

NYSE TICKER: PEG

Public Service Enterprise Group

April 2022 Investor Update

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 transmission and distribution, and solar and wind generation projects;
- the physical, financial and transition risks related to climate change, including risks relating to potentially increased legislative and regulatory burdens, changing customer preferences and lawsuits;
- any equipment failures, accidents, critical operating technology or business system failures, severe weather events, acts of war, terrorism, sabotage, cyberattack 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;
- disruptions or cost increases in our supply chain, including labor shortages;
- any inability to maintain sufficient liquidity or access sufficient capital on commercially reasonable terms;
- the impact of cybersecurity attacks or intrusions or other disruptions to our information technology, operational or other systems;
- the impact of the ongoing coronavirus pandemic;
- failure to attract and retain a qualified workforce;
- inflation, including increases in the costs of equipment, materials, fuel and labor;
- the impact of our covenants in our debt instruments on our business;
- adverse performance of our nuclear decommissioning and defined benefit plan trust fund investments and changes in funding requirements;
- the failure to complete, or delays in completing, the Ocean Wind offshore wind project and the failure to realize the anticipated strategic and financial benefits of this 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 and non-compliance with energy industry laws, policies, regulations and standards, including market structures and transmission planning and transmission returns;
- risks associated with our ownership and operation of nuclear facilities, including increased nuclear fuel storage costs, 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 laws and regulations and enforcement;
- delays in receipt of, or an inability to receive, necessary licenses and permits; and
- changes in tax laws and regulations.

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.

In August 2021, PSEG entered into two agreements to sell PSEG Power's 6,750 MW fossil generating portfolio to newly formed subsidiaries of ArcLight Energy Partners Fund VII, L.P., a fund controlled by ArcLight Capital Partners, LLC. In February 2022, PSEG completed the sale of this fossil generating portfolio. As a result, risks highlighted in these forward-looking statements that relate solely to this 6,750 MW fossil generating portfolio, except for those related to certain assets and liabilities excluded from the sale transactions, primarily for obligations under environmental regulations, including possible remediation obligations under the New Jersey Industrial Site Recovery Act and the Connecticut Transfer Act, are no longer relevant to our business.

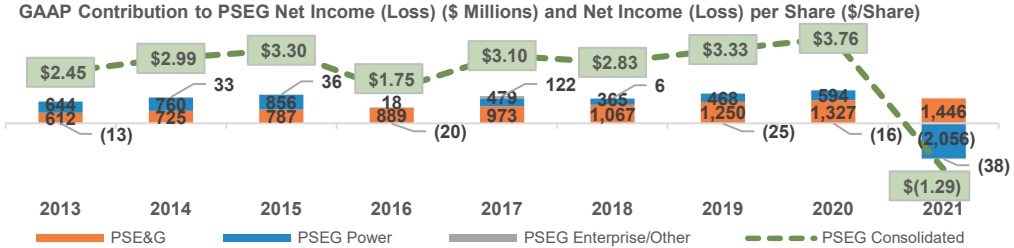
The forward-looking statements contained in this presentation are intended to qualify for the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

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 February 24, 2022.



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 at the bottom of the webpage at https://investor.pseg.com.

PSEG's Vision:

To power a future where people use less energy, and it's cleaner, safer and delivered more reliably than ever.



PSEG: Predominantly regulated with contracted, zero-carbon infrastructure and a strong set of growth opportunities

- **PSEG 2022: 90% regulated business mix from stable, predictable operations of PSE&G, 10% Carbon-free Generation, Infrastructure & Other**

- **PSE&G: Robust capital program aligned with state clean energy goals, increased by $1B to $14B-$16B through 2025, at our best-in-class utility**
  - Incremental investment to focus on last mile distribution starting with the Infrastructure Advancement Program filing
  - Effective cost control to maintain customer affordability

- **Future carbon-free operations and infrastructure opportunities aligned with New Jersey energy policy**

- **Long runway of regulated investment supported by regulatory & policy advocacy paired with effective governance and strong ethics**

- **Growth platform of predictable earnings, dividends and capital spend visibility**
  - Multi-year earnings growth rate of 5% - 7% to 2025
  - Raised indicative annual 2022 dividend by $0.12 per share to $2.16* per share
  - $500M share repurchase authorized by the Board; $250M completed, accelerated share repurchase program for the remaining $250M
  - Expanded financial flexibility lowers minimum threshold credit metrics to 13%-14% (from 17%-18%)
  - No new equity needed to execute 2021-2025 capital program, including Ocean Wind 1 investment

PSEG is an ESG leader in tackling climate change, DEI and governance, with a Net-Zero 2030 Vision and top-tier ESG scores

*Note: All future decisions and declarations regarding dividends on the common stock are subject to approval by the Board of Directors.

PSEG Sustainability and ESG Summary

PSEG Leadership

- Joined the U.N.-backed Race to Zero and Business Ambition for 1.5°C campaigns
- PSE&G's Clean Energy Future programs approved to invest $2B to decarbonize the NJ economy via Energy Efficiency, EV infrastructure, and AMI
- Accelerated PSEG's climate vision for Net Zero GHG emissions to 2030 (from 2050) for scopes 1 & 2
- Over next year and a half, PSEG will set and validate GHG emission targets for scopes 1, 2 and 3 using science-based targets
- PSEG generating fleet is a Top 10 U.S. producer of carbon-free energy and is coal-free
- PSEG owns 25% of Ocean Wind 1, NJ's first Offshore Wind farm and has submitted proposed solutions into NJ's OSW transmission RFP
- ~$1B of regulated solar investments
- PSEG 2021 Sustainability and Climate Report
- PSEG Diversity, Equity & Inclusion Report
- PSEG ESG Performance Report
- PSEG ESG Disclosures

Policies & Goals

- PSEG is a vocal advocate for an economy-wide price on carbon and preserving our existing nuclear fleet for their carbon-free attributes
- Committed to rigorous oversight of political contributions and transparency in disclosure
- Diversity, Equity & Inclusion Commitment
- Human Rights Policy
- LGBTQ+ Inclusion Pledge
- PSEG's long-term ESG goals and business strategy are aligned with many of the U.N.'s SDGs as indicated by the colored boxes below



Recognition

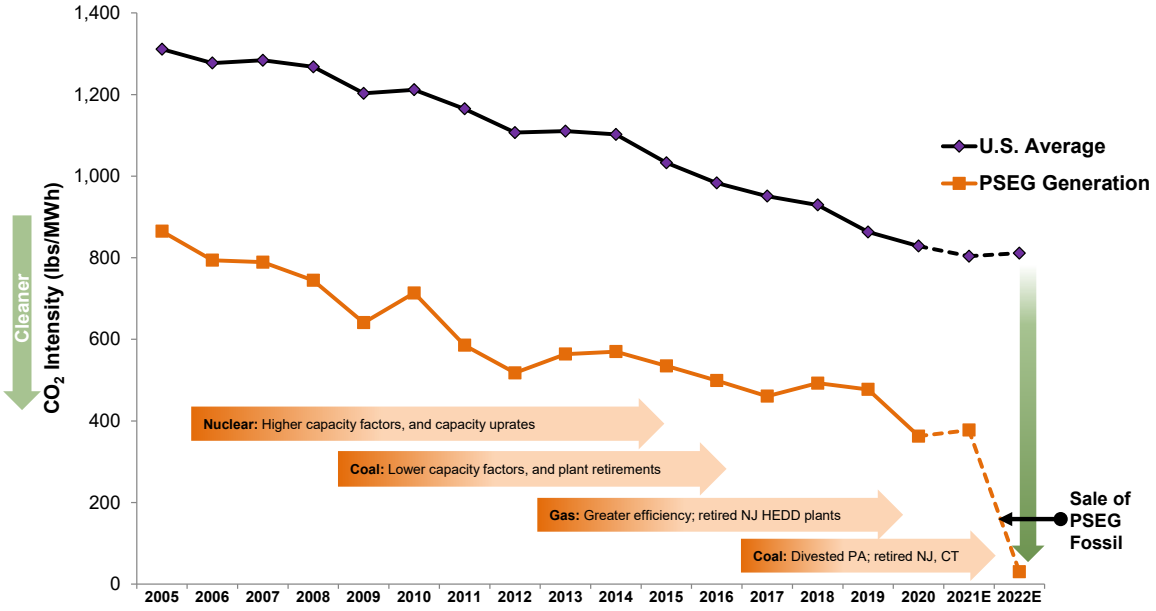
- Member of 2022 Bloomberg Gender-Equality Index
- Named to the 2022 JUST 100 list of America's Most JUST Companies by JUST Capital
- Named to Dow Jones Sustainability Index – North America 14 years in a row
- PSEG is highest ranked Utility on Newsweek's America's Most Responsible Companies 2022
- PSE&G named a recipient of a Stars of Energy Efficiency Award
- Named to the current Forbes Lists of:
  - Best Employers for Diversity
  - Best Large Employers
  - Best Employers for Veterans

PSEG

Scope 1 are direct emissions from power generation, vehicle fleets and methane, SF_6 and refrigerant leaks; Scope 2 are indirect emissions from operations from purchased energy of electric and gas and line losses; Scope 3 are indirect emissions from our value chain.

PSEG has outpaced the industry in reducing carbon emissions intensity, and is getting recognized for ESG performance

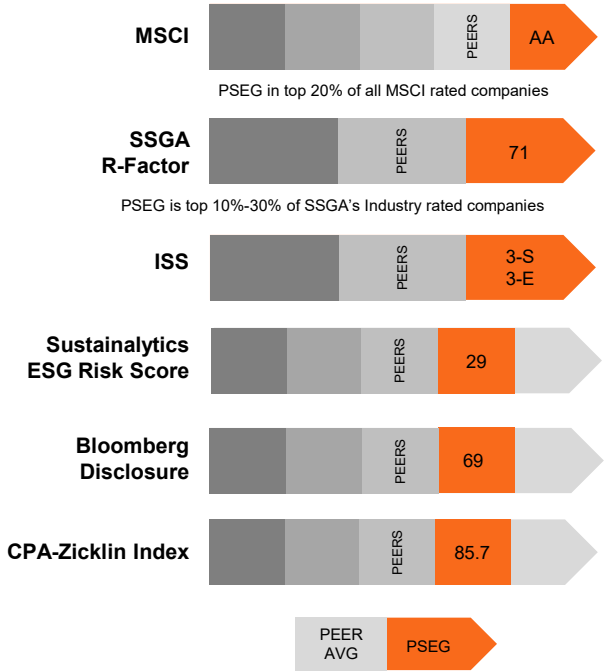
PSEG Generation Carbon Emission Intensity vs. U.S. Fleet Average (2005 – 2022E)



Note: 2022E represents 2022 Pro Forma excluding PSEG Fossil divested assets

Source: For PSEG: MJ Bradley "U.S. Benchmarking Air Emissions" and PSEG; For USA: EIA actuals 2005-2020, EIA forecasted 2021-2022 from Annual Energy Outlook 2021. HEDD: New Jersey's High Electric Demand Day ('HEDD') rule limits NOx emissions from turbines and boilers.

PSEG's ESG Vital Signs: Relative Scores

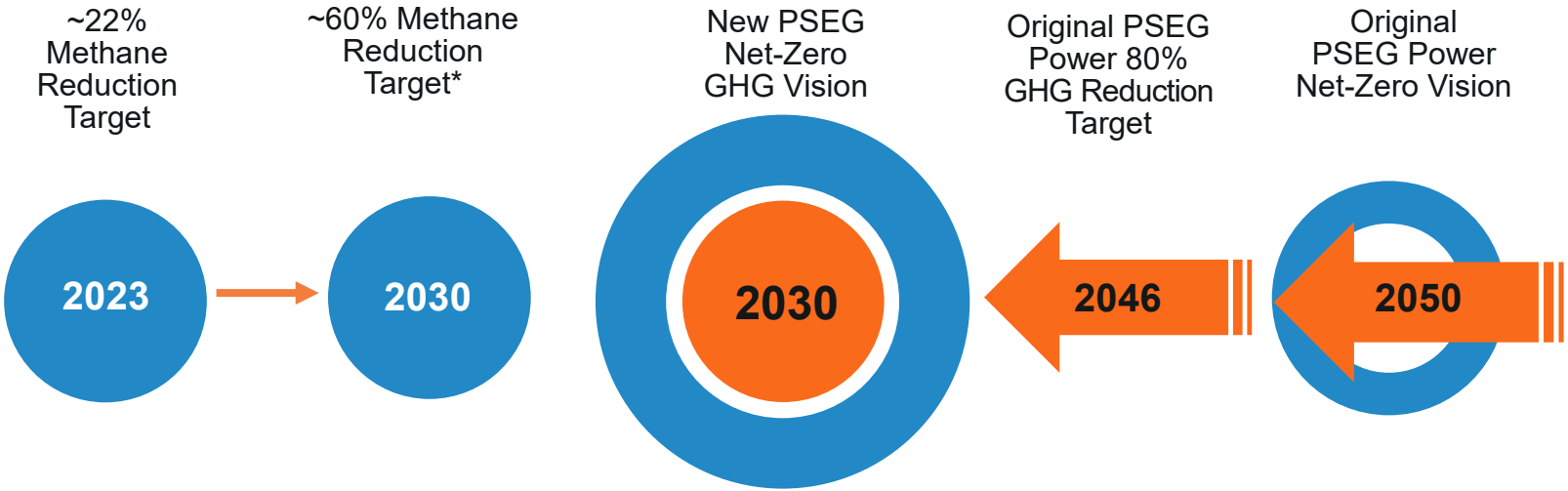


Scores: MSCI – AAA (best) to CCC, ISS – 1 (best) to 10, Sustainalytics ESG Risk Score – 0% (best) to 100%, Others – 100% (best) to 0%;
Scores as of March 31, 2022

PSEG

PSEG has accelerated its climate vision to Net-Zero 2030

and joined the U.N.-backed Race to Zero campaign



PSEG's Three-Pronged 2030 Climate Vision

- Provide GHG-free generation
- Achieve Net-Zero operations for regulated electric and gas utility and carbon-free generation (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.

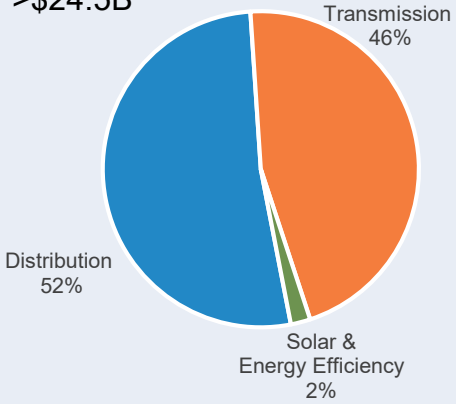
PSE&G – a best in class regulated utility and New Jersey's largest:

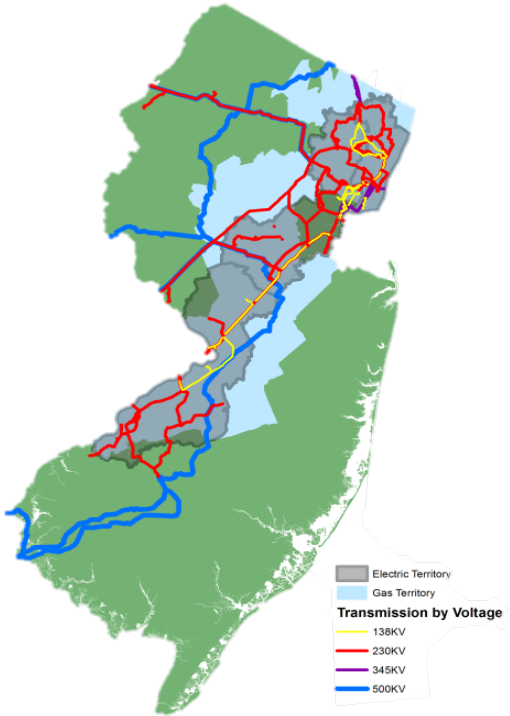
- **Electric and gas distribution utility**
- **Investor in renewables and energy efficiency**
- **Transmission business**
- **Appliance service provider**

	Electric	Gas
Customers 5-Year Annual Customer Growth*	2.3 Million 0.8%	1.9 Million 0.7%
2021 Electric and Gas Sales	40,163 GWh	2,422M Therms**
Sales Mix (2021)		
Residential	35%	59%
Commercial	56%	37%
Industrial	9%	4%

PSE&G YE 2021 Rate Base***

>$24.5B

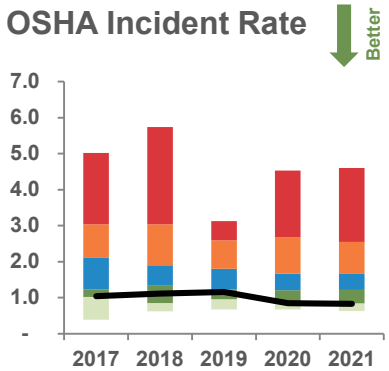


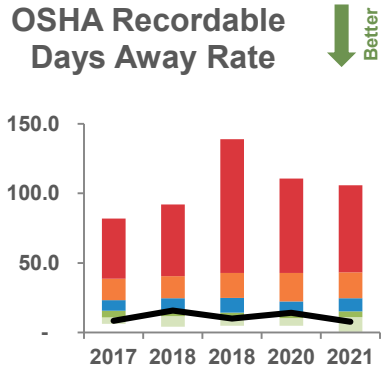


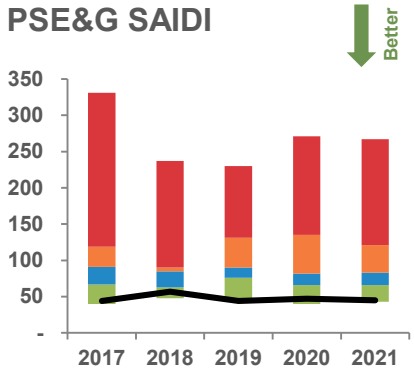
PSEG

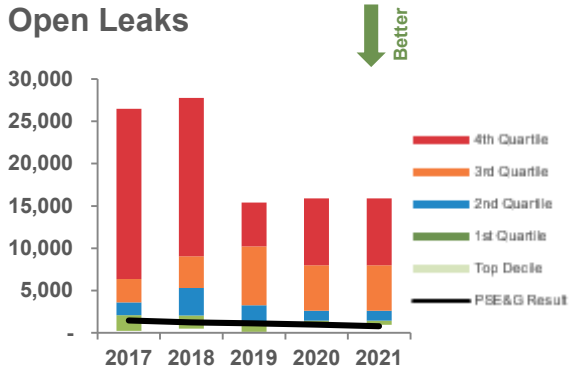
*Annual customer growth uses 2016 as base year.
**Gas Firm sales only.
*** Excludes CWIP. 2021 Year-end CWIP balance was ~$1.2B.

PSE&G: Top decile safety and reliability performance





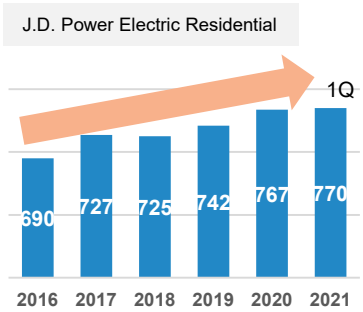


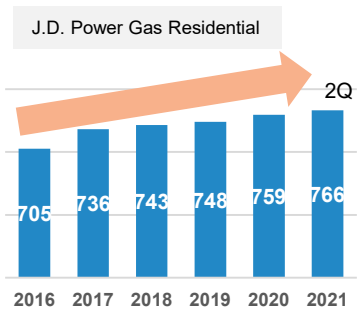


- Top decile performance in OSHA metrics and best ever recorded for PSE&G
- Top decile performance in SAIDI and electric reliability performance
- Top decile performance in open year-end gas leaks; reduced 45% from 2017
- PSE&G was recognized with the 2021 PA Consulting ReliabilityOne® Award for Outstanding Reliability Performance in the Mid-Atlantic Metropolitan Service Area for the 20th consecutive year

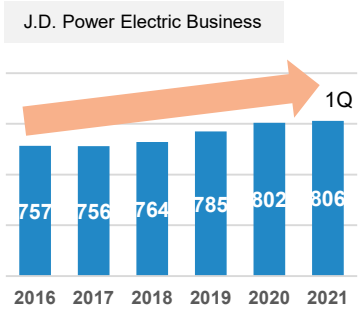
Achieving Highest Ever Customer Satisfaction Scores for E&G

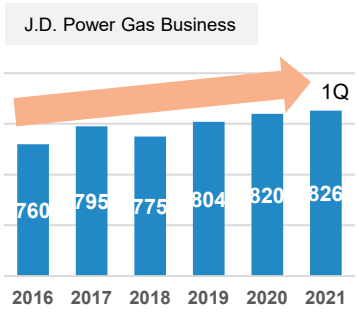
J.D. Power Residential Satisfaction





J.D. Power Business Satisfaction





Key J.D. Power Satisfaction Takeaways

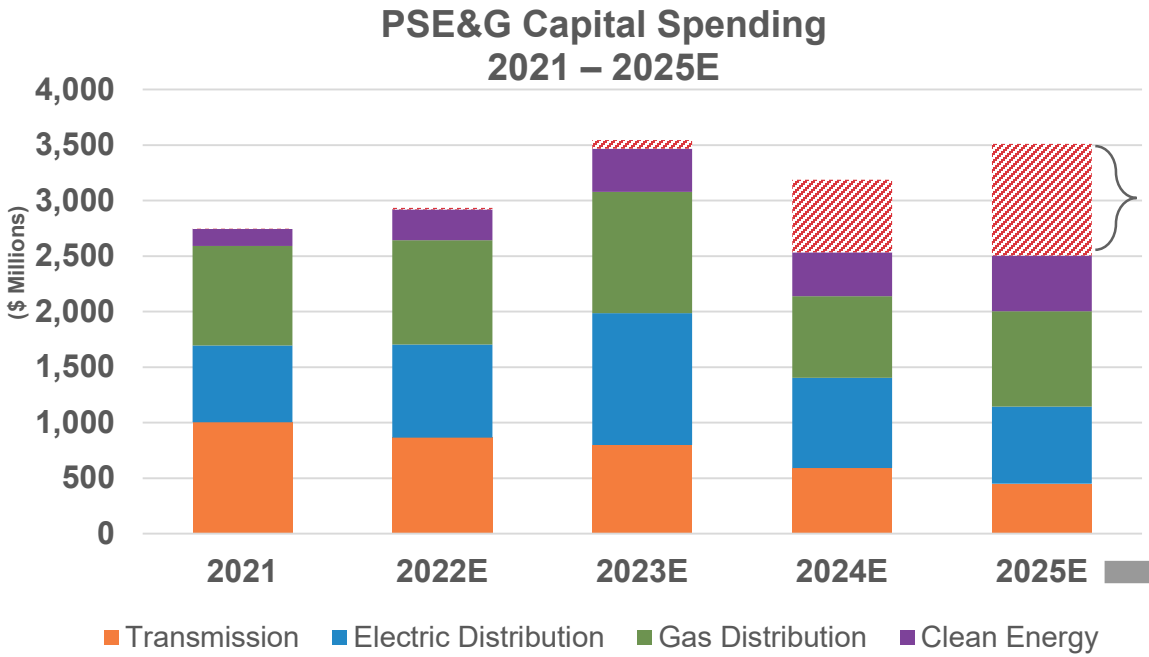
- Strong multi-year performance in all categories with continued year-over-year improvement, resulting in PSE&G's highest-ever scores
- Top quartile in three of the four individual studies

Notable Customer Awards

- 2021 Customer Champion - Escalent
- 2021 Cogent Most Trusted Utility Brands – Residential

PSE&G's 5-year, $14B - $16B capital program

focused on reliability, resiliency, grid modernization and clean energy



Unapproved Programs:

- ES III, CEF-ES, electrification initiatives, and IAP
- GSMP and CEF-EE Program Extensions: Low-end of range assumes current run rates of approved programs continue. High-end assumes increase in program investment.

With a clear runway to ongoing capital investment needs across the system

Includes AFUDC Debt

Note: Hashed portion of the chart represents unapproved programs including IAP filing, Energy Strong extension, CEF-ES, Vehicle Innovation and Electrification 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 lower end of the range.

Expanded investment program firms

compound annual rate base growth over the five year period

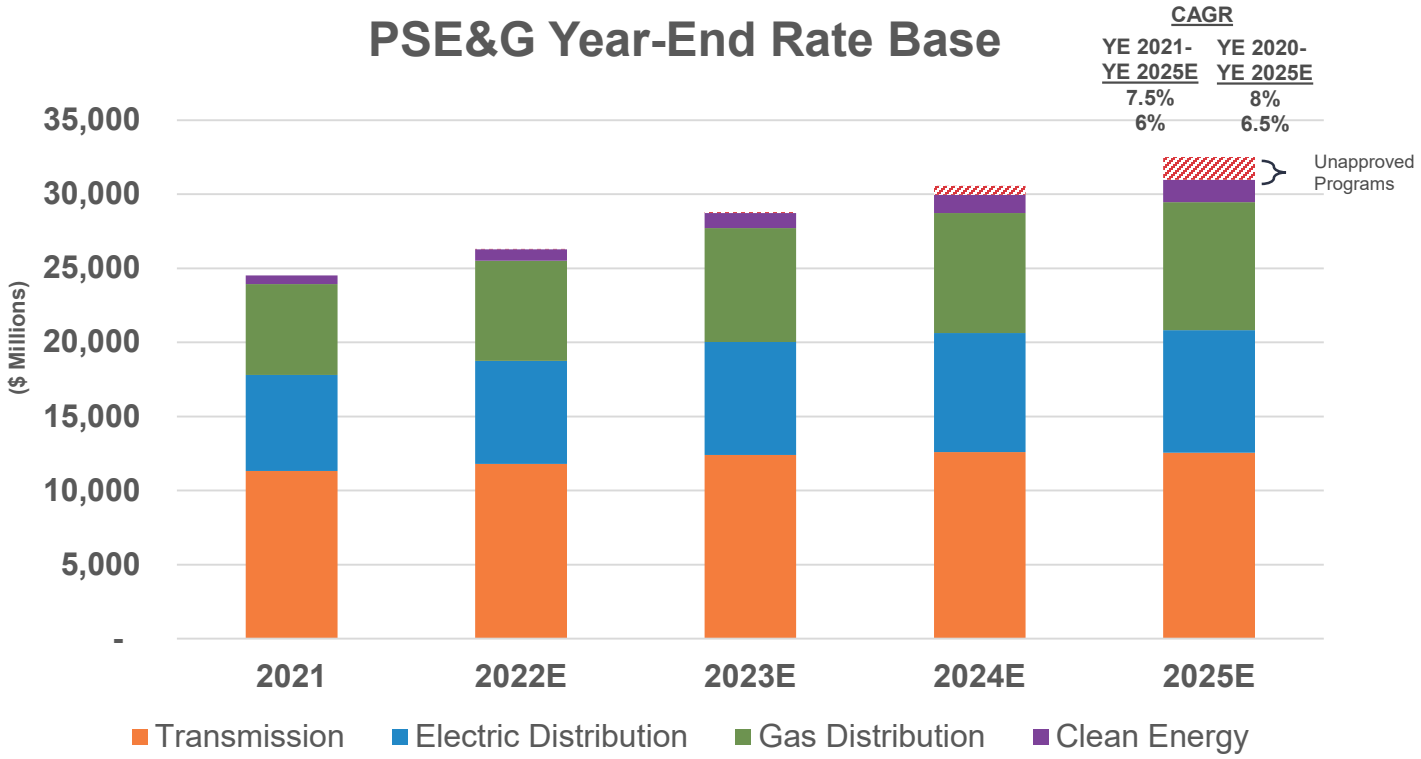


Chart excludes CWIP. Year-end 2021 CWIP balance was ~$1.2B.
Note: Hashed portion of the chart represents unapproved programs including IAP filing, Energy Strong extension, CEF-ES, Vehicle Innovation and Electrification and assumes a higher level of investment for the GSMP and CEF-EE program extensions. The current program run rates for GSMP and CEF-EE are expected to continue and are included in the lower end of the range.

Transmission: Investment program focused on enhancing reliability and resiliency, and replacing aging infrastructure

- 69 kV conversion effort to improve reliability and address aging system transitioning from large end-of-life projects
- Load increases in certain areas, driven by electrification efforts, including electric vehicles
- Generation topology changes – retiring plants and interconnections / upgrades for OSW transmission and other renewables
- Considerable investment potential in BPU/PJM State Agreement Approach solicitation



Electric Distribution – Energy Strong program to replace and rebuild substations in flood zones has brought tremendous benefit to customers

Somerville Withstood 56” of Flooding during TS Ida, and Remained Operational



- Superstorm Sandy & Hurricane Irene caused flooding at 29 substations and switching stations, leading to outages for approximately 522,000 customers
- None of the Energy Strong-hardened stations were impacted by Tropical Storm Ida, which caused substantial flooding in New Jersey
- Expanding reliability improvement program to the last mile, including upgrading 67 substations and switching stations for load growth and EV penetration over the next 5 years

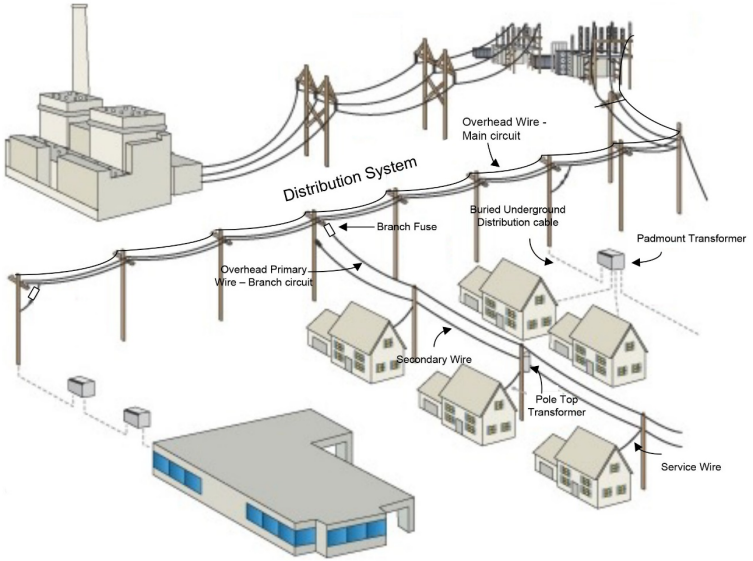
Electric Distribution – Last mile investment program

will modernize the system and improve reliability for customers who are more dependent on the system than ever before

Last mile electric system modernization investments:

- **Targeted asset replacements** – Poles, overhead equipment, secondary lines, etc.
- **Storm hardening** – Rebuild lower performing circuits, install spacer cable, consider undergrounding
- **Underground network** – Rebuild manhole and conduit system and secondary cables in at risk areas
- **Capacitor upgrades** – Smart controllers to better manage circuit voltage

Focused investment program as part of long runway, beginning with $848 million Infrastructure Advancement Program



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Infrastructure Advancement Program – 4-year distribution

investment program to improve reliability, reduce emissions and create jobs

Investment	$ millions	Components
Last Mile - Reliability	$206	Underground cable replacement, spacer cable, pole upgrades, open wire secondary, etc. to improve reliability
Last Mile - Make-ready investments for EV infrastructure and DER penetration	91	Investments in secondary line upgrades and capacitor bank upgrades to support the aggressive electrification of the transportation sector and the penetration of distributed energy resources (DERs) (customer-sited solar)
Inside Plant	277	Investment in a lifecycle program focused on modernization of 6 substations and aging 26kV oil-filled circuit breakers
PSE&G facility EV infrastructure	134	Install ~2,000 EV chargers and associated infrastructure at 65 PSE&G locations to support PSE&G's transition to an electric fleet
Gas Metering and Regulating stations	140	Investment in a lifecycle program focused on modernization of 7 Metering and Regulating stations
Program Total	**$848**	

Based on the procedural schedule, BPU action expected in autumn 2022

...a long runway of investments to address last mile reliability and continue lifecycle replacement for major equipment

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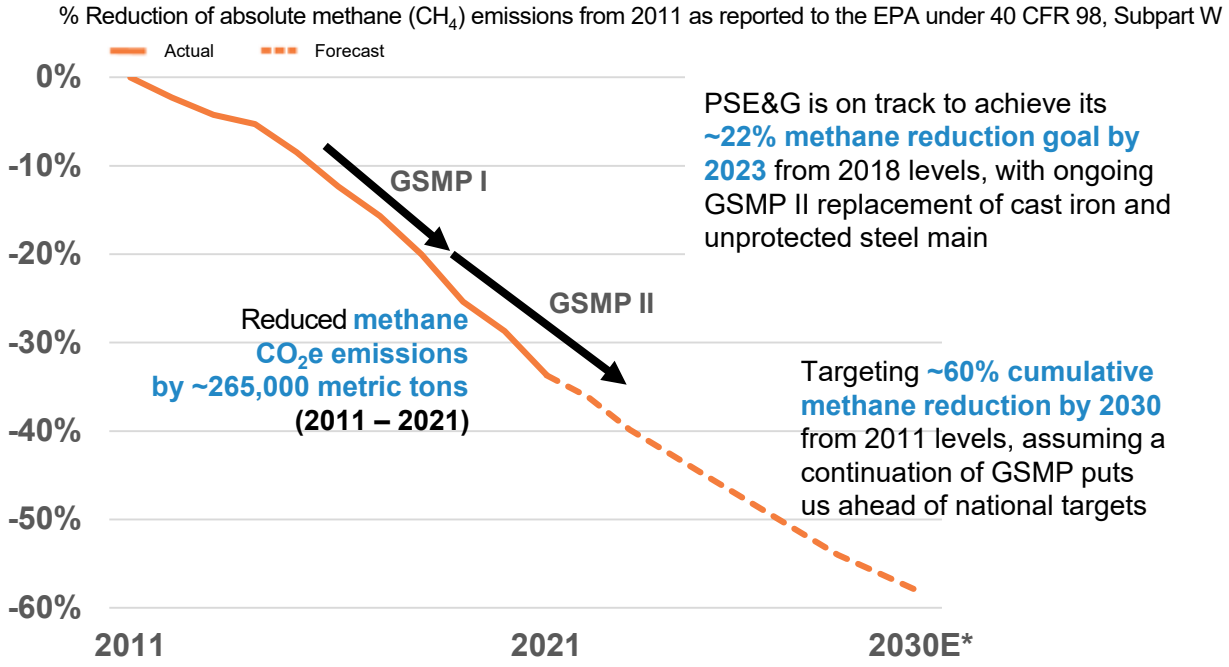
Gas Distribution – Investments to modernize infrastructure and drive reduction in methane leaks



- GSMP II will replace ~875 miles of pipe over 2019-2023
- Energy Strong II provides modernization of aging gas M&R station infrastructure
- Program to install methane detectors integrated into AMI meter installation
- Potential introduction of renewable natural gas into PSE&G's gas supply

*Forecast to 2030E based on current and potential future accelerated gas main replacement in future GSMPs.

Clean Energy Future programs focus on reducing customers' energy consumption

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, Public DC Fast Charging Medium/Heavy-duty vehicle investments pending	Solar Smoothing, Distribution Deferral, Outage Management, Microgrids, Peak Reduction for Municipal Facilities

Creating clean energy jobs for under-employed and diverse NJ residents

☑ **Three of the four largest CEF programs have been launched**

PSEG

*CEF-EC/AMI Program is $707M, additional rate base is ~$600M given historical annual meter spend of ~$30M.

PSE&G investments create New Jersey job growth and support diverse recruiting efforts

Infrastructure Programs: Over 1,500 current direct jobs through GSMP II and ES II, and over 500 more through IAP filing

Clean Energy: Over 3,000 direct jobs planned, with a focus on unemployed, under-employed, low/middle-income New Jersey residents including through ongoing collaboration with newly created New Jersey Council on Green Economy and incremental from vendor diversity

Jobs	Training	Vendor Diversity
• Vendor targets for quantity and diversity of jobs • Collaborating with New Jersey Department of Labor (NJDOL) and community organizations to recruit candidates	• Continued collaboration with vendors on training needs and development of pipeline • Courses to provide necessary skills	• Diverse supplier mentorship pilot • Expanding organizations to assist in certification of Minority, Women, Veteran Business Enterprises • Supplier New Jersey spend and diversity targets for EE programs

PSE&G has established a steering committee with the NJDOL, community advocates and representatives from our strategic hiring/recruiting partners to drive program success

Note: Job creation estimates for Infrastructure Programs are calculated utilizing Rutgers' formula based on investment levels.

Investments in technology are making us more efficient

and reliable, and giving customers greater access to information and programs

Advanced Metering Infrastructure

Providing real time information to **help customers manage their usage, improving operational efficiencies, and supporting new energy technologies** through the deployment of 2.3 million smart meters over the next four years



Mobile Geographic Information System

Reducing **cycle time of reporting damage** during storm events and enabling **digitization of T&D field processes, including public safety** through deployment of a suite of mobile geographic information system applications and dashboards





Mobile Access

Providing customers **convenient ways to pay, track outage status, review their bill, and make appointments** through a new self service application that runs on mobile phones, tablets, and watches



Asset and Work Management

Optimizing **resource utilization, enabling proactive asset management and gaining better insights into work status** through a new mobile work management system



360 View of the Customer

Creating a **holistic view of a customer's profile, transactions, and participation in energy efficiency programs** through deployment of a new integrated customer relationship management platform

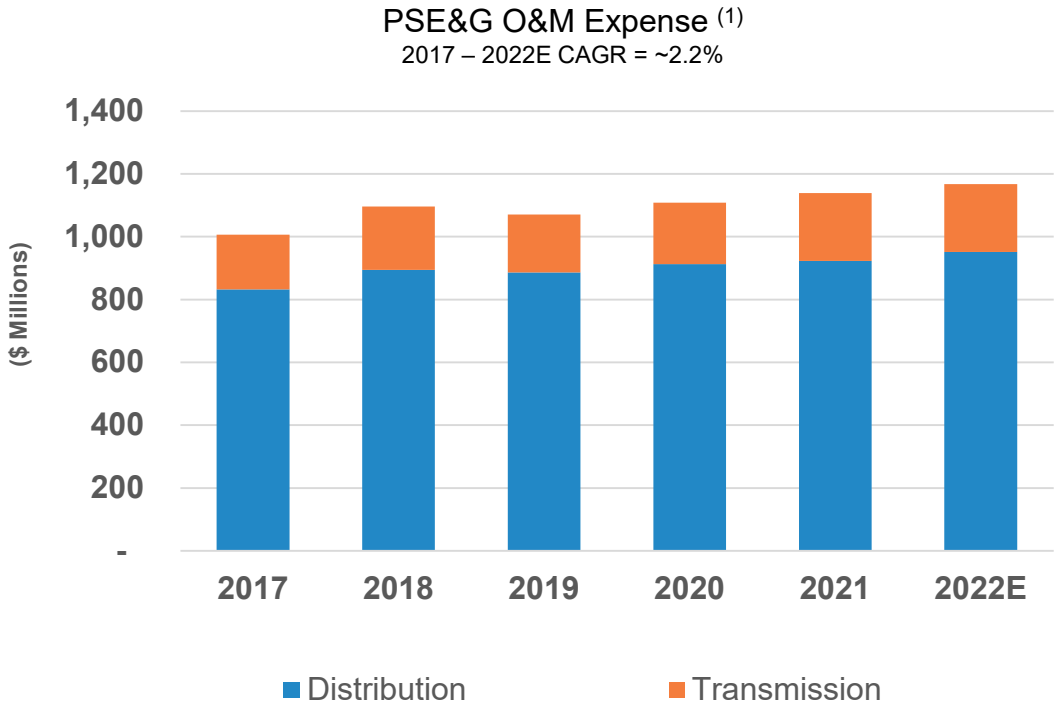


Outage and Distribution Management

Enhancing **real-time awareness of power outages**, improving the capabilities of outage prediction models and enabling **faster outage detection and restoration** with a new advanced distribution management system and a new outage management system

PSEG

Successfully managing O&M costs, preserving customer affordability



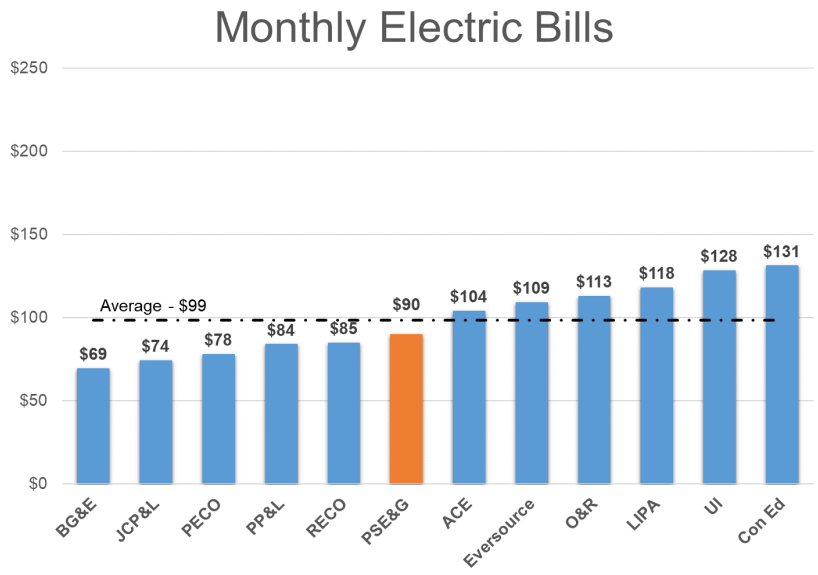
- Demonstrated ability to control O&M, preserving earnings and returns in a low sales growth environment
- Cost increase primarily driven by expansion of Transmission and Appliance Service Business, which is offset by revenue
- Apart from costs offset by revenue, O&M has remained relatively flat over the period
- Utilizing best practices, continuous improvement initiatives, and technology to mitigate effects of inflation

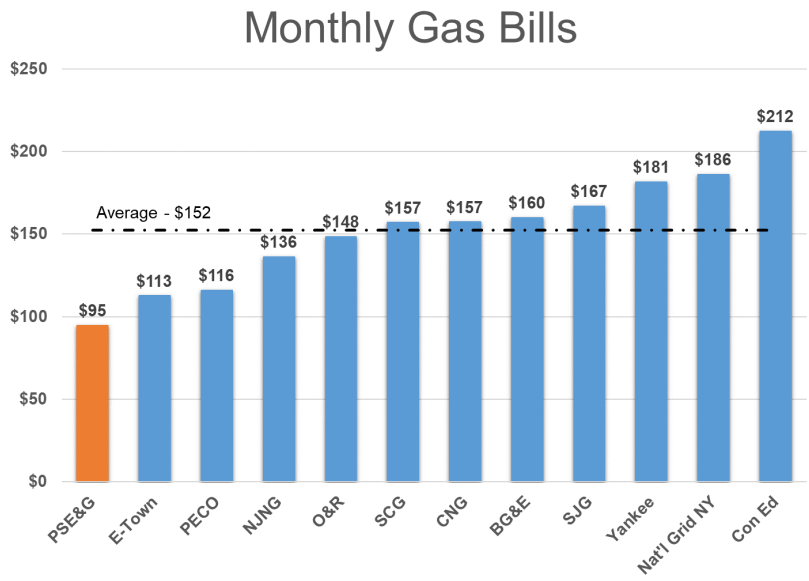
PSEG

(1) Excludes certain regulatory balance account items.

PSE&G's residential customer bills compare favorably

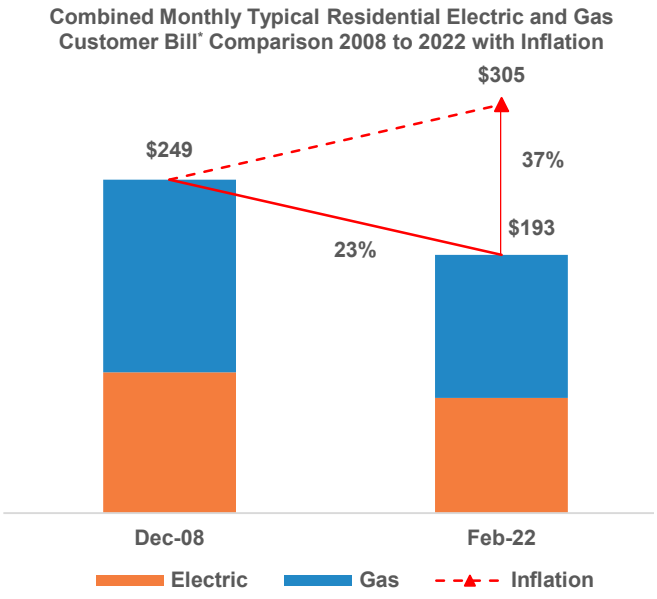
Gas bills lowest among regional peers, Electric bills lower than average

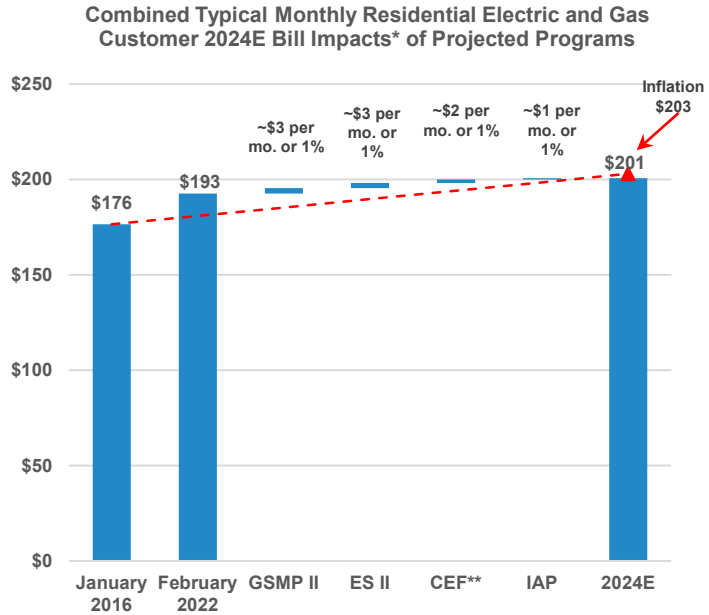




Based upon a calculation of monthly bills for an electric customer using 500 kilowatt-hours and a gas customer using 100 therms using rates as of December 1, 2021. Rates sourced from public company documents.

PSE&G: Typical residential electric and gas bills are down
over 20% from over a decade ago, or over 35% adjusted for inflation



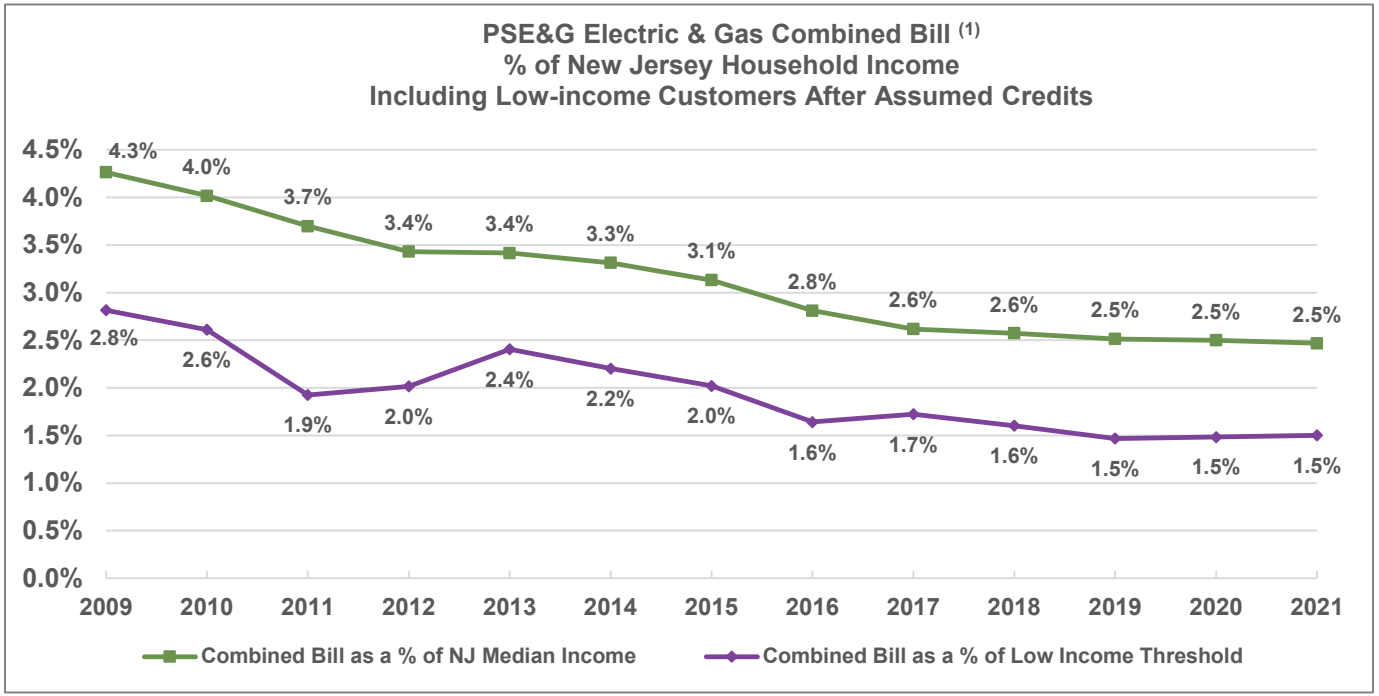


Over the next three years, the combined impact of GSMP II, ES II, CEF-EE and the IAP filing is expected to increase customer bills by 2% - 3% per year

PSEG

*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 proposed net impacts of CEF-EE and includes indirect bill impacts of the program such as Conservation Incentive Program, cost shifting and other bill savings. Bill impacts from CEF-EC and 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.

Typical residential combined electric and gas bill relative to median income has declined from over 4% to ~2.5% since 2009

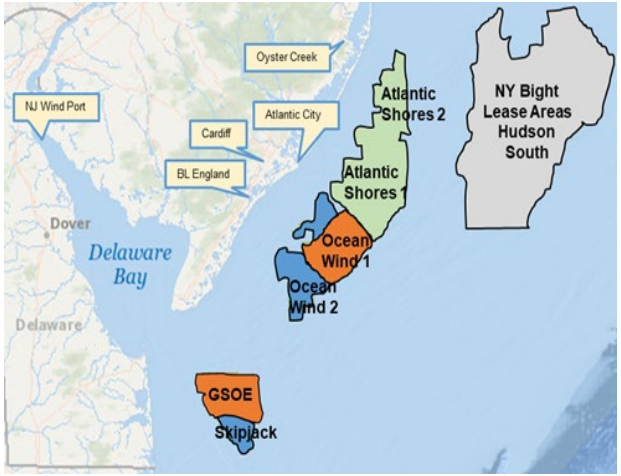


Affordability of the combined bill has improved by over 40% since 2009

Low-income bill percentage has declined from ~2.5% to 1.5% due to various low-income support programs (LIHEAP, USF and Lifeline) over the same time frame and recent program changes have further increased income thresholds for eligibility

(1) Based on a typical residential electric customer using 740 kilowatt-hours per summer month and 6,920 kilowatt-hours on an annual basis using rates as of June 1 for each year and a typical residential gas heating customer using 172 therms per winter month and 1,040 therms on an annual basis using rates as of January 1 of each year.
Notes: NJ Median income source https://www.deptofnumbers.com/income/new-jersey/#household. 2020 and 2021 are not available, therefore assume 2% annual increase per year over 2019. Income level of USF, the lowest threshold of the three low-income programs, is 175% of the Federal Poverty Line. Assumes the customer also qualifies for LIHEAP and Lifeline.

Benefits of offshore wind development



- Offshore Wind Strategic Plan to develop 7,500 MW by 2035 is a key component of New Jersey's '100% clean energy by 2050' target
- Captures region's best renewable resource
- Supports economic growth engine for new supply chain, including the New Jersey Wind Port
- ORECs provide a stable, 20-year revenue stream
- Alignment with state energy goals

2022
- Mar/Apr – Stakeholder meetings regarding OSW transmission in NJ
- June - Draft BOEM EIS for Ocean Wind 1 expected, public meetings expected in July
- Q3/Q4 - BPU OSW transmission decision

2023
- Mar - Final BOEM EIS for Ocean Wind 1 expected
- Q2 - Bids due for 3rd round of NJ's OSW projects
- Q4 - BPU to award 3rd round of OSW projects

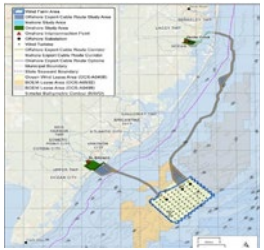
2024
- Q4 – First power Ocean Wind 1

2025
- Ocean Wind 1 Full COD

PSEG

PSEG current offshore wind opportunities

Ocean Wind Project



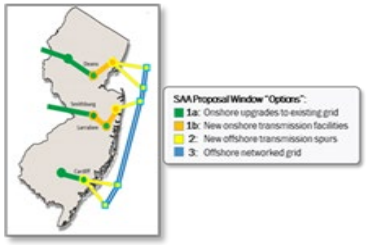
- Ocean Wind 1 is a 75/25 Joint Venture between Ørsted NA and PSEG
- Located 15 to 27 miles off the coast of southern New Jersey
- 1,100 MWs – enough to power 500,000 homes
- Points of interconnection: Oyster Creek 230kV substation and BL England 230kV substation
- First power expected by the end of 2024
- Potential for investment in Ocean Wind 2

GSOE/ Skipjack



- PSEG owns 50% of Garden State Offshore Energy (GSOE) with Ørsted NA, which in turn owns the leasehold rights to an offshore lease area off the coast of Delaware
- Previously, the offshore lease area was divided between GSOE and the Skipjack project
- Ørsted awarded 20-year OREC in Maryland for 846 MW Skipjack 2 project in December which utilizes a portion of the GSOE lease area
- PSEG evaluating its option to buy into the combined Skipjack and Skipjack 2 projects

Offshore Transmission



- In April 2021, the BPU and PJM opened a competitive solicitation for offshore wind transmission utilizing the PJM State Agreement Approach
- Bids submitted on September 17; decision announcement expected in Q3/Q4 2022, with winning projects likely in-service by 2029
- PSEG and Ørsted NA, formed Coastal Wind Link and submitted seven offshore proposals in response to the solicitation, including multi-spur options and an offshore wind network proposal
- Considerable investment potential, ranging from $2 billion to $7 billion depending on the projects selected

PSEG regulatory & policy focus supports our low carbon infrastructure platform

New Jersey Focus

- PSE&G continuing investments in critical energy infrastructure to provide customer benefits; Energy Strong program improves resiliency and reliability against more frequent and severe weather events
- Comprehensive EE framework provides opportunity for continued investment in Clean Energy Future beyond current 3-year program
  - Conservation Incentive Program is a win-win for customers and investors
  - Opportunity for customers to reduce energy usage and lower bills
  - Expands definition of “rate base” behind the meter
- EV Infrastructure Investment and PSEG fleet conversion to enhance environmental profile
- Offshore Wind (generation/competitive transmission) furthers New Jersey’s clean energy goals

Federal Focus

- FERC RTO incentive ROE adder continues in place while FERC continues to assess its proposed elimination
- Tax policy remains fluid, including recognition of carbon-free attributes for nuclear and offshore wind, providing potential policy support for these valuable resources

PSEG is focused on advancing Powering Progress

investments aligned with New Jersey's energy policy goals

Past Programs (2009-present)

- Transmission Expansion
- Energy Strong I
- GSMP I
- Solar4All® & Extension, S4AE II
- Solar Loan I, II, III
- Prior Stimulus, EE (2009, 2011)
- Capital Infrastructure Investment Program 1 (2009), Capital Infrastructure Investment Program 2 (2011)
- Energy Efficiency ('09/'12/'15/'17)
- Demand Response
- Carbon Abatement

New Jersey Energy Policies

- 2021 Successor Solar Framework
- 2021 New Jersey Offshore Wind Plan
- 2021 PJM/BPU State Agreement Approach
- 2020 Energy Efficiency Framework
- 2020 Conservation Incentive Program
- 2020 Global Warming Response Act 80X50
- 2020 New Jersey Energy Master Plan
- 2018 Infrastructure Investment Program
- 2018 New Jersey Clean Energy Act
- 2018 Zero Emissions Certificates Law
- 2018 Offshore Wind Renewable Energy Certificate Funding Mechanism

Ongoing & Opportunities

- IAP
- Last Mile Reliability
- CEF-EE, EV, EC/AMI
- GSMP II, III
- Energy Strong II, III/ Electric System Modernization
- Transmission Reliability & Resiliency
- Fleet Electrification
- CEF-ES
- OSW Generation
- OSW Transmission
- Solar Extension
- Nuclear ZECs
- Long-Term Nuclear Solution

In the last 18 months, PSE&G has received approval for ~$2 billion of investments to help decarbonize New Jersey

Pursuing long-term solutions to recognize the zero-carbon attributes of our nuclear fleet

Federal Focus

Congress and the Biden Administration recognize the importance of preserving existing nuclear units in order to decarbonize the nation's power supply by 2035

- Existing nuclear PTC has passed the House
  - Value of the PTC would decline as market revenues increase
- Infrastructure Act created civil nuclear grant program, engaging with DOE on rules
  - If NJ plants are deemed eligible, intend to pursue support under the program to reduce costs for NJ customers

Potential State Solutions

The Murphy Administration's climate agenda recognizes the importance of preserving nuclear as part of its goal to have 100% clean energy by 2050

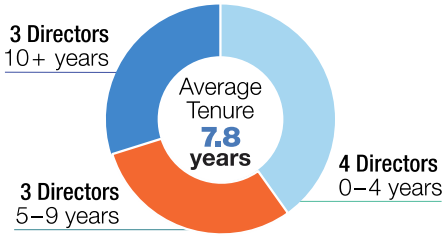
- ZECs were extended by the BPU at the full $10/MWh level through May 2025
- Amending New Jersey's 2018 ZEC Law may be another path to provide long-term support
- Fixed Resource Requirement options awaiting further clarity

Broad support for the role of existing nuclear in addressing climate change

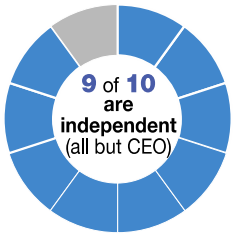
Sound governance and unwavering ethics
are the foundation of our high-performing culture

- **Diverse Board of Directors**
  - Nominated Independent Lead Director – Susan Tomasky
  - 50% are gender and/or ethnically diverse
  - 4 of 6 Board Committees are chaired by women or ethnically diverse director
  - 4 new directors in last five years bring new perspectives
  - Good mix of tenures and effective refreshment program
- **Effective oversight of ESG matters**
  - Sustainability and Corporate Citizenship function reports to CEO
  - Chief Diversity Officer reports to CEO
  - Assignment of key topics to full board or specific committee (climate, cybersecurity, safety, human capital management)
  - Regular reports and continuing education for directors on key topics relating to operations and ESG
  - Expanded disclosure on political contributions including 501(c)(4) contributions
- **Ethics: How PSEG does business is as important as our results**
  - PSEG's corporate culture is based upon strong ethical standards and effective compliance and controls, and demonstrated in the integrity of our business dealings and in the decisions made by our employees

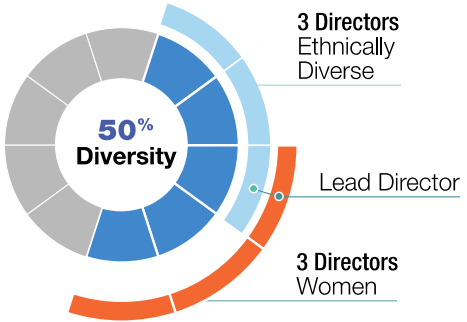
Board Tenure



Board Independence



Gender and Ethnic Diversity



Note: Data as of 2021 PSEG Proxy Statement

Long-term focus on regulated utility growth,
improving our business mix and enhancing our ESG profile

	Before Non-Nuclear Divestiture	After Non-Nuclear Divestiture
Business Mix	Growing Regulated Contribution	PSE&G ~90% and Carbon-free, Infrastructure & Other ~10%
Changing Generation Profile	6,750 MW of PSEG Fossil Generation with Merchant Exposure	25% Ownership in Ocean Wind 1 Project with Long-Term Revenue Stream
Valuing Nuclear Attributes	ZEC Award for NJ Units through May 2025	Seeking Long-term Nuclear Solution
PSE&G's 5-Year Capital Plan	$13B to $15B	$14B to $16B
Share Repurchase Authorization	None	Completed $250M of authorized $500M program; accelerated share repurchase program for the remaining $250M
Non-GAAP Operating Earnings Guidance	Annual	Earnings CAGR to 2025 of 5% to 7%
Consistent, Sustainable Dividend Growth	Annual Dividend Increase of $0.08 per share since 2015	Raised Indicative Annual Dividend $0.12 per share, effective Q1 2022
Increased Financial Flexibility (Minimum FFO/ Debt)	17% to 18%	13% to 14%

Sale of non-nuclear assets generated significant cash flow for debt reduction and share repurchases

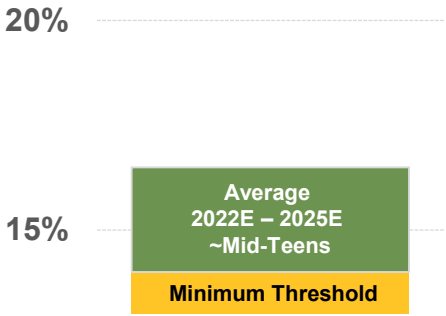
	Sources and (Uses) of Cash
Net Solar Sale Proceeds	~$0.4B
Net PSEG Fossil Sale Proceeds	~$1.75B
Total After-Tax (Net) Proceeds	~$2.15B
2023 and 2031 Power Senior Note Redemptions and Make-Whole Premium	(~$1.6B)
Net Proceeds after Power Debt Redemption	~$0.5B
Total Announced Share Repurchase	($0.5B)
Post-closing, Potential Power Re-levering	Sized based on FFO to Debt ~40%

Targeting PSEG's credit ratings at 'Solid' BBB

Issuer		Moody's	S&P	Target PSEG Credit Metric
PSEG	Senior Unsecured	Baa2	BBB	FFO / Debt ~Mid-Teens
	Outlook	Stable	Stable	
	Minimum Threshold	Baa2 @ 14%	BBB @ 13%	
PSE&G	Senior Secured	A1		Regulatory Equity Ratio ~55%
			A	
	Outlook	Stable	Stable	
PSEG Power	Issuer Rating	Baa2	BBB	FFO / Debt ~40%
	Outlook	Stable	Stable	

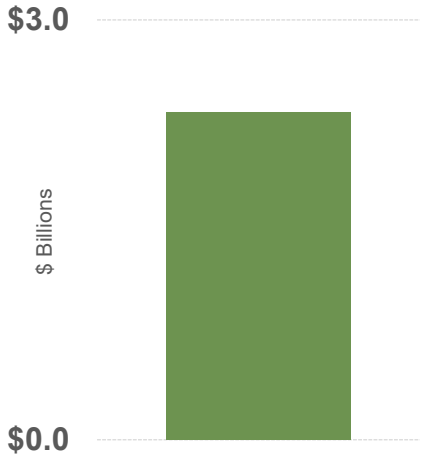
Enhanced business profile underpins solid credit ratings and significant debt capacity

PSEG
Funds from Operations / Debt



Targeting Solid 'BBB' credit ratings for PSEG Senior Unsecured Debt

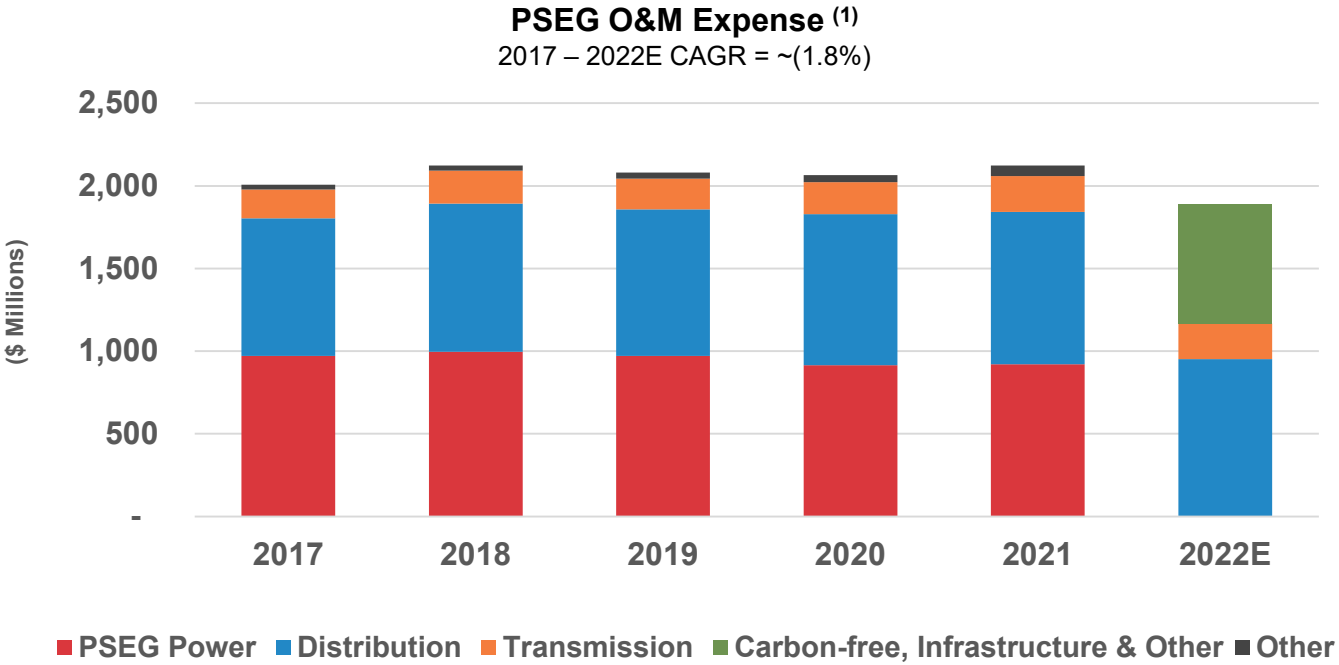
2022E – 2025E
Average Debt Capacity



~$4B of investment capacity if debt capacity funds PSE&G growth at target capital structure

Financial flexibility utilized to fund planned investments, with significant debt capacity remaining for incremental opportunities

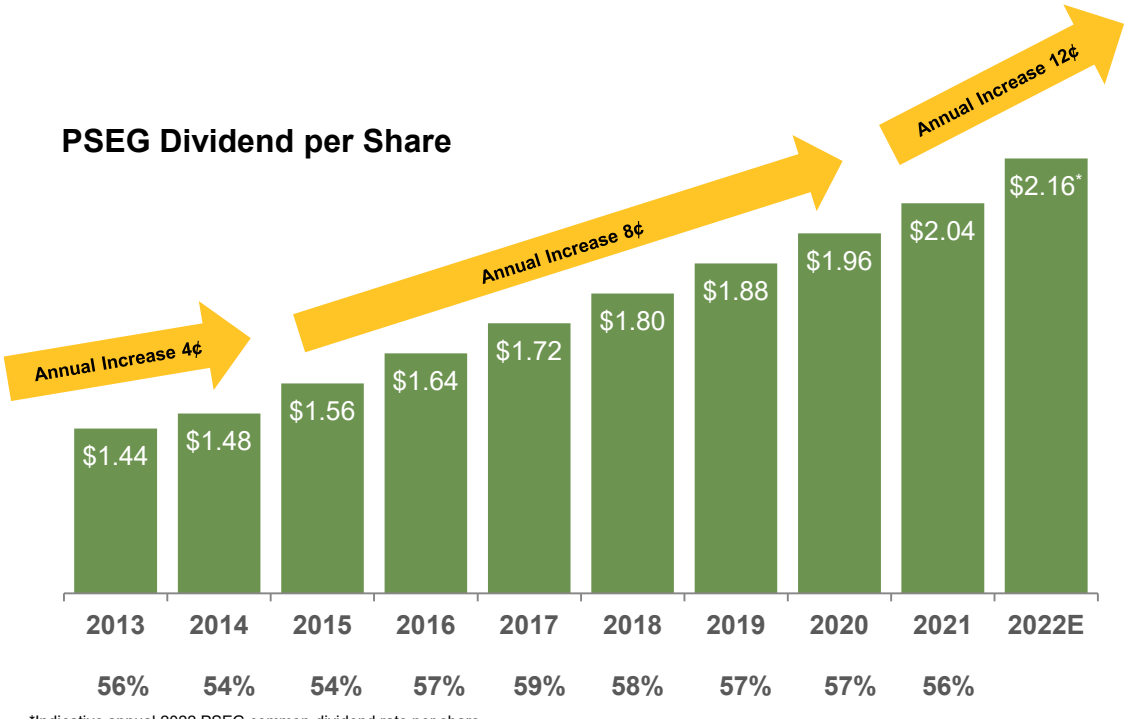
PSEG has controlled O&M by focusing on continuous improvement and controlling support costs related to non-nuclear divestiture



Support costs related to PSEG Fossil have been eliminated with successful just transition placement of impacted employees

(1) Excludes Nuclear ARO, early retirement of Hudson/Mercer coal plants, Bethlehem Energy Center goodwill write-off, write-offs related to Strategic Alternatives and certain regulatory balance account and pass-through items. Excludes PSEG Fossil and Power Ventures in 2022E.

2022 indicative annual dividend increased $0.12 per share,
building on a 115-year history of returning cash to our shareholders



Opportunity for consistent and sustainable dividend growth - now with a higher growth rate

*Indicative annual 2022 PSEG common dividend rate per share.
Note: All future decisions and declarations regarding dividends on the common stock are subject to approval by the Board of Directors.

PSEG

Meeting Takeaways

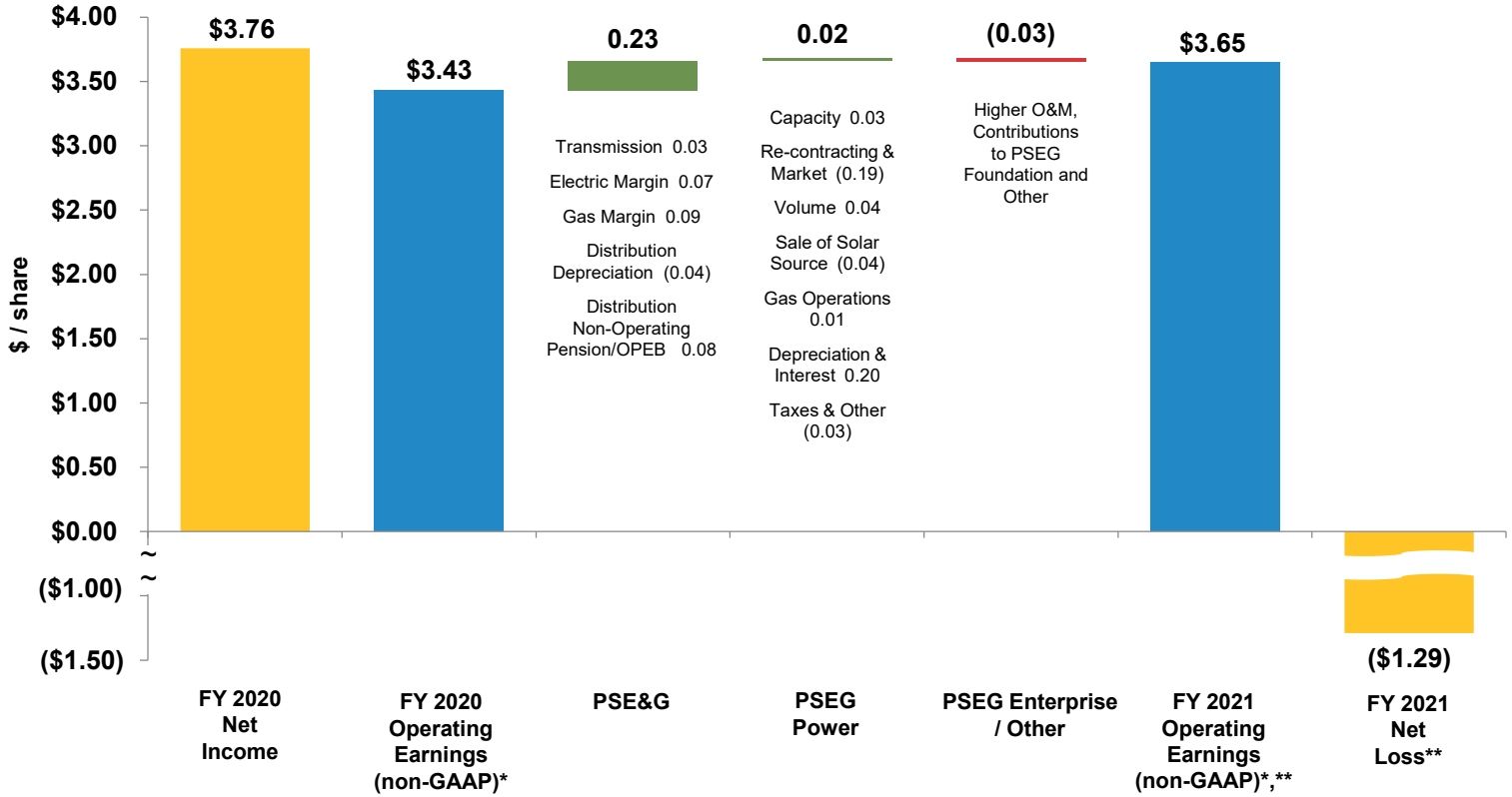
- **PSEG 2022: 90% regulated business mix from stable, predictable operations of PSE&G, 10% Carbon-free Generation, Infrastructure & Other**
- **PSE&G: Robust capital program aligned with state clean energy goals, increased by $1B to $14B-$16B through 2025, at our best-in-class utility**
- **Future carbon-free operations and infrastructure opportunities aligned with New Jersey energy policy**
- **Long runway of regulated investment supported by regulatory & policy advocacy paired with effective governance and strong ethics**
- **Growth platform of predictable earnings, dividends and capital spend visibility**
  - Multi-year earnings growth rate of 5% - 7% to 2025
  - Raised indicative annual 2022 dividend by $0.12 per share to $2.16* per share
  - $500M share repurchase authorized by the Board; $250M completed, accelerated share repurchase program for the remaining $250M
  - Expanded financial flexibility lowers minimum threshold credit metrics to 13%-14% (from 17%-18%)
  - No new equity needed to execute 2021-2025 capital program, including Ocean Wind 1 investment

PSEG is an ESG leader in tackling climate change, DEI and governance, with a Net-Zero 2030 Vision and top-tier ESG scores

*Note: All future decisions and declarations regarding dividends on the common stock are subject to approval by the Board of Directors.

Appendix

PSEG EPS Reconciliation – FY 2021 versus FY 2020



* See Slides A and B for Items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP) for PSEG, PSEG Power and PSEG Enterprise/Other.

** Approximately three million potentially dilutive shares were excluded from fully diluted average shares outstanding used to calculate the diluted GAAP loss per share for the year ended December 31, 2021 as their impact was antidilutive to GAAP results. For non-GAAP per share calculations, we used fully diluted average shares outstanding of 507 million, including the three million potentially dilutive shares as they were dilutive to non-GAAP results.

Generation Measures & Contracting Update

Nuclear Generation Measures		
	2021	2020
Capacity Factor	91.9%	90.3%
Fuel Cost ($ millions)	188	184
Generation (GWh)	31,158	30,758
Fuel Cost ($/MWh)	$6.03	$5.98
Refueling Outages	Spring – HC Fall – S2, PB3	Spring – S2 Fall – S1, PB2

Carbon-Free Contracted Energy Sales*			
	2022E	2023E	2024E
Fuel	Nuclear	Nuclear	Nuclear
Volume TWh	31	31	30
% Hedged	95-100%	85-90%	45-50%
Price $/MWh	$29	$28	$31

* Numbers reflect management's view of hedge percentages and prices as of December 31, 2021. Prices for 2022 and 2023 reflect revenues of full requirement load deals based on contract price including renewable energy credits and ancillary, but excluding capacity and transmission components. Prices for 2024 reflect energy revenues only. Hedge includes positions with MTM accounting treatment and options.

Other 2022 Financial Considerations

- **Capacity Revenue** for 2022: ~$150 million
  - June 2021 - May 2022 auction price: $166/MW-Day for EMAAC
  - June 2022 - May 2023 auction price: $98/MW-Day for EMAAC
- New Jersey **Zero Emissions Certificates** ~$200 million/year through May 2025
- 2022 Planned **Refueling** schedule: Spring – S1, Fall – HC, PB2
- Planned **Nuclear Capital Spending** (excluding fuel) is < $150 million/year for 2022
- PSEG Fossil and Solar Source **O&M** run rate was ~$300 million/year in 2021
- PSEG Fossil/Solar Source **Depreciation** run rate was ~$205 million/year in 2021
- PSEG Power **Interest Expense** run rate was ~$120 million/year in 2021

Note: Generation indicates Period Net Generation.
S=Salem; HC=Hope Creek; PB=Peach Bottom; EMAAC = Eastern Mid-Atlantic Area Council (MAAC) Region (PSE&G, JCP&L, PECO, AECO, DPL & RECO) ; E = Estimate

PSEG maintains a solid financial position

PSEG

PSEG Senior Unsecured Credit Ratings

Moody's = Baa2 / Outlook = Stable S&P = BBB / Outlook = Stable

PSEG 364-Day Term Loans Outstanding as of 12/31/2021 (1)	**$2.5B**
PSEG Long-term Debt Outstanding as of 12/31/2021	**$4.1B**
PSEG Consolidated Debt to Capitalization as of 12/31/2021	**57%**

PSEG Power Issuer Credit Ratings

Moody's = Baa2 / Outlook = Stable S&P = BBB / Outlook = Stable

PSEG Power Long-term Debt Outstanding as of 12/31/2021	**$ --**
PSEG Power 2022 Financing Activity	
Variable Rate Term Loan due March 2025	$1,250M

Public Service Electric & Gas

PSE&G Senior Secured Credit Ratings

Moody's = A1 / Outlook = Stable S&P = A / Outlook = Stable

PSE&G Long-term Debt Outstanding as of 12/31/2021	**$11.8B**
PSE&G 2022 Financing Activity	
3.10% Secured Medium-Term (Green) Notes due March 2032	$500M

PSEG Liquidity and Net Cash Collateral Postings

- PSEG had approximately $2.9B of available liquidity at 12/31/2021
- PSEG Power had net cash collateral postings of $844M at 12/31/2021 primarily related to out-of-the-money hedge positions resulting from higher energy prices during the second half of 2021

PSEG

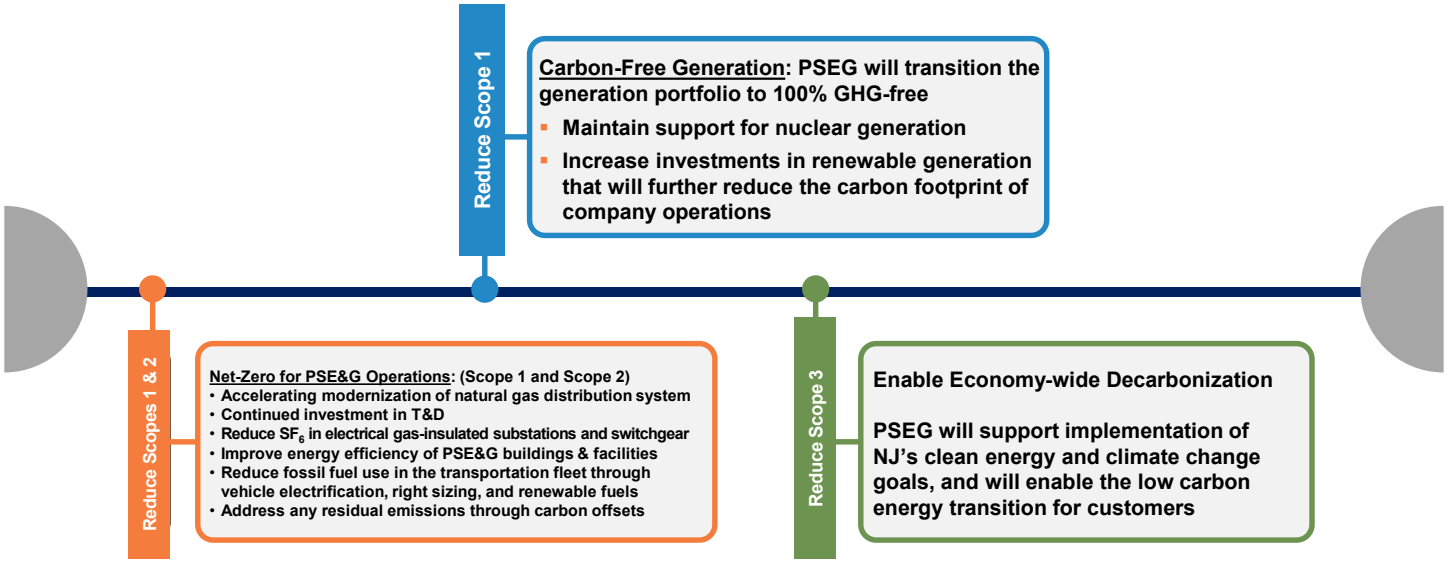
(1) 364-Day Term Loans are included in Short-Term Debt. Maturity of term loans outstanding mature during the March through August 2022 time period.
Note: Total Long-Term Debt Outstanding amounts may not add to PSEG Consolidated Total Long-Term Debt Outstanding due to rounding.

PSEG Credit Facilities as of March 31, 2022

Company	Facility	Expiration Date	Total Facility
			($ millions)
PSE&G	5-year Credit Facility	March 2027	$1,000
PSEG Money Pool			
PSEG/PSEG Power	5-year Credit Facility (PSEG)	March 2027	$1,500 (A,B)
	5-year Credit Facility (PSEG Power)	March 2027	1,250 (A)
	3-year Letter of Credit Facility (PSEG Power)	September 2023	100
			$2,850
		Total Facilities	**$3,850**

(A) Master Facility of $2.75B with a PSEG sublimit of $1.5B and PSEG Power sublimit of $1.25B, which can be adjusted subject to terms within the credit agreement.
(B) The PSEG sublimit includes a sustainability linked pricing mechanism based on achieving targeted reductions of methane emissions.

PSEG is transitioning to Net-Zero operations



- PSEG's Net-Zero 2030 Vision challenges us to reduce emissions by an additional ~17% in the next decade
- PSEG's path to net-zero 2030 will include: ongoing modernization of our electricity and natural gas networks, fleet electrification, energy efficiency, renewable and zero-emitting technologies
- For remaining operational CO_2e emissions in 2030, we intend to utilize high-quality carbon offsets

Glossary of Terms

AFUDC	Allowance for Funds Used During Construction
AMI	Automated Metering Infrastructure
BPU	New Jersey Board of Public Utilities
BOEM	Bureau of Energy Management
CAGR	Compound Annual Growth Rate
C&I	Commercial and Industrial
CEF	Clean Energy Future
CEF-EE	Energy Efficiency
CEF-EV	Electric Vehicle
CEF-EC	Energy Cloud
CEF-ES	Energy Storage
COD	Commercial Operation Date
CO_2e	Carbon Dioxide equivalent
CWIP	Construction Work in Progress
DC	Direct Current
DEI	Diversity, Equity & Inclusion
DOE	Department of Energy
E	Estimate
EIS	Environmental Impact Statement
EMAAC	Eastern Mid-Atlantic Area Council
ES	Energy Strong
ESG	Environmental, Social and Governance
FERC	Federal Energy Regulatory Commission
FFO	Funds from Operations
GHG	Greenhouse Gas
GSMP	Gas System Modernization Program
IAP	Infrastructure Advancement Program
LIHEAP	Low Income Home Energy Assistance Program
M&R	Metering and Regulating
OREC	Offshore Wind Renewable Energy Certificate
OSHA	Occupational Safety and Health Administration
OSW	Offshore Wind
PTC	Production Tax Credit
PJM	Pennsylvania Jersey Maryland
RFP	Request for Proposal
RTO	Regional Transmission Organization
SAIDI	System Average Interruption Duration Index
SF_6	Sulfur Hexafluoride
T&D	Transmission and Distribution
U.N.	United Nations
USF	Universal Service Fund
ZEC	Zero Emission Certificates

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Reconciliation of Non-GAAP Operating Earnings

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

Reconciling Items	Year Ended December 31,								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
	($ millions, Unaudited)								
Net Income (Loss)	**$ (648)**	**$ 1,905**	**$ 1,693**	**$ 1,438**	**$ 1,574**	**$ 887**	**$ 1,679**	**$ 1,518**	**$ 1,243**
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax[a] (PSEG Power)	(178)	(231)	(255)	144	(133)	(5)	(24)	(138)	(86)
(Gain) Loss on Mark-to-Market (MTM), pre-tax[b] (PSEG Power)	620	81	(285)	117	167	168	(157)	(111)	125
Storm O&M, net of insurance recoveries, pre-tax (PSEG Power)	-	-	-	-	-	-	(172)	27	54
Plant Retirements, Dispositions and Impairments, pre-tax (PSEG Power)[c]	2,940	(122)	402	(51)	975	669	-	-	-
Oil Lower of Cost or Market (LOCOM) adjustment, pre-tax (PSEG Power)	-	2	-	-	-	-	-	-	-
Goodwill Impairment, pre-tax (PSEG Power)	-	-	16	-	-	-	-	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	10	-	58	8	77	147	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[d]	(891)	106	37	(74)	(427)	(391)	150	104	(27)
Tax Reform	-	-	-	-	(745)	-	-	-	-
Operating Earnings (non-GAAP)	**$ 1,853**	**$ 1,741**	**$ 1,666**	**$ 1,582**	**$ 1,488**	**$ 1,475**	**$ 1,476**	**$ 1,400**	**$ 1,309**
PSEG Fully Diluted Average Shares Outstanding (in millions)[e]	**504**	**507**	**507**	**507**	**507**	**508**	**508**	**508**	**508**
	($ Per Share Impact - Diluted, Unaudited)								
Net Income (Loss)	**$ (1.29)**	**$ 3.76**	**$ 3.33**	**$ 2.83**	**$ 3.10**	**$ 1.75**	**$ 3.30**	**$ 2.99**	**$ 2.45**
(Gain) Loss on NDT Fund Related Activity, pre-tax[a] (PSEG Power)	(0.35)	(0.46)	(0.50)	0.28	(0.26)	(0.01)	(0.05)	(0.27)	(0.17)
(Gain) Loss on MTM, pre-tax[b] (PSEG Power)	1.23	0.16	(0.56)	0.23	0.33	0.33	(0.31)	(0.22)	0.25
Storm O&M, net of insurance recoveries, pre-tax (PSEG Power)	-	-	-	-	-	-	(0.34)	0.05	0.11
Plant Retirements, Dispositions and Impairments, pre-tax (PSEG Power)[c]	5.83	(0.24)	0.79	(0.10)	1.92	1.32	-	-	-
Oil LOCOM adjustment, pre-tax (PSEG Power)	-	-	-	-	-	-	-	-	-
Goodwill Impairment, pre-tax (PSEG Power)	-	-	0.03	-	-	-	-	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	0.02	-	0.11	0.02	0.15	0.29	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[d]	(1.77)	0.21	0.08	(0.14)	(0.84)	(0.78)	0.31	0.21	(0.06)
Tax Reform	-	-	-	-	(1.47)	-	-	-	-
Share Differential[e]	(0.02)	-	-	-	-	-	-	-	-
Operating Earnings (non-GAAP)	**$ 3.65**	**$ 3.43**	**$ 3.28**	**$ 3.12**	**$ 2.93**	**$ 2.90**	**$ 2.91**	**$ 2.76**	**$ 2.58**

(a) Effective January 1, 2018, unrealized gains (losses) on equity securities are recorded in Net Income / (Loss) instead of Other Comprehensive Income (Loss).

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

(c) Full year 2021 amount includes a pre-tax loss of $298 million for the make-whole premium paid upon the early redemption of PSEG Power's debt and other non-cash debt extinguishment costs.

(d) Income tax effect calculated at 28.11% statutory rate for 2021, 2020, 2019 and 2018 and 40.85% statutory rate for prior years, except for qualified NDT related activity, which records an additional 20% trust tax on income (loss) from qualified NDT Funds, the additional investment tax credit (ITC) recapture related to the sale of PSEG Solar Source, and leveraged lease related activity, which is calculated at a combined leveraged lease effective tax rate.

(e) Approximately three million potentially dilutive shares were excluded from fully diluted average shares outstanding used to calculate the diluted GAAP loss per share for the year ended December 31, 2021 as their impact was antidilutive to GAAP results. For non-GAAP per share calculations, we used fully diluted average shares outstanding of 507 million, including the three million potentially dilutive shares as they were dilutive to non-GAAP results. As a result of the use of different denominators for non-GAAP Operating Earnings and GAAP Net Loss, a reconciling line item, “Share Differential,” has been added to the year to date results to reconcile the two EPS calculations.

Please see Slide 3 for an explanation of PSEG’s use of Operating Earnings as a non-GAAP financial measure and how it differs from Net Income.

PSEG

Reconciliation of Non-GAAP Operating Earnings and Non-GAAP Adjusted EBITDA

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

Reconciling Items	Year Ended December 31, 2021 ($ millions, Unaudited)
Net Loss	**$ (2,056)**
(Gain) Loss on NDT Fund Related Activity, pre-tax	(178)
(Gain) Loss on MTM, pre-tax[(a)]	620
Plant Retirements, Dispositions and Impairments, pre-tax[(b)]	2,940
Income Taxes related to Operating Earnings (non-GAAP) reconciling items[(c)]	(888)
Operating Earnings (non-GAAP)	**$ 438**
Depreciation and Amortization, pre-tax[(d)]	247
Interest Expense, pre-tax[(d) (e)]	75
Income Taxes[(d)]	136
Adjusted EBITDA (non-GAAP)	**$ 896**
PSEG Fully Diluted Average Shares Outstanding (in millions)[(f)]	**504**

(a) Includes the financial impact from positions with forward delivery months.
(b) Full year 2021 amount includes a pre-tax loss of $298 million for the make-whole premium paid upon the early redemption of PSEG Power's debt and other non-cash debt extinguishment costs.
(c) Income tax effect calculated at statutory rate, except for NDT related activity, which records an additional 20% trust tax on income (loss) from qualified NDT Funds and the additional Income Tax Credit (ITC) recapture related to the sale of PSEG Solar Source.
(d) Excludes amounts related to Operating Earnings (non-GAAP) reconciling items.
(e) Net of capitalized interest.
(f) Approximately three million potentially dilutive shares were excluded from fully diluted average shares outstanding used to calculate the diluted GAAP loss per share for the year ended December 31, 2021 as their impact was antidilutive to GAAP results. For non-GAAP per share calculations, we used fully diluted average shares outstanding of 507 million, including the three million potentially dilutive shares as they were dilutive to non-GAAP results.

PSEG Enterprise/Other
Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Year Ended December 31, 2021 ($ millions, Unaudited)
Net Loss	**$ (38)**
Lease Related Activity, pre-tax	10
Income Taxes related to Lease Related Activity[(a)]	(3)
Operating Earnings (non-GAAP)	**$ (31)**
PSEG Fully Diluted Average Shares Outstanding (in millions)[(b)]	**504**

(a) Income tax effect calculated at a combined leveraged lease effective tax rate.
(b) Approximately three million potentially dilutive shares were excluded from fully diluted average shares outstanding used to calculate the diluted GAAP loss per share for the year ended December 31, 2021 as their impact was antidilutive to GAAP results. For non-GAAP per share calculations, we used fully diluted average shares outstanding of 507 million, including the three million potentially dilutive shares as they were dilutive to non-GAAP results.

Please see Slide 3 for an explanation of PSEG's use of Operating Earnings and Adjusted EBITDA as non-GAAP financial measures and how they differ from Net Income/(Loss).