AUGUST 2021 PSEG INVESTOR UPDATE

LEADING TOWARD A SUSTAINABLE FUTURE

WHERE CUSTOMERS UNIVERSALLY USE LESS ENERGY, THE ENERGY THEY USE IS CLEANER AND ITS DELIVERY IS MORE RELIABLE AND MORE RESILIENT

• NYSE: PEG •

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:

- any inability to successfully develop, obtain regulatory approval for, or construct generation, transmission and distribution projects;
- lack of growth or slower growth in the number of customers or the failure of our Conservation Incentive Program to fully address a decline in customer demand;
- any equipment failures, accidents, severe weather events, acts of war or terrorism 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;
- any inability to recover the carrying amount of our long-lived assets;
- any inability to maintain sufficient liquidity;
- the impact of cybersecurity attacks or intrusions;
- the impact of the ongoing coronavirus pandemic;
- the impact of our covenants in our debt instruments on our operations;
- adverse performance of our nuclear decommissioning and defined benefit plan trust fund investments and changes in funding requirements;
- risks associated with the timeline and ultimate outcome of our exploration of strategic alternatives relating to PSEG Power's non-nuclear generating fleet;
- the failure to complete, or delays in completing, our proposed investment in the Ocean Wind offshore wind project, or following the completion of our initial investment in the project, the failure to realize the anticipated strategic and financial benefits of the project;
- 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;
- changes in technology related to energy generation, distribution and consumption and changes in customer usage patterns;
- third-party credit risk relating to our sale of generation output and purchase of fuel;
- any inability of PSEG Power to meet its commitments under forward sale obligations;
- reliance on transmission facilities to maintain adequate transmission capacity for our power generation fleet;
- 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 absence of a long-term legislative or other solution for our New Jersey nuclear plants that sufficiently values them for their carbon-free, fuel diversity and resilience attributes, or the impact of the current or subsequent payments for such attributes being materially adversely modified through legal proceedings;
- adverse changes in energy industry laws, policies and regulations, including market structures and transmission planning and transmission returns;
- 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; and
- delays in receipt of, or an inability to receive, necessary licenses and permits.

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.

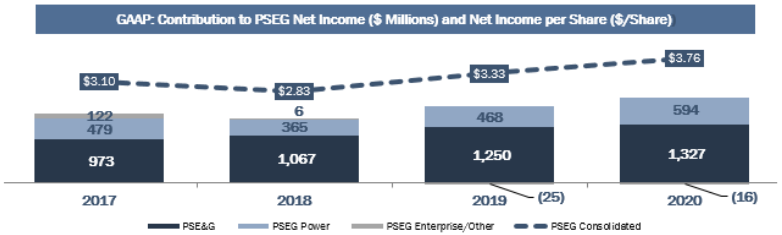
GAAP Disclaimer

PSEG presents Operating Earnings and Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) in addition to its Net Income/(Loss) 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/(Loss). 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 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 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/(Loss), 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 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 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. Guidance included herein is as of August 3, 2021.



From time to time, PSEG, PSE&G and PSEG Power release important information via postings on their corporate Investor Relations website at https://investor.pseg.com. Investors and other interested parties are encouraged to visit the Investor Relations website to review new postings. You can sign up for automatic email alerts regarding new postings on the Investor Relations website at the bottom of the webpage.

A 118-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 $13 Billion - $15 Billion investment program expected to produce **6.5% - 8%** annual compound rate base growth through 2025

2020
Assets $36B
Net Income $1,327M

Regional Competitive Generation

Strategy: Carbon-free nuclear fleet; Exploring strategic alternatives for fossil generating fleet

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

2020
Assets $13B
Net Income $594M
Non-GAAP Operating Earnings* $430M

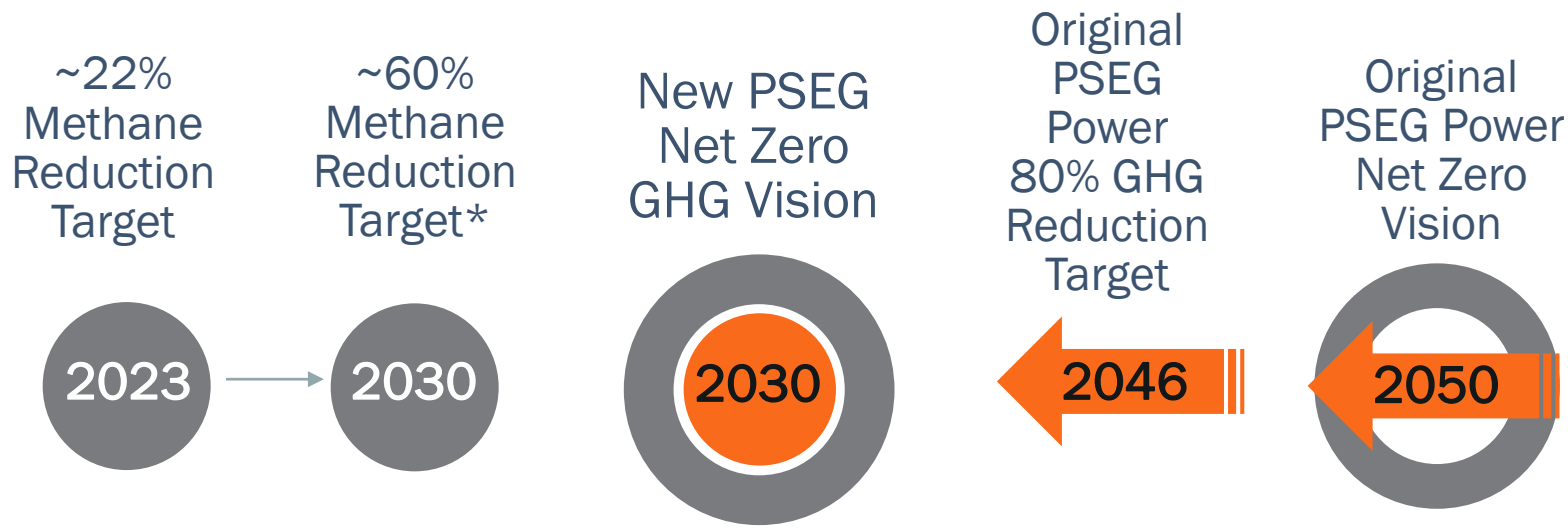
ASSETS, NET INCOME AND OPERATING EARNINGS ARE FOR THE YEAR ENDED 12/31/2020.
PSE&G AND PSEG POWER DO NOT ADD TO TOTAL DUE TO PSEG ENTERPRISE/OTHER ACTIVITY.
*SEE SLIDE B FOR RECONCILIATION OF NET INCOME/(LOSS) TO NON-GAAP OPERATING EARNINGS FOR PSEG POWER.

Progress on strategic alternatives for non-nuclear fleet

- **PSEG has completed the sale of Solar Source's 467 MW_{DC} portfolio**
- **Fossil sale process ongoing - completion expected to occur in Q4 '21 or Q1 '22**
- **Furthers PSEG progression into a primarily regulated electric and gas utility, intended to:**
  - ✓ Reduce overall business risk and earnings volatility
  - ✓ Improve business mix
  - ✓ Enhance PSEG's ESG position
  - ✓ Focus on New Jersey's Clean Energy agenda
- **Remaining PSEG generation will consist of carbon-free, significantly contracted investments in existing nuclear units and regional offshore wind**
- **Quarterly assessment, including implications of our strategic alternatives process, determined ISO New England asset grouping pre-tax impairment of $519 million, as of June 30, 2021**
- **No adverse impact on current shareholder dividend (subject to board approval)**
- **Takes into account interests of diverse stakeholders, including our employees**
- **No impact on PSE&G or PSEG LI customers, operations or tariffs**

ESG=ENVIRONMENTAL, SOCIAL, GOVERNANCE; ISO=INDEPENDENT SYSTEM OPERATOR

PSEG accelerates its climate vision for Net Zero emissions by 20 years to 2030



PSEG's Three-Pronged 2030 Climate Vision

- Provide GHG-free generation
- Achieve Net Zero operations for regulated electric and gas utility **PSE&G** and carbon-free generation at **PSEG Power** (Scope 1 & 2 emissions)
- Enable economy-wide decarbonization

*FORECAST TO 2030 BASED ON CURRENT AND POTENTIAL FUTURE ACCELERATED GAS MAIN REPLACEMENT IN FUTURE GAS SYSTEM MODERNIZATION PROGRAMS; GHG=GREENHOUSE GAS

PSEG Sustainability & ESG Summary

Leadership

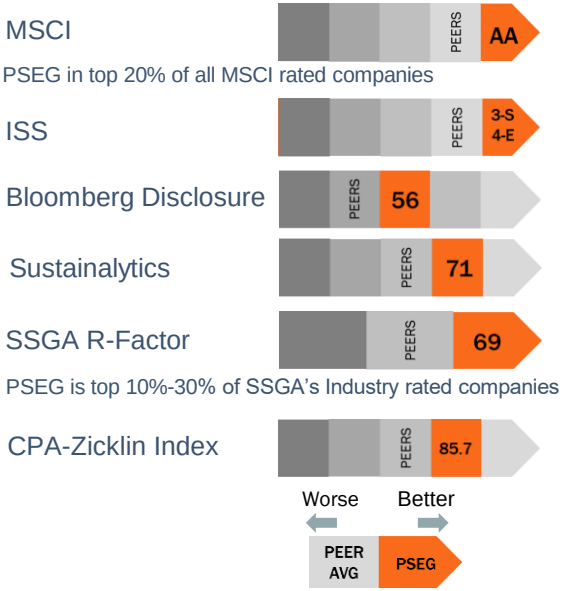
- Clean Energy Future (CEF): PSE&G received regulatory approvals to invest $2 billion to decarbonize the New Jersey economy
  - ✓ $1B CEF-Energy Efficiency program
  - ✓ $0.7B* for smart meters (Energy Cloud-AMI)
  - ✓ $0.2B for EV charging infrastructure
- PSEG accelerates climate vision for Net-Zero emissions to 2030 from 2050 for PSE&G and Power generation for direct emissions (Scope 1) and indirect emissions from operations (Scope 2)
  - ✓ PSEG Power is already at half the CO_2 intensity of PJM and U.S. averages
  - ✓ PSEG Power is now coal-free
  - ✓ PSEG Power has pledged not to build or acquire any new fossil-fueled power plants
  - ✓ PSE&G on track to achieve 2023 methane reduction goal of ~22% from 2018 levels
- PSEG completed acquisition of a 25% interest in Ocean Wind, NJ's first offshore wind farm
- Regulated Solar energy investments total ~$1B
- Climate Report follows TCFD
- Sustainability Report is SASB compliant
- PSEG ESG Performance Report

Policies & Goals

- PSEG is a vocal advocate for an economy-wide price on carbon emissions and preserving nuclear power plants for their carbon-free attributes
- Committed to rigorous oversight of political contributions and transparency in disclosure
- Diversity, Equity & Inclusion Commitment
- Human Rights Policy
- 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

Recognition & Scores

- Member of S&P Sustainability Yearbook 2021
- Named to Dow Jones Sustainability Index – North America 13 years in a row
- Among 2021 America's Most Responsible Companies by Newsweek
- Named to the Forbes Lists of: Best Employers for Diversity 2021 and Best Employers for Veterans 2020
- PSEG ESG Vital Signs: Relative Scores**



*CEF-EC/AMI APPROVED PROGRAM IS $707M, OF WHICH ~$600M IS INCREMENTAL CAPEX OVER ANNUAL METER SPEND OF ~$30M.
**SCORES FROM BEST TO WORST: MSCI – AAA TO CCC, ISS - 1 TO 10, OTHERS - 100% TO 0%; PSEG ESG SCORES AS OF JUNE 30, 2021.
AMI=AUTOMATED METERING INFRASTRUCTURE; EV=ELECTRIC VEHICLE; TCFD=TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES; SASB=SUSTAINABILITY ACCOUNTING STANDARDS BOARD; SCOPE 1 ARE DIRECT EMISSIONS FROM POWER GENERATION, VEHICLE FLEETS AND METHANE, SF6 AND REFRIGERANT LEAKS; SCOPE 2 ARE INDIRECT EMISSIONS FROM OPERATIONS FROM PURCHASED ENERGY OF ELECTRIC AND GAS AND LINE LOSSES

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 $1.0 billion

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
- CEF – Energy Efficiency (approved 2020) $1.0 billion
- CEF – Energy Cloud (EC) – AMI (approved 2021) $0.7 billion*
- CEF – EV Charging Infrastructure (approved 2021) $0.2 billion
- CEF – ES & Vehicle Innovation (pending) $0.2 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

CEF-ES=ENERGY STORAGE

*CEF-EC/AMI PROGRAM IS $707M, ADDITIONAL RATE BASE IS ~$600M GIVEN ANNUAL METER SPEND OF ~$30M

PSEG's Investments are aligned with New Jersey's clean energy goals and stronger reliability to meet customers' increasing expectations

PSEG 2021-2025E Capex ~$16B

PSEG Enterprise & PSEG Power

Other

Nuclear Reliability/Emission Reduction

- Energy Efficiency
- AMI
- CEF – Electric Vehicle
- CEF – Energy Storage
- Solar
- Gas Main and Service Replacement including GSMP
- Energy Strong

PSE&G

Customer Growth

New Business

Reliability and Infrastructure Modernization

50%
addresses
Decarbonization
Emission Reduction
Methane Reduction
Clean Energy Transition
Climate/Storm Adaptation

Offshore wind investments are incremental to PSEG's 5-YR, $16B (high end) Capital Spending range

GSMP=GAS SYSTEM MODERNIZATION PROGRAM

PSE&G's Clean Energy Future is doing right by the planet, focusing on the right things and done in the right way

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 **$500M** 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 commitment 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's approved program has significant investments in three customer segments: **40,000** residential smart chargers, **3,500** mixed-use Level 2 chargers and **1,200** public DC fast-chargers; and offers smart charging rebates

Since 2008, PSE&G has approved more than **$335 Million** in loans and helped more than 1,600 PSE&G customers to finance nearly **145 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**, 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 **~22%,** from 2018 levels, by 2023

Regulatory and Policy Initiatives Update

State Regulatory Proceedings

- NJBPU awarded continuation of $10/MWh Zero Emission Certificates (ZEC) for all three NJ nuclear plants through May 2025
- NJBPU Staff's Resource Adequacy (FRR) report recommends a pause on the exploration of leaving the PJM capacity market while more comprehensive reforms to RPM at the PJM and FERC level are developed
- NJBPU working with PJM in conducting first-ever "State Agreement Approach" open window to procure transmission solutions which support NJ's 7,500 MW offshore wind target by 2035

Investment Priorities Aligned with NJ's Clean Energy Agenda

- PSEG completed acquisition of 25% interest in Ørsted's 1,100 MW Ocean Wind (2025 in service) project to expand its carbon-free fleet with contracted, renewable generation supporting New Jersey's goal of 100% clean energy by 2050
- Remaining ~$0.2 billion of CEF filings (Vehicle Innovation, Energy Storage) pending conclusion of stakeholder proceedings

Federal Energy Regulatory Commission (FERC) / PJM

- Transmission ROE: Settlement agreement executed between PSE&G, NJBPU and NJ Division of Rate Counsel to reset the base ROE for PSE&G's transmission formula rate to 9.90% from 11.18% and to make other formula rate changes; PSE&G filed settlement agreement for FERC approval on July 14 and requests rate effective date of August 1, 2021
- PSEG, along with other transmission owners in PJM, various trade associations and the RTOs themselves are engaged in multi-pronged advocacy to convince FERC to preserve the RTO incentive adder, which FERC has proposed to eliminate
- FERC's decarbonization agenda has an emphasis on promoting transmission and market policies that will facilitate renewables development while seeking to keep costs low for customers
- PJM filed at FERC at the end of July to significantly modify the MOPR; if approved by FERC, the revised MOPR would improve the likelihood that state-subsidized resources will clear in future auctions

Long Island Power Authority (LIPA) / PSEG Long Island Update

- PSEG LI and LIPA have agreed to a non-binding term sheet to make various amendments to the Operations Services Agreement (OSA) and resolve all of LIPA's claims related to Tropical Storm Isaias; the OSA term remains through 2025
- The amended OSA is subject to approval by the NY Attorney General and the NY Comptroller

NJBPU= NEW JERSEY BOARD OF PUBLIC UTILITIES; FRR=FIXED RESOURCE REQUIREMENT; RPM=RELIABILITY PRICING MODEL; ROE=RETURN ON EQUITY; RTO=REGIONAL TRANSMISSION ORGANIZATION; MOPR=MINIMUM OFFER PRICING RULE

PSEG completed acquisition of 25% interest in Ørsted's Ocean Wind; investment aligned with NJ's clean energy goals

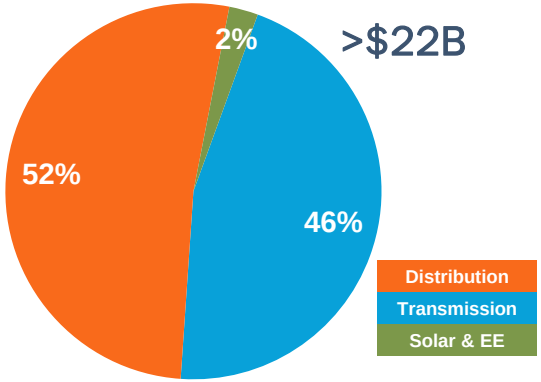
- PSEG Renewable Generation has acquired a 25% interest in the 1,100 MW Ocean Wind project, located off the coast of southern New Jersey via partnership with Ørsted, a global leader in offshore wind development
- PSEG's 25% interest includes both a conventional and tax equity component, which will have the effect of accelerating cash flow and earnings; PSEG's investment in Ocean Wind is expected to be earnings accretive upon commercial operation
- Ocean Wind is expected to achieve full commercial operation in 2025 and was awarded a first year Offshore Wind Renewable Energy Certificate (OREC) price of $98.10 per MWh generated with a 2% annual escalation over the 20-year term of the OREC
- The Bureau of Ocean Energy Management (BOEM) announced it would begin the environmental review of Ocean Wind as part of the preparation of an Environmental Impact Statement (EIS) for the project's Construction and Operations Plan (COP)
- PSEG will continue to evaluate additional offshore wind opportunities in New Jersey and other mid-Atlantic states

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 0.6%
2020 Electric and Gas Sales	39,666 GWh	2,370M Therms**
Sales Mix (2020)		
Residential	35%	60%
Commercial	56%	36%
Industrial	9%	4%

PSE&G 2020 Rate Base***



*ANNUAL CUSTOMER GROWTH USES 2015 AS BASE YEAR.
**GAS FIRM SALES ONLY.
***EXCLUDES CONSTRUCTION WORK IN PROGRESS (CWIP). 2020 YEAR-END CWIP BALANCE WAS $1.8 BILLION.

Transmission Rate Agreement Reached

- ✓ Executed settlement agreement with NJBPU and NJ Division of Rate Counsel to reset PSE&G's base ROE for its transmission formula rate to 9.90% from 11.18%
- ✓ PSE&G filed settlement agreement with FERC on July 14 seeking FERC approval and requesting effective date of August 1, 2021; No opposition to the settlement agreement has been filed
- ✓ FERC will review settlement and could take action later this year; there is no prescribed time period within which FERC must act
- ✓ Typical residential electric customer would save ~3% annually; prior to factoring in the agreement, combined residential electric & gas customer rates are ~30% lower versus 2008 in nominal dollars and 40% lower adjusted for inflation
- ✓ Financial impact of the settlement agreement is expected to lower PSE&G's Net Income by approximately $50 million to $60 million ($0.10 to $0.12 per share) on an annual basis in the first 12 months, once implemented

Key Terms and Impact

- Base ROE of 9.90%; No impact on existing incentives
- Revenue Requirement: ~($100M) for lower ROE; ~($42M) for lower depreciation expense (no net impact on earnings)
- An increase in PSE&G's equity ratio to 55% from 54% of total capitalization
- Improved cost recovery regarding materials and supplies and administrative and general costs
- Settling parties agree to a three-year moratorium on seeking changes to PSE&G's transmission rate

PSE&G Clean Energy Future Program Overview

Energy Efficiency (EE)	Energy Cloud (EC) "AMI"	Electric Vehicles (EV)	Energy Storage (ES)
$1B Commitment 3 years *Approved Sept 2020*	$707M* Investment 4 years *Approved Jan 2021*	$166M Investment ~6 years *Approved Jan 2021*	$109M Investment *Filed amount, outcome pending*
			
Programs for Residential and C&I Customers including low-income, multi-family, small business and local government	"Smart meters," new software and product solutions to improve PSE&G processes and better manage the electric grid	Residential Smart Charging, Level 2 Mixed-Use Charging, and Public DC Fast Charging *Medium- and heavy-duty vehicle investments pending*	Solar Smoothing, Distribution Deferral, Outage Management, Microgrids, Peak Reduction for Municipal Facilities

*CEF-EC/AMI PROGRAM IS $707M, ADDITIONAL RATE BASE IS ~$600M GIVEN ANNUAL METER SPEND OF ~$30M.
C&I = COMMERCIAL & INDUSTRIAL CUSTOMERS; DC = DIRECT CURRENT

Landmark $1 Billion CEF-Energy Efficiency program opens new opportunities for customers and PSE&G

- NJBPU approved CEF-EE settlement 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 began 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; Began June 2021 for electric and begins in October 2021 for 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**
Approved	$1B	9.6%	10 Year	CIP

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

CEF-Energy Cloud/AMI Settlement Approved

- NJBPU approved settlement of the CEF-EC filing between NJBPU Staff and Rate Counsel
- Total investment of $707 million over four years*
- PSE&G will defer earnings and cash return of and on CEF-EC investment until its next base rate case; Roll-in will include full investment plus deferred return
- Rate base amount grows each year until next rate case by investment amounts and deferred return and is not reduced by depreciation/deferred taxes
- Project O&M and stranded costs (old meters) deferred for recovery beginning with next rate case
- Next distribution base rate case filing expected year-end 2023 with a 2024 resolution
- PSE&G has begun the installation of over 2 million meters, expected completion by year-end 2024
- Recovery lag minimized by spend pattern, concentrated in 2023-24 and closer to rate case resolution; mechanism exists to roll-in any spend post-test year
- Customer rate impact will be deferred until rate case determination

Clean Energy Future – EC/AMI	ROE	2021	2022	2023	2024	Total
Approved Investment	9.6%	$50M	$100M	$270M	$270M	~$700M
Planned AMI Installs		80,000	300,000	900,000	900,000	~2.2M

*CEF-EC/AMI PROGRAM IS $707M, ADDITIONAL RATE BASE IS ~$600M GIVEN ANNUAL METER SPEND OF ~$30M.

CEF-Electric Vehicle Infrastructure Approved

Investment
$166M
~6-Year Program

Development of smart charging infrastructure to facilitate EV adoption across a broad range of customers and segments

CEF-EV Subprograms:

1. Residential Smart Charging
2. Level 2 Mixed-Use Charging
3. Public DC Fast Charging

Environmental Benefits

an electric mile is
70%
cleaner than an average mile fueled by gasoline

14
million metric tons of CO_2 avoided through 2035

Other Benefits

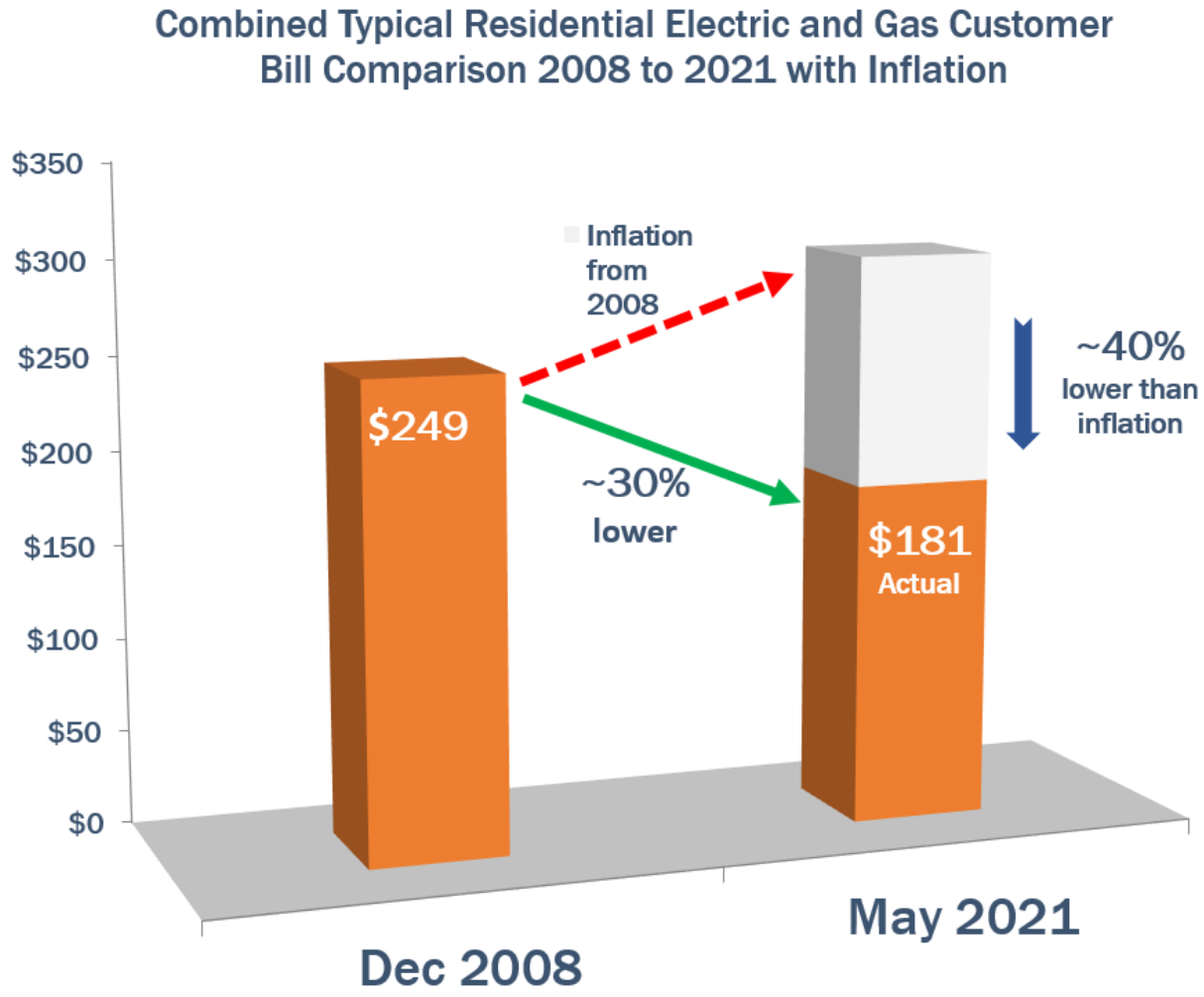
270
direct
clean energy jobs

Advancement of NJ EV and clean energy goals

Mitigation of EV market barriers & reduction in range anxiety

NOTE: A 4TH SUBPROGRAM, VEHICLE INNOVATION, FOR $45M INVESTMENT IN MEDIUM/HEAVY DUTY VEHICLES (MHDVS) IS HELD IN ABEYANCE PENDING A MHDV STAKEHOLDER PROCESS. SEE SLIDE 39 IN APPENDIX FOR SUBPROGRAM DESCRIPTIONS.

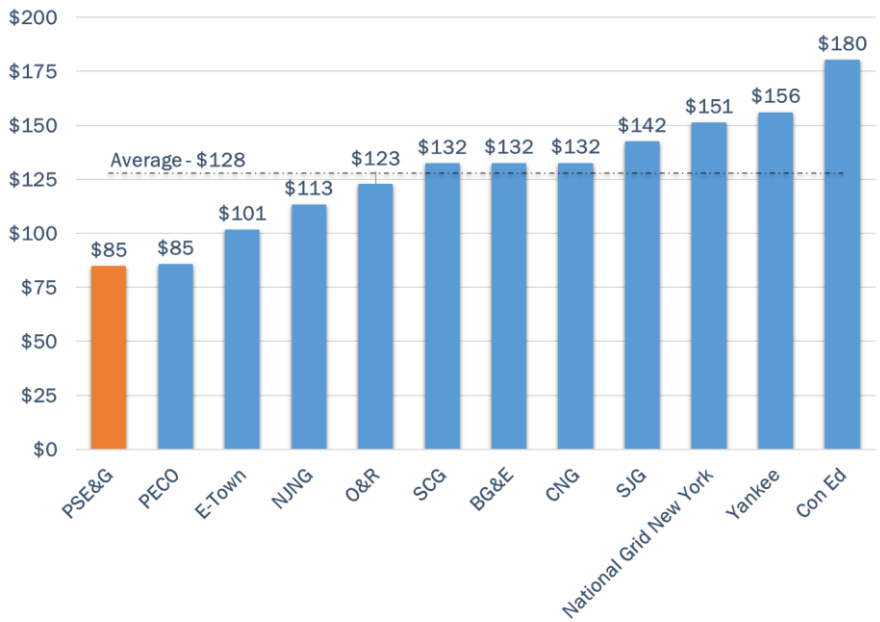
Customer Focus – Customer bills have declined, supporting needed investment in the system



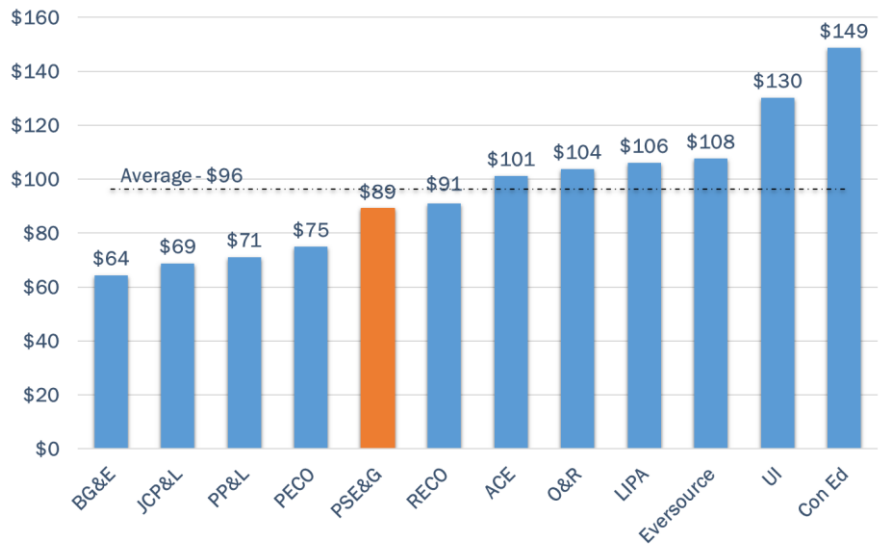
NOTE: AVERAGE MONTHLY BILL FOR A TYPICAL RESIDENTIAL ELECTRIC CUSTOMER THAT USES 6,920 KILOWATT-HOURS PER YEAR AND A TYPICAL RESIDENTIAL GAS HEATING CUSTOMER THAT USES 1,040 THERMS PER YEAR.

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

Monthly Gas Bills



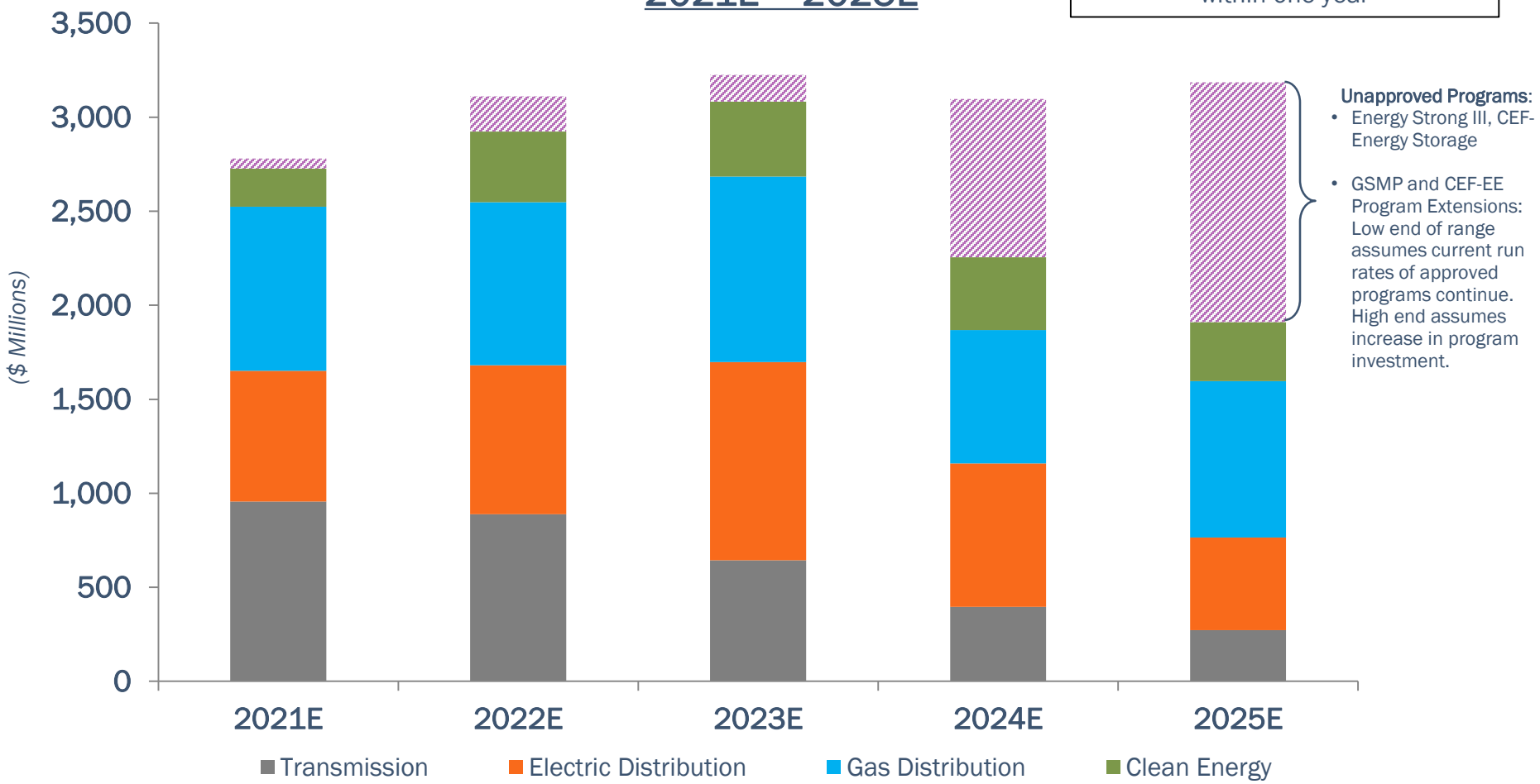
Monthly Electric Bills



BASED UPON A CALCULATION OF MONTHLY BILLS FOR AN ELECTRIC CUSTOMER USING 500 KILOWATT-HOURS AS OF DECEMBER 15, 2020 AND A GAS CUSTOMER USING 100 THERMS USING RATES AS OF DECEMBER 1, 2020. RATES SOURCED FROM PUBLIC COMPANY DOCUMENTS.

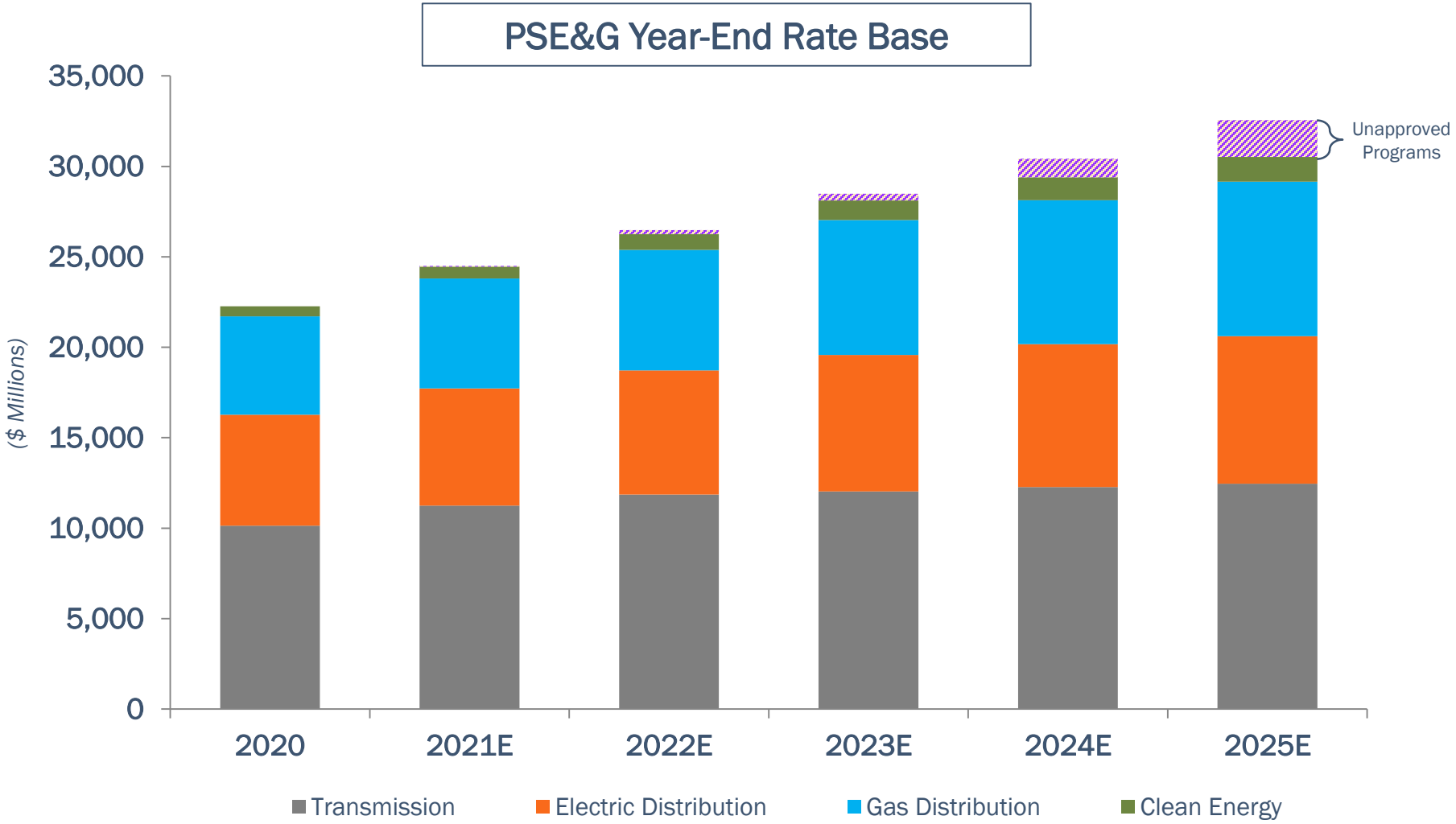
PSE&G's capital program of $13 billion to $15 billion focused on reliability, resiliency, grid modernization and clean energy investments

~90% of our capital investments receive earnings and cash recovery within one year



INCLUDES AFUDC DEBT. E=ESTIMATE.
NOTE: HASHED PORTION OF THE CHART REPRESENTS UNAPPROVED PROGRAMS INCLUDING ENERGY STRONG EXTENSION, ENERGY STORAGE AND VEHICLE INNOVATION AND ASSUMES A HIGHER LEVEL OF INVESTMENT FOR THE GSMP AND CEF EE PROGRAM EXTENSIONS. THE CURRENT PROGRAM RUN RATES FOR GSMP AND CEF-EE ARE EXPECTED TO CONTINUE AND ARE INCLUDED IN THE APPROVED CAPITAL SECTION.

PSE&G's investment program provides opportunity for ~6.5% to 8% compound annual growth in rate base



E=ESTIMATE. CHART EXCLUDES CONSTRUCTION WORK IN PROGRESS. YEAR-END 2020 CWIP BALANCE WAS ~$1.8B.
NOTE: HASHED PORTION OF THE CHART REPRESENTS UNAPPROVED PROGRAMS INCLUDING ENERGY STRONG EXTENSION, ENERGY STORAGE AND VEHICLE INNOVATION AND ASSUMES A HIGHER LEVEL OF INVESTMENT FOR THE GSMP AND CEF-EE PROGRAM EXTENSIONS. THE CURRENT PROGRAM RUN RATES FOR GSMP AND CEF-EE ARE EXPECTED TO CONTINUE AND ARE INCLUDED IN THE APPROVED RATE BASE.

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.

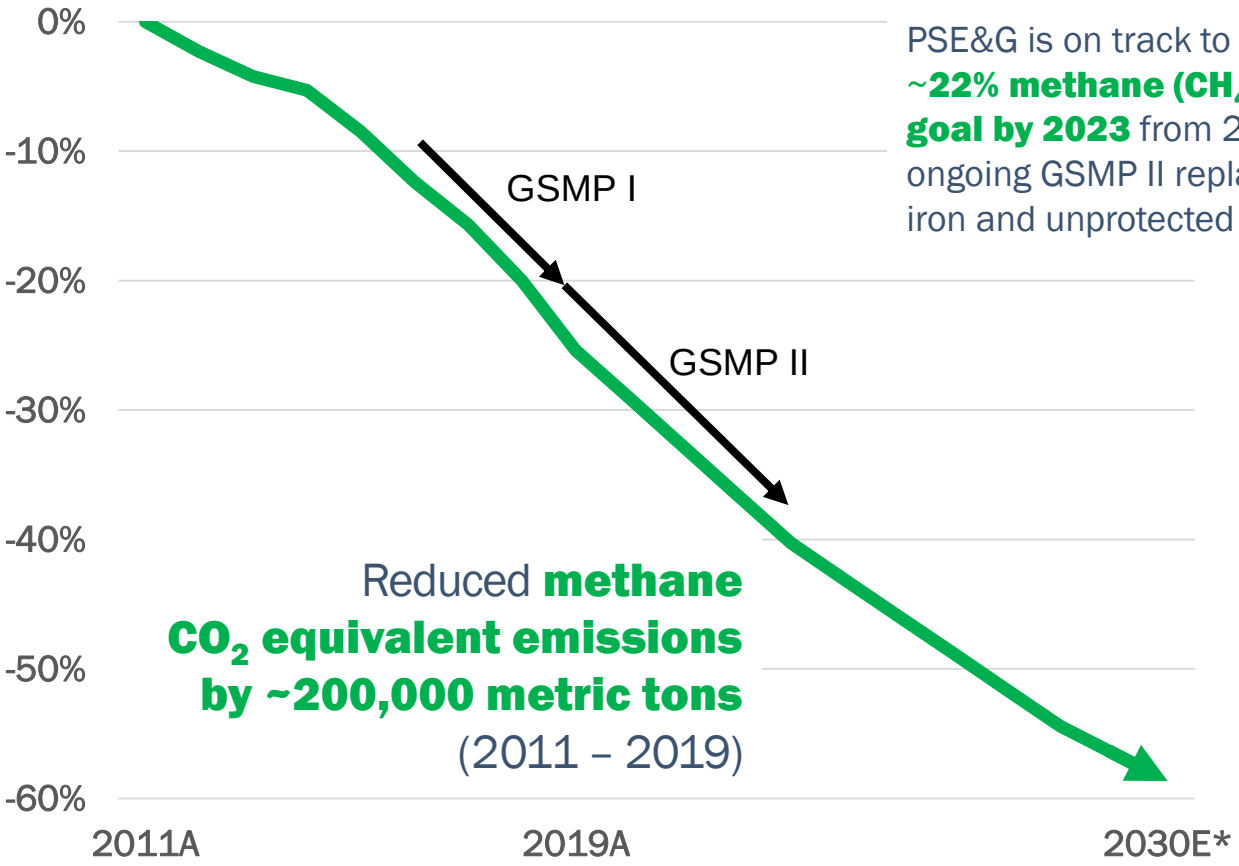
- **2020:** Completed replacement of ~175 miles of gas main and ~25,000 services
  - ✓ Annual methane emissions reduced by ~25,000 metric tons of CO_2 equivalent

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

GSMP drives PSE&G's methane reduction goals



PSE&G is on track to achieve its **~22% methane (CH_4) reduction goal by 2023** from 2018 levels, with ongoing GSMP II replacement of cast iron and unprotected steel main

Reduced **methane CO_2 equivalent emissions by ~200,000 metric tons** (2011 – 2019)

Targeting **~60% cumulative methane reduction by 2030** from 2011 levels, assuming a continuation of GSMP beyond 2023

% Reduction of absolute methane (CH_4) emissions from 2011 as reported to the EPA under 40 CFR98, Subpart W

A=ACTUAL. E=ESTIMATE.
*FORECAST TO 2030E BASED ON CURRENT AND POTENTIAL FUTURE ACCELERATED GAS MAIN REPLACEMENT IN FUTURE GAS SYSTEM MODERNIZATION PROGRAMS.

Energy Strong II: Continuing critical energy infrastructure program

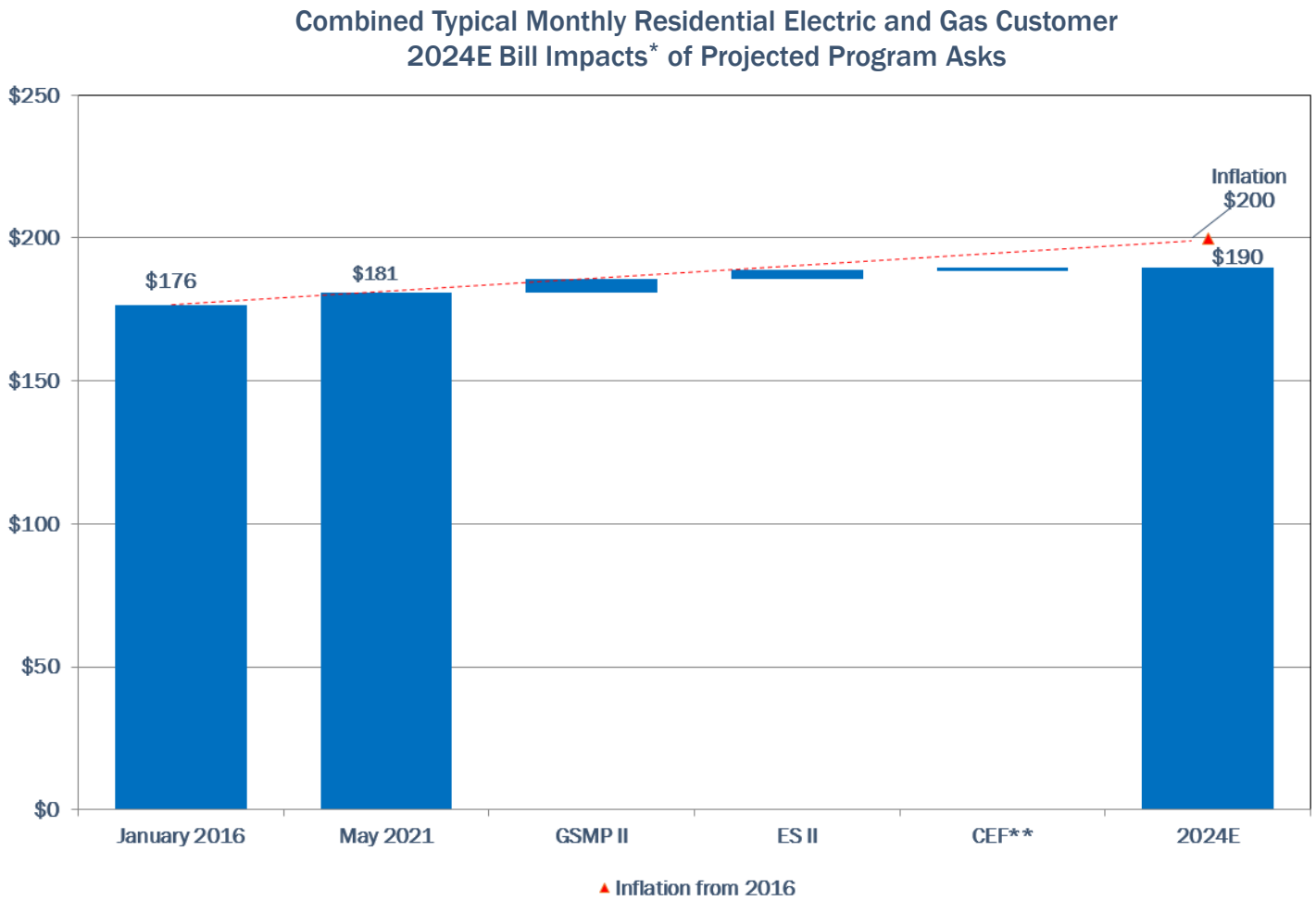
Old Station Below/New Station Raised Above Flood Elevations

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

M&R=METERING & REGULATION

Bill Impacts from our infrastructure and clean energy programs are expected to remain in line with inflation

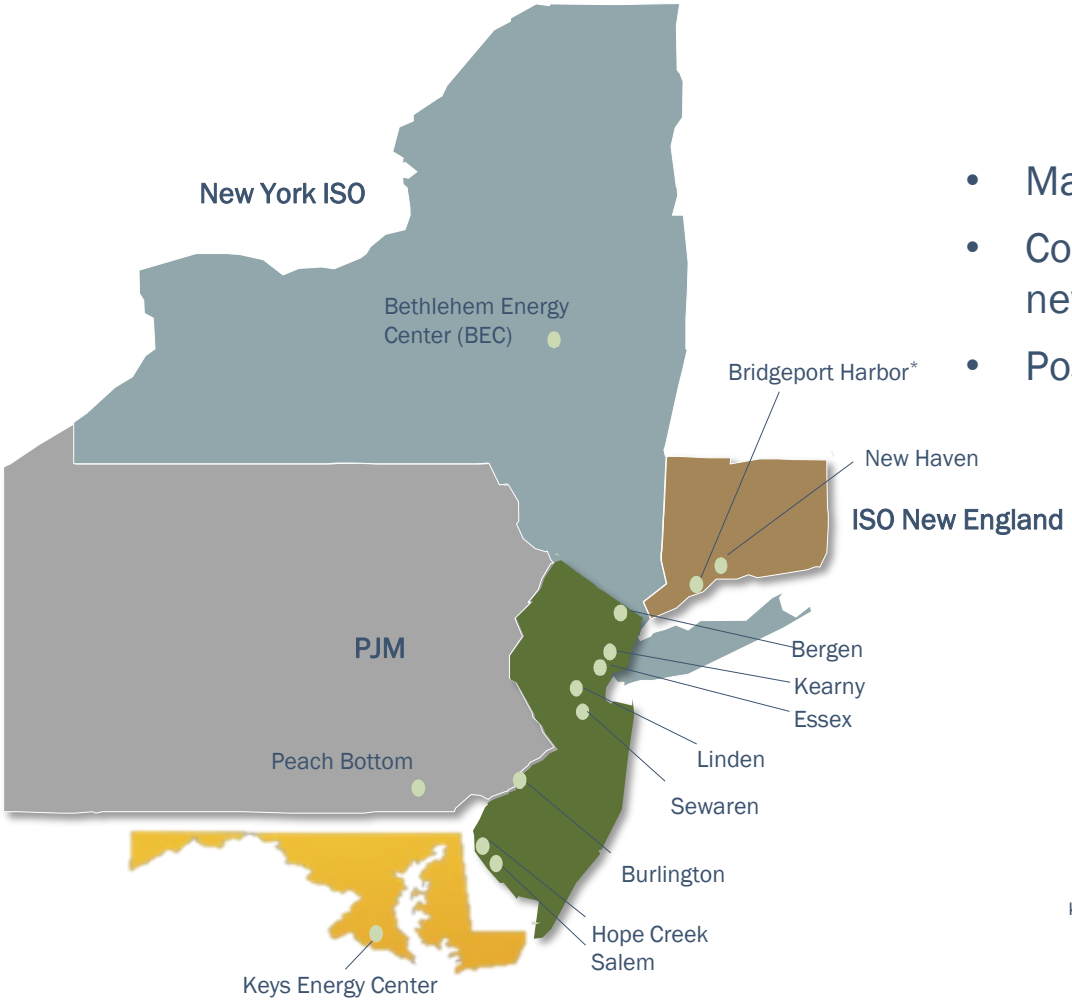


- Bills remained flat in real terms from 2016 to 2021, even with inclusion of GSMP I, ES I, 2018 Rate Case, the commencement of GSMP II and ZECs
- Over the next four years, the impact of GSMP II, ES II and CEF-EE on customer bills will be ~2%/year

… and EE participants can lower their 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. **CEF INCLUDES NET IMPACTS OF CEF-EE AND INCLUDES INDIRECT BILL IMPACTS OF THE PROGRAM SUCH AS CIP , COST SHIFTING AND OTHER BILL SAVINGS. BILL IMPACTS FROM CEF-EC & CEF-EV/ES HAVE BEEN EXCLUDED SINCE ALL COSTS AND RETURN ON ASSOCIATED INVESTMENTS WILL BE DEFERRED UNTIL THE COMPANY'S NEXT BASE RATE CASE. E=ESTIMATE; ES I=ENERGY STRONG I; ES II=ENERGY STRONG II

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



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

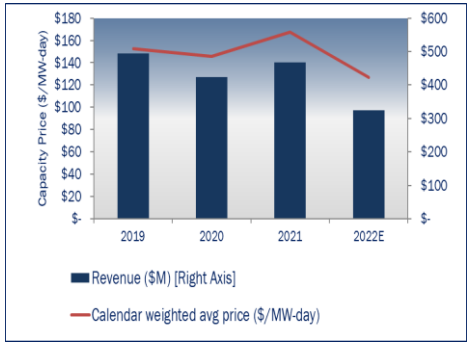
*BRIDGEPORT HARBOR UNIT 3 RETIRED MAY 31, 2021.

Capacity markets provide a solid and continuing revenue stream

PJM's Capacity Auction Results*

Delivery Year	2020/2021	2021/2022	2022/2023
PSEG Power's Average Prices ($/MW-day)	$167	$166	$98
Rest of Pool Prices ($/MW-day)	$77	$140	$50
PSEG Power's Cleared Capacity (MW)	7,700	7,700	6,300

PJM Capacity Revenue



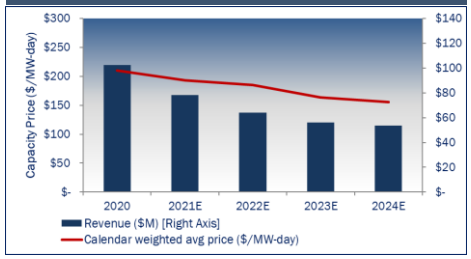
2023/2024 Auction is scheduled to occur in December 2021 and will be informed by changes in:

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

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

Delivery Year	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
PSEG Power's Average Prices ($/MW-day)	$195	$192	$179	$152	$158	$231
PSEG Power's Cleared Capacity (MW)	1,330	950	950	930	950	480

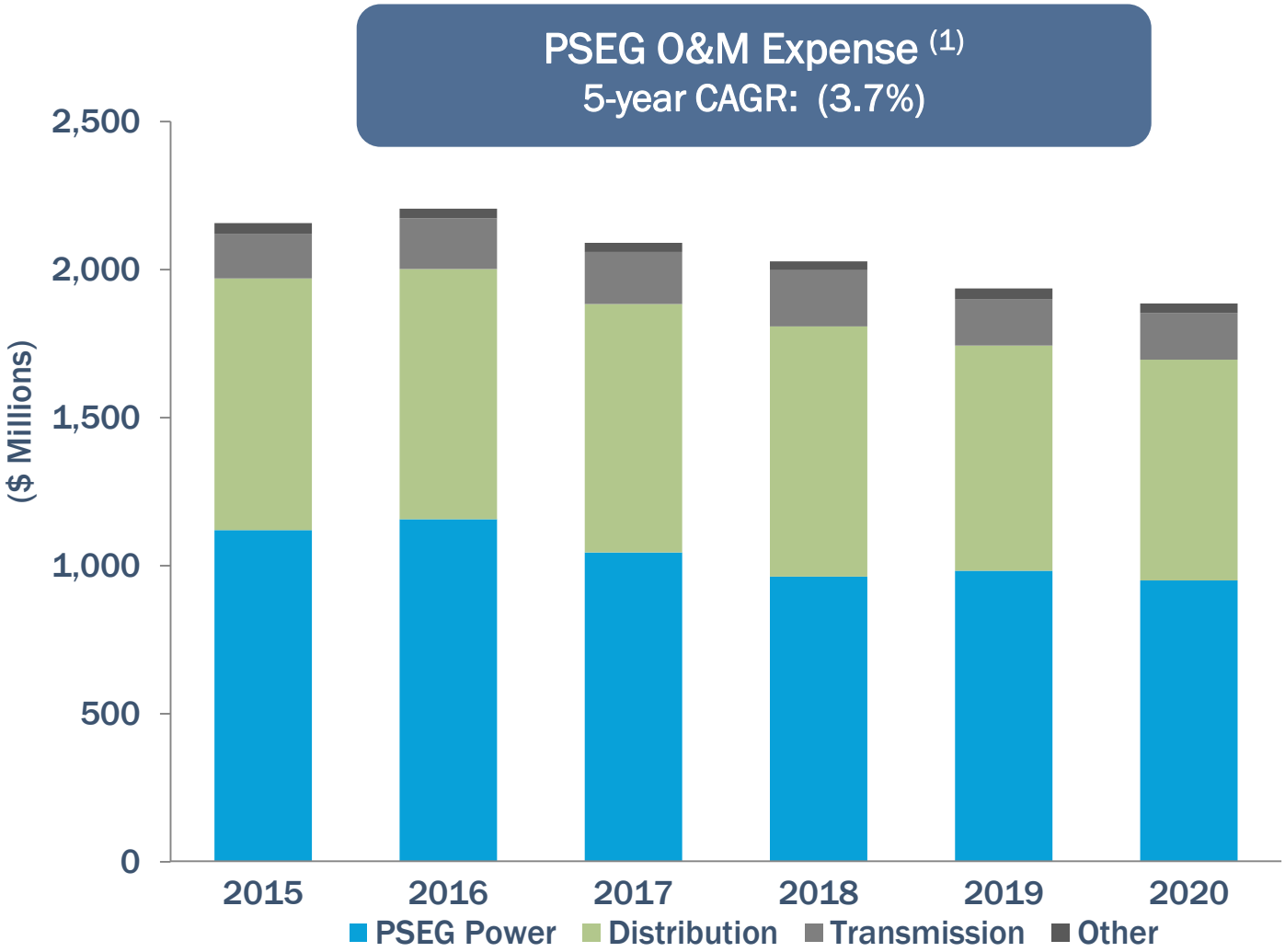
NE Capacity Revenue



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; CONE = COST OF NEW ENTRY;
*AVERAGE PRICES AND CLEARED CAPACITY (MW) REFLECT BASE AND INCREMENTAL AUCTIONS.
**AVERAGE PRICES AND CLEARED CAPACITY (MW) REFLECT BRIDGEPORT HARBOR 5 ADDITION IN MID-2019 AND THE RETIREMENT OF BRIDGEPORT HARBOR 3 MAY 31, 2021.

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

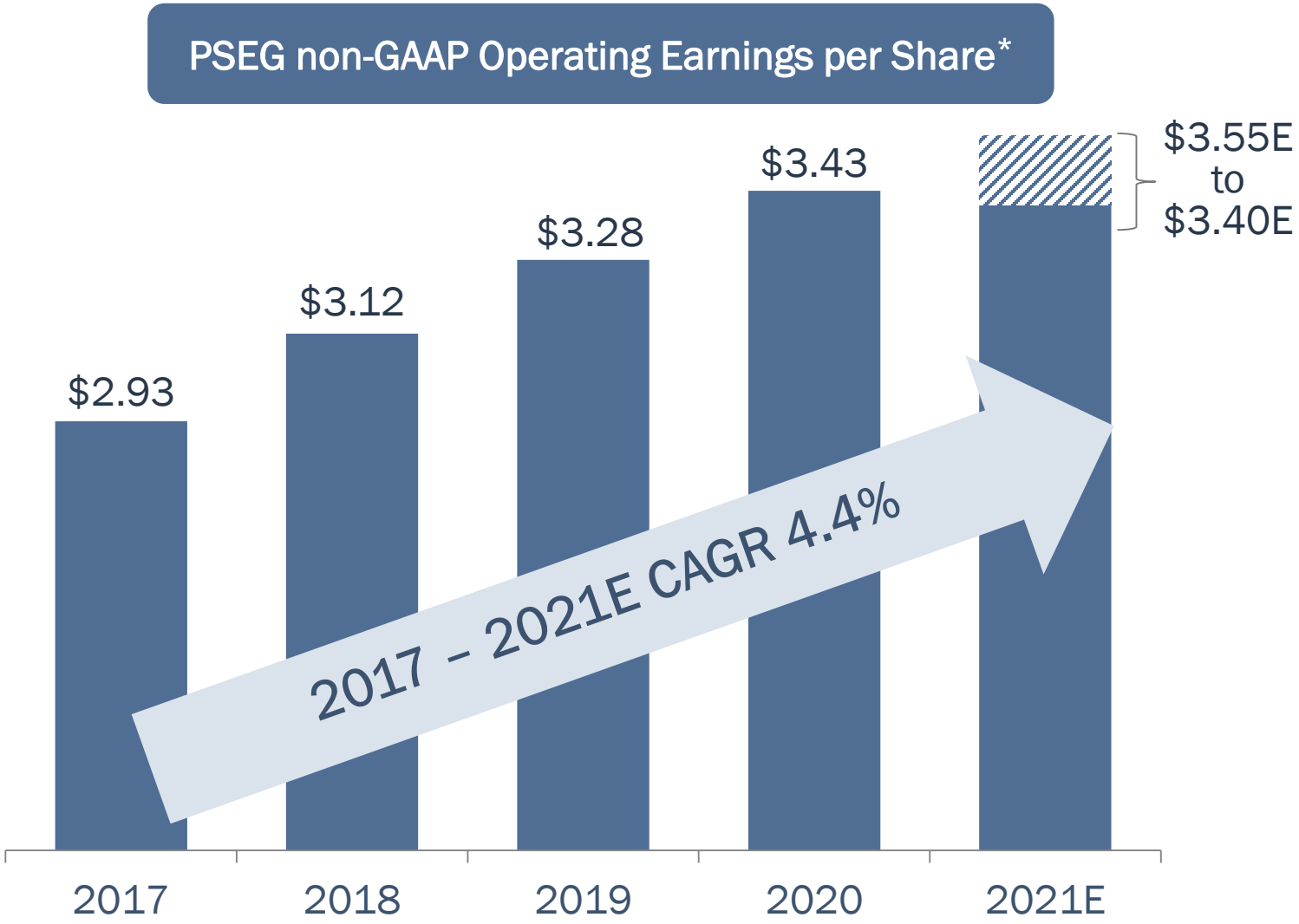


Cost control actions

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

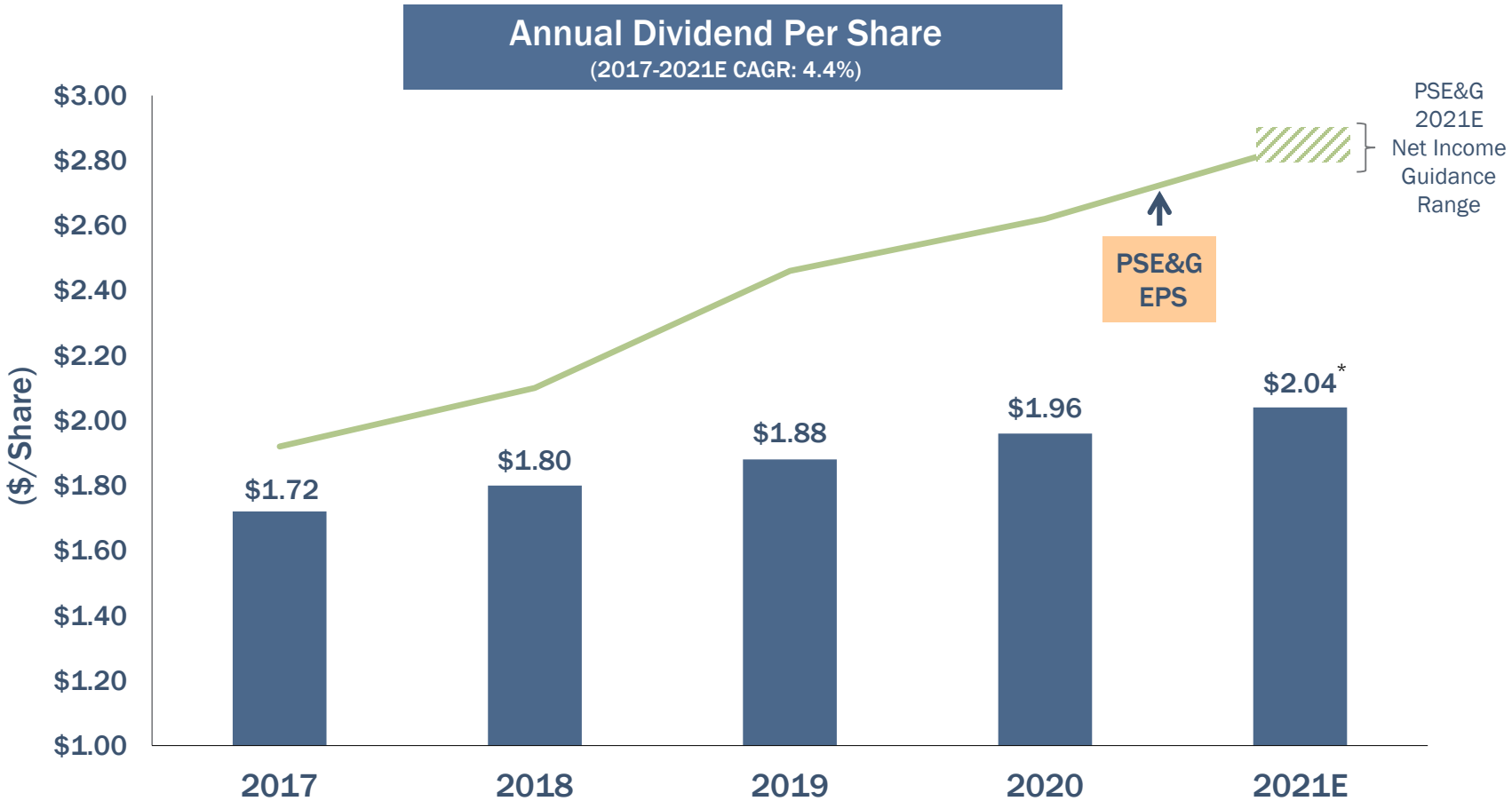
(1) EXCLUDES NUCLEAR ARO, EARLY RETIREMENT OF HUDSON / MERCER COAL PLANTS, IMPACTS FROM SANDY STORM RECOVERY COSTS, GOODWILL IMPAIRMENTS AND CERTAIN REGULATORY BALANCE ACCOUNT AND PASS THROUGH ITEMS. INCLUDES NON-OPERATING PENSION AND OPEB AMOUNTS WHICH ARE REPORTED SEPARATELY AND NO LONGER SUBJECT TO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

Strategic focus continues to deliver solid results



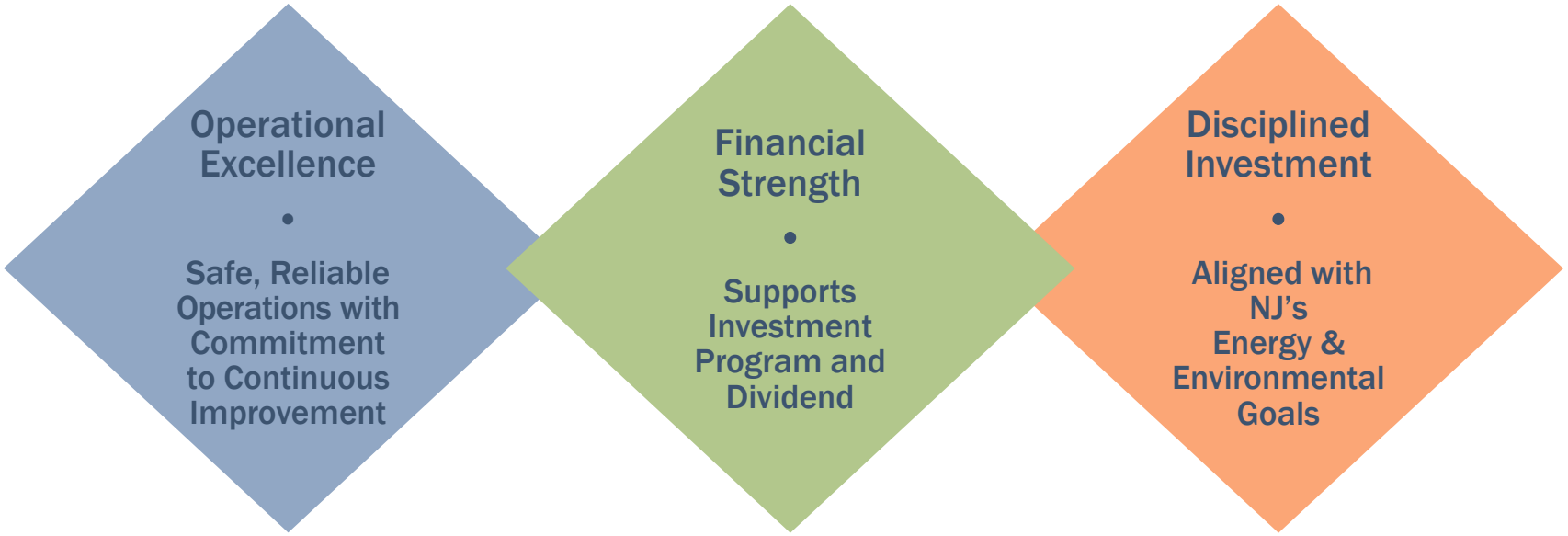
E=ESTIMATE
NOTE: CAGR REFLECTS THE MID-POINT OF 2021 NON-GAAP OPERATING EARNINGS GUIDANCE OF $3.40 - $3.55 PER SHARE.
*SEE SLIDE A FOR ITEMS EXCLUDED FROM NET INCOME TO RECONCILE TO NON-GAAP OPERATING EARNINGS.

Opportunity for consistent and sustainable dividend growth



*INDICATIVE ANNUAL 2021 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 – Progressing on strategic alternatives for fossil assets, seeking long-term solution for carbon-free nuclear generation
- Focus on providing strong, sustainable returns of invested capital reinforced by operational excellence, financial strength and disciplined investment
- 114-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 $1B in CEF-EE investments and ~$875M in CEF-Energy Cloud/AMI* and EV infrastructure
- Next distribution base rate case not required before year-end 2023
- Settlement agreement executed to reset Transmission formula rate ROE to 9.90%
- Progress on strategic alternatives for PSEG Power's fossil generating fleet, furthers PSEG progression as a primarily regulated electric and gas utility
- Continuation of ZECs at $10/MWh helps support nuclear through May 2025 and stabilize gross margin
- New investment in contracted renewables with 25% stake in Ørsted's 1,100 MW Ocean Wind project

Among Highest Regulated Growth Rates

- Rate Base CAGR of ~6.5%-8% (2021-2025) 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 for distribution investments post rate case settlement
- Expect strong cash flow will enable funding the entire 5-year capital spending program during the 2021-2025 period without the need to issue new equity
- Common Dividend: 2021 indicative $0.08 increase to $2.04 per share

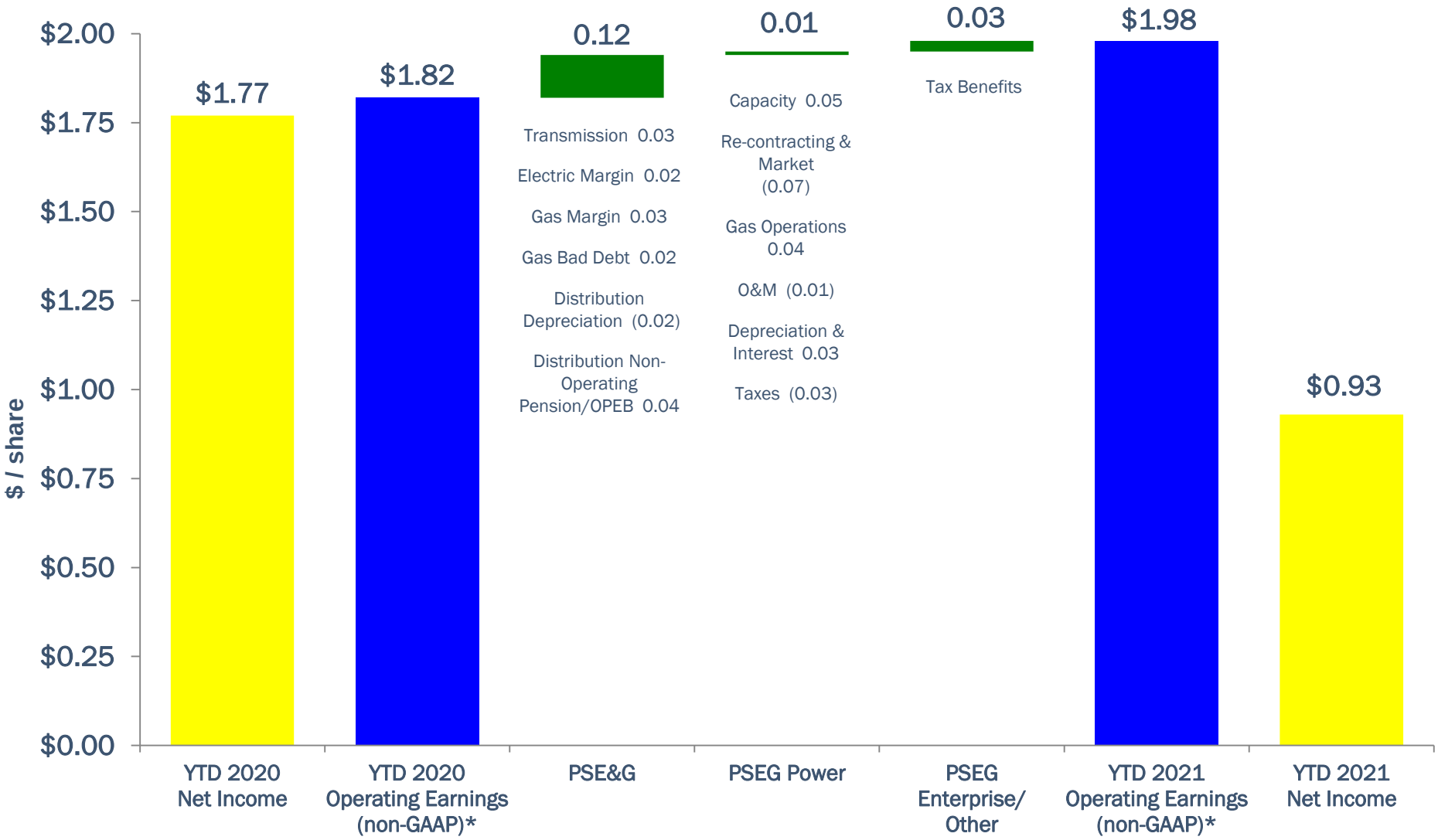
*CEF-EC/AMI PROGRAM IS $707M, ADDITIONAL RATE BASE IS ~$600M GIVEN ANNUAL METER SPEND OF ~$30M.

APPENDIX

PSEG

We make things work for you.

PSEG EPS Reconciliation – First Half 2021 versus First Half 2020



*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 maintains a solid financial position

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

PSEG Senior Notes Outstanding	
2.00% Sr. Notes due November 2021	$300M
2.65% Sr. Notes due November 2022	$700M
2.88% Sr. Notes due June 2024	$750M
0.80% Sr. Notes due August 2025	$550M
1.60% Sr. Notes due August 2030	$550M
8.63% Sr. Notes due April 2031	$96M
Total Long-Term Debt Outstanding as of 6/30/2021:	**$2.9B**
PSEG Consolidated Debt to Capitalization:	**52%**

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

2021 PSE&G Debt Issuances	
Secured 0.95% MTNs due March 2026	$450M
Secured 3.00% MTNs due March 2051	$450M
Total Long-Term Debt Outstanding as of 6/30/2021:	**$11.4B**

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

PSEG Power Senior Notes Outstanding	
3.85% Sr. Notes due June 2023	$700M
4.30% Sr. Notes due November 2023	$250M
8.63% Sr. Notes due April 2031	$404M
Total Long-Term Debt Outstanding as of 6/30/2021*:	**$1.4B**
Debt to Capitalization:	**20%**

*INCLUDES $44M PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY TAX-EXEMPT BOND REDEEMED AUGUST 2, 2021.
NOTE: CREDIT RATINGS ARE AS OF AUGUST 9, 2021; TOTAL LONG-TERM DEBT OUTSTANDING AMOUNTS MAY NOT ADD TO PSEG CONSOLIDATED TOTAL LONG-TERM DEBT OUTSTANDING DUE TO ROUNDING. MTN=MEDIUM-TERM NOTE.

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 Commitment

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 ON SLIDE 38.
*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.

PSE&G's Energy Efficiency Offerings:
A Suite of Ten Residential, Commercial & Industrial Programs

	Program	Description
Residential Programs*	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
Commercial & Industrial	Prescriptive	Rebates and 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

*PSE&G ALSO PARTICIPATES IN COMFORT PARTNERS, A CO-MANAGED PROGRAM BETWEEN PUBLIC UTILITIES AND THE NJBPU, AT ~$25M/YEAR.

CEF-EV Program Descriptions

Residential Smart Charging	Single-Family Homes
$80M investment	~40,000 chargers

- PSE&G will provide funding towards the installation of Level 2 networked EV Chargers at residences in the PSE&G territory.
- PSE&G will also provide customer incentives to encourage charging during off-peak periods.

Level 2 Mixed-Use Charging	Multi-Family, Municipality, Retail Centers
$35M investment	~3,500 chargers, 875 locations

- PSE&G will deploy Make-Ready electrical infrastructure and provide financial incentives towards the cost of Level 2 charger installation.
- This subprogram will target a diverse set of customers and serve a variety of end-use EV Charging needs, such as multi-family, municipalities, and retail centers.

Public DC Fast Charging	Travel Corridors
$45M investment	~1,200 chargers, 300 locations

- PSE&G will deploy Make-Ready electrical infrastructure and provide financial incentives towards the upfront cost of DC Fast Charging equipment installation.
- PSE&G will also provide financial incentives to defray electricity costs.

TOTAL EV PROGRAM EXPENSES OF $45 MILLION, FOR A TOTAL PROGRAM SPEND OF $205 MILLION.

PSEG's COVID-19 Response & Support

Communities

- ✓ PSEG and the PSEG Foundation pledged over $4 million in support to communities for pandemic response and relief efforts: Website devoted to PSEG philanthropic response developed and live, Request-for-proposal applications for Grassroots/Local initiative closed and all grants have been awarded, 25% of employees volunteered in 2020, held four 2:1 Matching Gift campaigns over the course of 2020-21
- ✓ PSEG donated 50K N95 masks & 200K pairs of gloves to New Jersey health care organizations
- ✓ PSEG sponsored the COVID-19 testing site in Salem County, and continues to support local food and community organizations and events to ease the financial hardship in the Salem community

Customers

- ✓ Voluntarily suspended shutoffs of service due to non-payment; worked cooperatively with customers needing payment flexibility
- ✓ Delivered customer education material regarding utility assistance information who were eligible and not enrolled.
- ✓ Maintained full customer service staffing and hours of availability via phone with 8 of the 16 Walk-In Customer Service Centers reopened in July 2021 for service, payments and social agency assistance
- ✓ Resumed in-person WorryFree Appliance Repair service and continue to offer remote diagnostics via Tech-Talk, introduced in 2020, to assist customers with troubled appliances

Employees

- ✓ Maintained workforce levels/employee benefits. Implemented remote work practice for all employees where job could be performed remotely
- ✓ Pandemic response hotline exclusive for PSEG employees to guide them through questions on their health and safety, identification and notification of close contact exposure, clinical assessments to determine quarantine needs and appropriate return-to-work procedures
- ✓ Enhanced bereavement leave allotments to accommodate any employee suffering a loss of a family member
- ✓ Expanded COVID-19 paid time off for employees to receive vaccination for themselves and their family members, take care of themselves and family members, and navigate school and daycare closures due to COVID-19
- ✓ Implemented changes to medical and retirement savings plan made available through federal relief packages
- ✓ Provided frequent education to frontline managers and the workforce by PSEG's medical director and Health and Safety teams
- ✓ Increased leadership communication platforms, including "The Link" employee social media channel and ongoing pulse surveys, during the critical early period of the pandemic to ensure employee well-being and engagement
- ✓ Face coverings required indoors at all PSEG worksites for all employees, contractors and vendors; mobile assessment tool regarding health and exposure status provides daily passport into worksites
- ✓ Various resilience programs to support employees and their families focused on physical, emotional and financial wellness
- ✓ Only fully verified vaccinated non-union employees will be permitted at PSEG worksites and offsite PSEG-sponsored events after Labor Day
- ✓ Responsible reentry remains on track for after Labor Day with comprehensive planning, training and tools to support workforce and workplace readiness

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,			
	2021	2020	2020	2019	2018	2017
	($ millions, Unaudited)					
Net Income	**$ 471**	**$ 899**	**$ 1,905**	**$ 1,693**	**$ 1,438**	**$ 1,574**
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax[a] (PSEG Power)	(133)	27	(231)	(255)	144	(133)
(Gain) Loss on Mark-to-Market (MTM), pre-tax[b] (PSEG Power)	332	-	81	(285)	117	167
Plant Retirements, Dispositions and Impairments, pre-tax (PSEG Power)	457	-	(122)	402	(51)	975
Oil Lower of Cost or Market (LOCOM) adjustment, pre-tax (PSEG Power)	-	11	2	-	-	-
Goodwill Impairment, pre-tax (PSEG Power)	-	-	-	16	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	-	-	58	8	77
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[c]	(121)	(13)	106	37	(74)	(427)
Tax Reform	-	-	-	-	-	(745)
Operating Earnings (non-GAAP)	**$ 1,006**	**$ 924**	**$ 1,741**	**$ 1,666**	**$ 1,582**	**$ 1,488**
PSEG Fully Diluted Average Shares Outstanding (in millions)	**507**	**507**	**507**	**507**	**507**	**507**
	($ Per Share Impact - Diluted, Unaudited)					
Net Income	**$ 0.93**	**$ 1.77**	**$ 3.76**	**$ 3.33**	**$ 2.83**	**$ 3.10**
(Gain) Loss on NDT Fund Related Activity, pre-tax[a] (PSEG Power)	(0.26)	0.05	(0.46)	(0.50)	0.28	(0.26)
(Gain) Loss on MTM, pre-tax[b] (PSEG Power)	0.65	-	0.16	(0.56)	0.23	0.33
Plant Retirements, Dispositions and Impairments, pre-tax (PSEG Power)	0.90	-	(0.24)	0.79	(0.10)	1.92
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	0.02	0.15
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[c]	(0.24)	(0.02)	0.21	0.08	(0.14)	(0.84)
Tax Reform	-	-	-	-	-	(1.47)
Operating Earnings (non-GAAP)	**$ 1.98**	**$ 1.82**	**$ 3.43**	**$ 3.28**	**$ 3.12**	**$ 2.93**

(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 2021, 2020, 2019 and 2018 and 40.85% statutory rate for 2017, except for lease related activity which is calculated at a combined leveraged lease effective tax rate, NDT related activity which records an additional trust tax of 20%, and the additional investment tax credits (ITC) recapture to the sale of PSEG Solar Source.

PLEASE SEE PAGE 3 FOR AN EXPLANATION OF PSEG'S USE OF OPERATING EARNINGS AS A NON-GAAP FINANCIAL MEASURE AND HOW IT DIFFERS FROM NET INCOME.

Reconciliation of non-GAAP Operating Earnings and non-GAAP Adjusted EBITDA as non-GAAP Financial Measures

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

Reconciling Items	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Year Ended December 31, 2020
	($ millions, Unaudited)		
Net Income (Loss)	**$ (322)**	**$ 183**	**$ 594**
(Gain) Loss on NDT Fund Related Activity, pre-tax	(133)	27	(231)
(Gain) Loss on MTM, pre-tax[(a)]	332	-	81
Plant Retirements, Dispositions and Impairments, pre-tax	457	-	(122)
Oil LOCOM adjustment, pre-tax	-	11	2
Income Taxes related to Operating Earnings (non-GAAP) reconciling items[(b)]	(121)	(13)	106
Operating Earnings (non-GAAP)	**$ 213**	**$ 208**	**$ 430**
Depreciation and Amortization, pre-tax [(c)]	171	182	360
Interest Expense, pre-tax [(c) (d)]	50	62	118
Income Taxes [(c)]	46	7	82
Adjusted EBITDA (non-GAAP)	**$ 480**	**$ 459**	**$ 990**
PSEG Fully Diluted Average Shares Outstanding (in millions)	**507**	**507**	**507**

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

(b) Income tax effect calculated at statutory rate, except for NDT related activity, which records an additional trust tax of 20%, and the additional ITC recapture related to the sale of PSEG Solar Source.

(c) Excludes amounts related to Operating Earnings (non-GAAP) reconciling items.

(d) Net of capitalized interest.