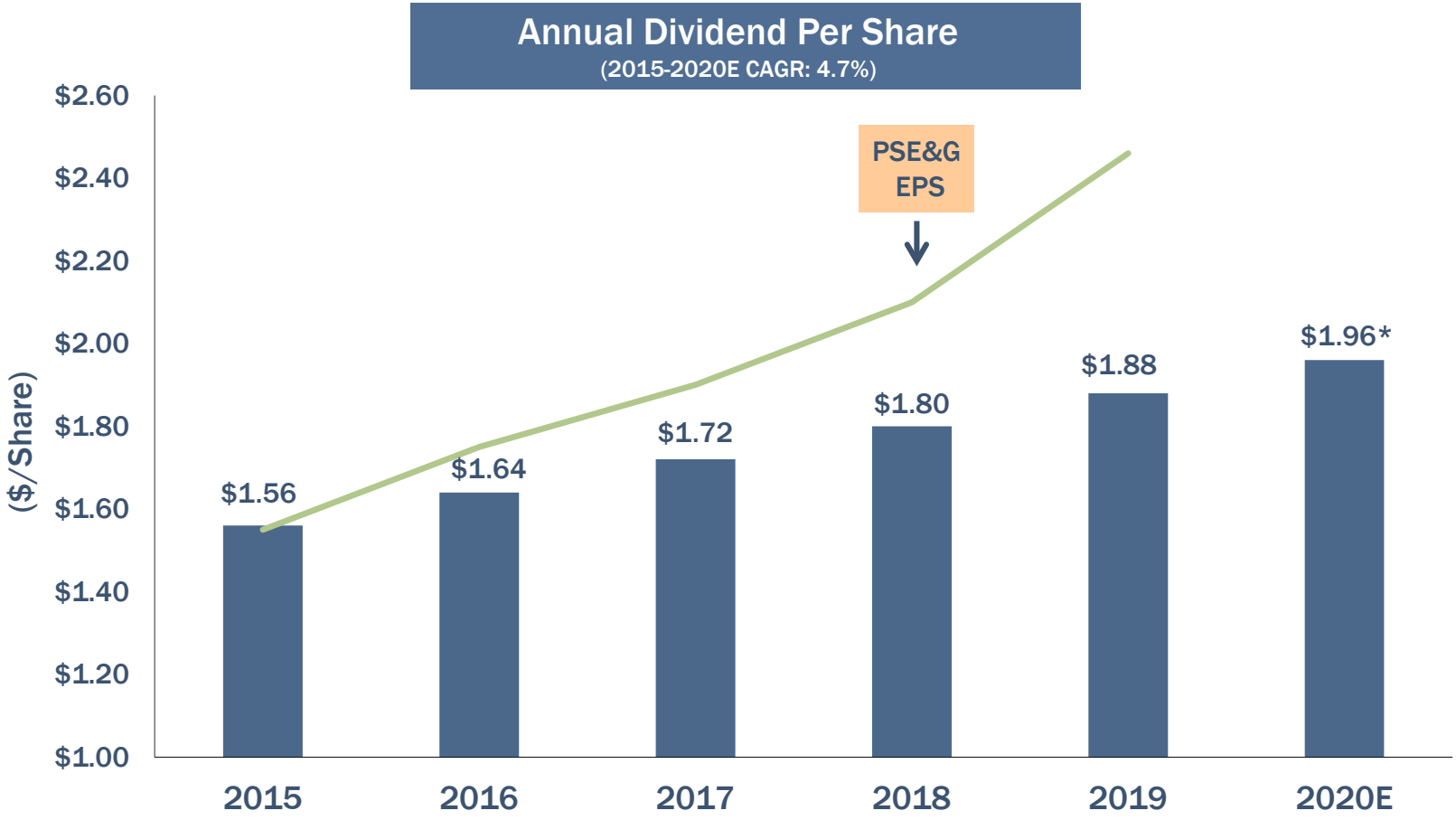
Strategic focus continues to deliver solid results

PSEG non-GAAP Operating Earnings per Share*



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

Opportunity for consistent and sustainable dividend growth



*INDICATIVE ANNUAL 2020 PSEG COMMON DIVIDEND RATE PER SHARE. E=ESTIMATE.
NOTE: ALL FUTURE DECISIONS REGARDING DIVIDENDS ON THE COMMON STOCK ARE SUBJECT TO APPROVAL BY THE BOARD OF DIRECTORS.

PSEG Value Proposition



- PSE&G – Delivering on promise for rate base growth through alignment with customer interests and state policy goals
- PSEG Power – Exploring strategic alternatives for PSEG Power's non-nuclear generating fleet with intent to accelerate the transformation of PSEG into a primarily regulated electric and gas utility and contracted business
- Focus on providing strong, sustainable returns of invested capital reinforced by operational excellence, financial strength and disciplined investment
- 113-year record of paying common dividend with opportunity for consistent, sustainable growth

PSEG Meeting Takeaways

Regulatory Stability & Opportunities Consistent with NJ Energy Policy

- NJBPU adopted framework to implement EE throughout NJ; CEF-EE decision set for September 2020
- Next distribution base rate case not required before year-end 2023
- Exploring strategic alternatives for PSEG Power's non-nuclear generating fleet with intent to accelerate the transformation of PSEG into a primarily regulated electric and gas utility and contracted business
- ZEC award supports nuclear through May 2022 and stabilizes gross margin

Among Highest Regulated Growth Rates

- Rate Base CAGR of 6.5%-8% (2020-2024) fueled by GSMP II, ES II, transmission & CEF investment
- NJ's Clean Energy Act and NJ Energy Master Plan have investable potential

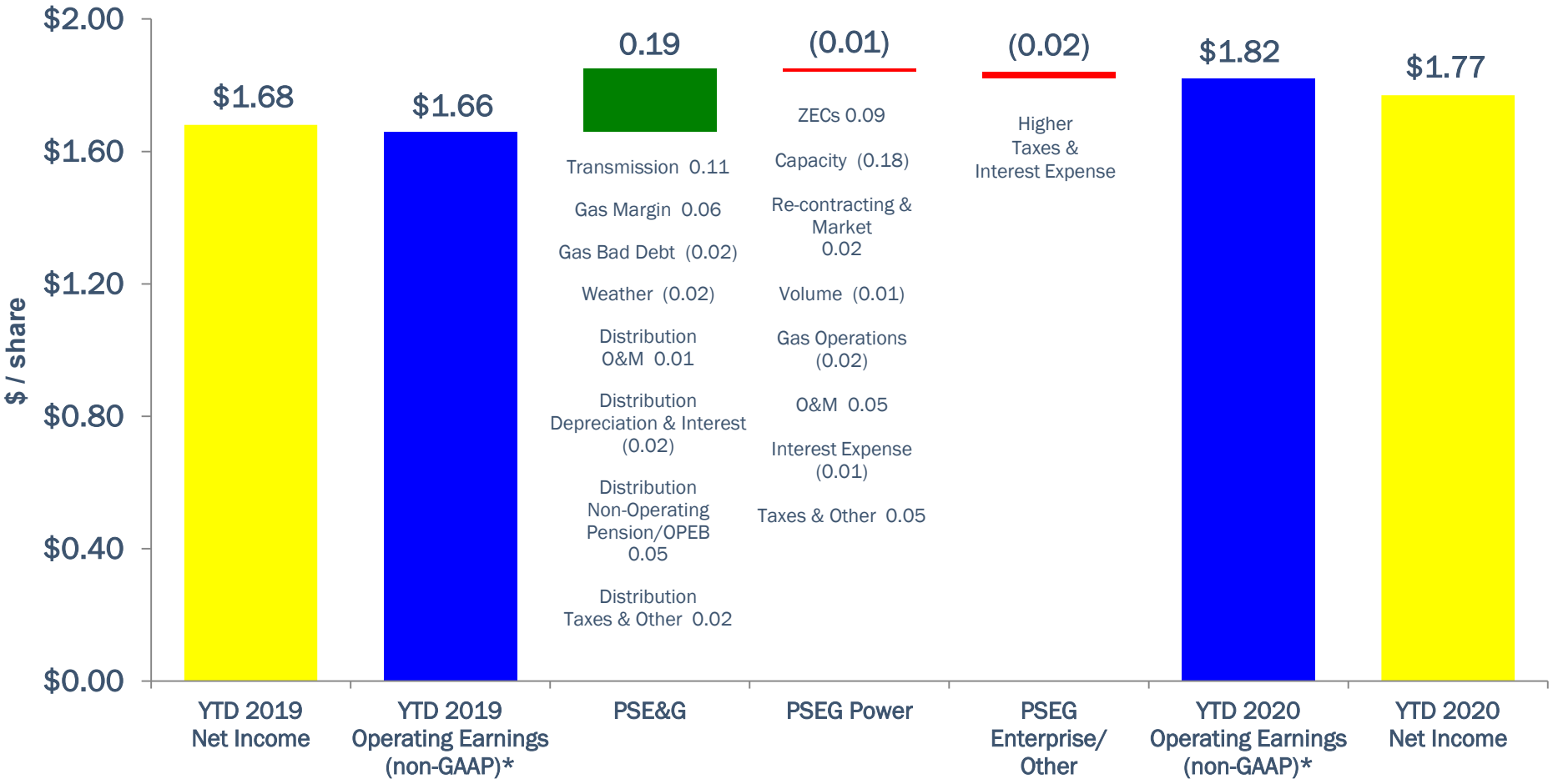
Financial Strength Remains Intact

- Stable credit metrics enable accelerated return of excess deferred taxes and increases rate base
- Higher 54% equity ratio at PSE&G post rate case settlement
- Over 70% of PSEG Power's 2020 gross margin secured via energy hedges, capacity revenues, ZECs and ancillary services payments
- No new equity needed to finance existing 2020-2024 capital plan
- Dividend: 2020 indicative $0.08 increase to $1.96 per share

APPENDIX

PSEG
We make things work for you.

PSEG EPS Reconciliation – First Half 2020 versus First Half 2019



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

NOTE: PRIOR QUARTER RESULTS MAY NOT ADD DUE TO ROUNDING.

PSEG Debt to Capitalization

as of June 30, 2020

$ Billions	PSEG Consolidated	PSE&G	PSEG Power
Short Term Debt	$1.2	$ -	$ -
Long Term Debt	15.7	10.8	2.4
Common Equity	15.5	12.4	6.1
Total Capitalization	**$32.3**	**$23.2**	**$8.5**
Total Debt/Capitalization	**52%**	**46%**	**29%**

PSEG maintains a solid financial position

PSEG Senior Unsecured Credit Ratings
Moody's = Baa1 / Outlook = Stable
S&P = BBB / Outlook = Stable

Current HoldCo Term Loans and Sr. Notes Outstanding	
Term Loan due November 2020	$700M
Terms Loans due March/April 2021	$800M
Sr. Notes due November 2021	$300M
Sr. Notes due November 2022	$700M
Sr. Notes due June 2024	$750M

PSE&G Senior Secured Credit Ratings
Moody's = Aa3 / Outlook = Stable
S&P = A / Outlook = Stable

2020 PSE&G Debt Issuances	
Secured 2.45% MTNs due January 2030	$300M
Secured 3.15% MTNs due January 2050	$300M
Secured 2.70% MTNs due May 2050	$375M
Secured 2.05% MTNs due August 2050	$375M

PSEG Power Senior Unsecured Credit Ratings
Moody's = Baa1 / Outlook = Stable
S&P = BBB / Outlook = Stable

Current Senior Notes Outstanding	
Sr. Notes due June 2021	$700M
Sr. Notes due September 2021	$250M
Sr. Notes due June 2023	$700M
Sr. Notes due November 2023	$250M
Sr. Notes due April 2031	$500M

MTN=MEDIUM-TERM NOTE
CREDIT RATINGS AND AMOUNTS OUTSTANDING ARE AS OF AUGUST 10, 2020

PSEG's COVID-19 Response Tracker

Customers

- ✓ Voluntary suspension of shut-offs due to non-payment
- ✓ Maintaining full customer service staffing and hours of availability
- ✓ Continued emergency service calls to customer premises during NJ/LI stay-at-home orders using full personal protective equipment and physical distancing
- ✓ Worry-Free Tech-Talk appliance repair introduced to remotely assist customers
- ✓ Working cooperatively with customers needing payment flexibility

Employees

- ✓ Expanded paid sick leave and family time off to care for relatives with COVID-19
- ✓ Maintained workforce levels and employee benefits
- ✓ Over half of PSEG employees able to work from home
- ✓ Launched "The Link" employee social media platform to remotely connect
- ✓ Designing "Responsible Re-Entry" approach to future business practices
- ✓ Confirmed COVID-19 incidence rates among PSEG employees are about half of those of the NJ and LI general populations, validating effectiveness of safety protocols

Communities

- ✓ PSEG Foundation Pledged $2.5M; includes $1M to NJ Pandemic Relief Fund
- ✓ Donated 50K N95 masks & 200K pairs of gloves to NJ health care organizations
- ✓ PSEG held virtual 2020 Annual General Meeting of Stockholders in April
- ✓ Planning phased approach to "Responsible Re-Entry" that will incorporate re-imagined, better ways to operate the business

Reconciliation of Non-GAAP Operating Earnings

Public Service Enterprise Group Incorporated – Consolidated Operating Earnings (Non-GAAP) Reconciliation

Reconciling Items	Six Months Ended June 30,		Year Ended December 31,					
	2020	2019	2019	2018	2017	2016	2015	2014
	($ millions, Unaudited)							
Net Income	$ 899	$ 853	$1,693	$1,438	$1,574	$ 887	$1,679	$1,518
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax[a] (PSEG Power)	27	(168)	(255)	144	(133)	(5)	(24)	(138)
(Gain) Loss on Mark-to-Market (MTM), pre-tax[b] (PSEG Power)	-	(316)	(285)	117	167	168	(157)	(111)
Storm O&M, net of insurance recoveries, pre-tax (PSEG Power)	-	-	-	-	-	-	(172)	27
Plant Retirements and Dispositions, pre-tax (PSEG Power)	-	395	402	(51)	975	669	-	-
Goodwill Impairment, pre-tax (PSEG Power)	-	-	16	-	-	-	-	-
Oil Lower of Cost or Market (LOCOM) adjustment, pre-tax (PSEG Power)	11	-	-	-	-	-	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	58	58	8	77	147	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[c]	(13)	19	37	(74)	(427)	(391)	150	104
Tax Reform	-	-	-	-	(745)	-	-	-
Operating Earnings (non-GAAP)	$ 924	$ 841	$1,666	$1,582	$1,488	$1,475	$1,476	$1,400
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507	507	507	508	508	508
	($ Per Share Impact – Diluted, Unaudited)							
Net Income	$ 1.77	$ 1.68	$ 3.33	$ 2.83	$ 3.10	$ 1.75	$ 3.30	$ 2.99
(Gain) Loss on NDT Fund Related Activity, pre-tax[a] (PSEG Power)	0.05	(0.33)	(0.50)	0.28	(0.26)	(0.01)	(0.05)	(0.27)
(Gain) Loss on MTM, pre-tax[b] (PSEG Power)	-	(0.62)	(0.56)	0.23	0.33	0.33	(0.31)	(0.22)
Storm O&M, net of insurance recoveries, pre-tax (PSEG Power)	-	-	-	-	-	-	(0.34)	0.05
Plant Retirements and Dispositions, pre-tax (PSEG Power)	-	0.78	0.79	(0.10)	1.92	1.32	-	-
Oil LOCOM adjustment, pre-tax (PSEG Power)	0.02	-	-	-	-	-	-	-
Goodwill Impairment, pre-tax (PSEG Power)	-	-	0.03	-	-	-	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	0.11	0.11	0.02	0.15	0.29	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[c]	(0.02)	0.04	0.08	(0.14)	(0.84)	(0.78)	0.31	0.21
Tax Reform	-	-	-	-	(1.47)	-	-	-
Operating Earnings (non-GAAP)	$ 1.82	$ 1.66	$ 3.28	$ 3.12	$ 2.93	$ 2.90	$ 2.91	$ 2.76

(a) Effective January 1, 2018, unrealized gains (losses) on equity securities are recorded in Net Income instead of Other Comprehensive Income (Loss).
(b) Includes the financial impact from positions with forward delivery months.
(c) Income tax effect calculated at 28.11% statutory rate for 2020, 2019 and 2018 and 40.85% statutory rate for prior years, 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.

Reconciliation of non-GAAP Operating Earnings for PSE&G, PSEG Power and PSEG Enterprise/Other

PSE&G Operating Earnings (Non-GAAP) Reconciliation

Reconciling Items	Six Months Ended June 30,		Year Ended December 31,					
	2020	2019	2019	2018	2017	2016	2015	2014
	($ millions, Unaudited)							
Net Income	$ 723	$ 630	$1,250	$1,067	$ 973	$ 889	$ 787	$ 725
Tax Reform	-	-	-	-	(10)	-	-	-
Operating Earnings (non-GAAP)	$ 723	$ 630	$1,250	$1,067	$ 963	$ 889	$ 787	$ 725
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507	507	507	508	508	508

PSEG Power LLC - Operating Earnings (Non-GAAP) Reconciliation

Reconciling Items	Six Months Ended June 30,		Year Ended December 31,					
	2020	2019	2019	2018	2017	2016	2015	2014
	($ millions, Unaudited)							
Net Income	$ 183	$ 256	$ 468	$ 365	$ 479	$ 18	$ 856	$ 760
(Gain) Loss on NDT Fund Related Activity, pre-tax[a]	27	(168)	(255)	144	(133)	(5)	(24)	(138)
(Gain) Loss on MTM, pre-tax[b]	-	(316)	(285)	117	167	168	(157)	(111)
Storm O&M, net of insurance recoveries, pre-tax	-	-	-	-	-	-	(172)	27
Plant Retirements and Dispositions, pre-tax	-	395	402	(51)	975	669	-	-
Goodwill Impairment, pre-tax	-	-	16	-	-	-	-	-
Oil LOCOM adjustment, pre-tax	11	-	-	-	-	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[c]	(13)	45	63	(73)	(395)	(336)	150	104
Tax Reform	-	-	-	-	(588)	-	-	-
Operating Earnings (non-GAAP)	$ 208	$ 212	$ 409	$ 502	$ 505	$ 514	$ 653	$ 642
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507	507	507	508	508	508

(a) Effective January 1, 2018, unrealized gains (losses) on equity securities are recorded in Net Income instead of Other Comprehensive Income (Loss).
(b) Includes the financial impact from positions with forward delivery months.
(c) Income tax effect calculated at 28.11% statutory rate for 2020, 2019 and 2018 and 40.85% statutory rate for prior years, 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	Six Months Ended June 30,		Year Ended December 31,					
	2020	2019	2019	2018	2017	2016	2015	2014
	($ millions, Unaudited)							
Net Income (Loss)	$ (7)	$ (33)	$ (25)	$ 6	$ 122	$ (20)	$ 36	$ 33
Lease Related Activity, pre-tax	-	58	58	8	77	147	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[a]	-	(24)	(26)	(1)	(32)	(55)	-	-
Tax Reform	-	-	-	-	(147)	-	-	-
Operating Earnings (non-GAAP)	$ (7)	$ 1	$ 7	$ 13	$ 20	$ 72	$ 36	$ 33
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507	507	507	508	508	508

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