

# 2021 PSEG Investor Fact Book



LEADING TOWARD A SUSTAINABLE FUTURE

• NYSE - PEG •

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## FORWARD-LOOKING STATEMENTS

Certain of the matters discussed in this document 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 2020 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 impact if our New Jersey nuclear plants are not awarded Zero Emission Certificates (ZECs) in future periods, or the current or subsequent ZEC program period is materially adversely modified through legal proceedings;
- adverse changes in energy industry laws, policies and regulations, including market structures and transmission planning;
- 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 document 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 document apply only as of the date of this document. 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 document 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.

## PSEG SHAREHOLDER SERVICES

PSEG common stock is listed on the New York Stock Exchange and trades under the trading symbol **PEG**.

EQ Shareowner Services (EQSS) serves as PSEG's Transfer Agent, Registrar and Dividend Disbursing Agent for its common stock.

EQSS's website, [shareowneronline.com](http://shareowneronline.com), offers downloadable forms, answers to FAQs, online access and transaction processing to shareholders. EQ Shareholder Service representatives can be reached at **800-242-0813** between the hours of 8 a.m. and 8 p.m. Eastern time Monday through Friday. An Interactive Voice Response System is available 24 hours a day, every day.

## HISTORICAL FINANCIAL OVERVIEW & INVESTOR RELATIONS INQUIRIES

This document is prepared once a year, and updated periodically, and is available online [here](#). This Fact Book is intended to be used in conjunction with our [IR website](#), where you will find our SEC documents, ESG disclosures and archived events and past investor presentations, our 2020 Annual Report and other Securities and Exchange Commission (SEC) filings to assist in detailed financial analysis. While this document does include abbreviated financial statements, it is not and is not intended to be a substitute for the more detailed financial statements (including footnotes) found in the 2020 Annual Report and other SEC filings.

This summary is not intended for use in connection with any sale, offer to sell, or solicitation of any offer to buy securities. Inquiries concerning this summary should be directed to:

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED  
INVESTOR RELATIONS  
80 PARK PLAZA  
NEWARK, NJ 07102

Investor Relations Questions? E-mail to [PSEG-IR-GeneralInquiry@pseg.com](mailto:PSEG-IR-GeneralInquiry@pseg.com)

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ANNUAL  
REPORT

We invite you to review PSEG's 2020 Annual Report and our other SEC filings [online](http://INVESTOR.PSEG.COM/SEC-FILINGS) at [INVESTOR.PSEG.COM/SEC-FILINGS](http://INVESTOR.PSEG.COM/SEC-FILINGS)

**TO FOLLOW & CONNECT WITH PSEG VIA SOCIAL MEDIA, CLICK ON THE LINKS BELOW**



## GAAP DISCLAIMER

PSEG presents Operating Earnings in addition to its Net Income reported in accordance with accounting principles generally accepted in the United States (GAAP). Operating Earnings is a non-GAAP financial measure that differs from Net Income. Non-GAAP Operating Earnings excludes the impact of returns (losses) associated with the Nuclear Decommissioning Trust (NDT), Mark-to-Market (MTM) accounting and material one-time items. Additional financial information at the end of this document includes a list of items excluded from Net Income/(Loss) to reconcile to non-GAAP Operating Earnings with a reference to those pages included on each of the pages where the non-GAAP information appears.

Management uses non-GAAP Operating Earnings in its internal analysis, and in communications with investors and analysts, as a consistent measure for comparing PSEG's financial performance to previous financial results. The presentation of non-GAAP Operating Earnings is intended to complement, and should not be considered an alternative to, the presentation of Net Income/(Loss), which is an indicator of financial performance determined in accordance with GAAP. In addition, non-GAAP Operating Earnings as presented in this document may not be comparable to similarly titled measures used by other companies.

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

## PSEG EMPLOYEES

As of 12/31/2020 PSEG had **12,788** employees within our subsidiaries – including 7,786 covered under collective bargaining agreements.

	PSE&G	PSEG Power	PSEG Long Island	Services	Total
Non-Union	1,924	958	1,024	1,096	5,002
Union	5,125	839	1,521	301	7,786
Total Employees	7,049	1,797	2,545	1,397	12,788

## PUBLIC SERVICE ENTERPRISE GROUP ORGANIZATION CHART



PRINCIPAL OPERATING SUBSIDIARIES ARE PUBLIC SERVICE ELECTRIC & GAS COMPANY (PSE&G), PSEG POWER LLC (PSEG POWER) AND PSEG LONG ISLAND LLC (PSEG LONG ISLAND)

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# OUR 'POWERING PROGRESS' VISION

FOR THE FUTURE OF PSEG

IS ONE IN WHICH WE HELP

OUR CUSTOMERS USE **LESS ENERGY**,

ENSURE THAT THE ENERGY THEY USE

IS **CLEANER**, AND WE DELIVER THAT

ENERGY **MORE RELIABLY THAN EVER**



# PSEG *Public Service Enterprise Group*

**Public Service Enterprise Group (PSEG)** is a publicly traded (NYSE: PEG) diversified energy company headquartered in New Jersey, and one of the ten largest electric companies in the U.S.

- Total assets (as of December 31, 2020): **\$50.1 billion**
- 2020 total annual revenues: **\$9.6 billion**
- Employees: **12,788** employees as of December 31, 2020
- PSEG celebrated its **118<sup>th</sup>** anniversary in 2021
- PSEG has paid a dividend annually since 1907; 2021 marks our **114<sup>th</sup>** year
- PSEG is ranked **477** on the 2020 Forbes Global 2000 list
- PSEG is ranked **317** on the 2020 Fortune 500 list
- PSEG was named to the Dow Jones Sustainability North America Index for the **13<sup>th</sup>** consecutive year in 2020
- PSEG Power generates **>90%** of New Jersey's carbon free energy
- PSEG has invested approximately **\$1.9 billion** in the development of solar energy
- PSEG is a proud sponsor of several sustainability and STEM programs including **Montclair State's Institute for Sustainability Studies**; the **Andlinger Center for Energy & the Environment at Princeton**; and the **Stevens Institute of Technology's SURE House**
- PSEG's principal operating subsidiaries are:  
Public Service Electric & Gas Company (PSE&G),  
PSEG Power LLC (PSEG Power) and  
PSEG Long Island LLC

We are determined to be a leader in our industry through our commitment to operational excellence, financial strength and disciplined investment.

**PSEG FINANCIAL HIGHLIGHTS (UNAUDITED)**

Year Ended December 31,	2020	2019	2018
(\$ in millions, except per share data)			
Operating Revenues	\$9,603	\$10,076	\$9,696
Net Income	\$1,905	\$1,693	\$1,438
Reconciling Items	(\$164)	(\$27)	\$144
Operating Earnings (non-GAAP)*	\$1,741	\$1,666	\$1,582
<b>Per Share (Diluted)</b>			
EPS from Net Income	\$3.76	\$3.33	\$2.83
EPS from Operating Earnings (non-GAAP) *	\$3.43	\$3.28	\$3.12
<b>Net Income/(Loss) Contribution by Subsidiary (\$ in millions)</b>			
PSE&G	\$1,327	\$1,250	\$1,067
PSEG Power	\$594	\$468	\$365
PSEG Enterprise/Other	(\$16)	(\$25)	\$6
<b>Operating Earnings (non-GAAP)* Contribution by Subsidiary (\$ in millions)</b>			
PSE&G	\$1,327	\$1,250	\$1,067
PSEG Power	\$430	\$409	\$502
PSEG Enterprise/Other	(\$16)	\$7	\$13
<b>Stock Performance – Price Per Share</b>			
High	\$62.15	\$63.88	\$56.68
Low	\$34.75	\$49.97	\$46.19
Year-End	\$58.30	\$59.05	\$52.05
<b>Other Shareholder Information</b>			
Common Dividend Paid Per Share	\$1.96	\$1.88	\$1.80
Book Value Per Share	\$31.72	\$29.94	\$28.53
Diluted Shares Outstanding (in millions)	507	507	507
Debt to Capital (%)	52	52	52
<b>Number of Employees</b>	<b>12,788</b>	<b>12,992</b>	<b>13,145</b>

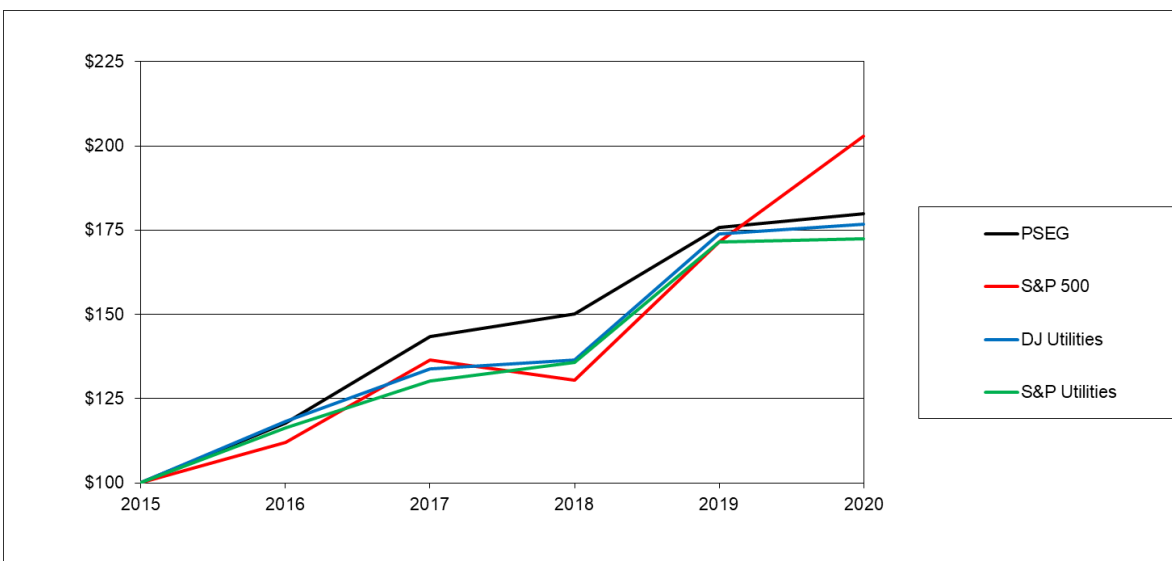
\*SEE ITEMS EXCLUDED FROM NET INCOME/(LOSS) TO RECONCILE TO NON-GAAP OPERATING EARNINGS ON PAGES 47 AND 48.

## PSEG COMMON STOCK AND DIVIDEND DATA

The following table indicates the high and low sale prices for our common stock and dividends paid for the periods indicated:

<u>Common Stock</u>	<u>High</u>		<u>Low</u>	<u>Dividend</u> <u>Per Share</u>
<b><u>2020</u></b>				
First Quarter	\$ 62.13	\$ 34.75	\$ 0.49	
Second Quarter	\$ 55.73	\$ 41.63	\$ 0.49	
Third Quarter	\$ 56.23	\$ 48.94	\$ 0.49	
Fourth Quarter	\$ 62.15	\$ 54.18	\$ 0.49	
<b><u>2019</u></b>				
First Quarter	\$ 60.09	\$ 49.97	\$ 0.47	
Second Quarter	\$ 61.63	\$ 57.50	\$ 0.47	
Third Quarter	\$ 62.60	\$ 55.27	\$ 0.47	
Fourth Quarter	\$ 63.88	\$ 57.54	\$ 0.47	

The graph and table below show a comparison of the five-year cumulative return assuming \$100 invested on December 31, 2015 in PSEG common stock and the subsequent reinvestment of quarterly dividends, the S&P Composite Stock Price Index, the Dow Jones Utility Index and the S&P Electric Utilities Index.



	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
PSEG	\$ 100.00	\$ 117.78	\$ 143.42	\$ 150.12	\$ 175.77	\$ 179.96
S&P 500	\$ 100.00	\$ 111.95	\$ 136.38	\$ 130.39	\$ 171.44	\$ 202.96
DJ Utilities	\$ 100.00	\$ 118.18	\$ 133.95	\$ 136.61	\$ 173.90	\$ 176.83
S&P Utilities	\$ 100.00	\$ 116.29	\$ 130.36	\$ 135.72	\$ 171.48	\$ 172.38

## BOARD OF DIRECTORS



**RALPH  
IZZO**

CHAIRMAN OF THE  
BOARD, PRESIDENT  
AND CHIEF EXECUTIVE  
OFFICER, PSEG



**SHIRLEY ANN  
JACKSON**

LEAD DIRECTOR  
PRESIDENT,  
RENSSELAER  
POLYTECHNIC  
INSTITUTE



**WILLIE A.  
DEESE**

RETIRED EXECUTIVE  
VICE PRESIDENT,  
MERCK & CO INC. AND  
PRESIDENT, MERCK  
MANUFACTURING  
DIVISION



**DAVID  
LILLEY**

RETIRED CHAIRMAN OF  
THE BOARD, PRESIDENT  
AND CHIEF EXECUTIVE  
OFFICER, CYTEC  
INDUSTRIES, INC.



**BARRY H.  
OSTROWSKY**

PRESIDENT AND CHIEF  
EXECUTIVE OFFICER,  
RWJBARNABAS HEALTH



**SCOTT G.  
STEPHENSON**

CHAIRMAN OF THE  
BOARD, PRESIDENT  
AND CHIEF EXECUTIVE  
OFFICER, VERISK  
ANALYTICS, INC.



**LAURA A.  
SUGG**

RETIRED PRESIDENT,  
AUSTRALASIA  
DIVISION OF  
CONOCOPHILLIPS  
CORPORATION



**JOHN P.  
SURMA**

RETIRED CHAIRMAN  
AND CHIEF EXECUTIVE  
OFFICER, UNITED  
STATES STEEL  
CORPORATION



**SUSAN  
TOMASKY**

RETIRED PRESIDENT,  
AEP TRANSMISSION  
OF AMERICAN ELECTRIC  
POWER CORPORATION



**ALFRED W.  
ZOLLAR**

EXECUTIVE ADVISOR,  
SIRIS CAPITAL  
GROUP, LLC  
AND RETIRED  
GENERAL MANAGER,  
TIVOLI SOFTWARE  
DIVISION OF IBM





# PSE&G *PublicServiceElectric&Gas*

Public Service Electric & Gas Company (PSE&G) is a regulated public utility company engaged in the transmission of electricity and distribution of gas and electricity. PSE&G is New Jersey's oldest and largest publicly-owned utility. The Public Service Corporation was formed in 1903 by amalgamating more than 400 gas, electric and transportation companies in New Jersey; it was renamed Public Service Electric and Gas Company in 1948.

PSE&G currently serves nearly three quarters of New Jersey's population in a service area consisting of a 2,600-square-mile diagonal corridor across the state from Bergen to Gloucester Counties. PSE&G is the largest provider of gas and electric service, servicing 1.9 million gas customers and 2.3 million electric customers in more than 300 urban, suburban and rural communities, including New Jersey's six largest cities.

PSE&G invested \$2.7 billion in 2020 capital expenditures to upgrade, expand and enhance the reliability and resiliency of its electric and gas Transmission and Distribution system.

In 2020, PSE&G achievements included being recognized by ReliabilityOne® as the most reliable electric utility in the Mid-Atlantic region for the 19<sup>th</sup> consecutive year and as recipient of the 2020 Outstanding Customer Engagement Award.

## SERVICE TERRITORY AND STATISTICS

PSE&G is the largest electric and gas distribution and transmission utility, the largest investor in renewable and energy efficiency, and the largest HVAC and service contract provider in New Jersey

- PSE&G has received the prestigious ReliabilityOne® Award for the Mid-Atlantic region for 19 years in a row.
- The NJ Board of Public Utilities (NJBPB) regulates the distribution of electric and gas and the Federal Energy Regulatory Committee (FERC) regulates transmission.
- New Jersey is ranked 4<sup>th</sup> nationally in personal income per capita.<sup>1</sup>
- Next distribution rate case not required before year-end 2023.

### Sales Statistics (All information is as of December 31, 2020)

2020 Sales Mix	Residential	Commercial	Industrial	2020 Peak Load
<b>Electric</b>	<b>35%</b>	<b>56%</b>	<b>9%</b>	<b>9,557 MW</b>
<b>Gas</b>	<b>60%</b>	<b>36%</b>	<b>4%</b>	<b>–</b>

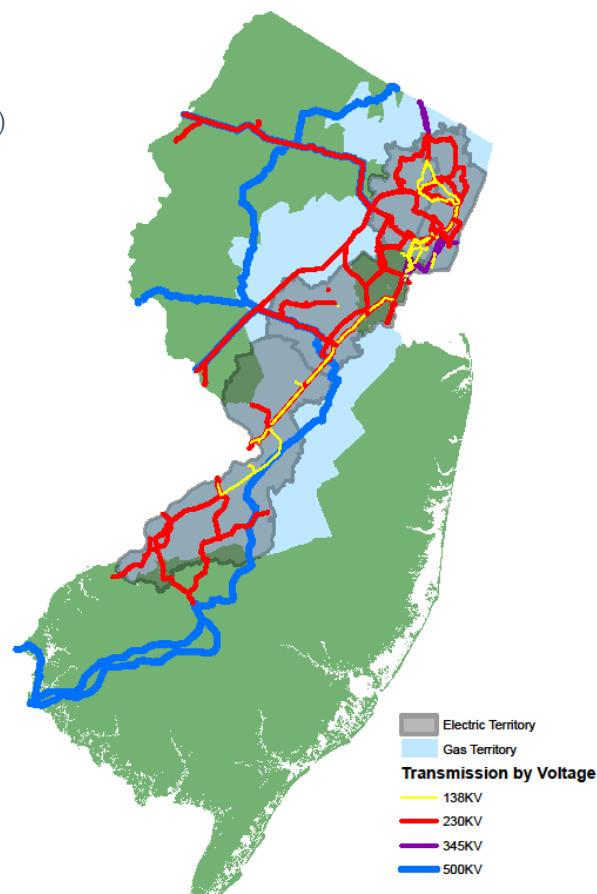
### Transmission Statistics

	Network Circuit Miles	Base Return on Equity <sup>2</sup>	2020 YE Rate Base
<b>Electric Transmission</b>	<b>2,051</b>	<b>11.18%</b>	<b>\$10.1B</b>

### Electric and Gas Distribution and Solar Statistics

	Network Miles/Solar MW Installed	Base Return on Equity <sup>3</sup>	2020 YE Rate Base
<b>Electric Distribution</b>	<b>22,600</b>	<b>9.6%</b>	<b>\$11.6B</b>
<b>Gas Distribution</b>	<b>18,144</b>		
<b>Solar &amp; EE Assets</b>	<b>158 MW<sub>DC</sub></b>		<b>\$0.6B</b>

	Number of Customers December 31, 2020	Electric Sales/ Gas Sold & Transported	5-Year Annual Customer Growth <sup>5</sup>
<b>Electric</b>	<b>2.3 M</b>	<b>39,666 GWh</b>	<b>0.8%</b>
<b>Gas</b>	<b>1.9 M</b>	<b>2,370 M Therms<sup>4</sup></b>	<b>0.6%</b>



<sup>1</sup> 2020 BUREAU OF ECONOMIC ANALYSIS REPORT

<sup>2</sup> CURRENT APPROVED RATES PROVIDE FOR A BASE RETURN ON EQUITY (ROE) OF 11.18% ON EXISTING AND NEW TRANSMISSION INVESTMENT, WHILE CERTAIN INVESTMENTS ARE ENTITLED TO EARN AN ADDITIONAL INCENTIVE RATE.

<sup>3</sup> 54% EQUITY RATIO AUTHORIZED BY THE NJBPB.

<sup>4</sup> FIRM GAS SALES ONLY.

<sup>5</sup> ANNUAL CUSTOMER GROWTH USES 2015 AS BASE YEAR

B = BILLION; M = MILLION; EE = ENERGY EFFICIENCY; MW = MEGAWATTS; GWH = GIGAWATT HOUR



## PSE&G RETAIL REVENUES AND SALES – ELECTRIC

(UNAUDITED)

Year Ended December 31,

Electric Revenues (\$Millions)	2020	2019	2018	2017	2016	Rate of Growth**
Residential	\$2,206	\$2,064	\$2,000	\$1,910	\$2,066	0.3%
Commercial & Industrial	1,714	1,735	1,654	1,631	1,647	(3.0)%
Street Lighting	73	70	70	68	68	0.6%
Other Operating Revenues*	837	777	823	754	680	7.2%
<b>Total Electric Revenues</b>	<b>\$4,830</b>	<b>\$4,646</b>	<b>\$4,547</b>	<b>\$4,363</b>	<b>\$4,461</b>	<b>(0.0)%</b>
Electric Sales (Millions kWh)	2020	2019	2018	2017	2016	Rate of Growth**
Residential	13,964	13,356	13,810	13,069	13,706	0.4%
Commercial & Industrial	25,363	26,995	27,734	27,344	27,538	(1.8)%
Street Lighting	338	333	345	327	336	0.2%
Interdepartmental	8	10	10	9	10	(4.4)%
<b>Total Electric Sales</b>	<b>39,673</b>	<b>40,694</b>	<b>41,899</b>	<b>40,749</b>	<b>41,590</b>	<b>(1.0)%</b>
Electric Customers (Annual Avg)	2020	2019	2018	2017	2016	Rate of Growth**
Residential	1,976,744	1,965,468	1,947,910	1,928,244	1,913,176	0.8%
Commercial & Industrial	311,990	309,789	307,669	305,262	303,452	0.6%
Street Lighting	10,680	10,480	10,657	10,266	10,436	0.9%
<b>Total Electric Customers</b>	<b>2,299,414</b>	<b>2,285,737</b>	<b>2,266,236</b>	<b>2,243,772</b>	<b>2,227,064</b>	<b>0.8%</b>

\*PRIMARILY SALES OF NON-UTILITY GENERATOR ENERGY TO PJM AND TRANSMISSION RELATED REVENUES. BEGINNING IN 2019 INCLUDES APPLIANCE SERVICE REVENUES.

\*\*RATE OF GROWTH USES 2015 AS BASE.

NOTE: TOTALS MAY NOT SUM DUE TO ROUNDING. DATA FROM 2016 AND 2017 WAS NOT UPDATED FOR RE-STATEMENT OF SEC FILINGS.

## PSE&G RETAIL REVENUES AND SALES – GAS SOLD & TRANSPORTED

(UNAUDITED)

Year Ended December 31,

Gas Revenues (\$Millions)	2020	2019	2018	2017	2016	Rate of Growth****
Residential	\$386	\$473	\$379	\$391	\$362	4.6%
Commercial & Industrial - Firm	197	270	267	250	194	(3.8)%
Non-Firm Sales	8	21	26	25	27	(25.7)%
Other Operating Revenues*	152	131	179	175	174	(2.7)%
<b>Total Revenues**</b>	<b>\$742</b>	<b>\$895</b>	<b>\$851</b>	<b>\$841</b>	<b>\$756</b>	<b>(0.3)%</b>
<b>Gas Transported**</b>	<b>\$1,037</b>	<b>\$1,085</b>	<b>\$1,073</b>	<b>\$1,029</b>	<b>\$1,004</b>	<b>(0.0)%</b>
Sales (Million Therms)	2020	2019	2018	2017	2016	Rate of Growth****
Residential	1,411	1,504	1,532	1,407	1,394	(1.2)%
Commercial & Industrial – Firm	957	1,085	1,097	990	966	(1.3)%
<b>Total Firm Sales</b>	<b>2,368</b>	<b>2,589</b>	<b>2,630</b>	<b>2,397</b>	<b>2,360</b>	<b>(1.2)%</b>
Commercial & Industrial – Non-Firm Sales	921	1,281	1,252	1,170	1,888	(14.8)%
<b>Total Sales***</b>	<b>3,289</b>	<b>3,870</b>	<b>3,882</b>	<b>3,567</b>	<b>4,247</b>	<b>(6.4)%</b>
Gas Customers (Annual Avg)	2020	2019	2018	2017	2016	Rate of Growth****
Residential	1,700,266	1,692,190	1,681,142	1,667,212	1,652,477	0.7%
Commercial	158,167	158,502	158,927	158,728	157,917	0.1%
Industrial	6,242	6,336	6,399	6,244	6,362	(0.5)%
Street Lighting	16	15	16	16	16	0.0%
<b>Total Gas Customers</b>	<b>1,864,691</b>	<b>1,857,043</b>	<b>1,846,484</b>	<b>1,832,200</b>	<b>1,816,772</b>	<b>0.6%</b>

\* PRIMARILY APPLIANCE SERVICE, BEGINNING IN 2019 REVENUES WERE SEPARATED AND INCLUDED IN ELECTRIC OTHER OPERATING REVENUES.

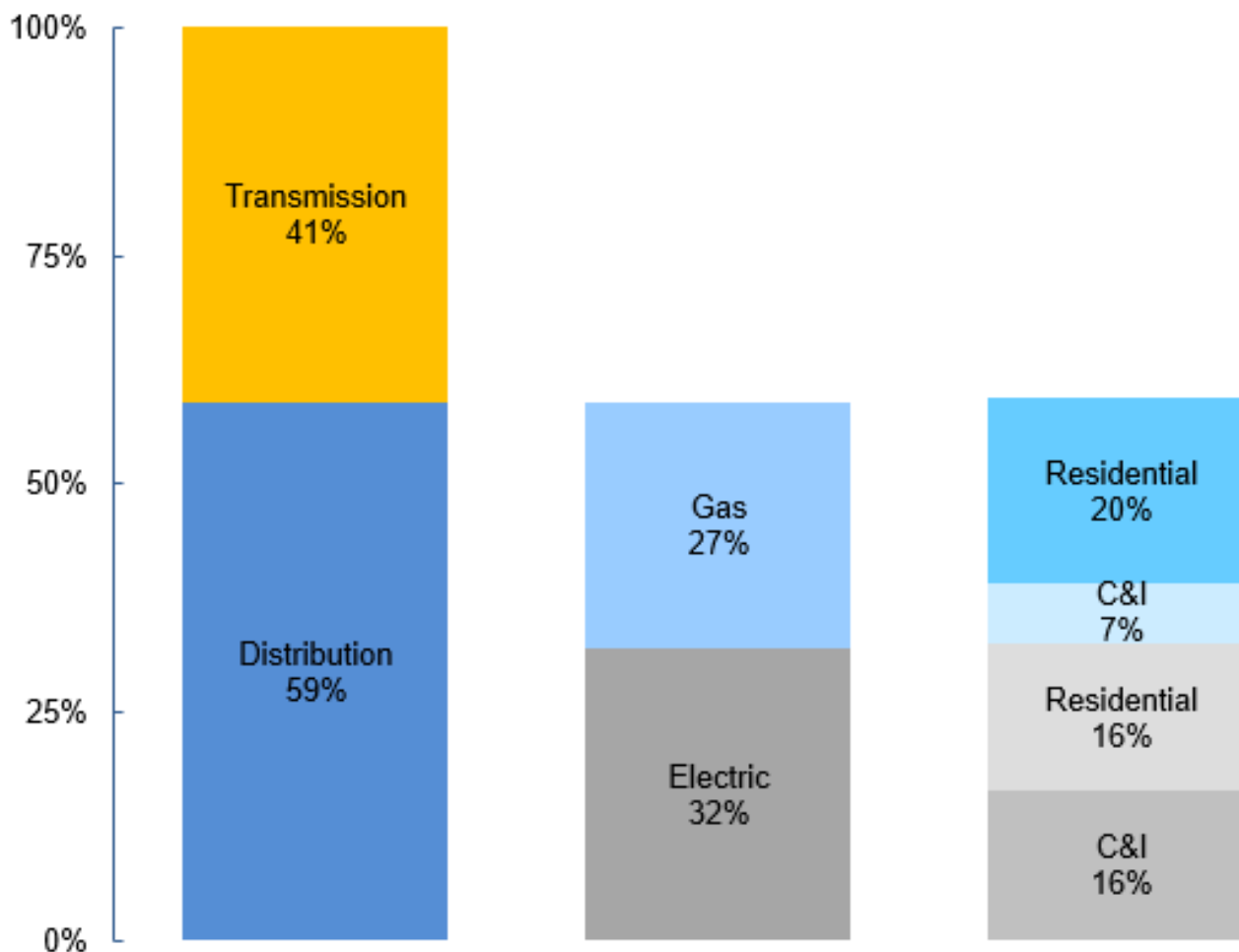
\*\* TOTAL REVENUES INCLUDE COMMODITY REVENUE FROM THE SALE OF GAS TO PSE&G'S BASIC GAS SUPPLY SERVICE (BGSS) CUSTOMERS AND GAS TRANSPORTED FOR DISTRIBUTION TO ALL RETAIL CUSTOMERS ON THE PSE&G SYSTEM.

\*\*\*CONTRACT SERVICE GAS RATE INCLUDED IN NON-FIRM SALES.

\*\*\*\*RATE OF GROWTH USES 2015 AS BASE.

NOTE: TOTALS MAY NOT SUM DUE TO ROUNDING. DATA FROM 2016 AND 2017 WAS NOT UPDATED FOR RE-STATEMENT OF SEC FILINGS.

## PSE&G 2021E T&D MARGIN ILLUSTRATION

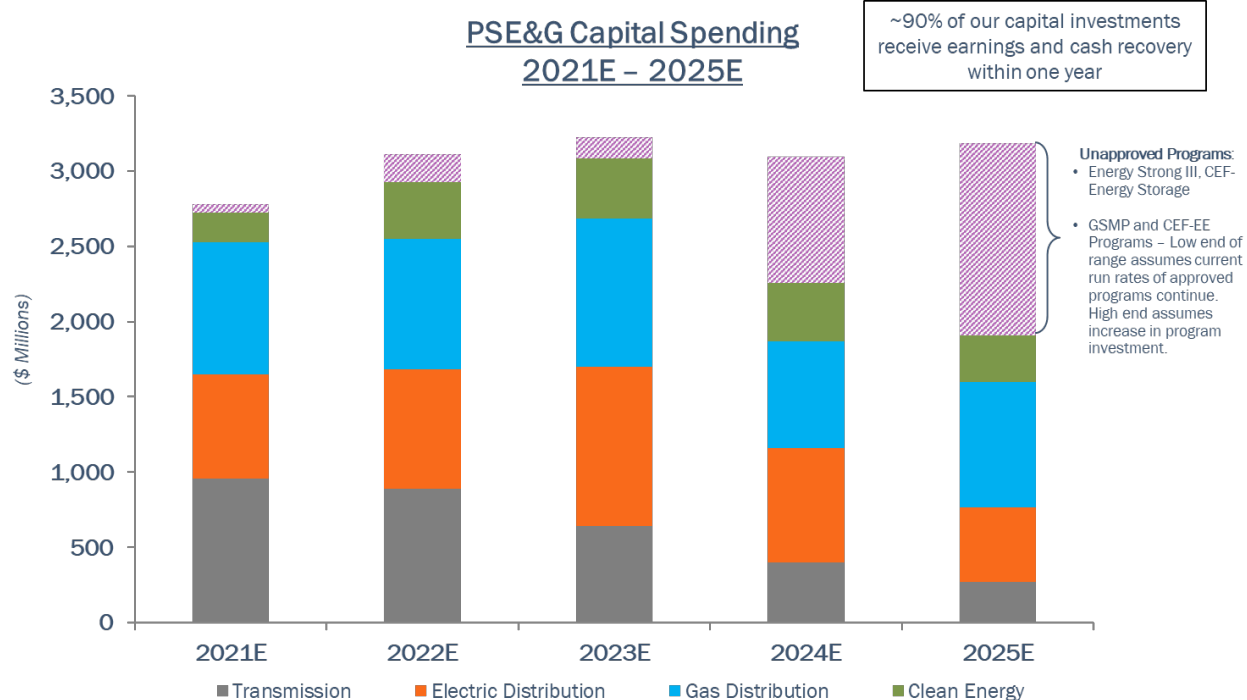


DISTRIBUTION MARGIN IS WEATHER NORMALIZED AND COMPRISED OF FIXED (FLAT MONTHLY SERVICE CHARGE) + VARIABLE VOLUME (RESIDENTIAL, ELECTRIC SMALL C&I, GAS C&I) + PEAK DEMAND (ELECTRIC C&I, LARGE GAS C&I).  
E=ESTIMATE; C&I=COMMERCIAL & INDUSTRIAL

- Transmission and Residential segments of Distribution expected to contribute ~75% of total PSE&G margin
- Transmission is fixed with no variable/ volume risk
- Distribution margin is ~60% Residential
- Significant portion of remaining margin comprised of fixed versus variable
- Conservation Incentive Program (CIP\*) decouples the majority of variable Distribution margin from sales starting June 1, 2021 (Electric) and October 1, 2021 (Gas)
- Distribution has experienced an increase in Residential margins and decrease in C&I margins from COVID-19
- Electric bad debt expense recovered through the societal benefits clause
- COVID-related O&M and Gas bad debt expense deferred through the later of September 30, 2021, or 60 days after the public health emergency is no longer in effect

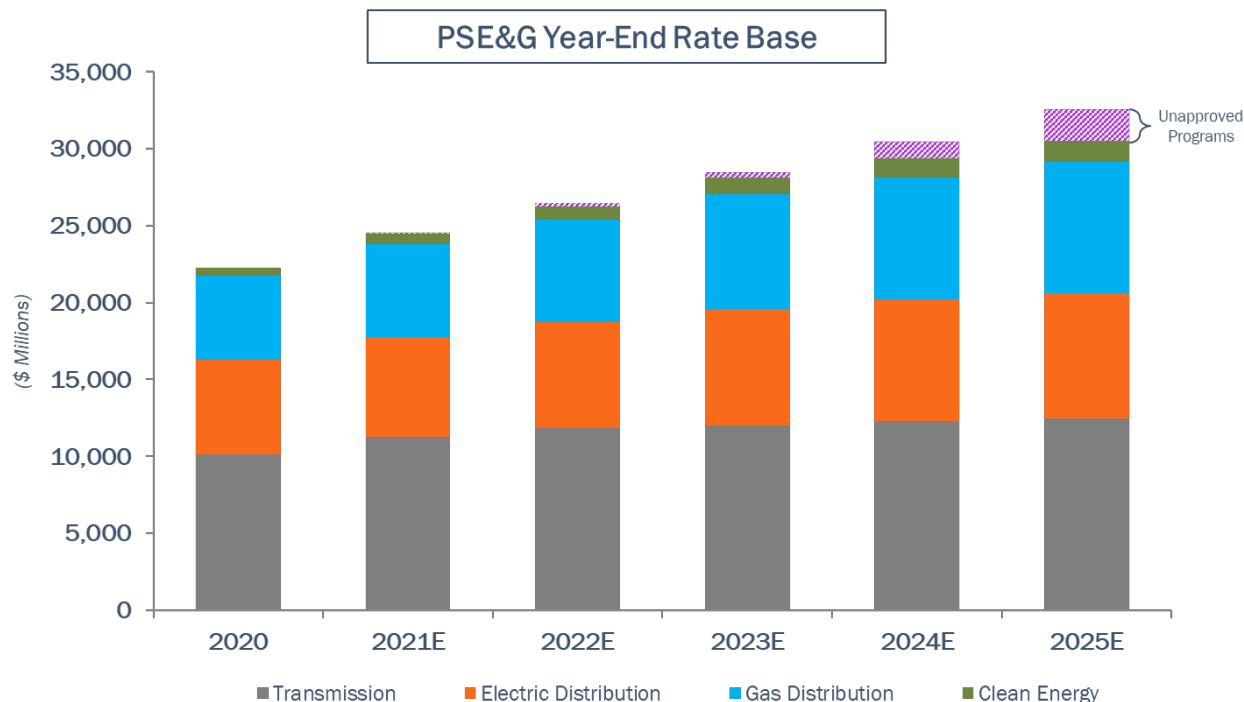
\*CIP ADJUSTS REVENUES FOR CHANGES IN USAGE FROM PSE&G'S LAST (2018) DISTRIBUTION BASE RATE CASE TO ACCOUNT FOR CHANGES IN LOST REVENUES DUE TO EE, SOLAR NET METERING, WEATHER, ECONOMIC FACTORS, ETC. ABILITY TO UTILIZE THE CIP IS DEPENDENT ON PASSING CUSTOMER PROTECTION TESTS INCLUSIVE OF AN EARNINGS TEST, SUPPLY SAVINGS TEST, AND RATE INCREASE TEST.

## PSE&G'S CAPITAL PROGRAM OF \$13 BILLION TO \$15 BILLION FOCUSED ON RELIABILITY, RESILIENCY, GRID MODERNIZATION AND CLEAN ENERGY INVESTMENTS



INCLUDES AFUDC DEBT. E=ESTIMATE; GSMP=GAS SYSTEM MODERNIZATION PROGRAM; CEF-EE=CLEAN ENERGY FUTURE-ENERGY EFFICIENCY. 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.

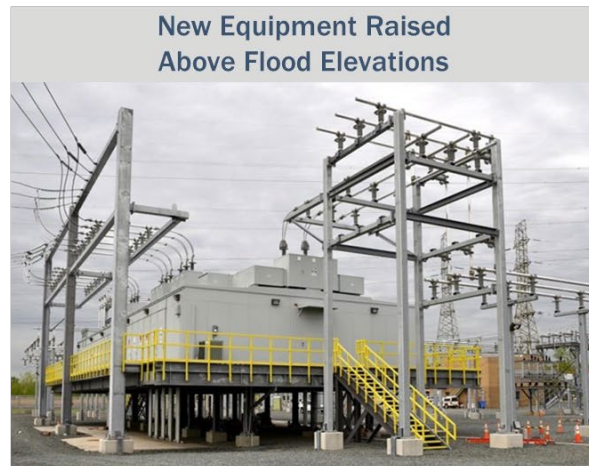
**TRANSMISSION: INVESTMENT PROGRAM FOCUSED ON IMPROVING RELIABILITY AND RESILIENCY, AND REPLACING AGING INFRASTRUCTURE**



**PSE&G's Transmission Portfolio** addresses system enhancements needed for reliability

- **Reliability Criteria Violations:** upgrades to relieve network overloads
- **Transmission Hardening:** enhancements to system resiliency
- **Transmission Lifecycle:** asset end-of-life replacements to maintain system integrity
- **69kV System:** upgrades for system reliability and capacity for future load growth

## ENERGY STRONG II: CONTINUING CRITICAL ENERGY INFRASTRUCTURE PROGRAM



- \$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

## 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<sub>2</sub> equivalent

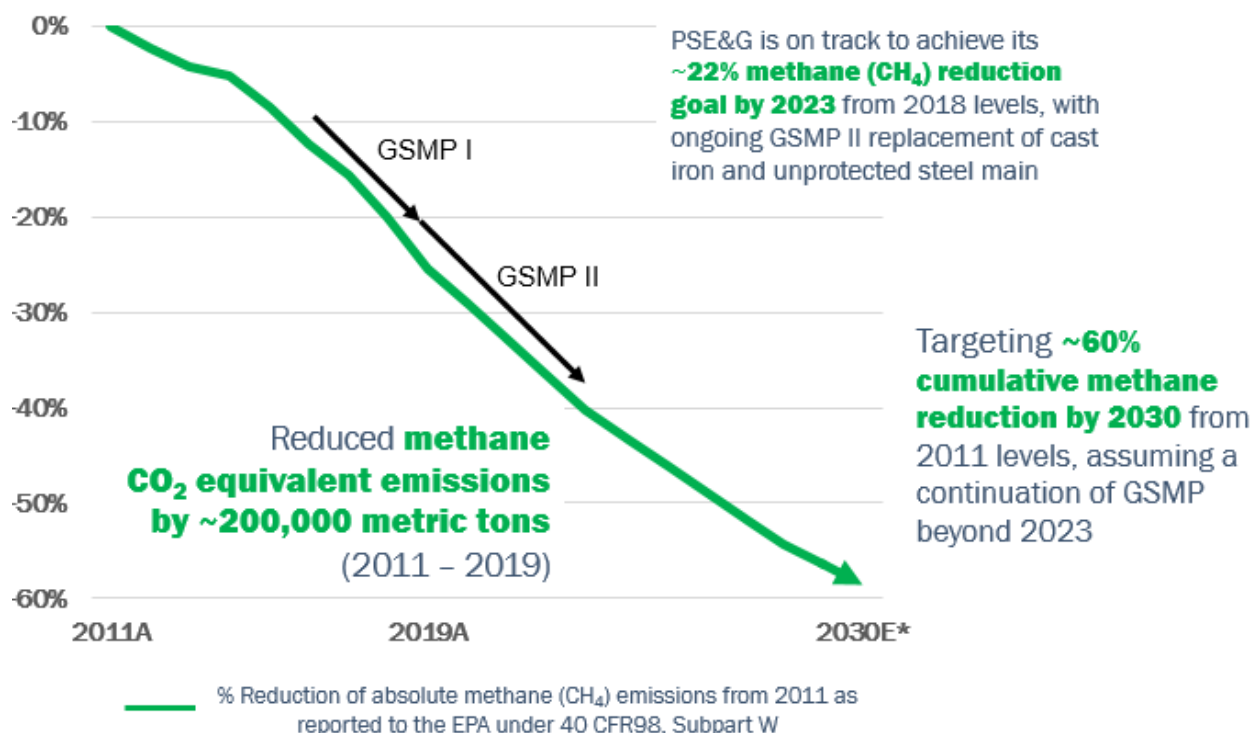
**GSMP II program provides for replacement of 875 miles over five years**

- ✓ \$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



A=ACTUAL. E=ESTIMATE.

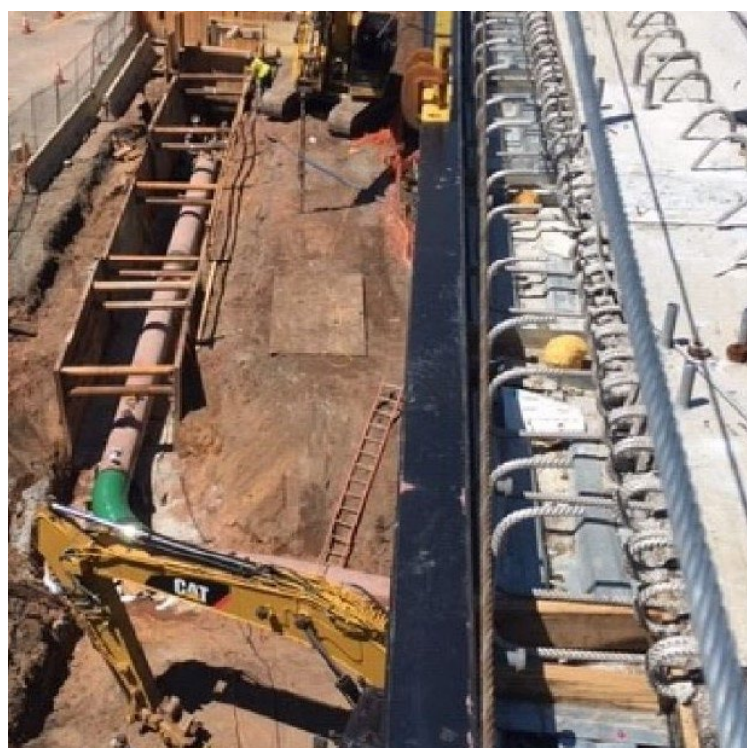
\*FORECAST TO 2030E BASED ON CURRENT AND POTENTIAL FUTURE ACCELERATED GAS MAIN REPLACEMENT IN FUTURE GAS SYSTEM MODERNIZATION PROGRAMS.

## WORKING WITH NJ TO IMPROVE CRITICAL NJ INFRASTRUCTURE

NJ Department of Transportation reconstruction of the Pulaski Skyway, a vital approach to the Holland Tunnel connecting New Jersey to lower Manhattan, required relocation of portions of a 600 psi 30-inch PSE&G gas transmission main to make room for the construction of a new foundation for the highway's Raymond Boulevard exit ramp in Newark, NJ.





In preparation for the removal of targeted section, 150 feet of new 30 inch main was installed, which was later tied into the existing main.

Over a four day period, a 2,900 foot section of the existing main was taken out of service, two tie-in pieces were installed to the new stretch of main, and the entire main was placed back in service, allowing for the removal of the span that occupied the site of the new exit.





## PSE&G CLEAN ENERGY FUTURE PROGRAM OVERVIEW

Energy Efficiency (EE)	Energy Cloud (EC) "AMI"	Electric Vehicles (EV)	Energy Storage (ES)
\$1B Commitment 3 years <i>Approved Sept 2020</i>	\$707M* Investment 4 years <i>Approved Jan 2021</i>	\$166M Investment ~6 years <i>Approved Jan 2021</i>	\$109M Investment <i>Filed amount, outcome pending</i>
			
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  <i>Medium- and heavy-duty vehicle investments pending</i>	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; AMI=ADVANCED METERING INFRASTRUCTURE

## 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 starting June/October 2021 (electric/gas) aligns incentives for utility, customer and state policy goals; first NJ electric utility approved for the CIP recovery mechanism
- Creates 3,200 direct and 1,100 indirect clean energy jobs
- Energy savings targets measured over 5 years; No incentives or penalties during first 3 years
- Improves New Jersey into a national leader in EE

Clean Energy Future - EE	Investment	ROE	Amortization	Lost Revenue Recovery**
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.

## PSE&G'S ENERGY EFFICIENCY OFFERINGS: A SUITE OF TEN RESIDENTIAL, COMMERCIAL & INDUSTRIAL PROGRAMS

Residential Programs*	Program	Description
	Efficient Products	Rebates and on-bill repayment for HVAC, smart thermostats, appliances, lighting, and other equipment
	Existing Homes	Rebates and on-bill repayment for energy audit, direct install of efficient equipment, and broader weatherization / appliance replacement services
	Behavioral	Data analytics, home energy reports and online energy audits
	Multi-Family	Energy audit and direct install of efficient equipment at no charge to tenants
Commercial & Industrial	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
	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-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 plans to install over 2 million meters beginning in 2021 and concluding in 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<sub>2</sub> 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.

## 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

~1,000 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.



## PSE&G SOLAR PROGRAMS SUPPORT NEW JERSEY POLICY OBJECTIVES



PSE&G's solar programs continue to create jobs, spur economic activity and help New Jersey meet its renewable energy goals.

Our renewable energy initiatives have helped New Jersey install the 7<sup>th</sup> most solar generating capacity in the nation, and PSE&G to rank 8<sup>th</sup> among U.S. utilities for installed solar megawatts. Through our Solar 4 All® program, grid-connected solar developed on landfills and brownfields provides clean energy for all customers. Solar-plus-battery-storage projects reduce solar power's impact on the grid and provide resiliency for critical facilities during prolonged power outages.

**Solar 4 All®** is our 158-megawatt (MW) program that utilizes rooftops, parking lots, ground-mounted solar farms, utility poles and landfills/brownfields for large-scale, grid-connected solar projects. The revenue PSE&G receives from the sale of solar energy, the sale of the solar renewable energy credits (SRECs) and the federal investment tax credit realized is returned to customers, offsetting the overall cost of the program.

The **Solar Loan** program, launched in 2008, is the second piece of PSE&G's solar development strategy. It has made approximately \$335 million available through 1,637 loans to help homeowners and businesses develop approximately 146 MW through year-end 2020. Loans financed up to 70% of installation costs and are being repaid using SRECs, which are generated by the solar installation. The program closed in 2020.



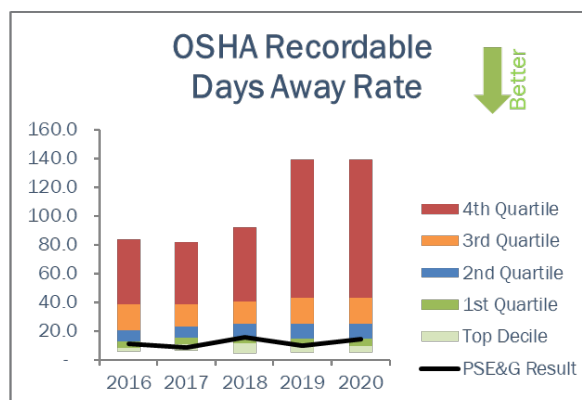
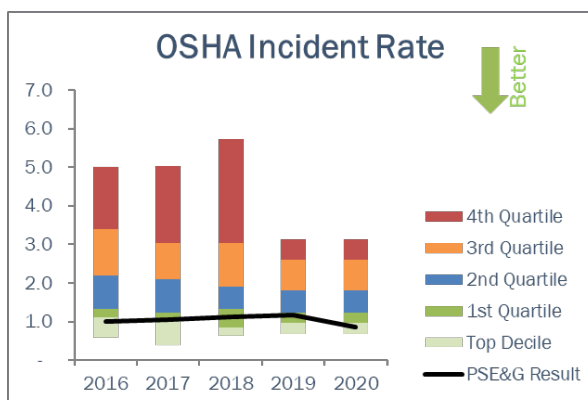
### PSE&G INVESTMENTS IN SOLAR

**\$1.016  
Billion**  
Invested in  
Solar

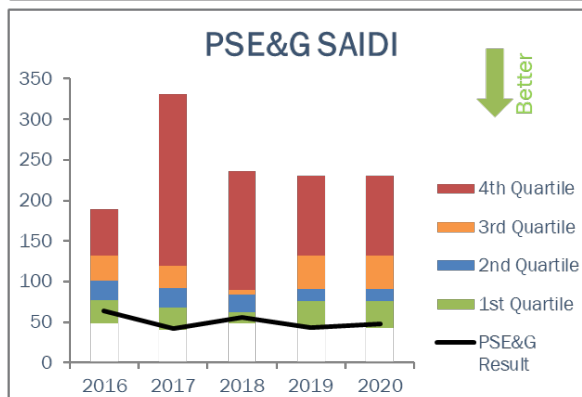
Renewables Program	2009-2020 Installed	Total Investment
Solar Loan I, II, III	146 MW	\$335 Million
Solar 4 All, Extension & Extension II	158 MW	\$681 Million

DATA AS OF YEAR-END 2020. ALL SOLAR MEGAWATTS (MW) ARE QUOTED IN MW<sub>DC</sub>.

## OPERATIONAL EXCELLENCE: SAFETY & RELIABILITY



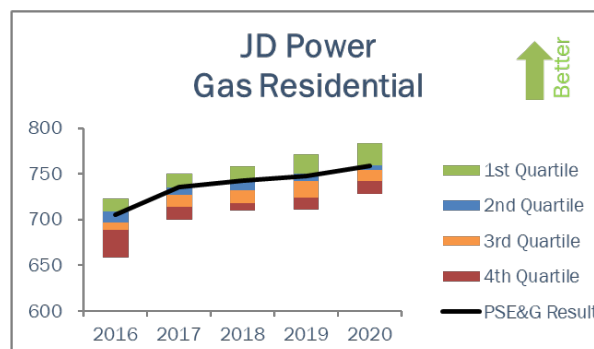
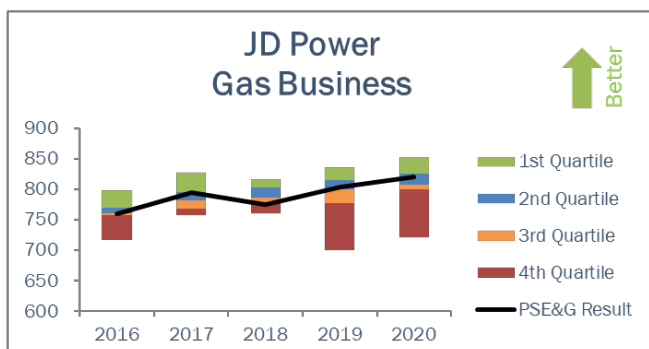
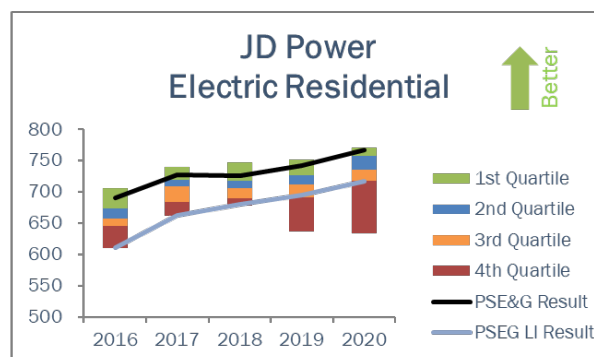
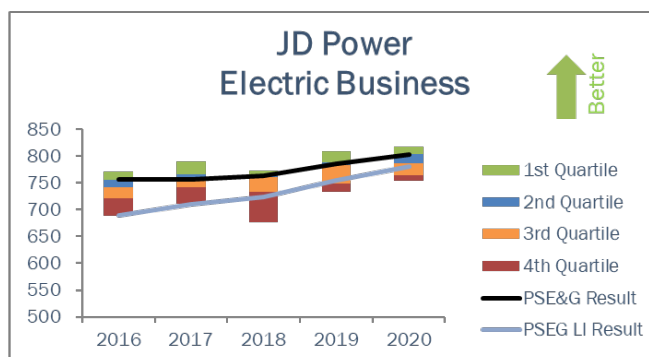
PSE&G's System performance, as measured by System Average Interruption Duration Index (SAIDI), has consistently been ranked among the best performers



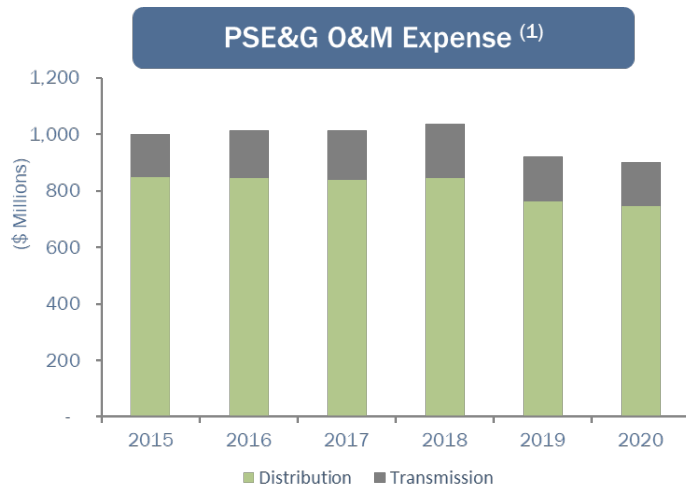
## OPERATIONAL EXCELLENCE: CUSTOMER SATISFACTION

Achieved electric & gas residential top quartile performance in 2020

### JD Power Residential and Business Scores



## OPERATIONAL EXCELLENCE: SUCCESSFULLY MANAGING O&M COSTS



- Demonstrated ability to control O&M, preserving earnings and returns
- Distribution O&M has decreased over the period driven by favorable results related to pension/OPEB

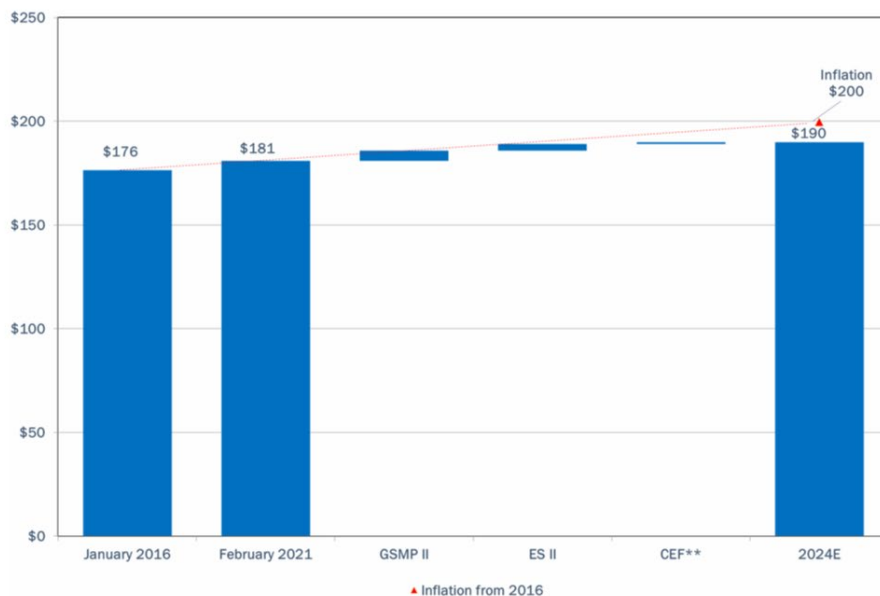
### Cost control actions

- PSE&G is utilizing Best Practices and Continuous Improvement initiatives, to achieve costs savings
- Regular organizational refinement to streamline processes
- Utilization of technology and process change to improve productivity, reducing overtime and construction costs

(1) EXCLUDES CERTAIN REGULATORY BALANCE ACCOUNT 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.

## BILL IMPACTS FROM OUR INFRASTRUCTURE AND CLEAN ENERGY PROGRAMS ARE EXPECTED TO REMAIN IN LINE WITH INFLATION

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



- 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 OF CEF-EC & CEF-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.



**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.



## NEW JERSEY BOARD OF PUBLIC UTILITIES

The Board of Public Utilities (NJBPUB) is a regulatory authority with a statutory mandate to ensure safe, adequate, and proper utility services at reasonable rates for customers in New Jersey. The NJBPUB consists of five commissioners appointed by the Governor of New Jersey. These appointees are confirmed by the NJ Senate for six-year, staggered terms. The Governor appoints one of the five to serve as Commission President.



**JOSEPH L. FIORDALISO**  
PRESIDENT  
DEMOCRAT  
TERM EXPIRES 2025



**UPENDRA J. CHIVUKULA**  
COMMISSIONER  
DEMOCRAT  
TERM EXPIRED 2020\*



**ROBERT M. GORDON**  
COMMISSIONER  
DEMOCRAT  
TERM EXPIRES 2023



**MARY-ANNA HOLDEN**  
COMMISSIONER  
REPUBLICAN  
TERM EXPIRES 2021\*



**DIANNE SOLOMON**  
COMMISSIONER  
REPUBLICAN  
TERM EXPIRED 2019\*

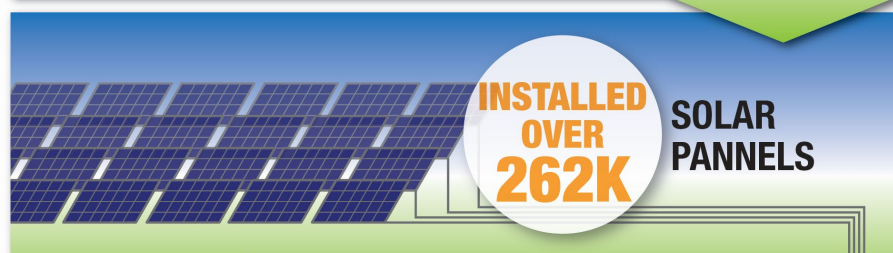
\*COMMISSIONERS SERVE IN THEIR FULL CAPACITY UNTIL REAPPOINTED OR REPLACED.

The website of the NJBPUB is: <https://www.bpu.state.nj.us>

The website of the New Jersey BPU's Energy Master Plan is: <https://nj.gov/emp/>

The website for updates on PSEG Regulatory Activity is: <https://investor.pseg.com/current-regulatory-activity>

## PSE&G Turns NJ Landfills



**Into Solar Farms**



## FEDERAL ENERGY REGULATORY COMMISSION

The Federal Energy Regulatory Commission, or FERC, is an independent agency that regulates the interstate transmission of electricity, natural gas, and oil. The FERC is composed of up to five commissioners who are appointed by the President of the United States with the advice and consent of the Senate. Commissioners serve five-year terms, and have an equal vote on regulatory matters.



**RICHARD GLICK**  
CHAIRMAN  
TERM EXPIRING:  
JUNE 2022  
DEMOCRAT



**NEIL CHATTERJEE**  
COMMISSIONER  
TERM EXPIRING:  
JUNE 2021  
REPUBLICAN



**ALLISON CLEMENTS**  
COMMISSIONER  
TERM EXPIRING:  
JUNE 2024  
DEMOCRAT



**MARK CHRISTIE**  
COMMISSIONER  
TERM EXPIRING:  
JUNE 2025  
REPUBLICAN



**JAMES DANLY**  
COMMISSIONER  
TERM EXPIRING:  
JUNE 2023  
REPUBLICAN

The website of the FERC is: <https://www.ferc.gov>

## PSE&G EXECUTIVES



**DAVID M. DALY**  
PRESIDENT,  
PSE&G



**KIM C. HANEMANN**  
SENIOR VICE PRESIDENT  
AND  
CHIEF OPERATING OFFICER,  
PSE&G



# PSEG Long Island



## Our Mission

To build an industry leading electric service company that places safety first, in all we do, providing customers across Long Island and the Rockaways with:

- Excellent customer service
- Best in class electric reliability and storm response
- Opportunities for energy efficiency and renewables
- Local, caring, and committed employees, dedicated to giving back to their communities

PSEG was selected to operate Long Island Power Authority's (LIPA) electric transmission and distribution system under a 12-year Operating Services Agreement (OSA) that began January 1, 2014.

In connection with the OSA, PSEG Long Island acts as LIPA's agent in executing on many of its obligations. In return, PSEG is reimbursed for pass-through operating expenses, receives a fixed management fee and is eligible to earn incentive fees based on meeting established performance metrics. If PSEG Long Island meets certain performance levels during the initial agreement, the OSA may be extended for an additional eight years.



## WE ARE COMMITTED TO BEING AN INDUSTRY LEADING UTILITY PROVIDING LONG ISLAND AND THE ROCKAWAYS WITH HIGH QUALITY SERVICE, RELIABILITY AND CUSTOMER SATISFACTION



**PSEG Long Island** has worked hard since 2014 to not only improve system reliability but to improve customer service and be an engaged and responsive community partner. Investments in infrastructure and new maintenance procedures have improved system reliability by 26% and we are proud to have been recognized by the American Public Power Association as a 'Diamond' Reliable Public Power Provider for providing reliable and safe electric service to Long Island and the Rockaways. We continue to storm harden the infrastructure that powers our communities, with 1,000+ miles of hardened electric grid and upgraded circuits that have seen a significant reduction in storm damage and 45% fewer outages. PSEG Long Island has been recognized as the most improved utility from 2014 to 2019, with a 38% increase in customer satisfaction, improving the customer experience year after year. It is making enhancements following Tropical Storm Isaias which it expects will further improve the customer experience moving forward. PSEG Long Island is helping customers reduce energy use, save money and create a cleaner environment for the future, rebating more than \$505 million and saving more than 1,800,000 MWh of energy throughout our area. Today, Long Island has 40% of New York State's solar projects and approximately 55,000 solar interconnections. New York's first offshore wind farm will help power Long Island's clean energy future!

**PSEG Long Island** continues to remain significantly ahead of schedule in the deployment of smart meters as part of the Utility 2.0 project, now targeting completion of 95% of meter installations by September 1, one year ahead of schedule. The presence of AMI enables added and improved functionality to empower PSEG Long Island and its customers including: improved safety, efficiency, customer experience, system reliability, innovative rates and data insights for customers. We are also focused on a strategic plan that that will make us a next-generation utility. The plan includes the following components:



Improve Customer and  
Community Focus



Improve Customer  
Communications and  
Stakeholder Satisfaction



Leverage  
Technology

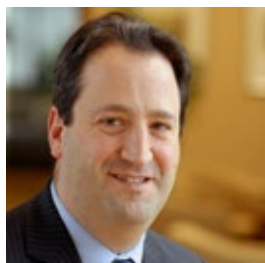


Improve System  
Reliability and Resiliency



Become Cleaner and  
More Sustainable

### PSEG LONG ISLAND EXECUTIVES



**RALPH A. LAROSSA**  
CHAIRMAN OF THE BOARD,  
PSEG LONG ISLAND



**DANIEL EICHHORN**  
PRESIDENT AND  
CHIEF OPERATING OFFICER,  
PSEG LONG ISLAND



# AN ENERGY PROVIDER TRANSITIONING TO A CLEANER AND MORE EFFICIENT GENERATING FLEET



## PSEGP<sub>Power</sub>



A major independent power producer in the U.S., PSEG Power operates a balanced portfolio both in terms of fuel mix and market segment (base load, load following, and peaking) that helps us generate the power our customers need, when they need it.

- PSEG Fossil operates the company's portfolio of natural gas, and oil-fired electric generating units, strategically selling or retiring all of its coal generation between 2017 and 2021.
- PSEG Nuclear operates the Salem and Hope Creek Nuclear Generating Stations in Lower Alloways Creek, NJ and is a part owner of the Peach Bottom Nuclear Generation Station in Delta, PA.
- PSEG Energy Resources & Trade operates a leading wholesale energy business in the eastern United States.
- PSEG Power Ventures includes the company's portfolio of 25 solar projects in 14 states totaling 467 MW<sub>DC</sub> at PSEG Solar Source.

### COMMITTED TO OPERATIONAL EXCELLENCE:

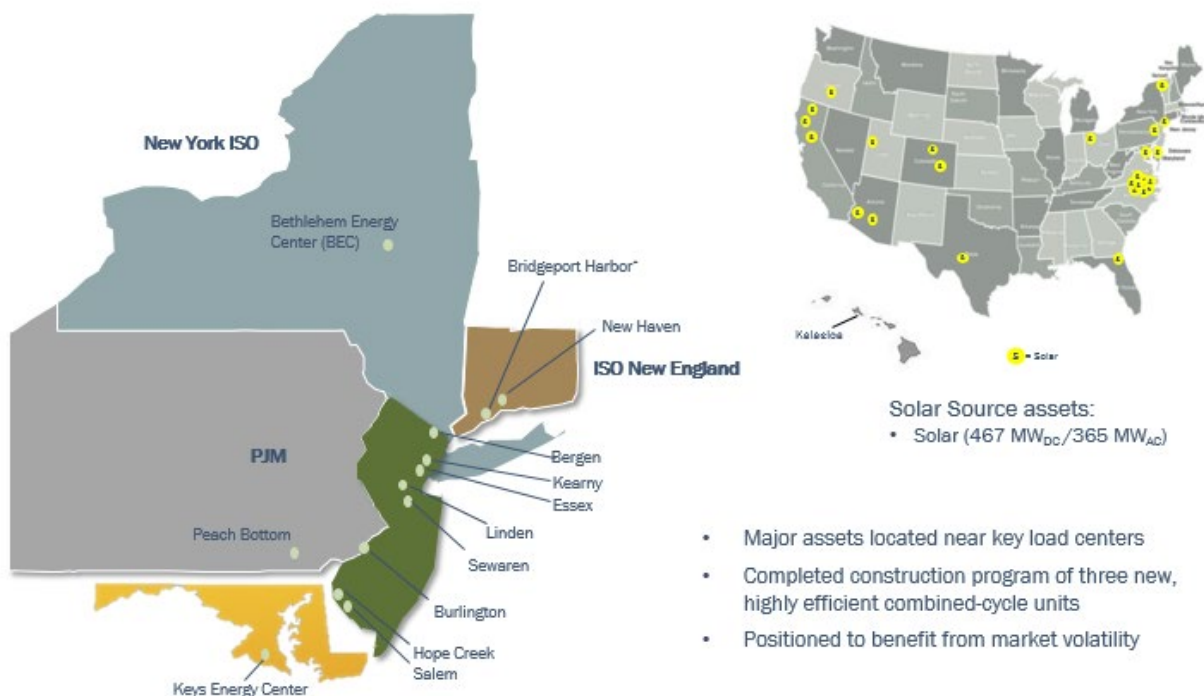
PSEG Power remains committed to operational excellence and continuously strives to improve our performance while maintaining a sharp eye on safety.

## PSEG EXPLORING STRATEGIC ALTERNATIVES FOR NON-NUCLEAR FLEET

- **Accelerate transformation into primarily regulated electric and gas utility and contracted business**
  - ✓ Reduce overall business risk and earnings volatility
  - ✓ Improve credit profile
  - ✓ Enhance ESG position
  - ✓ Focus on New Jersey's Clean Energy Agenda
- **Retain ownership of nuclear fleet**
- **No adverse impact on current shareholder dividend policy (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**
- **Marketing of solar and fossil assets underway; completion of both sale processes expected to occur within 2021**

## PLANT LOCATIONS

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



ISO=INDEPENDENT SYSTEM OPERATOR

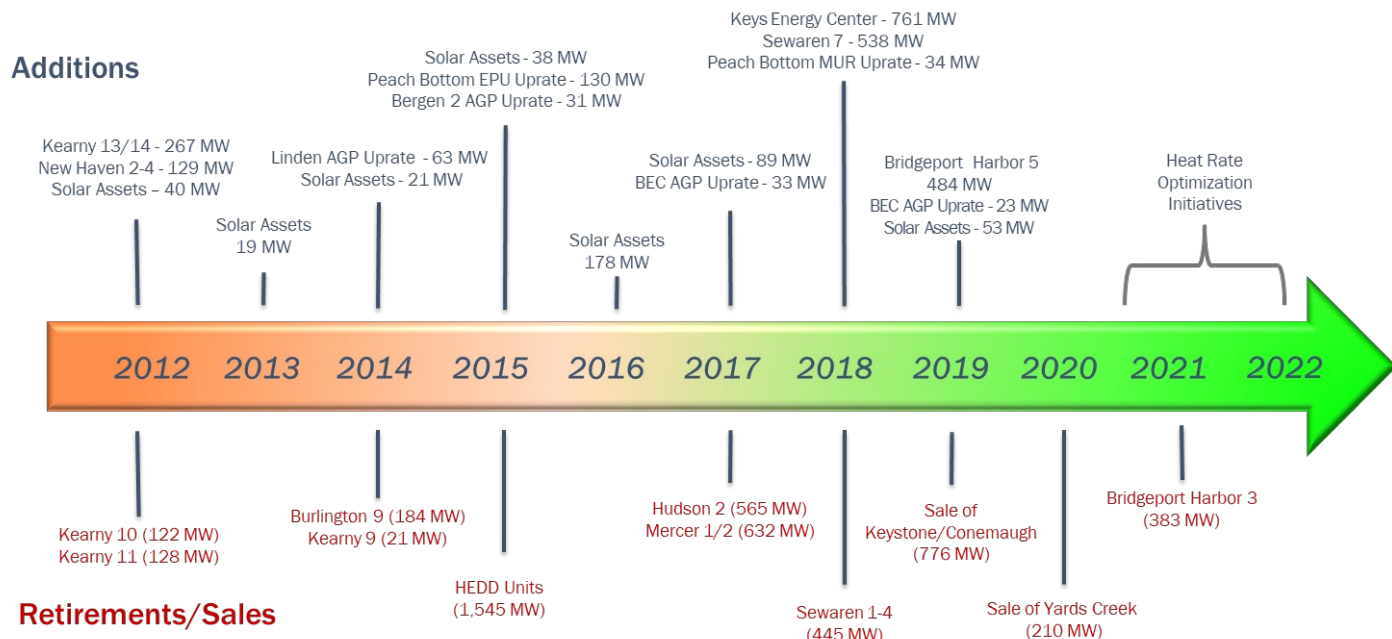
\*BRIDGEPORT HARBOR 3 EXPECTED TO RETIRE MID-JUNE 2021.



**GENERATING FACILITIES** (AS OF DECEMBER 31, 2020)

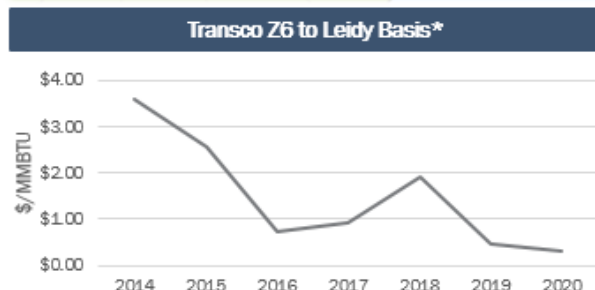
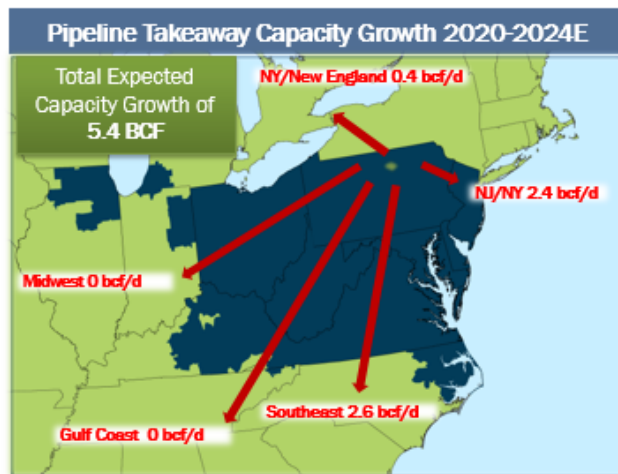
NAME	LOCATION	TOTAL CAPACITY (MW)	% OWNED	OWNED CAPACITY (MW)	PRINCIPAL FUELS USED
<b>Steam</b>					
Bridgeport Harbor 3 (A)	CT	383	100%	383	Coal
New Haven Harbor	CT	<u>448</u>	100%	<u>448</u>	Oil/Gas
<b>Total Steam</b>		<b><u>831</u></b>		<b><u>831</u></b>	
<b>Nuclear</b>					
Hope Creek	NJ	1,180	100%	1,180	Nuclear
Salem 1&2	NJ	2,285	57%	1,311	Nuclear
Peach Bottom 2&3 (B)	PA	<u>2,549</u>	50%	<u>1,275</u>	Nuclear
<b>Total Nuclear</b>		<b><u>6,014</u></b>		<b><u>3,766</u></b>	
<b>Combined Cycle</b>					
Bergen	NJ	1,245	100%	1,245	Gas/Oil
Linden	NJ	1,300	100%	1,300	Gas/Oil
Sewaren 7	NJ	538	100%	538	Gas/Oil
Keys Energy Center	MD	761	100%	761	Gas
Bethlehem	NY	817	100%	817	Gas
Bridgeport Harbor 5	CT	484	100%	484	Gas
Kalaheo	HI	<u>208</u>	50%	<u>104</u>	Oil
<b>Total Combined Cycle</b>		<b><u>5,353</u></b>		<b><u>5,249</u></b>	
<b>Combustion Turbine</b>					
Essex	NJ	81	100%	81	Gas/Oil
Kearny	NJ	456	100%	456	Gas/Oil
Burlington	NJ	168	100%	168	Gas/Oil
Linden	NJ	336	100%	336	Gas/Oil
New Haven Harbor	CT	130	100%	130	Gas/Oil
Bridgeport Harbor 4	CT	<u>17</u>	100%	<u>17</u>	Oil
<b>Total Combustion Turbine</b>		<b><u>1,188</u></b>		<b><u>1,188</u></b>	
<b>Total PSEG Power Plants</b>					
		<b>13,386</b>		<b>11,034</b>	
(A) SCHEDULED RETIREMENT JUNE 2021. (B) OPERATED BY EXELON GENERATION .					

## PSEG POWER'S FLEET TRANSFORMED: MORE EFFICIENT AND REDUCED CARBON FOOTPRINT



YEAR TO YEAR VARIANCES IN UNIT CAPACITY RATINGS MAY IMPACT OVERALL FLEET SIZE

## PSEG POWER'S FLEET IS WELL-LOCATED WITH ACCESS TO SHALE GAS PRODUCTION



\*DATA UPDATED AS OF DECEMBER 31, 2020  
BCF/D=BILLION CUBIC FEET PER DAY

- New pipeline development from the Marcellus Region is projected to slow considerably compared to prior years
- Gas production and pipeline takeaway capacity are more balanced than in prior years
- PSEG Power procured approximately 415 BCF in 2020 with approximately 40% going towards PSE&G's utility gas customer usage
- PSEG Power's gas for PJM generation was ~100 BCF in 2020, of which ~60% was supplied by Northeast shale gas
- Keys Energy Center reduces the overall PSEG Power shale gas percentage
- Basis Differential between Leidy and Transco Z6 has narrowed considerably
- The benefit of lower priced shale gas to PSEG Power's fleet has declined with the narrowing
- Forward variability still influenced by availability of takeaway capacity and production levels

## NEW JERSEY REALIZES BROAD BASED BENEFITS FROM PRESERVING ZERO CARBON NUCLEAR GENERATION ...

- ZECs awarded to PSEG Power's three NJ nuclear plants on April 18, 2019, codifying the Legislature's intent to preserve nuclear power plants for their clean air attributes that also benefit jobs, energy cost, and fuel diversity in New Jersey
- NJ electric distribution companies began collecting a \$0.004 non-bypassable charge to purchase ZECs from Hope Creek, Salem 1 and Salem 2 units at a cost of ~\$10/MWh for a three-year period that extends to May 31, 2022
- PSEG Power filed applications for its three NJ nuclear plants to receive ZECs for the three-year period June 1, 2022 through May 31, 2025
- Final decision by the NJBPU is expected in April 2021
- The NJBPU has the ability to award up to \$10/MWh for the second three-year period

... AND CONTAINS SIGNIFICANT CONSUMER PROTECTIONS.

## NJ Zero Emission Certificates support carbon free nuclear generation



Plant	Operator	PSEG Ownership	Total Capacity / PSEG Owned (MW) *	License Expiration Year	Next Scheduled Refueling	Historical Average Capacity Factor (2016 - 2020)
Hope Creek	PSEG Nuclear	100%	1,180	2046	Spring 2021	92.2%
Salem 1	PSEG Nuclear	57%	2,285/ 1,311	2036	Spring 2022	79.8%
Salem 2	PSEG Nuclear	57%		2040	Fall 2021	87.9%
Peach Bottom 2	Exelon	50%	2,549/ 1,275	2053	Fall 2022	94.4%
Peach Bottom 3	Exelon	50%		2054	Fall 2021	95.7%

\*AS OF DECEMBER 31, 2020

## PSEG POWER GENERATION MEASURES\*

(UNAUDITED)

Year Ended December 31,

GWH BREAKDOWN	2020	2019	2018
<b>Nuclear</b>			
Nuclear – NJ	19,862	19,009	20,394
Nuclear – PA	<u>10,896</u>	<u>11,147</u>	<u>10,837</u>
<b>Total Nuclear</b>	<b><u>30,758</u></b>	<b><u>30,156</u></b>	<b><u>31,231</u></b>
<b>Coal</b>			
Fossil Coal – PA**	–	3,808	5,410
Fossil Coal – CT***	<u>(20)</u>	<u>53</u>	<u>333</u>
<b>Total Coal</b>	<b><u>(20)</u></b>	<b><u>3,861</u></b>	<b><u>5,743</u></b>
<b>Oil &amp; Natural Gas</b>			
Fossil Oil & Natural Gas – NJ	8,676	11,591	11,525
Fossil Oil & Natural Gas – NY	4,976	4,544	5,142
Fossil Oil & Natural Gas – MD	4,956	4,661	2,190
Fossil Oil & Natural Gas – CT	<u>3,618</u>	<u>2,043</u>	<u>32</u>
<b>Total Oil &amp; Natural Gas</b>	<b><u>22,226</u></b>	<b><u>22,839</u></b>	<b><u>18,889</u></b>
<b>Total</b>	<b>52,964</b>	<b>56,856</b>	<b>55,863</b>
% GENERATION BY FUEL TYPE	2020	2019	2018
<b>Nuclear</b>			
Nuclear – NJ	38%	33%	37%
Nuclear – PA	<u>21%</u>	<u>20%</u>	<u>19%</u>
<b>Total Nuclear</b>	<b><u>59%</u></b>	<b><u>53%</u></b>	<b><u>56%</u></b>
<b>Coal</b>			
Fossil Coal – PA**	–	7%	10%
Fossil Coal – CT***	=	=	=
<b>Total Coal</b>	<b>=</b>	<b><u>7%</u></b>	<b><u>10%</u></b>
<b>Oil &amp; Natural Gas</b>			
Fossil Oil & Natural Gas – NJ	16%	20%	21%
Fossil Oil & Natural Gas – NY	9%	8%	9%
Fossil Oil & Natural Gas – MD	9%	8%	4%
Fossil Oil & Natural Gas – CT	<u>7%</u>	<u>4%</u>	=
<b>Total Oil &amp; Natural Gas</b>	<b><u>41%</u></b>	<b><u>40%</u></b>	<b><u>34%</u></b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*INDICATES PERIOD NET GENERATION, NEGATIVE VALUE REFLECTS MORE GWH REQUIRED TO OPERATE PLANTS THAN WERE GENERATED. EXCLUDES SOLAR , KALAELOA AND PUMPED STORAGE (PUMPED STORAGE SOLD Q3 2020); \*\*KEYSTONE/CONEMAUGH SOLD 9/2019; \*\*\*BRIDGEPORT HARBOR 3 SCHEDULED RETIREMENT 2021

## CAPACITY FACTORS

(UNAUDITED)

Year Ended December 31,

NUCLEAR CAPACITY FACTORS %	2020	2019	2018
<b>PS Share</b>			
Hope Creek	99.8	82.5	88.8
Peach Bottom 2	87.9	99.5	93.4
Peach Bottom 3	99.6	92.8	94.2
Salem 1	68.8	76.4	97.9
Salem 2	88.3	97.7	84.6
<b>Total (PS Share)*</b>	<b>90.3</b>	<b>88.7</b>	<b>91.4</b>
COAL CAPACITY FACTORS %**	2020	2019	2018
<b>CT Coal</b>			
Bridgeport Harbor 3***	-	1.6	9.9
<b>Total CT*</b>	<b>-</b>	<b>1.6</b>	<b>9.9</b>
*WEIGHTED AVERAGE; **KEYSTONE/CONEMAUGH SOLD 9/2019***BRIDGEPORT HARBOR 3 SCHEDULED RETIREMENT JUNE 2021			



## PJM'S CAPACITY MARKET HAS TRANSITIONED TO RECOGNIZE OPERATING PERFORMANCE AS WELL AS LOCATIONAL VALUE

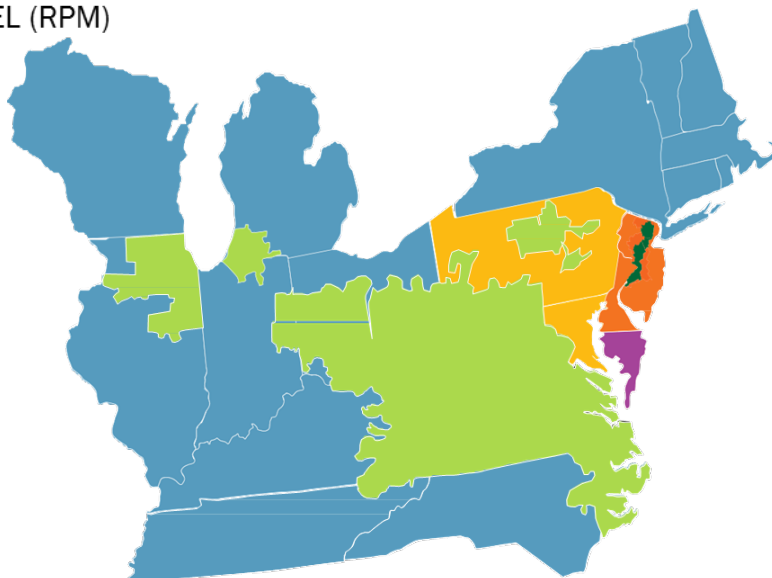
PJM's Reliability Pricing Model (RPM) is based on making capacity commitments three years ahead in an effort to create long-term price signals to attract needed investments to meet reliability requirements in the multi-state PJM region. 2022/2023 RPM Capacity Auction is scheduled to occur late May 2021, with results expected early June 2021.

### PJM'S RELIABILITY PRICING MODEL (RPM)

- EASTERN MAAC
- MAAC
- DPL SOUTH
- REST OF POOL
- PSEG ZONE

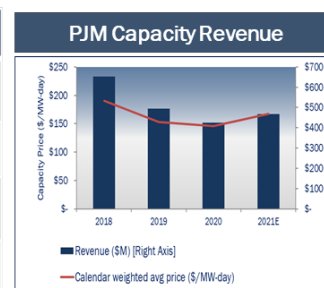
PSEG POWER'S PJM ASSETS ARE LOCATED IN CONSTRAINED ZONES, WHICH CLEARED AT HIGHER PRICES.

SOURCE: PSEG POWER



## CAPACITY MARKETS PROVIDE A SOLID AND CONTINUING REVENUE STREAM

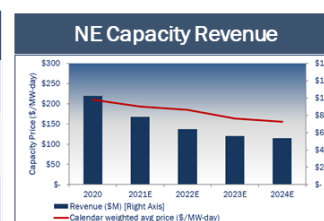
PJM's Capacity Auction Results*		
Delivery Year	2020/2021	2021/2022
PSEG Power's Average Prices (\$/MW-day)	\$167	\$168
Rest of Pool Prices (\$/MW-day)	\$77 (CP)	\$140 (CP)
PSEG Power's Cleared Capacity (MW)	7,700	7,600



2022/2023 Auction is scheduled to occur late May 2021 and will be informed by changes in:

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

ISO New England's Forward Capacity Market Auction Results* *					
Delivery Year	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
PSEG Power's Average Prices (\$/MW-day)	\$195	\$192	\$179	\$152	\$158
PSEG Power's Cleared Capacity (MW)	1,330	950	950	930	950



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

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

## PSEG POWER EXECUTIVES



**RALPH A. LAROSSA**  
PRESIDENT AND  
CHIEF OPERATING  
OFFICER,  
PSEG POWER



**SHAHID MALIK**  
PRESIDENT  
PSEG ENERGY  
RESOURCES  
& TRADE



**ERIC CARR**  
PRESIDENT  
PSEG NUCLEAR &  
CHIEF NUCLEAR  
OFFICER



**BRIAN J. CLARK**  
SENIOR VICE PRESIDENT,  
FOSSIL OPERATIONS

## PSEG POWER GLOSSARY OF TERMS

CCGT	COMBINED CYCLE GAS TURBINE
FERC	FEDERAL ENERGY REGULATORY COMMISSION
PJM	PJM INTERCONNECTION, L.L.C., A REGIONAL TRANSMISSION ORGANIZATION THAT COORDINATES THE MOVEMENT OF WHOLESALE ELECTRICITY IN ALL OR PARTS OF 13 NORTHEASTERN STATES AND THE DISTRICT OF COLUMBIA.
RPM	RELIABILITY PRICING MODEL, A PROCESS FOR PRICING GENERATION CAPACITY BASED ON OVERALL SYSTEM RELIABILITY REQUIREMENTS; USING MULTI-YEAR FORWARD AUCTIONS, PARTICIPANTS CAN BID CAPACITY IN THE FORM OF GENERATION, DEMAND RESPONSE, OR TRANSMISSION TO MEET RELIABILITY NEEDS BY LOCATION AND/OR AN ISO MARKET.
ZEC	ZERO EMISSION CERTIFICATE PROVIDES NJ NUCLEAR UNITS WITH A PAYMENT FOR THEIR ZERO EMISSION ATTRIBUTES



STRONG FINANCIAL POSITION AND CASH FLOW  
PROVIDE FLEXIBILITY IN VOLATILE MARKETS

# **PSEG***PublicServiceEnterpriseGroup*

## **ADDITIONAL FINANCIAL INFORMATION**

**PSEG GROWTH STRATEGY**

**COMMON DIVIDEND 2017-2021E**

**PSEG DEBT TO CAPITALIZATION**

**PSEG MAINTAINS A SOLID FINANCIAL POSITION**

**RECONCILING ITEMS EXCLUDED FROM**

**NET INCOME/(LOSS) TO COMPUTE OPERATING EARNINGS**

## FOCUS ON REGULATED GROWTH AND OPTIMIZING PSEG POWER'S CASH FLOW



### Strong business position

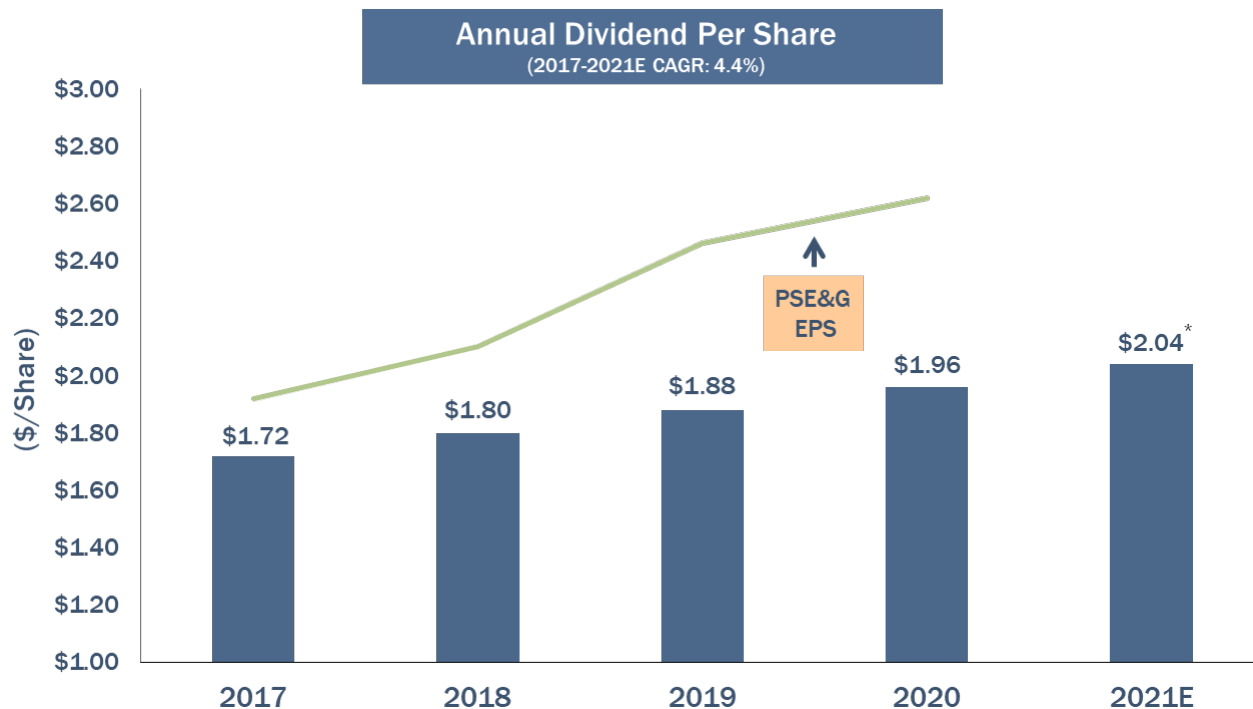
- ✓ \$22 billion of 2020 YE rate base is balanced between transmission & distribution
- ✓ Next base rate review not required before 2023
- ✓ ES II and GSMP II investing in critical energy infrastructure
- ✓ Approval of nearly \$2B in CEF programs
- ✓ Best-in class CCGT additions in PJM and CT
- ✓ Awarded ZECs for NJ nuclear units, preserves fuel diversity and favorable carbon footprint
- ✓ Over 70% of PSEG Power's 2021 gross margin secured via energy hedges, capacity revenues, ZECs and ancillary service payments
- ✓ Regulated operations contributing > 80% of PSEG's forecasted 2021 non-GAAP Operating Earnings
- ✓ Strong PSEG credit ratings (Baa1/BBB)\*
- ✓ PSEG generation fleet is significantly less carbon intensive than PJM and USA averages

### Opportunities for growth

- ✓ Rate base growth forecasted at 6.5% to 8% annually for next five years
- ✓ CEF-EE settlement requirement to file extension in 2022 to help reach NJ's energy savings targets
- ✓ GSMP extensions with > 3,500 miles of unprotected steel and cast iron main remaining at GSMP II completion
- ✓ Bridgeport Harbor 5 in-service with 7-year lock of capacity payments at \$231/MW-day through May 2026
- ✓ Completion of CCGT construction program improves PSEG Power's free cash flow
- ✓ FERC and PJM market reforms underway
- ✓ Over 90% of 5-year capital spending program directed to utility investment
- ✓ Expect strong cash flow will enable funding the entire 5-year capital plan, as well as planned and potential offshore wind investments during the 2021-2025 period, without the need to issue new equity
- ✓ Opportunity for consistent and sustainable growth in the common stock dividend

\*CREDIT RATINGS ARE SENIOR UNSECURED CREDIT RATINGS FOR MOODY'S/S&P FOR PSEG AS OF FEBRUARY 26, 2021.  
CCGT=COMBINED CYCLE GAS TURBINE

## 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 DEBT TO CAPITALIZATION

As of December 31, 2020 (\$ Billions)			
	PSEG Consolidated	PSE&G	PSEG Power
Short-Term Debt	\$1.1	\$0.1	\$-
Long-Term Debt	16.2	10.9	2.3
Common Equity	16.0	13.1	6.2
Total Capitalization	\$33.2	\$24.1	\$8.6
Total Debt/Capitalization	52%	46%	27%

TOTALS MAY NOT ADD DUE TO ROUNDING.

## PSEG MAINTAINS A SOLID FINANCIAL POSITION

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

HoldCo Term Loans and Senior Notes Outstanding as of 12/31/2020	
--	--

Term Loan due March 2021 (STD)	\$300M
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

Short-Term Debt Outstanding:	\$1.0B
Total Long-Term Debt Outstanding:	\$2.9B

Financing Activity subsequent to 12/31/2020	
---	--

Prepaid in January Term Loan due March 2021 (STD) (\$300M)

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

2020 PSE&G Debt Issuances	
---------------------------	--

Secured 2.45% MTNs due January 2030	\$300M
Secured 3.15% MTNs due January 2050	\$300M
Secured 2.70% MTNs due May 2050	\$375M
Secured 2.05% MTNs due August 2050	\$375M

**Total Long-Term Debt Outstanding as of 12/31/2020: \$10.9B**

Financing Activity subsequent to 12/31/2020	
---	--

Issued Secured 0.95% MTNs due March 2026	\$450M
Issued Secured 3.00% MTNs due March 2051	\$450M
Retired Secured 1.90% MTNs due March 2021	(\$300M)

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

Senior Notes Outstanding as of 12/31/2020	
---	--

3.00% Sr. Notes due June 2021	\$700M
4.15% Sr. Notes due September 2021	\$250M
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\*: \$2.3B**

\*INCLUDES \$44M PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY TAX-EXEMPT BOND MATURING 2042 BACKED BY LETTER OF CREDIT MATURING 2022

NOTE: CREDIT RATINGS ARE AS OF FEBRUARY 26, 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

**PSEG RECONCILIATION OF NON-GAAP OPERATING EARNINGS**

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

Reconciling Items	Year Ended December 31,		
	2020	2019	2018
	(\$ millions, Unaudited)		
<b>Net Income</b>	<b>\$ 1,905</b>	<b>\$ 1,693</b>	<b>\$ 1,438</b>
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax (PSEG Power)	(231)	(255)	144
(Gain) Loss on Mark-to-Market (MTM), pre-tax <sup>(a)</sup> (PSEG Power)	81	(285)	117
Plant Retirements and Dispositions, pre-tax (PSEG Power)	(122)	402	(51)
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)	-	58	8
Income Taxes related to Operating Earnings (non-GAAP) reconciling items <sup>(b)</sup>	106	37	(74)
<b>Operating Earnings (non-GAAP)</b>	<b>\$ 1,741</b>	<b>\$ 1,666</b>	<b>\$ 1,582</b>
<b>PSEG Fully Diluted Average Shares Outstanding (in millions)</b>	<b>507</b>	<b>507</b>	<b>507</b>
	(\$ Per Share Impact - Diluted, Unaudited)		
<b>Net Income</b>	<b>\$ 3.76</b>	<b>\$ 3.33</b>	<b>\$ 2.83</b>
(Gain) Loss on NDT Fund Related Activity, pre-tax (PSEG Power)	(0.46)	(0.50)	0.28
(Gain) Loss on MTM, pre-tax <sup>(a)</sup> (PSEG Power)	0.16	(0.56)	0.23
Plant Retirements and Dispositions, pre-tax (PSEG Power)	(0.24)	0.79	(0.10)
Oil LOCOM adjustment, pre-tax (PSEG Power)	-	-	-
Goodwill Impairment, pre-tax (PSEG Power)	-	0.03	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	0.11	0.02
Income Taxes related to Operating Earnings (non-GAAP) reconciling items <sup>(b)</sup>	0.21	0.08	(0.14)
<b>Operating Earnings (non-GAAP)</b>	<b>\$ 3.43</b>	<b>\$ 3.28</b>	<b>\$ 3.12</b>

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

(b) Income tax effect calculated at statutory rate except for lease related activity which is calculated at a combined leveraged lease effective tax rate, and NDT related activity which is calculated at the statutory rate plus a 20% tax on income (loss) from qualified NDT funds.

**PSEG SUBSIDIARY RECONCILIATION OF NON-GAAP OPERATING EARNINGS**

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

Reconciling Items	Year Ended December 31,		
	2020	2019	2018
	(\$ millions, Unaudited)		
<b>Net Income</b>	<b>\$ 594</b>	<b>\$ 468</b>	<b>\$ 365</b>
(Gain) Loss on NDT Fund Related Activity, pre-tax	(231)	(255)	144
(Gain) Loss on MTM, pre-tax <sup>(a)</sup>	81	(285)	117
Plant Retirements and Dispositions, pre-tax	(122)	402	(51)
Oil LOCOM adjustment, pre-tax	2	-	-
Goodwill Impairment, pre-tax	-	16	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items <sup>(b)</sup>	106	63	(73)
<b>Operating Earnings (non-GAAP)</b>	<b>\$ 430</b>	<b>\$ 409</b>	<b>\$ 502</b>
<b>PSEG Fully Diluted Average Shares Outstanding (in millions)</b>	<b>507</b>	<b>507</b>	<b>507</b>

(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 is calculated at the statutory rate plus a 20% tax on income (loss) from qualified NDT funds.

**PSEG Enterprise/Other**  
**Operating Earnings (Non-GAAP) Reconciliation**

Reconciling Items	Year Ended December 31,		
	2020	2019	2018
	(\$ millions, Unaudited)		
<b>Net Income (Loss)</b>	<b>\$ (16)</b>	<b>\$ (25)</b>	<b>\$ 6</b>
Lease Related Activity, pre-tax	-	58	8
Income Taxes related to Operating Earnings (non-GAAP) reconciling items <sup>(a)</sup>	-	(26)	(1)
<b>Operating Earnings (non-GAAP)</b>	<b>\$ (16)</b>	<b>\$ 7</b>	<b>\$ 13</b>
<b>PSEG Fully Diluted Average Shares Outstanding (in millions)</b>	<b>507</b>	<b>507</b>	<b>507</b>

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

## ESG &amp; SUSTAINABILITY SUMMARY

## Leadership

- **Clean Energy Future:** PSEG has 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 on track to achieve 2023 methane reduction goal of ~22% from 2018 levels
- PSEG Power's commitment to reduce GHG emissions by 80% from 2005 levels by 2046
- PSEG Power 2019 vision for Net-Zero emissions by 2050
  - ✓ PSEG announced a strategic review of PSEG Power's non-nuclear generation assets
  - ✓ PSEG Power is already at half the CO<sub>2</sub> intensity of PJM/U.S. averages
  - ✓ PSEG Power is coal-free by mid-2021
- PSEG to acquire 25% interest in Ocean Wind, NJ's first Offshore Wind farm
- Solar energy investments total ~\$1.9B
- **2020 Climate Report** follows TCFD
- **2019 Sustainability Report** is SASB compliant
- **2020 PSEG Performance Report**

## Policies &amp; Goals

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



## Recognition &amp; 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 2020 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 5, OTHERS - 100% TO 0%

ESG=ENVIRONMENTAL, SOCIAL, GOVERNANCE; CEF=CLEAN ENERGY FUTURE; AMI=AUTOMATED METERING INFRASTRUCTURE; EV=ELECTRIC VEHICLE; GHG=GREENHOUSE GAS; TCFD=TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES; SASB=SUSTAINABILITY ACCOUNTING STANDARDS BOARD

NOTE: PSEG ESG SCORES AS OF MARCH 31, 2021.

## PSEG DEPLOYS CAPITAL CONSISTENT WITH A LONGSTANDING COMMITMENT TO SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP

PSEG's response to climate change has led to several major investment programs:

Supporting development of solar generation in NJ:

- Solar 4 All® 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
- Clean Energy Future (CEF) – EE (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

## PSE&G'S CLEAN ENERGY 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

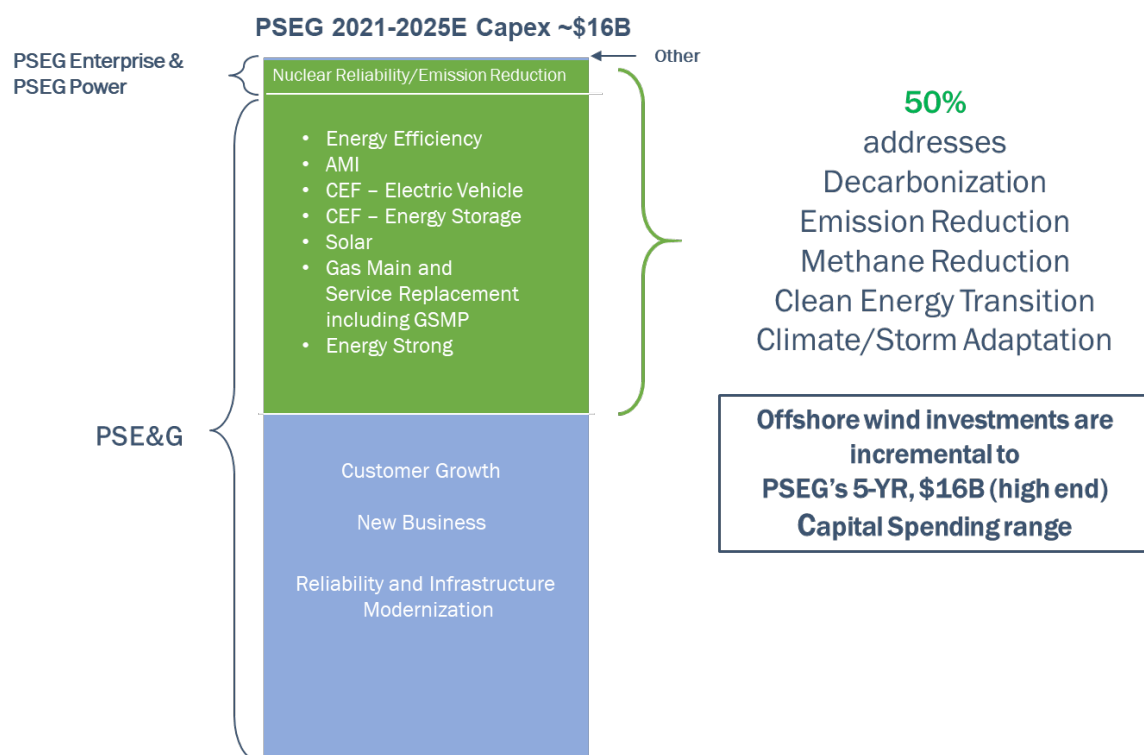
PSE&G's approved program has significant investments in three customer segments: **40,000** residential smart chargers, **3,500** mixed-use Level 2 chargers and **1,000** public DC fast-chargers; and offers smart charging rebates

Since 2008, PSE&G has approved more than **\$325 Million** in loans and helped more than 1,600 PSE&G customers to finance nearly **140 MW** of solar on NJ homes and businesses 

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

Upon completion of the Gas System Modernization Program II, 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

## PSEG'S INVESTMENTS ARE ALIGNED WITH NEW JERSEY'S CLEAN ENERGY GOALS AND STRONGER RELIABILITY TO MEET CUSTOMERS' INCREASING EXPECTATIONS





## PSEG TO ACQUIRE 25% INTEREST IN ØRSTED'S OCEAN WIND; INVESTMENT ALIGNED WITH NJ'S CLEAN ENERGY GOALS

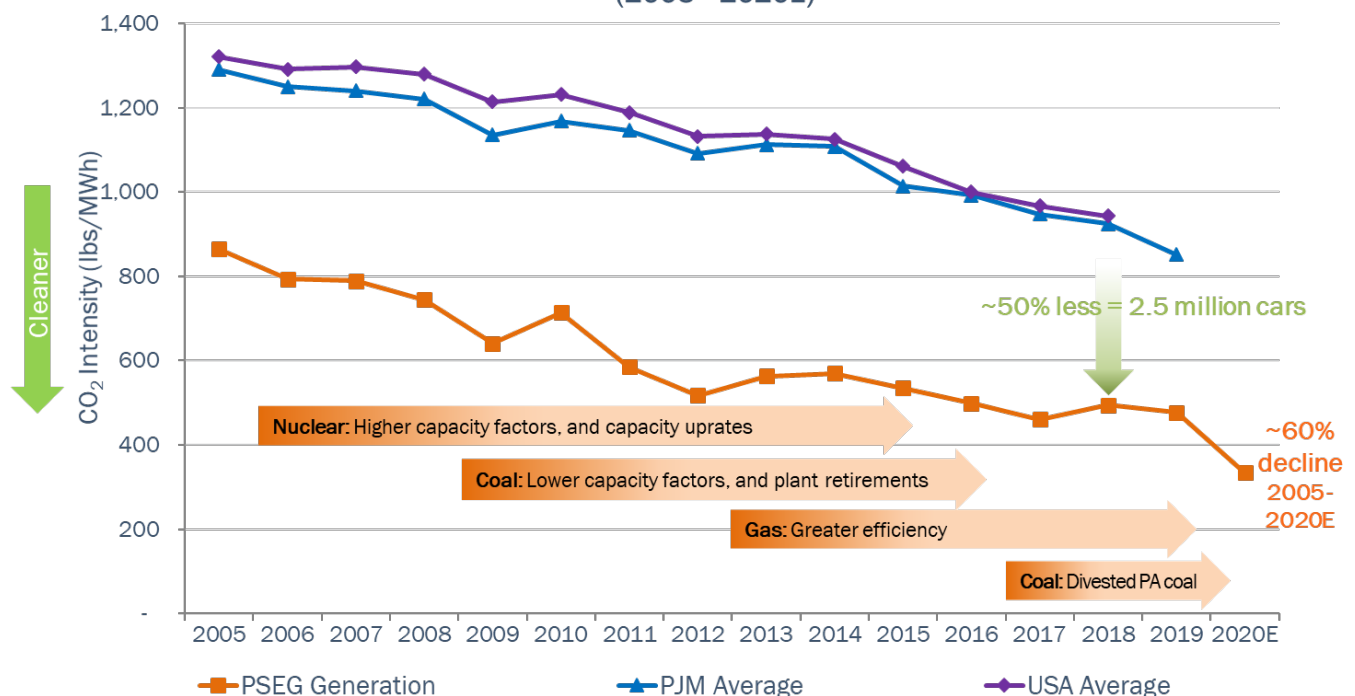
- PSEG Renewable Generation will initiate a new investment in contracted renewable generation via partnership with Ørsted, a global leader in Offshore Wind development
- PSEG has agreed to acquire a 25% interest in the 1,100 MW Ocean Wind project, located off the coast of southern New Jersey; NJBPU approved PSEG participation in March
- PSEG's 25% interest will include 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 could provide first power in late 2024 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

## CLIMATE STRATEGY – PSEG'S FLEET TRANSFORMATION IS ADDRESSING CLIMATE CHANGE

PSEG Generation Carbon Emission Intensity vs. PJM and USA  
(2005 - 2020E)



E=ESTIMATE.

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