EEI Financial Conference • November 9 – 11, 2020



• 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.

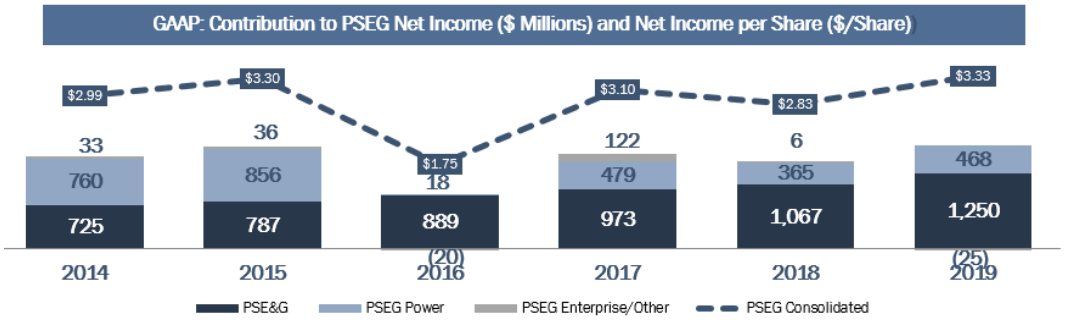
The forward-looking statements contained in this presentation are intended to qualify for the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

GAAP Disclaimer

PSEG presents Operating Earnings and, for PSEG Power, Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) in addition to Net Income reported in accordance with accounting principles generally accepted in the United States (GAAP). Operating Earnings and Adjusted EBITDA are non-GAAP financial measures that differ from Net Income. 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. Non-GAAP Adjusted EBITDA excludes the same items as our non-GAAP Operating Earnings measure as well as income tax expense, interest expense and depreciation and amortization. The last three slides in this presentation (Slides A, B and C) include a list of items excluded from Net Income/(Loss) to reconcile to non-GAAP Operating Earnings and non-GAAP Adjusted EBITDA 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. Management believes non-GAAP Adjusted EBITDA is useful to investors and other users of our financial statements in evaluating operating performance because it provides them with an additional tool to compare business performance across companies and across periods. Management also believes that non-GAAP Adjusted EBITDA is widely used by investors to measure operating performance without regard to items such as income tax expense, interest expense and depreciation and amortization, which can vary substantially from company to company depending upon, among other things, the book value of assets, capital structure and whether assets were constructed or acquired. Non-GAAP Adjusted EBITDA also allows investors and other users to assess the underlying financial performance of our fleet before management's decision to deploy capital. The presentation of non-GAAP Operating Earnings and non-GAAP Adjusted EBITDA 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 and non-GAAP Adjusted EBITDA as presented herein may not be comparable to similarly titled measures used by other companies.

Due to the forward looking nature of non-GAAP Operating Earnings and non-GAAP Adjusted EBITDA 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.



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.

A 117-year New Jersey-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: A $12.5 Billion - $14.7 Billion investment program expected to produce **7% - 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 C 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



$1 Billion, 3-year CEF-EE approved & ready to create 3,200 direct and 4,300 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

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—2020) — $0.5 billion
- Clean Energy Future (CEF) – EE (approved 2020) — $1.0 billion
- CEF – EV/ES, Energy Cloud – AMI (pending) — $1.0 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 positioned to make significant investments to decarbonize the New Jersey economy**
  - ✓ PSE&G's $1B, 3-year Energy Efficiency program will bring universal access to energy efficiency savings and opportunity to lower customer bills
  - ✓ $1B of proposed investments in smart meters (AMI), 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 announced a strategic review of PSEG Power's non-nuclear 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
- 2020 Climate Report follows the TCFD framework and our 2019 Sustainability Report is SASB compliant
- PSEG Power 2019 vision for **Net-Zero** emissions by 2050
- Invested ~$1.9B in Solar Energy projects

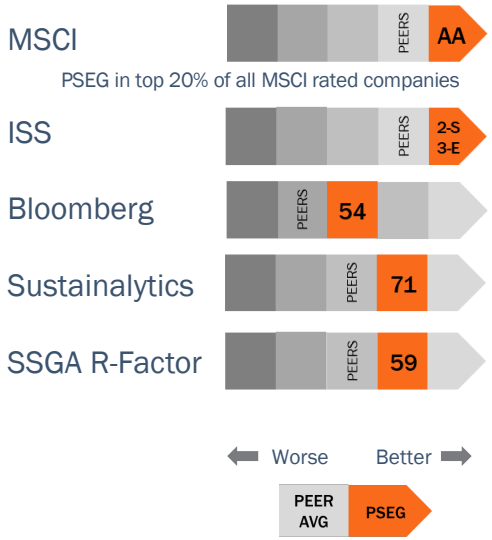
ESG Policies & Goals

- PSEG is a vocal advocate for an economy-wide price on carbon emissions and preserving nuclear power plants for their zero carbon attributes
- Diversity, Equity & 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 for 2020 by** JUST Capital
- Named to the **Forbes** 2020 List of **Best Employers for Diversity**
- **PSEG ESG Vital Signs: Relative Scores***



*SCORES FROM BEST TO WORST: MSCI – AAA TO CCC, ISS - 1 TO 5, OTHERS - 100% TO 0%
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 SEPTEMBER 30, 2020.

PSEG powering New Jersey's response to COVID-19

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

- ✓ NJ stay-at-home order lifted June 9; NJ continues phased re-opening of its economy
- ✓ NJ Board of Public Utilities (NJBPU) approved restart of in-home utility services May 20 with COVID-19 safety protocols

❖ PSEG Response to COVID-19

- ✓ Extended suspension of electric and gas residential shut-offs to March 2021 in partnership with Governor Murphy and the NJBPU
- ✓ Utility and power work deemed "essential services" in NJ; capital plan intact
- ✓ Ongoing senior-level, cross-functional team remains engaged in overseeing dynamic pandemic response plan
- ✓ Donated 50,000 N95 masks and 200,000 pairs of gloves to NJ health care organizations earlier in the year
- ✓ 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 in Q2

❖ PSEG Operations

- ✓ Planning "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 are working: Confirmed COVID-19 incidence rates among PSEG employees are lower than those of the NJ and Long Island general populations
- ✓ Salem 2 Spring 2020 nuclear refueling outage successfully de-scoped
- ✓ Salem 1 Fall 2020 nuclear refueling outage underway
- ✓ Over half of all PSEG employees continue to work from home in NJ and on LI

Regulatory and Policy Initiatives Update

State Regulatory Proceedings Continuing Online

- NJBPU approved settlement of the CEF-EE filing on September 23, authorizing a $1 billion, 3-year program
- NJBPU completed EV stakeholder proceeding covering light-duty vehicles and public charging infrastructure
- CEF-EC/AMI evidentiary hearings start late November; CEF-EV/ES evidentiary hearings scheduled for early December
- NJBPU Resource Adequacy (FRR) report now expected Q1 2021
- PSEG Nuclear ZEC applications for 2022-2025 period filed October 1; Final NJBPU decision expected April 2021

Investment Priorities Aligned with NJ's Clean Energy Agenda

- Remaining $1 billion of CEF filings (Cloud/AMI, Vehicles and Storage) support New Jersey's Clean Energy goals
- PSEG continuing due diligence and negotiations toward a joint venture agreement to potentially acquire a 25% interest in Ørsted's 1,100 MW Ocean Wind project

Federal Energy Regulatory Commission (FERC) / PJM

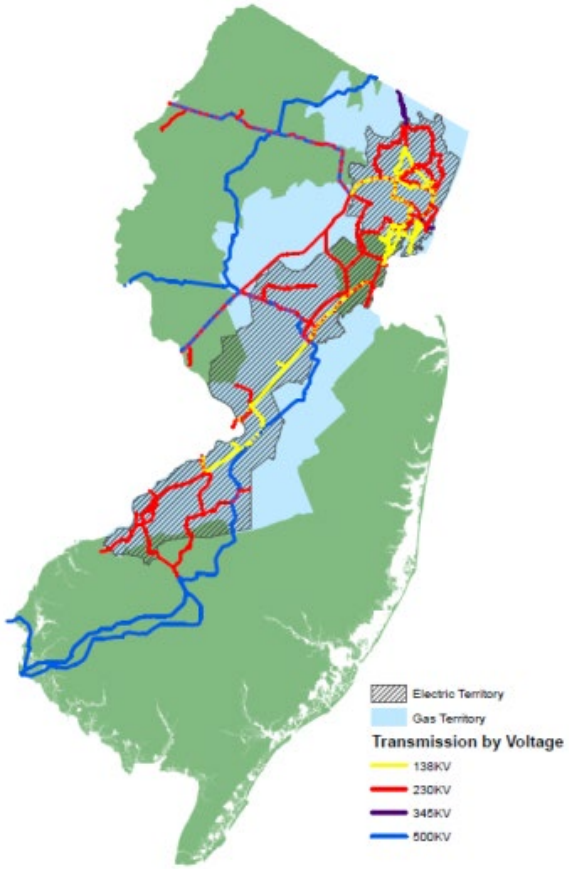
- FERC's NOPR on transmission incentives supports continued incentives for projects and expanded RTO incentive
- Based on PJM's compliance filings to FERC's Capacity Order, the MOPR floor prices are not expected to prevent NJ nuclear units from clearing in the upcoming 2022/2023 RPM Capacity Auction
- Timing of 2022/2023 RPM Capacity Auction awaiting final FERC determinations; June 2021 is earliest expected

EC=ENERGY CLOUD; FRR=FIXED RESOURCE REQUIREMENT; NOPR=NOTICE OF PROPOSED RULEMAKING; RTO = REGIONAL TRANSMISSION ORGANIZATION; ZEC=ZERO EMISSION CERTIFICATE; RPM=RELIABILITY PRICING MODEL; MOPR=MINIMUM OFFER PRICING RULE

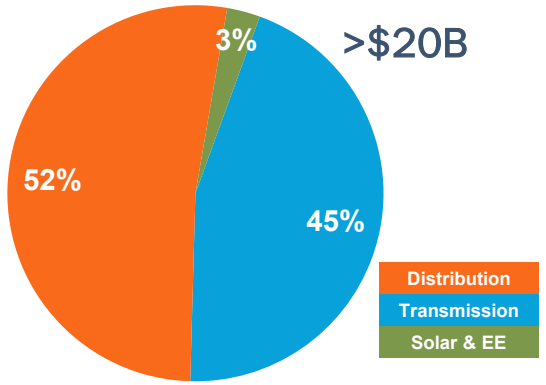
PSE&G – New Jersey's largest:

- 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%

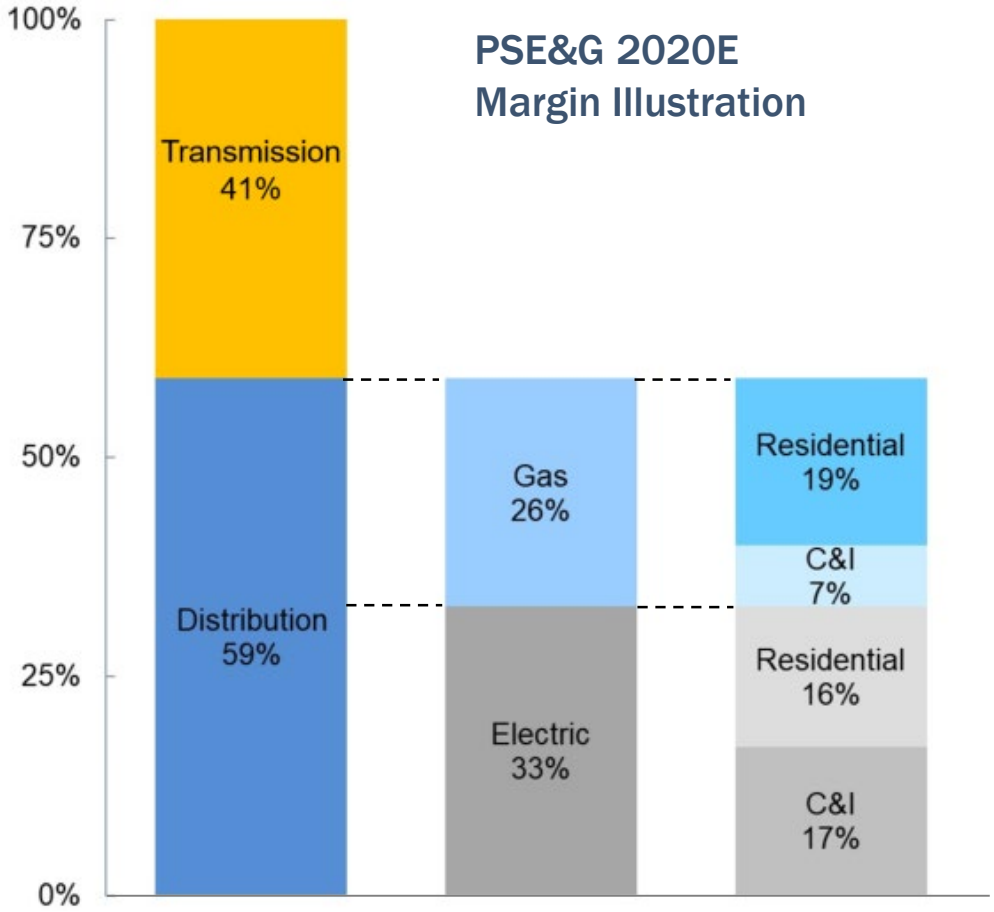


PSE&G 2019 Rate Base* **



*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



PSE&G 2020E Margin Illustration

- 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 has experienced an increase to Residential margins and decrease to C&I margins from COVID-19
- YTD Weather Normalized Electric Sales:
  * Residential sales up 5%
  * C&I sales down 7%
  * Total sales down 3%

  Electric margin has been within plan
- Electric bad debt expense recovered through the societal benefits clause
- COVID-related O&M and Gas Bad Debt expense deferred beginning early March

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

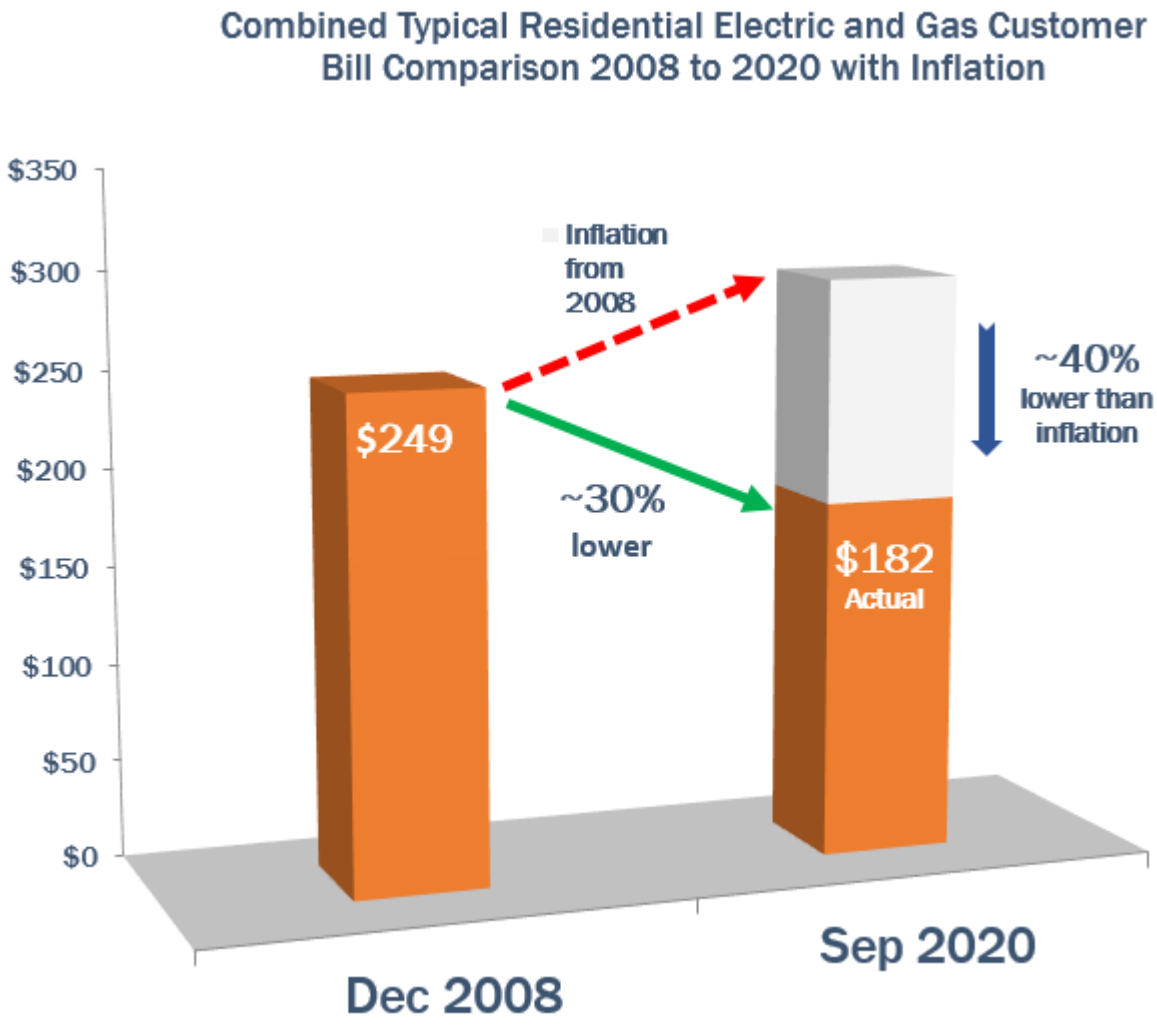
Landmark CEF-Energy Efficiency Agreement Approved

- CEF-EE settlement approved by the NJBPU September 23 to commit $1B in energy efficiency investments over the next 3 years through a suite of 10 utility-led programs
- Increases annual investment spend on new and existing EE by 10X to ~$350M/year
- CEF-EE investment starts Q4 2020; 2021 ramp up year of ~$125M
- A typical residential customer* can save $17 (9%) per month in 2025E by participating in programs with smart thermostat, smart power strip, 5 LED light bulbs, efficient HVAC equipment and home energy reports; non-participating customer bill increase is $1 (<1%) per month
- Lost revenue recovery through Conservation Incentive Program starting June/October 2021 (electric/gas) aligns incentives for utility, customer and state policy goals; first NJ electric utility approved for the CIP recovery mechanism
- Creates 3,200 direct and 1,100 indirect clean energy jobs
- Energy savings targets measured over 5 years; No incentives or penalties during first 3 years
- Improves New Jersey into a national leader in EE

Clean Energy Future - EE	Investment	ROE	Amortization	Lost Revenue Recovery**
As Filed	$2.5B/6 Years	9.6%	15 Year	GEM
Approved	$1B/3 Years	9.6%	10 Year	CIP

E=ESTIMATE. *SAMPLE OF A TYPICAL COMBINED CUSTOMER. **CIP=CONSERVATION INCENTIVE PROGRAM. GEM=GREEN ENABLING MECHANISM. CIP ADJUSTS REVENUES FOR CHANGES IN USAGE FROM ITS LAST (2018) DISTRIBUTION BASE RATE CASE TO ACCOUNT FOR CHANGES IN LOST REVENUES DUE TO EE, SOLAR NET METERING, WEATHER, ECONOMIC FACTORS ETC.

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



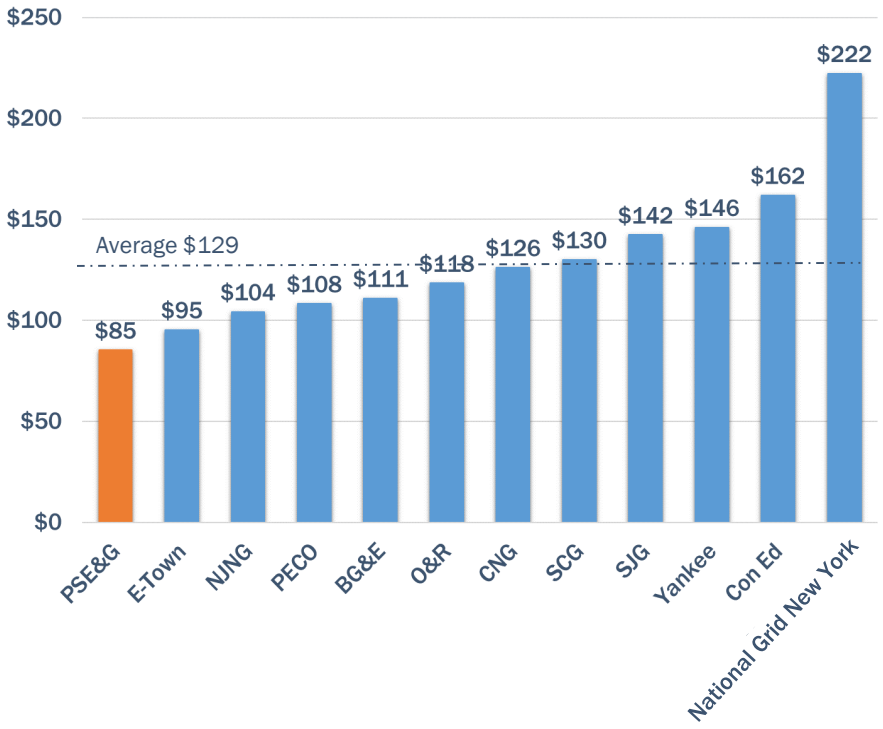
Cost impact of approved and proposed programs GSMP II, ES II, and CEF over next five years

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

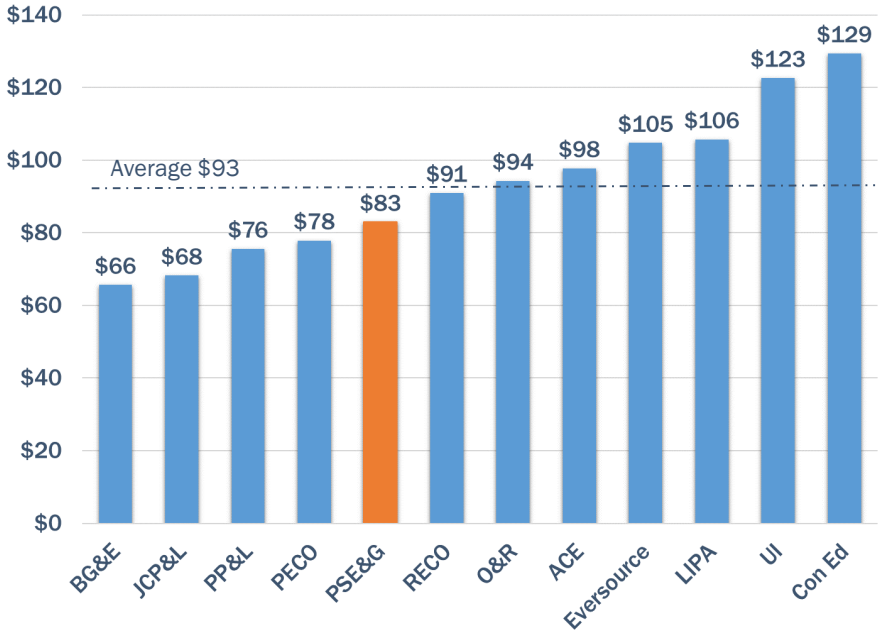
NOTE: AVERAGE MONTHLY BILL FOR A TYPICAL RESIDENTIAL ELECTRIC CUSTOMER THAT USES 6,920 KILOWATT-HOURS PER YEAR AND A TYPICAL RESIDENTIAL GAS HEATING CUSTOMER THAT USES 1,040 THERMS PER YEAR. SEPTEMBER 1, 2020 RATES REFLECT JUNE 1, 2020 BGS-RSCP SUPPLY CHARGES INCLUDING THE RESULTS OF THE 2020 BGS-RSCP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



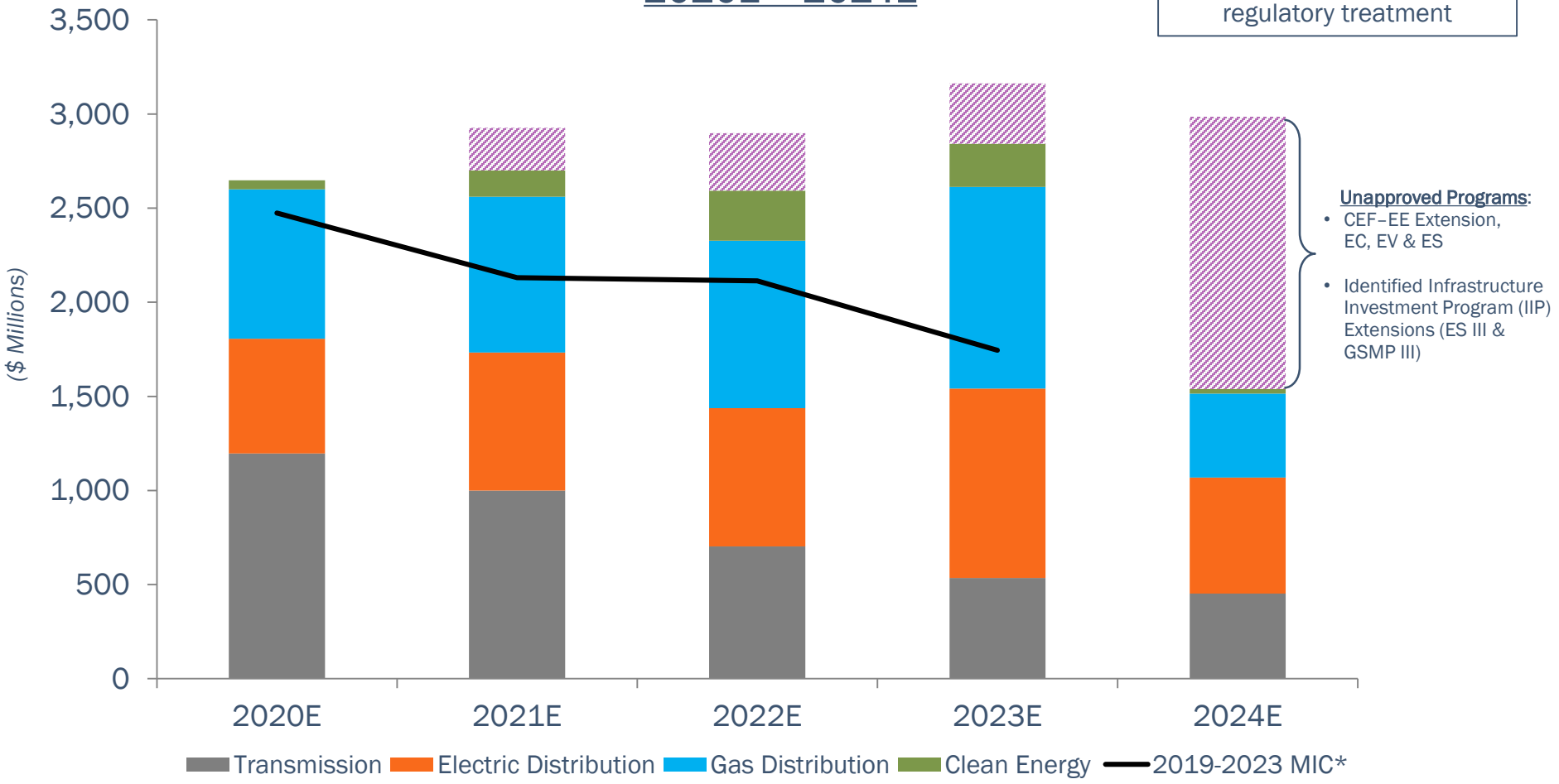
Monthly Electric Bills



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.

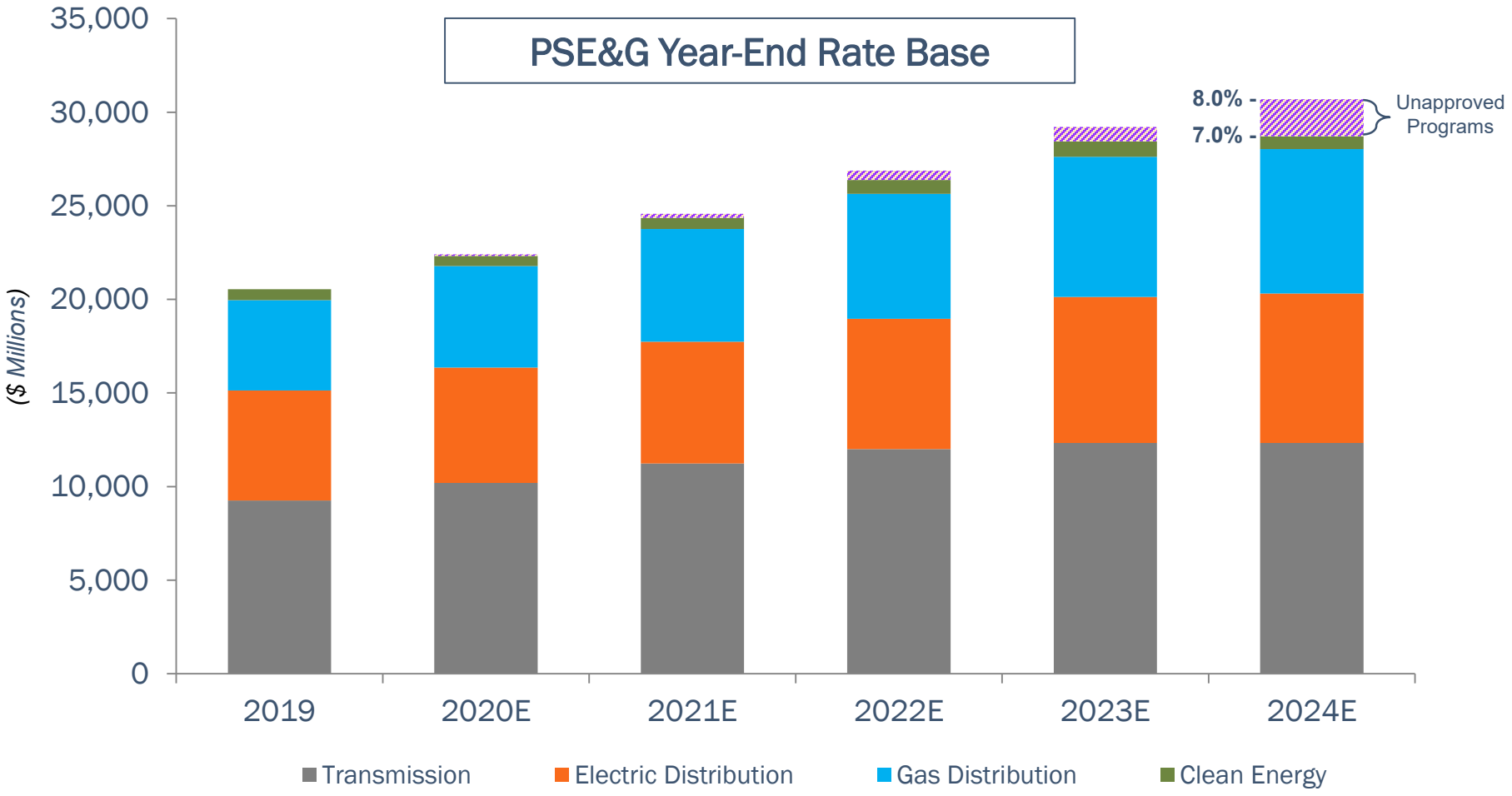
PSE&G's capital program of $12.5B to $14.7B focused on reliability, resiliency, grid modernization and clean energy investments

~90% of investment receiving contemporaneous or near-contemporaneous regulatory treatment



INCLUDES AFUDC DEBT. E=ESTIMATE
HASHED PORTION OF THE CHART REPRESENTS UNAPPROVED PORTIONS OF CEF FILINGS AND IDENTIFIED IIP EXTENSIONS.
*2019 MIC =MAY INVESTOR CONFERENCE.

Investment program provides opportunity for ~7% to 8% compound annual growth in rate base following approval of CEF-EE



HASHED PORTION OF THE CHART REPRESENTS UNAPPROVED PROGRAMS (CEF–EE EXTENSION, ES, EV, EC, GSMP III, AND ES III).
CHART EXCLUDES CWIP. YEAR-END 2019 CWIP BALANCE WAS $1.6B.
E = ESTIMATE.

PSE&G to invest $1B of capital in Energy Efficiency, one of the largest efforts in the U.S.

PSE&G Investment:
$1 Billion, 3-Year Program

delivering universal access to lower customer bills through a comprehensive suite of EE programs

Other Benefits

Conservation Incentive Program addresses lost revenues	**3,200** direct clean energy jobs
8 million metric tons of CO_2 avoided*	**2.2** NJ cost test score**

PSE&G Energy Efficiency (EE) Offerings	
Residential Programs $300M	**Commercial & Industrial Programs $700M**
Efficient Products	Prescriptive
Existing Homes	Custom
Behavioral	Small Non-Res Efficiency
Multi-Family	Energy Management
Income Eligible	Engineered Solutions

NOTE: PROGRAM DESCRIPTIONS CAN BE FOUND IN APPENDIX SLIDES 33 AND 34.
*THROUGH 2050. ** SOURCE: PSEG. NJ COST TEST SCORE REPRESENTS THE RELATIVE VALUE OF SOCIETAL BENEFITS INCLUDING, AMONG OTHER THINGS, ENVIRONMENTAL, ECONOMIC AND NON-ENERGY BENEFITS, TO PROGRAM COSTS.

Clean Energy Future programs support economic recovery, help lower bills and sized to achieve NJ's Clean Energy Act targets

PSE&G's cost-effective, innovative and ready-to-implement solutions support clean energy goals and create needed jobs for New Jersey's economy

- **Energy Efficiency:** $1 billion approved to help achieve NJ's energy efficiency targets for electric & gas
- **Electric Vehicles:** "Smart" infrastructure focused on residential, workplace, multi-family, underserved communities and travel corridors
  Status: Evidentiary hearings scheduled for early December
- **Energy Storage:** Utility-scale systems help defer distribution investment, enables more solar and enhances resiliency
  Status: Evidentiary hearings scheduled for early December
- **Energy Cloud – AMI:** Accelerated roll-out of ~2 million electric meters and supporting infrastructure
  Status: Evidentiary hearings starting late November

Program Investments	$ Billions
Approved Energy Efficiency	$1.0 3-Year Program
Proposed Electric Vehicles	$0.3 6-Year Program
Proposed Energy Storage	$0.1 6-Year Program
Proposed Energy Cloud – AMI	$0.6 6-Year Program

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

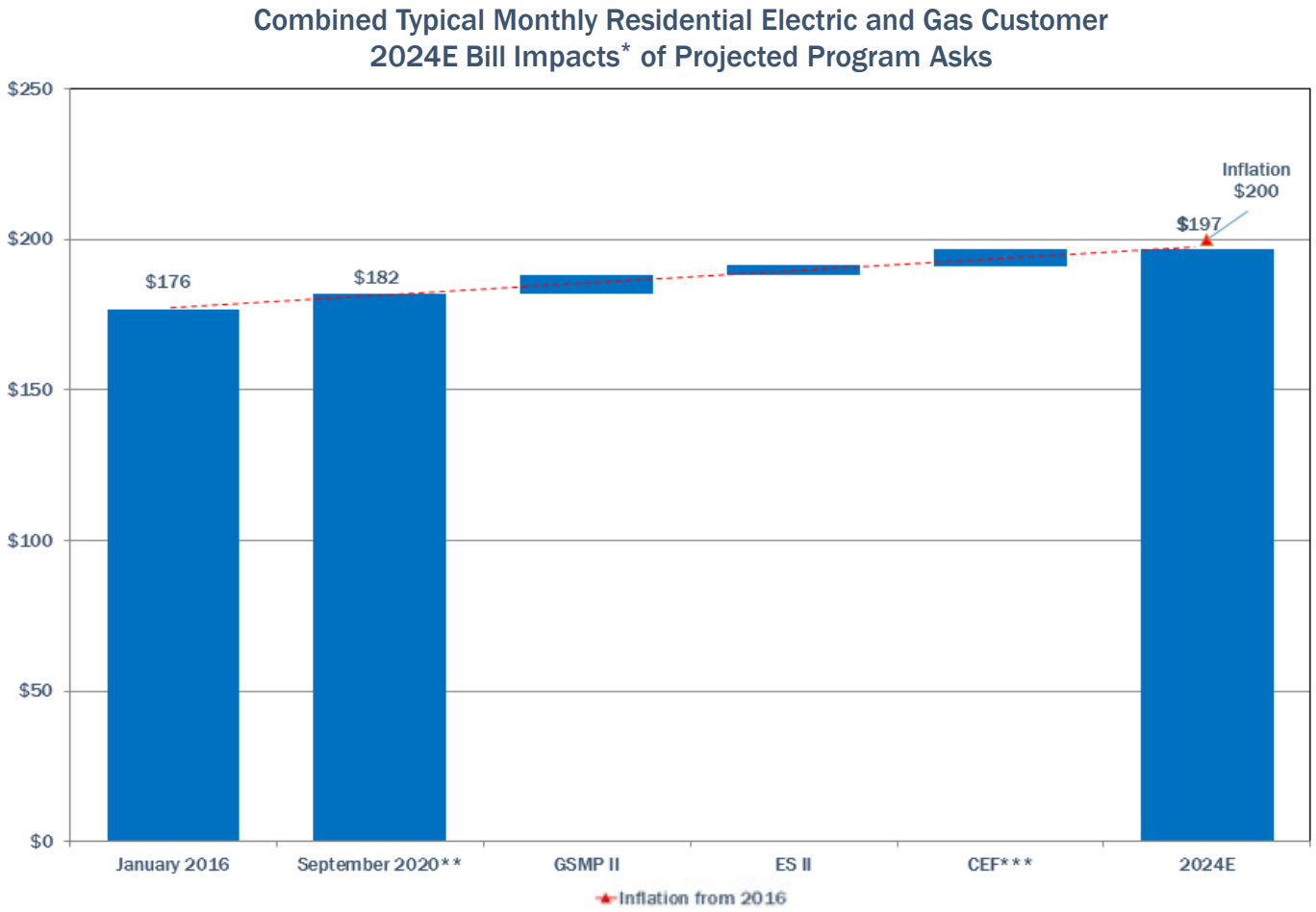


New Equipment Raised Above Flood Elevations



- $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 expected to remain in line with inflation, even with inclusion of our active and proposed programs



- 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, CEF-EE and remaining proposed CEF programs on customer bills will be ~2%/year, flat in real terms

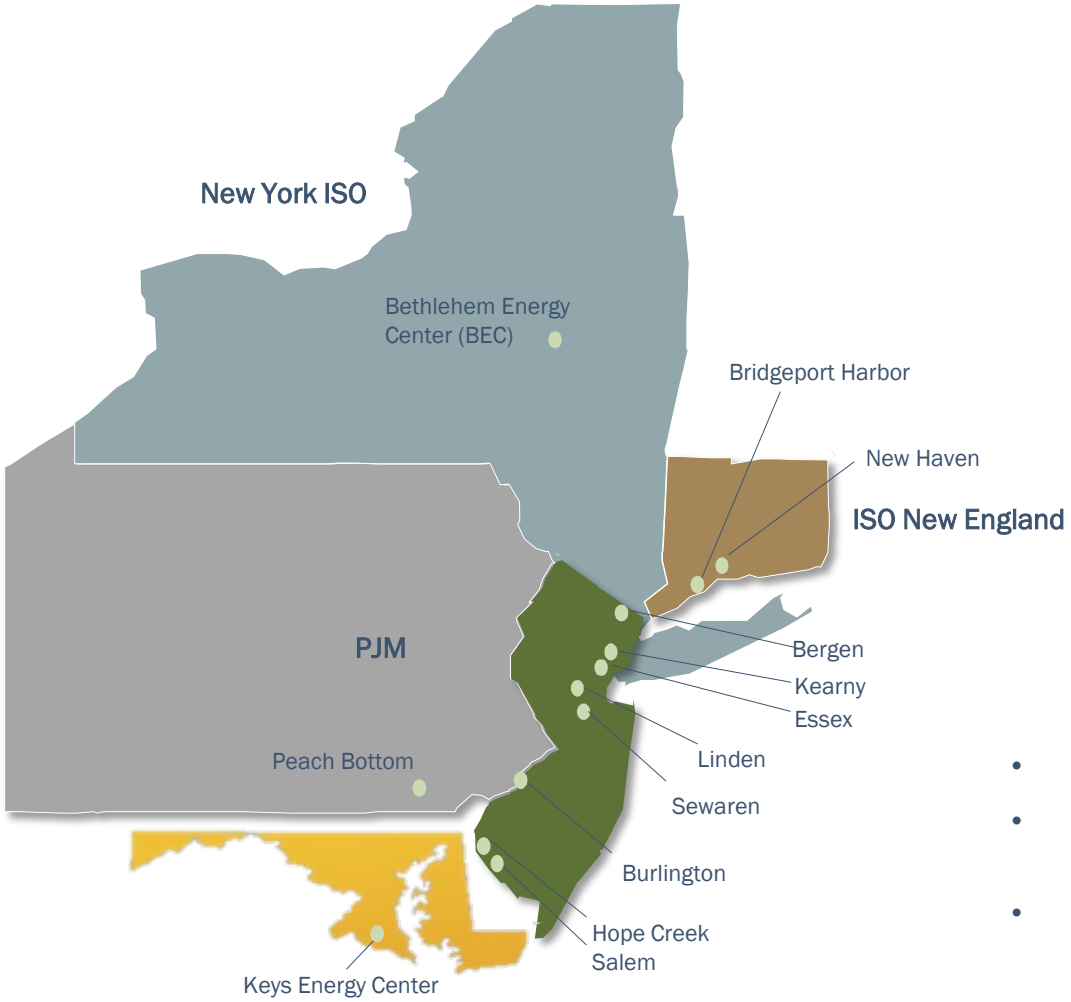
… and EE can help lower bills going forward.

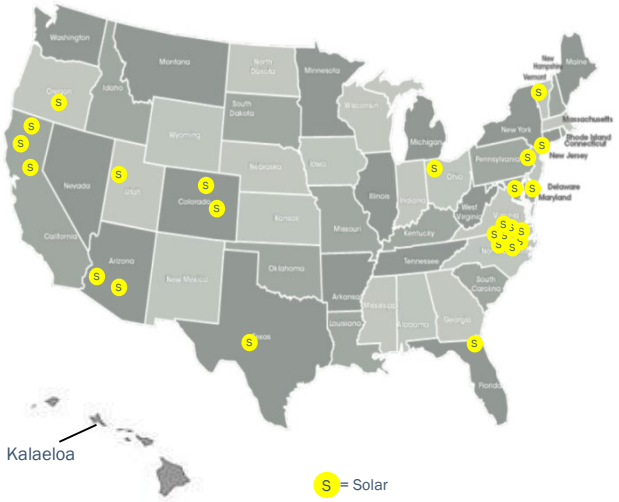
*AVERAGE MONTHLY BILL FOR A TYPICAL RESIDENTIAL ELECTRIC CUSTOMER USING 6,920 KILOWATT-HOURS PER YEAR AND A TYPICAL RESIDENTIAL GAS HEATING CUSTOMER USING 1,040 THERMS PER YEAR. **SEPTEMBER 2020 RATES REFLECT JUNE 1, 2020 BGS-RSCP SUPPLY CHARGES INCL. RESULTS OF 2020 BGS-RSCP AUCTION. ***CEF INCLUDES THE PROPOSED NET IMPACTS OF THE CEF-EE, CEF-EV/ES AND CEF-EC PROGRAMS. CEF-EE INCLUDES INDIRECT BILL IMPACTS OF THE PROGRAM SUCH AS CIP, 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 our employees**
- **No impact on PSE&G or PSEG LI customers, operations or tariffs**
- **Marketing launch anticipated in Q4 2020, 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

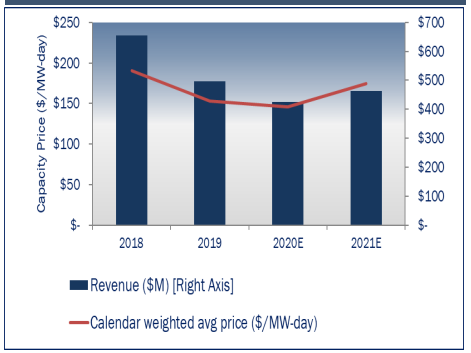
ISO=INDEPENDENT SYSTEM OPERATOR

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	$167	$180
Rest of Pool Prices ($/MW-day)	$100/$80 (CP/Base)	$77 (CP)	$140 (CP)
PSEG Power's Cleared Capacity (MW)	8,500	7,700	7,000

PJM Capacity Revenue



RPM Auctions will be informed by changes in:

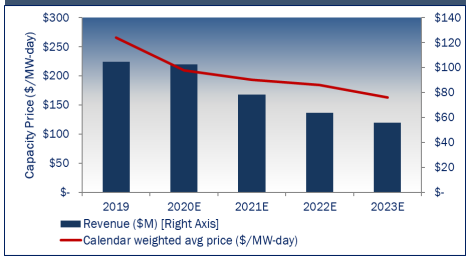
- Net CONE
- PJM Parameters
- Demand Response Rules
- Environmental Regulations
- Load Forecasts
- FERC Market Reforms

Timing of 2022/2023 Capacity Auction 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

		Oct-Dec 2020	2021	2022
Nuclear	Volume TWh	7	31	30
	% Hedged	100%	100%	60-65%
	Price $/MWh	$36	$35	$34
Combined Cycle	Volume TWh	4-6	17-19	18-20
	% Hedged	85-90%	35-40%	0%
	Price $/MWh	$36	$35	$ -
Total	Volume TWh	11-13	48-50	48-50
	% Hedged	95-100%	75-80%	35-40%
	Price $/MWh	$36	$35	$34

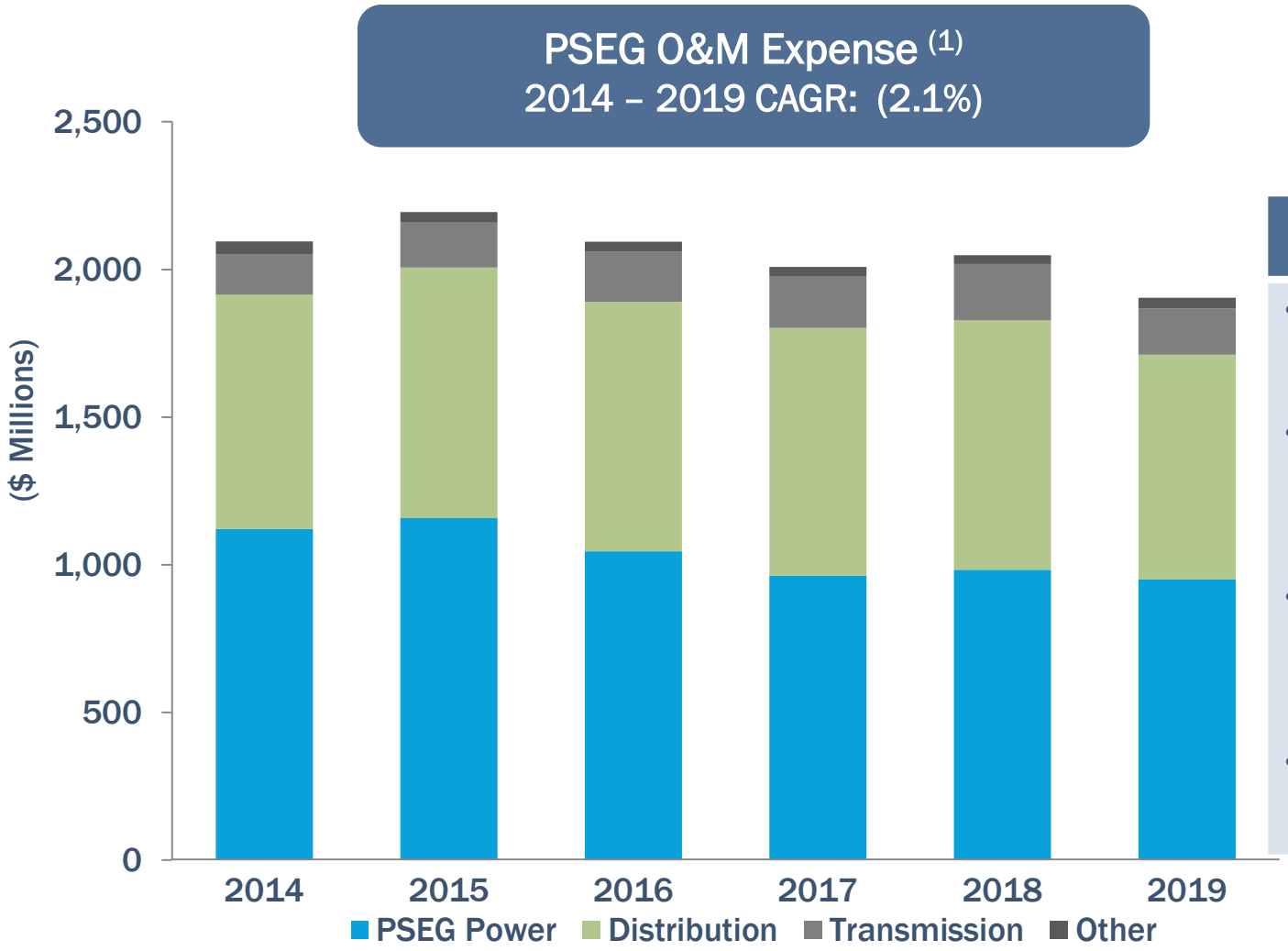
NOTE: VOLUMES REFLECT MANAGEMENT'S VIEW OF HEDGE PERCENTAGES AND PRICES AS OF SEPTEMBER 30, 2020 AND REFLECT REVENUES OF FULL REQUIREMENT LOAD DEALS BASED ON CONTRACT PRICE INCLUDING RENEWABLE ENERGY CREDITS, ANCILLARY AND TRANSMISSION COMPONENTS BUT EXCLUDING CAPACITY. HEDGES INCLUDE POSITIONS WITH 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
- NJ's offshore wind capacity target is 7,500 MW by 2035



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



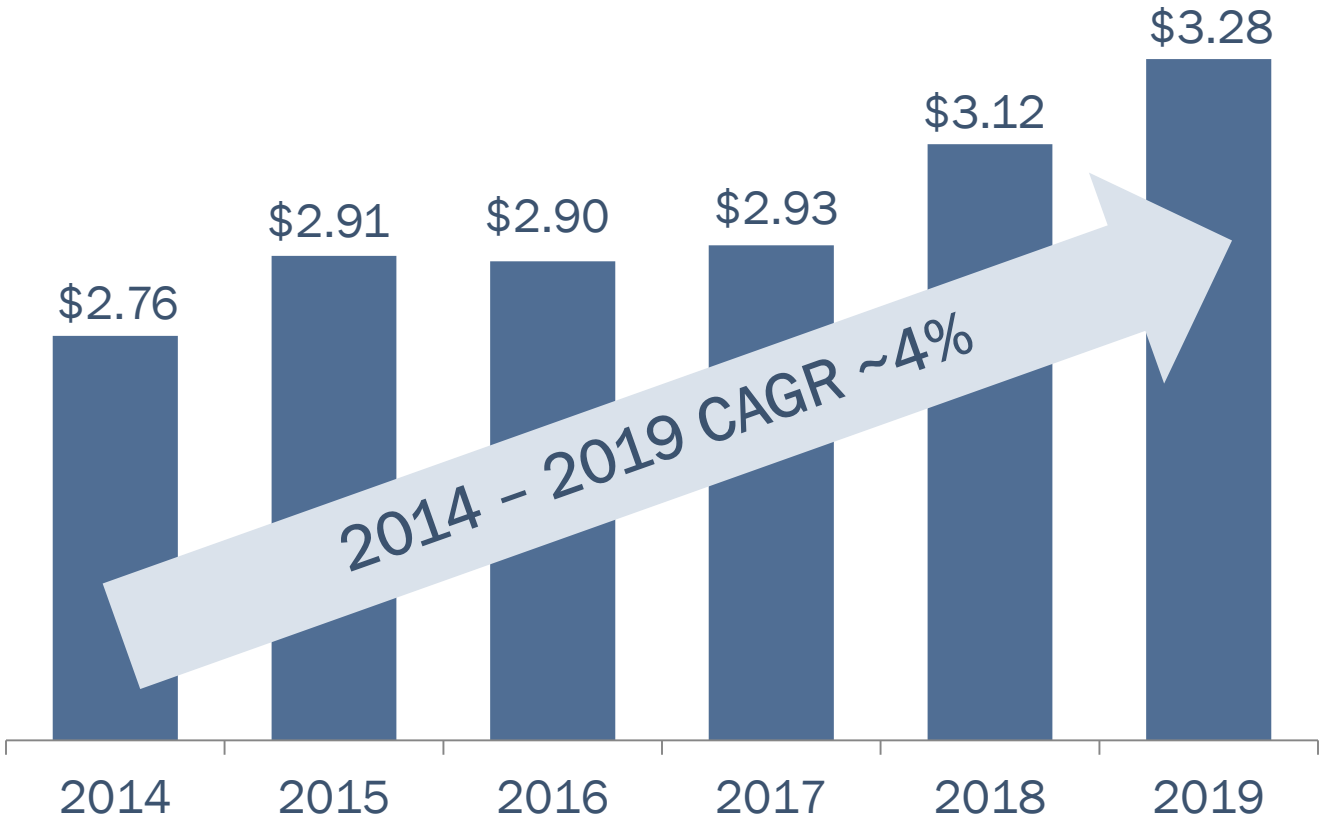
Cost control actions

- 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. CAGR=COMPOUND ANNUAL GROWTH RATE.

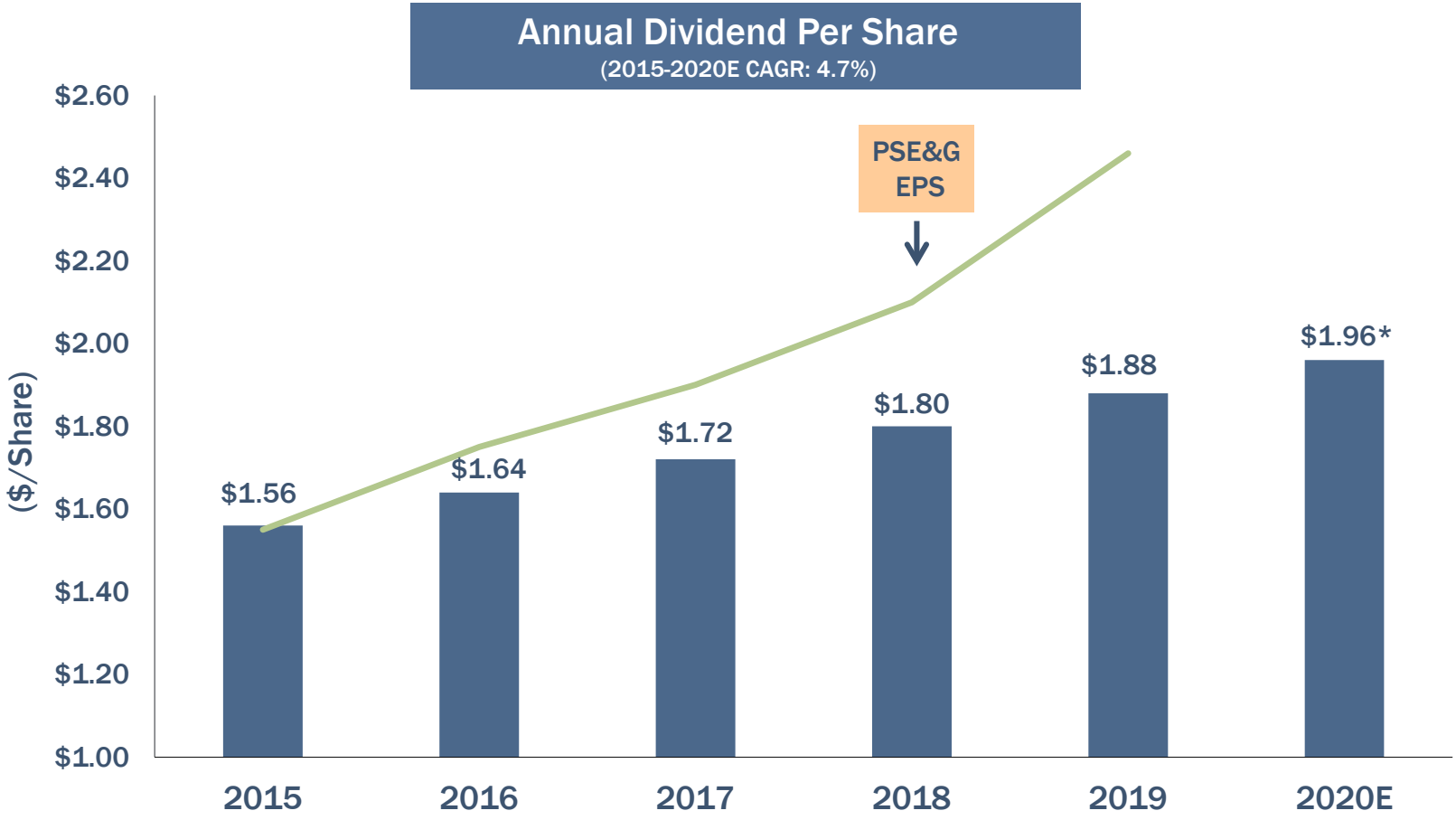
Strategic focus continues to deliver solid results

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 approved to commit $1B in CEF-EE investments over three years to expand energy efficiency in NJ
- 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 7%-8% (2020-2024) fueled by GSMP II, ES II, transmission & CEF investments
- Realizing NJ's Clean Energy Act and NJ Energy Master Plan's 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.

PSE&G EE Offerings – Residential Programs

Program	Description
Efficient Products	Rebates and on-bill repayment for HVAC, smart thermostats, appliances, lighting, and other equipment
Existing Homes	Rebates and on-bill repayment for energy audit, direct install of efficient equipment, and broader weatherization / appliance replacement services
Behavioral	Data analytics, home energy reports and online energy audits
Multi-Family	Energy audit and direct install of efficient equipment at no charge to tenants
Income Eligible	Energy audit, direct install of efficient equipment, and broader weatherization / appliance replacement services at no charge for income-eligible customers and properties located within low and moderate-income census tracts

PSE&G EE Offerings – Commercial & Industrial Programs

Program	Description
Prescriptive	Rebates & on-bill repayment for HVAC, lighting, motors and drives, refrigeration, water heaters, air compressors, and food service equipment
Custom	Custom incentives for large energy efficiency projects, including on-bill repayment
Small Non-Res Efficiency	Rebates and on-bill repayment for direct-installed EE measures to small non-residential customers of lighting, controls, refrigeration, heating and air conditioning updates, etc.
Energy Management	Retro-commissioning and strategic energy management: optimizing existing systems with little to no equipment upgrades
Engineered Solutions	Whole-building engineered energy saving solutions to hospitals, school districts, universities, municipalities, apartment buildings, other non-profit /public entities

PSEG Debt to Capitalization

As of September 30, 2020 ($ Billions)	PSEG Consolidated	PSE&G	PSEG Power
Short-Term Debt	$0.3	$-	$-
Long-Term Debt	16.9	10.9	2.4
Common Equity	15.8	12.8	6.2
Total Capitalization	$33.0	$23.7	$8.6
Total Debt/Capitalization	52%	46%	28%

TOTALS MAY NOT ADD DUE TO ROUNDING

PSEG maintains a solid financial position

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

HoldCo Term Loans and Senior Notes Outstanding as of 9/30/2020	
Term Loan due November 2020	$700M
Term Loan due March 2021 (STD)	$300M
Sr. Notes due November 2021	$300M
Sr. Notes due November 2022	$700M
Sr. Notes due June 2024	$750M
Sr. Notes due August 2025	$550M
Sr. Notes due August 2030	$550M
Short-Term Debt Outstanding:	**$0.3B**
Total Long-Term Debt Outstanding:	**$3.5B**

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
Total Long-Term Debt Outstanding as of 9/30/2020:	**$10.9B**

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

Senior Notes Outstanding as of 9/30/2020	
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
Total Long-Term Debt Outstanding*:	**$2.4B**

*INCLUDES $44M PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY TAX-EXEMPT BOND MATURING 2042 BACKED BY LETTER OF CREDIT MATURING 2022
NOTE: CREDIT RATINGS ARE AS OF OCTOBER 30, 2020; TOTAL LONG-TERM DEBT OUTSTANDING AMOUNTS MAY NOT ADD TO PSEG CONSOLIDATED TOTAL LONG-TERM DEBT OUTSTANDING DUE TO ROUNDING. MTN=MEDIUM-TERM NOTE

PSEG's COVID-19 Response Tracker

Customers

- ✓ Suspension of Residential shut-offs due to non-payment extended into Q1 2021
- ✓ Maintaining customer service staffing levels and call center operations
- ✓ Continued emergency service calls to customer premises during NJ/LI stay-at-home orders using full personal protective equipment and physical distancing
- ✓ WorryFree TechTalk 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
- ✓ Extended policy of 80 hours of temporary paid time off for 2021 to care for relatives with COVID-19 or for childcare due to COVID-19 related closures
- ✓ Maintained workforce levels and employee benefits; expanded flex-time work
- ✓ 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 lower than 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

PSEG – Year-to-Date Results by Subsidiary

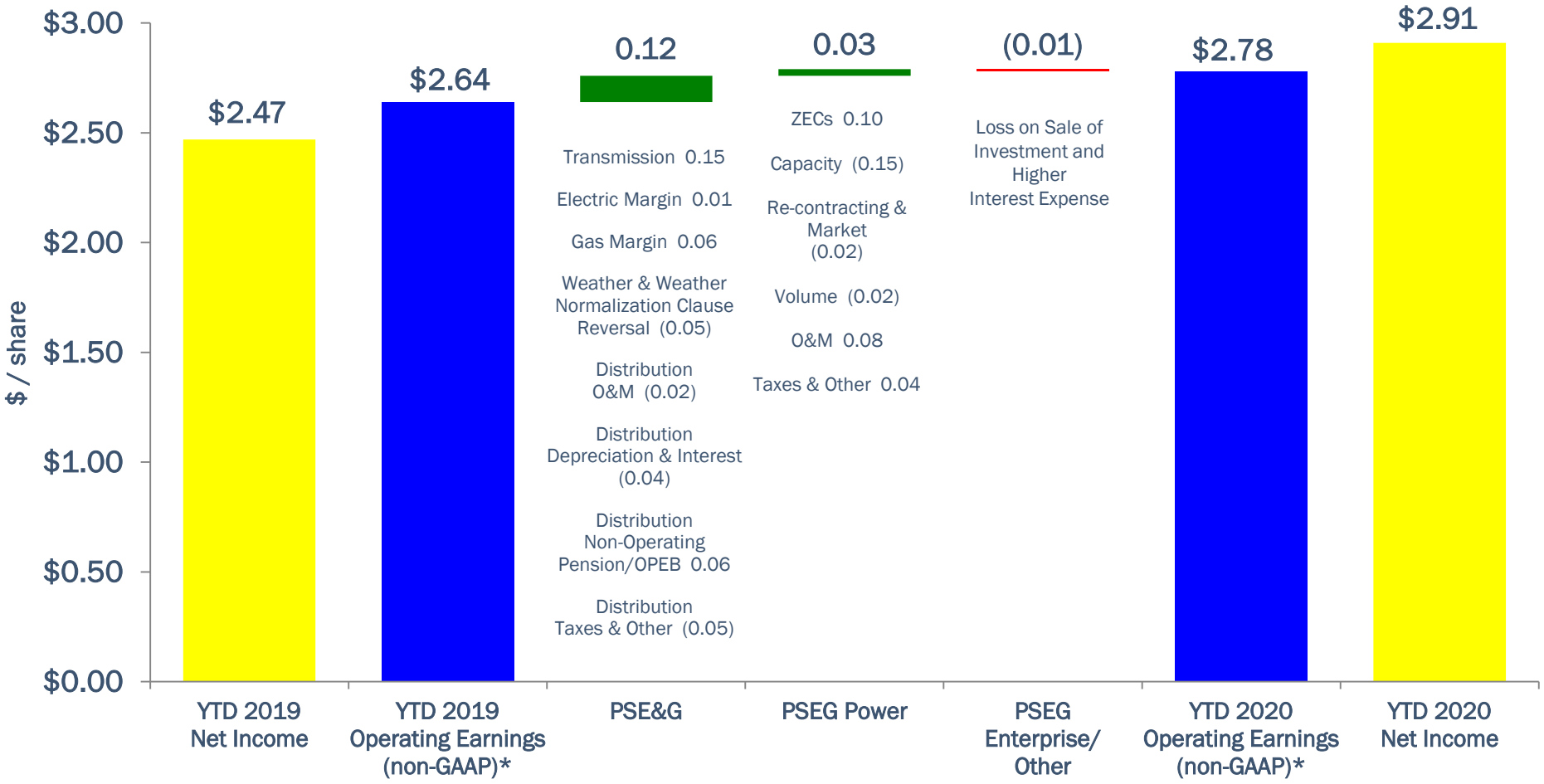
PSEG YTD EPS Summary – Nine Months ended September 30

Net Income/(Loss)	2020	2019	Change
PSE&G	$ 2.04	$ 1.92	$ 0.12
PSEG Power	$ 0.87	$ 0.61	$ 0.26
PSEG Enterprise/Other	$ -	$ (0.06)	$ 0.06
Total PSEG	$ 2.91	$ 2.47	$ 0.44

Non-GAAP Operating Earnings*	2020	2019	Change
PSE&G	$ 2.04	$ 1.92	$ 0.12
PSEG Power	$ 0.74	$ 0.71	$ 0.03
PSEG Enterprise/Other	$ -	$ 0.01	$ (0.01)
Total PSEG*	$ 2.78	$ 2.64	$ 0.14

*SEE SLIDES A, B AND C FOR ITEMS EXCLUDED FROM NET INCOME/(LOSS) TO RECONCILE TO OPERATING EARNINGS (NON-GAAP) FOR PSEG, PSE&G, PSEG POWER AND PSEG ENTERPRISE/OTHER.

PSEG EPS Reconciliation – YTD 2020 versus YTD 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 2020 Guidance - By Subsidiary

Updated Segment Operating Earnings Guidance and Prior Year Results (non-GAAP, except as noted)*

$ millions (except EPS)	2020E	2019
PSE&G (Net Income)	$1,325 - $1,355	$1,250
PSEG Power	$385 - $430	$409
PSEG Enterprise/Other	($10)	$7
*Operating Earnings (non-GAAP)**	$1,700 - $1,775	$1,666
*Operating EPS (non-GAAP)**	**$3.35 - $3.50**	**$3.28**

PSEG Power Adjusted EBITDA (non-GAAP) *,**

$ millions	2020E	2019
PSEG Power	$980 - $1,045	$1,035

*SEE SLIDES A AND B FOR ITEMS EXCLUDED FROM NET INCOME TO RECONCILE TO OPERATING EARNINGS (NON-GAAP) FOR PSEG, PSE&G AND PSEG ENTERPRISE/OTHER AND SLIDE C FOR ITEMS EXCLUDED FROM NET INCOME TO RECONCILE TO OPERATING EARNINGS (NON-GAAP) AND ADJUSTED EBITDA (NON-GAAP) FOR PSEG POWER.
**ADJUSTED EBITDA FOR THE FIRST NINE MONTHS OF 2020 INCLUDES PRE-TAX EXPENSES OF $36 MILLION RELATED TO THE PURCHASE OF NJ TAX CREDITS AS PART OF THE 2019 NJ TECHNOLOGY TAX BENEFIT TRANSFER PROGRAM. THE BENEFIT FROM THE PROGRAM'S TAX CREDITS IS INCLUDED IN THE INCOME TAX EXPENSE LINE ITEM AND MORE THAN OFFSETS THE EXPENSES INCURRED FOR THE PURCHASE. THERE WERE NO SIMILAR TAX CREDIT TRANSACTIONS IN THE FIRST NINE MONTHS OF 2019. E = ESTIMATE.

Reconciliation of Non-GAAP Operating Earnings

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

Reconciling Items	Nine Months Ended September 30,		Year Ended December 31,					
	2020	2019	2019	2018	2017	2016	2015	2014
	($ millions, Unaudited)							
Net Income	$ 1,474	$ 1,256	$ 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)	(73)	(164)	(255)	144	(133)	(5)	(24)	(138)
(Gain) Loss on Mark-to-Market (MTM), pre-tax[b] (PSEG Power)	82	(195)	(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)	(122)	402	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]	40	(21)	37	(74)	(427)	(391)	150	104
Tax Reform	-	-	-	-	(745)	-	-	-
Operating Earnings (non-GAAP)	$ 1,412	$ 1,336	$ 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	$ 2.91	$ 2.47	$ 3.33	$ 2.83	$ 3.10	$ 1.75	$ 3.30	$ 2.99
(Gain) Loss on NDT Fund Related Activity, pre-tax[a] (PSEG Power)	(0.15)	(0.32)	(0.50)	0.28	(0.26)	(0.01)	(0.05)	(0.27)
(Gain) Loss on MTM, pre-tax[b] (PSEG Power)	0.16	(0.38)	(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)	(0.24)	0.79	0.79	(0.10)	1.92	1.32	-	-
Goodwill Impairment, pre-tax (PSEG Power)	-	-	0.03	-	-	-	-	-
Oil LOCOM adjustment, pre-tax (PSEG Power)	0.02	-	-	-	-	-	-	-
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]	0.08	(0.03)	0.08	(0.14)	(0.84)	(0.78)	0.31	0.21
Tax Reform	-	-	-	-	(1.47)	-	-	-
Operating Earnings (non-GAAP)	$ 2.78	$ 2.64	$ 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 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 (losses) from qualified NDT funds.

Reconciliation of Non-GAAP Operating Earnings for PSE&G and PSEG Enterprise/Other

PSE&G Operating Earnings (Non-GAAP) Reconciliation

Reconciling Items	Nine Months Ended September 30,		Year Ended December 31,					
	2020	2019	2019	2018	2017	2016	2015	2014
	($ millions, Unaudited)							
Net Income	$ 1,036	$ 974	$ 1,250	$ 1,067	$ 973	$ 889	$ 787	$ 725
Tax Reform	-	-	-	-	(10)	-	-	-
Operating Earnings (non-GAAP)	$ 1,036	$ 974	$ 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 Enterprise/Other - Operating Earnings (Non-GAAP) Reconciliation

Reconciling Items	Nine Months Ended September 30,		Year Ended December 31,					
	2020	2019	2019	2018	2017	2016	2015	2014
	($ millions, Unaudited)							
Net Income (Loss)	$ 1	$ (27)	$ (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)]	-	(26)	(26)	(1)	(32)	(55)	-	-
Tax Reform	-	-	-	-	(147)	-	-	-
Operating Earnings (non-GAAP)	$ 1	$ 5	$ 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.

Reconciliation of Non-GAAP Operating Earnings and Adjusted EBITDA for PSEG Power

PSEG Power LLC - Operating Earnings (Non-GAAP) and Adjusted EBITDA (non-GAAP) Reconciliation

Reconciling Items	Nine Months Ended September 30,		Year Ended December 31,					
	2020	2019	2019	2018	2017	2016	2015	2014
	($ millions, Unaudited)							
Net Income	$ 437	$ 309	$ 468	$ 365	$ 479	$ 18	$ 856	$ 760
(Gain) Loss on NDT Fund Related Activity, pre-tax[a]	(73)	(164)	(255)	144	(133)	(5)	(24)	(138)
(Gain) Loss on MTM, pre-tax[b]	82	(195)	(285)	117	167	168	(157)	(111)
Storm O&M, net of insurance recoveries, pre-tax	-	-	-	-	-	-	(172)	27
Plant Retirements and Dispositions, pre-tax	(122)	402	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]	40	5	63	(73)	(395)	(336)	150	104
Tax Reform	-	-	-	-	(588)	-	-	-
Operating Earnings (non-GAAP)	$ 375	$ 357	$ 409	$ 502	$ 505	$ 514	$ 653	$ 642
Depreciation and Amortization, pre-tax [d]	271	278	372	346	333	329	301	291
Interest Expense, pre-tax [d] [e]	90	80	114	72	48	83	120	120
Income Taxes [d]	72	122	140	139	286	275	361	387
Adjusted EBITDA (non-GAAP)	$ 808	$ 837	$ 1,035	$ 1,059	$ 1,172	$ 1,201	$ 1,435	$ 1,440
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 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 (losses) from qualified NDT funds.
(d) Excludes amounts related to Operating Earnings (non-GAAP) reconciling items.
(e) Net of capitalized interest.