



Public Service Enterprise Group

May 2022 Investor Update

NYSE TICKER: PEG

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 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 1 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 nuclear fuel supply;
- market risks impacting the operation of our nuclear 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 nuclear generation output and purchase of nuclear fuel;
- any inability to meet our commitments under forward sale obligations;
- reliance on transmission facilities to maintain adequate transmission capacity for our nuclear 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.

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

GAAP Disclaimer

PSEG presents Operating Earnings in addition to its Net Income/(Loss) 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/(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. The last two slides in this presentation (Slides A and B) include a list of items excluded from Net Income/(Loss) to reconcile to non-GAAP Operating Earnings with a reference to those slides included on each of the slides where the non-GAAP information appears.

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

Due to the forward-looking nature of non-GAAP Operating Earnings guidance, PSEG is unable to reconcile 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 May 3, 2022.

From time to time, PSEG and PSE&G 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> or navigating to the Email Alerts webpage [here](#).

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 & Other¹**
- **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 EPS growth rate of 5% - 7% from the 2022 guidance midpoint to 2025
 - Raised indicative annual 2022 common dividend by \$0.12 per share to \$2.16 per share
 - Completed remainder of \$500M share repurchase program in May 2022 via accelerated share repurchase program
- **Planned CEO Succession to begin September 1:**
 - Ralph Izzo to retire as CEO; will continue on as Executive Chair of the Board through year-end 2022
 - Ralph LaRossa elected by the PSEG Board of Directors as President and CEO; will assume additional responsibilities of Chair of the Board on January 1, 2023

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



1) Carbon-free Generation, Infrastructure & Other includes our nuclear generating fleet, investments in regional offshore wind, gas operations, PSEG Long Island contracts, other investments including Kalaëloa, as well as parent financing costs.

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 carbon-free nuclear generating fleet
- 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 & Memberships

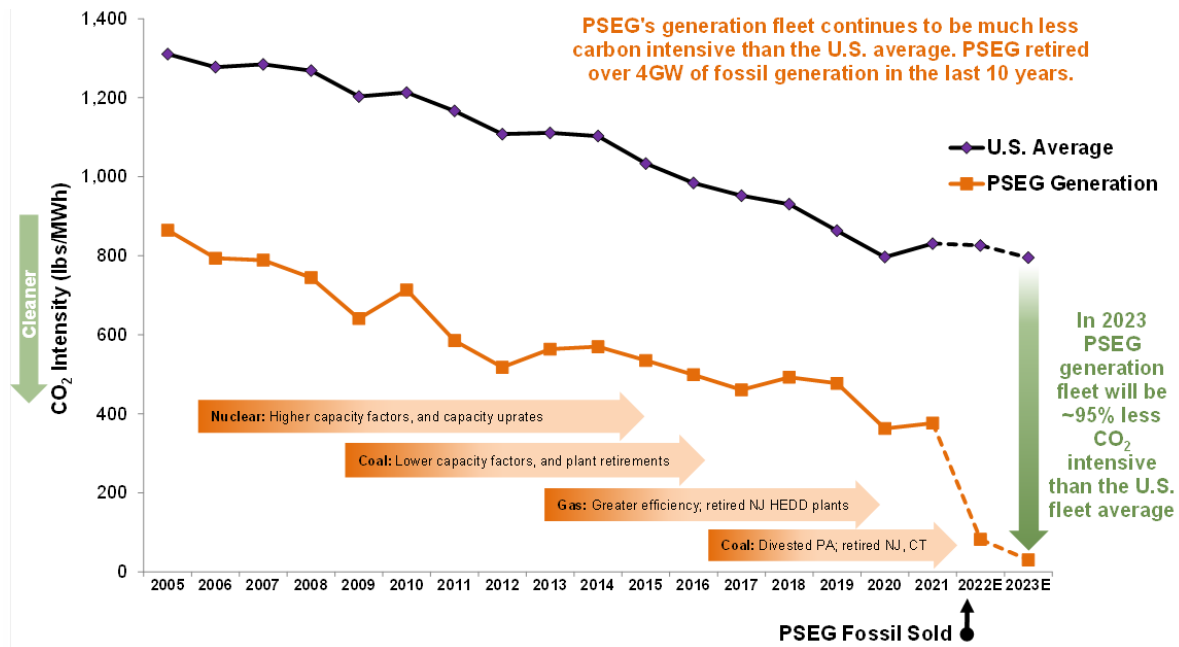
- Named to Dow Jones Sustainability Index – North America 14 years in a row
- Highest ranked Utility on Newsweek's America's Most Responsible Companies 2022
- PSE&G named as a 2022 ENERGY STAR® Partner of the Year - Energy Efficiency Program Delivery
- PSEG Long Island named as a 2022 ENERGY STAR® Partner of the Year - Sustained Excellence Award



Scope 1 are direct emissions from power generation, vehicle fleets and methane, SF₆ and refrigerant leaks; Scope 2 are indirect emissions from operations from purchased energy of electric and gas and line losses; Scope 3 are indirect emissions from our value chain.

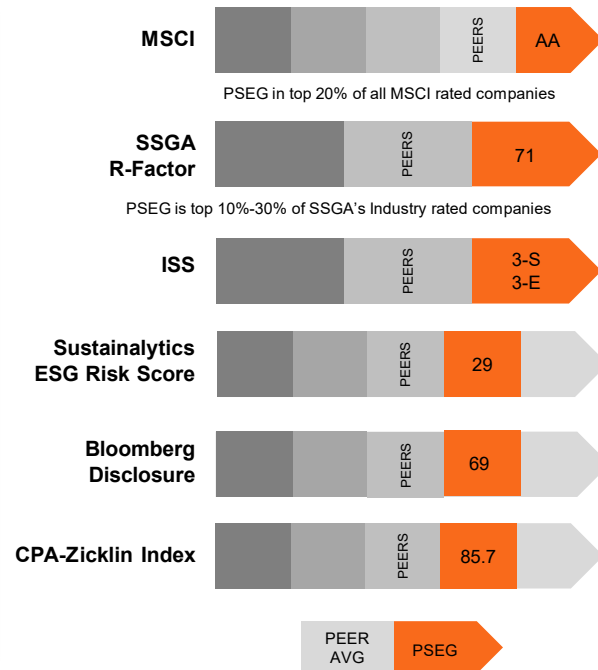
PSEG has outpaced the industry in reducing carbon emissions intensity, and is getting recognized for ESG performance

PSEG Generation Carbon Emissions Intensity vs. U.S. Fleet Average (2005 – 2023E)



Source: For PSEG: MJ Bradley "U.S. Benchmarking Air Emissions" and PSEG; For USA: EIA actuals 2005-2021, EIA forecasted 2022-2023 from Annual Energy Outlook 2022. HEDD: New Jersey's High Electric Demand Day ("HEDD") rule limits NOx emissions from turbines and boilers. EIA = US Energy Information Administration.

PSEG's ESG Vital Signs: Relative Scores

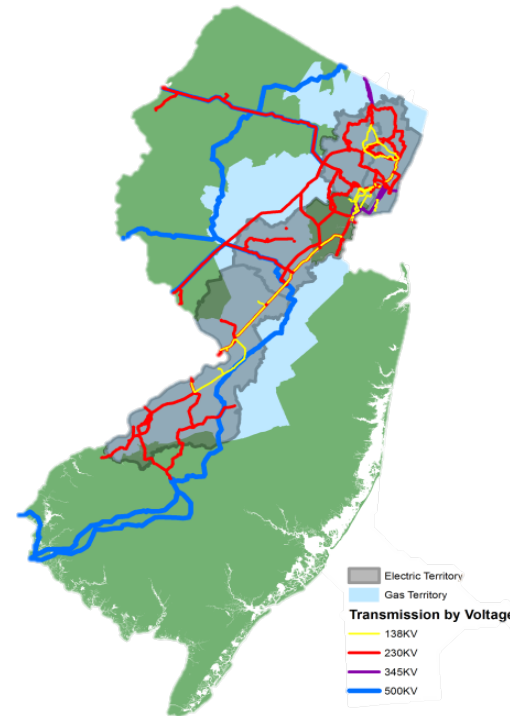


Scores: MSCI – AAA (best) to CCC, ISS – 1 (best) to 10, Sustainalytics ESG Risk Score – 0% (best) to 100%, Others – 100% (best) to 0%. Scores as of March 31, 2022

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	PSE&G YE 2021 Rate Base***
Customers 5-Year Annual Customer Growth*	2.3 Million 0.8%	1.9 Million 0.7%	<p>>\$24.5B</p> <p>Distribution 52%</p> <p>Transmission 46%</p> <p>Solar & Energy Efficiency 2%</p>
2021 Electric and Gas Sales	40,163 GWh	2,422M Therms**	
Sales Mix (2021)			
Residential	35%	59%	
Commercial	56%	37%	
Industrial	9%	4%	

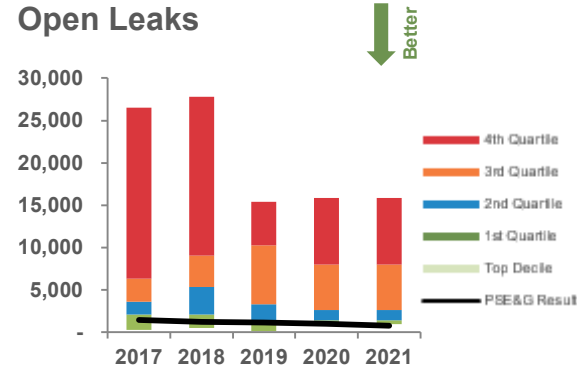
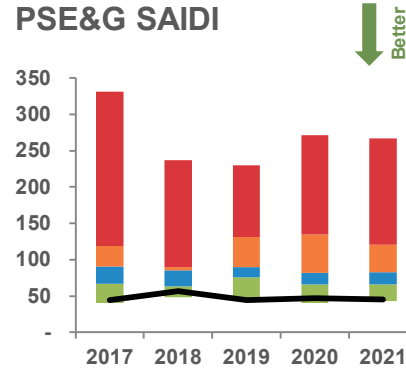
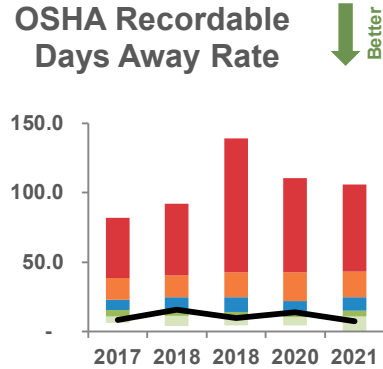
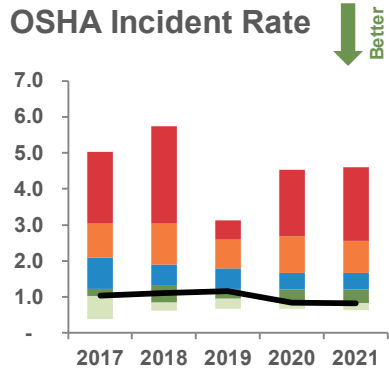


*Annual customer growth uses 2016 as base year.

**Gas Firm sales only.

*** Excludes CWIP. 2021 Year-end CWIP balance was ~\$1.2B.

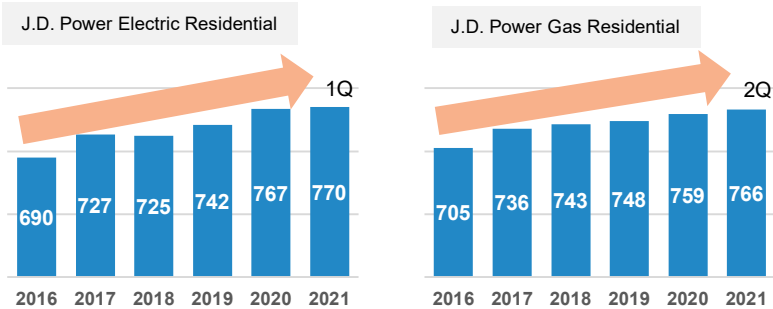
PSE&G: Top decile safety and reliability performance



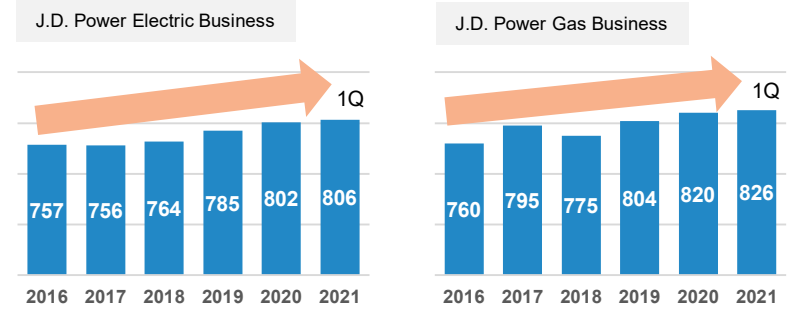
- OSHA Recordable Incidence Rate, OSHA Days Away Rate, SAIDI and open gas leaks are performing top decile Q1 2022
- Top decile performance for PSE&G in OSHA metrics in 2021
- Top decile performance in SAIDI and electric reliability performance in 2021
- Top decile and best ever recorded performance for PSE&G in open year-end gas leaks in 2021; 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 Strong Customer Satisfaction Scores for E&G

J.D. Power Residential Satisfaction



J.D. Power Business Satisfaction



J.D. Power first quarter 2022 Residential Electric Study

- Achieved top quartile performance overall* among large utilities in the east

2021 Key J.D. Power Satisfaction Takeaways

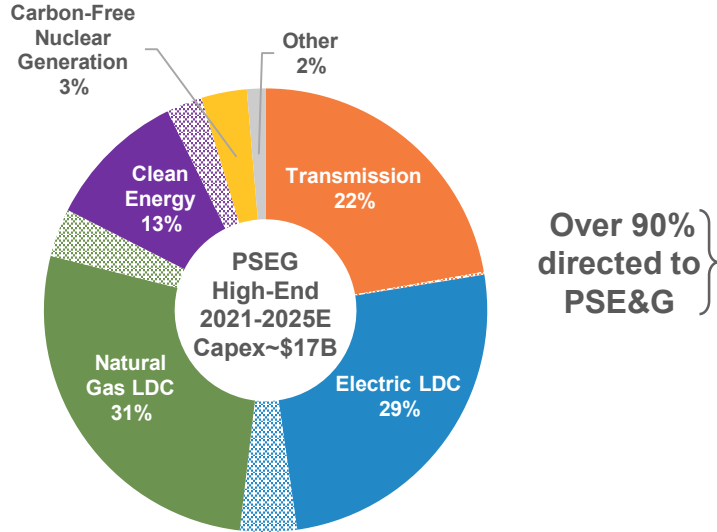
- Strong multi-year performance in the 4 studies, with continued year-over-year improvement, resulting in PSE&G's highest-ever scores
- Top quartile in three of the four individual studies

Notable Customer Awards

- 2021 Cogent Customer Champion – Residential & Business
- 2021 Cogent Most Trusted Utility Brands – Residential

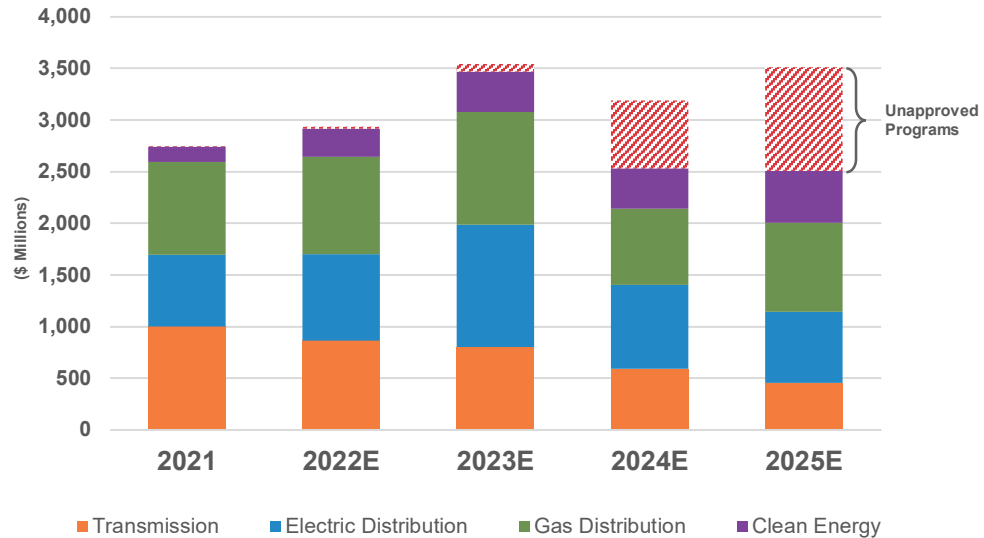
PSE&G's planned investments align with NJ's clean energy goals

PSEG's Capital Spending Program Aligns with PSEG's Net-Zero 2030 Goal



Note: Solid portions represent low end, including extension of GSMP and CEF-EE at current run rates; Shaded portions represent high end. Category % sum of low and high ends.

PSE&G Capital Spending 2021 – 2025E



E=Estimate; LDC=Local Distribution Company; CEF=Clean Energy Future

Includes Allowance for Funds Used During Construction Debt. CEF-Energy Cloud/Automated Metering Infrastructure (CEF-EC/AMI) is included in Electric LDC.

Note: Hashed portion of the chart represents unapproved programs including Infrastructure Advancement Program (IAP) filing, Energy Strong extension, CEF-Energy Storage (CEF-ES), Vehicle Innovation and Electrification and assumes a higher level of investment for the Gas System Modernization Program (GSMP) and CEF-Energy Efficiency (CEF-EE) program extensions. The current program run rates for GSMP and CEF-EE are expected to continue and are included in the low end of the range.

Expanded investment program firms compound annual rate base growth over the five year period

PSE&G Year-End Rate Base

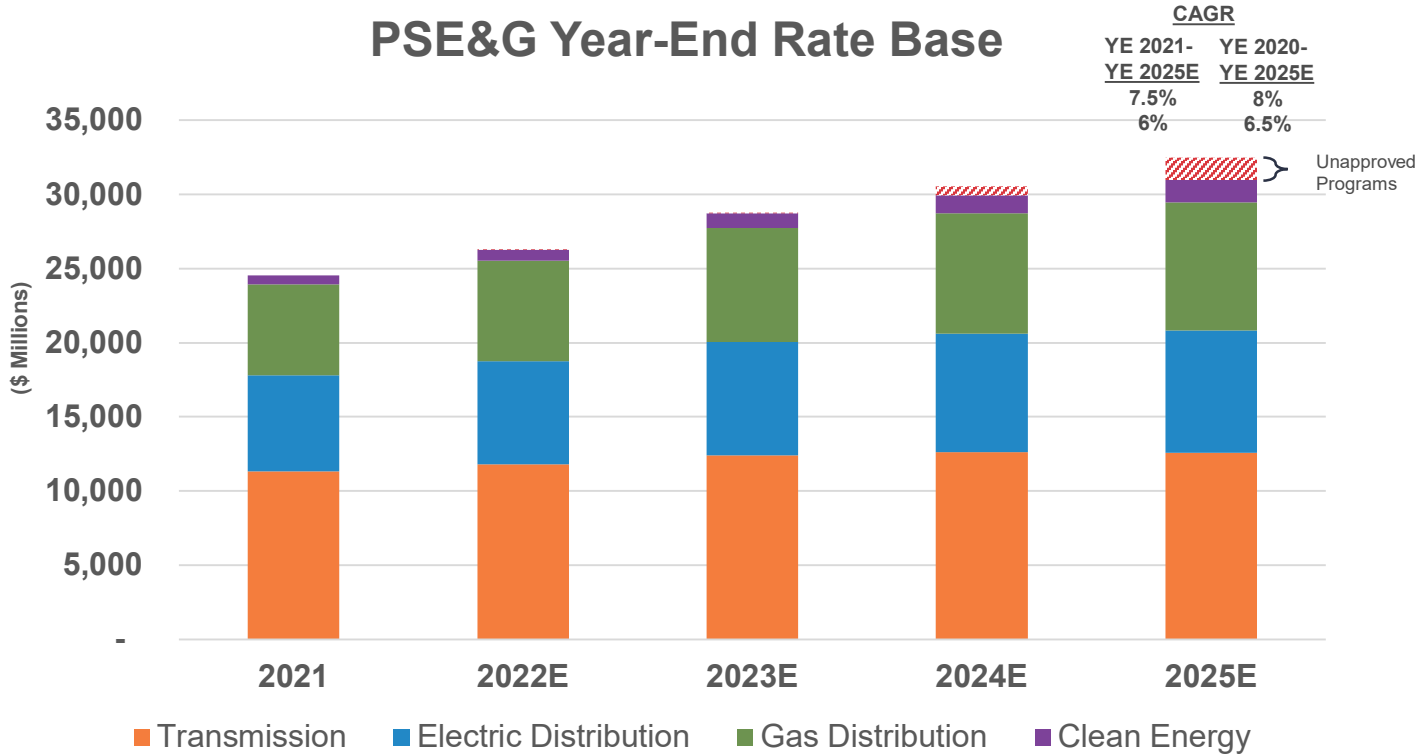


Chart excludes CWIP. Year-end 2021 CWIP balance was ~\$1.2B.

Note: Hatched 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.

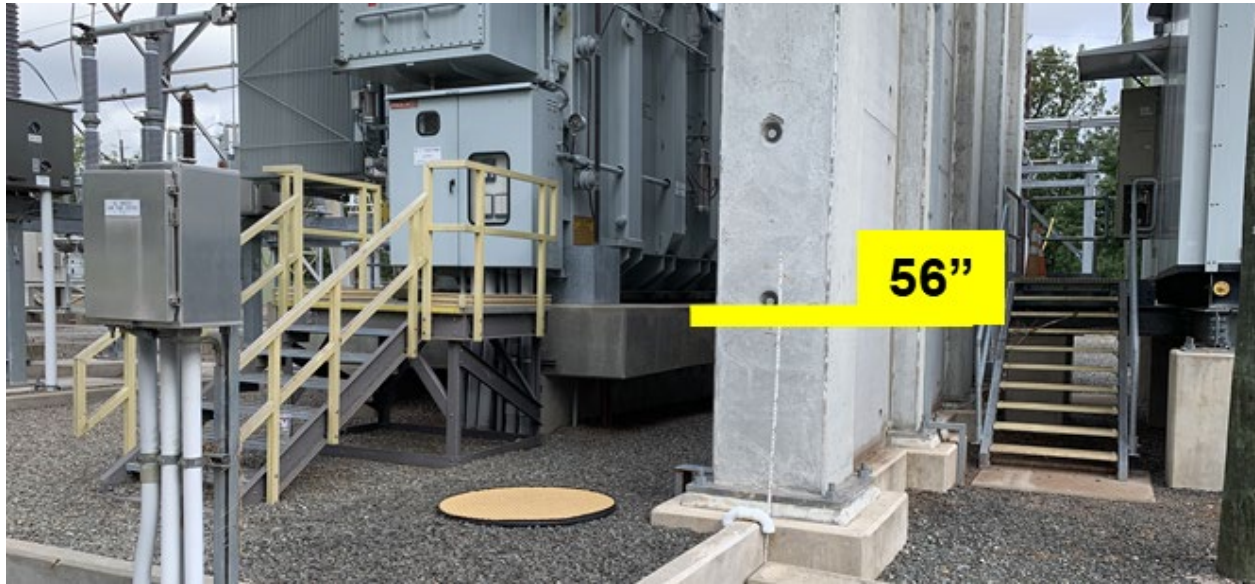
Transmission: Investment program focused on enhancing reliability and resiliency, and replacing aging infrastructure

- 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 (SAA) 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 Tropical Storm 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

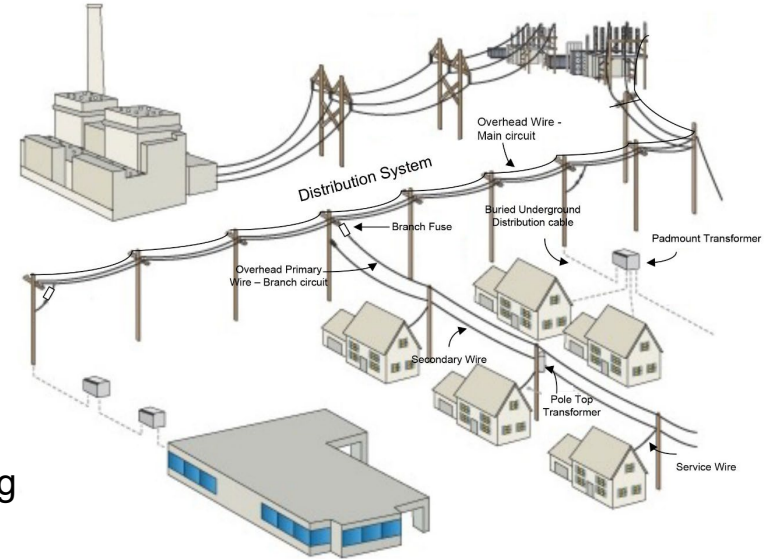
Electric Distribution – Last mile investment program

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 filing







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 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 fall 2022

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

Clean Energy Future programs focus on reducing customers' energy consumption

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

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

✓ Three of the four largest CEF programs have been launched

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, and 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
<ul style="list-style-type: none">• Vendor targets for quantity and diversity of jobs• Collaborating with New Jersey Department of Labor (NJDOL) and community organizations to recruit candidates	<ul style="list-style-type: none">• Continued collaboration with vendors on training needs and development of pipeline• Courses to provide necessary skills	<ul style="list-style-type: none">• Diverse supplier mentorship pilot• Expanding organizations to assist in certification of Minority, Women, Veteran Business Enterprises• New Jersey supplier 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

Investments in technology are making us more efficient and reliable, and giving customers greater access to information and programs

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



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



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 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



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

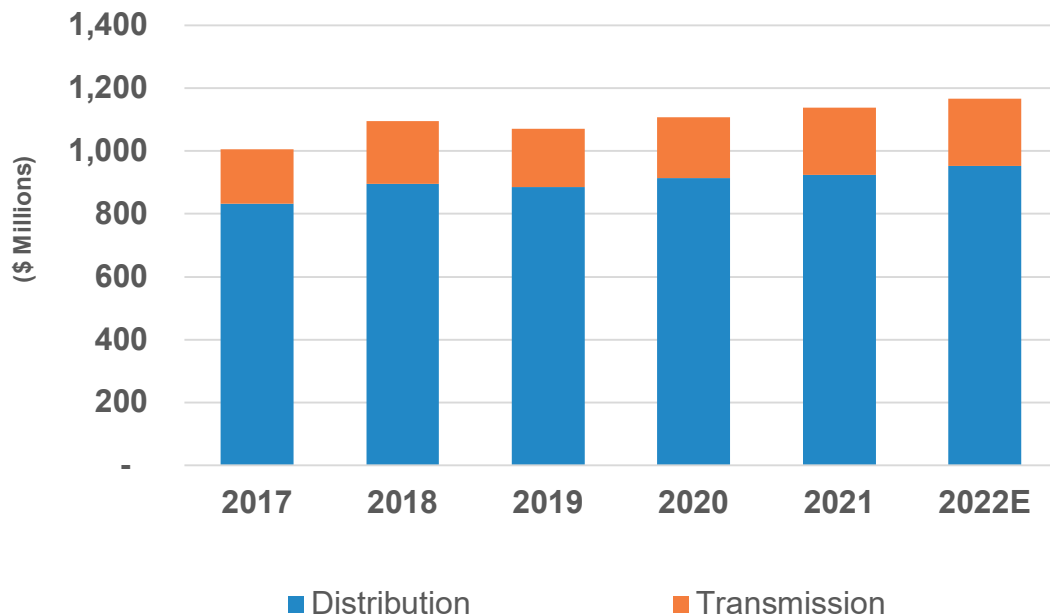


360 View of the Customer

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

Managing costs to mitigate inflation impacts and preserve customer affordability

PSE&G O&M Expense ⁽¹⁾
2017 – 2022E CAGR = ~2.2%

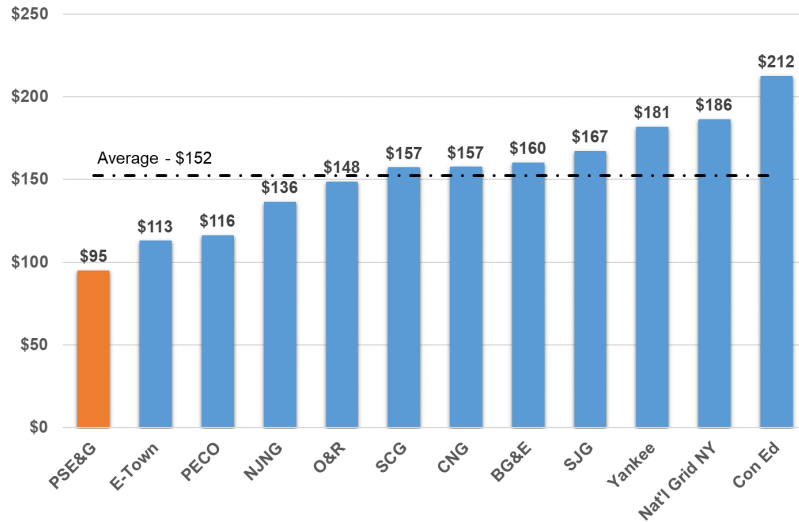


- Demonstrated ability to control O&M, preserving earnings and returns in a low sales growth environment
- Cost increase primarily driven by expansion of Transmission and Appliance Service Business, which is offset by revenue
- Apart from costs offset by revenue, O&M has remained relatively flat over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

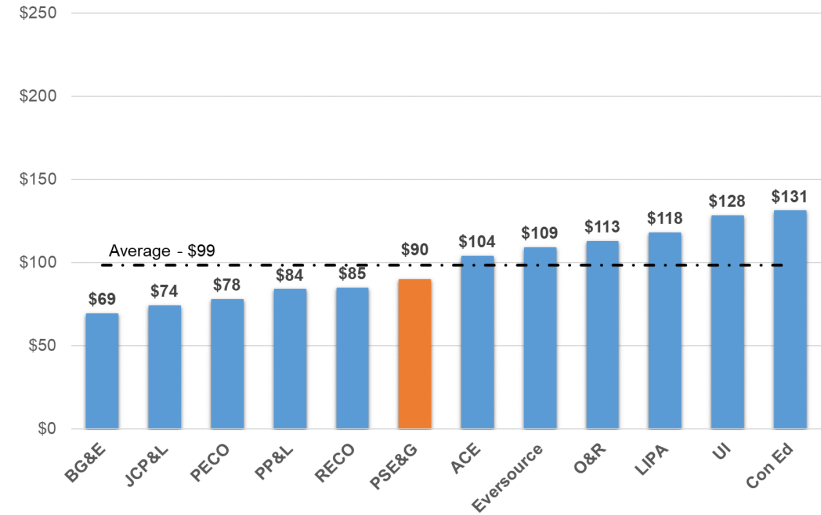
PSE&G's residential customer bills compare favorably

Regional gas bills lowest among peers, Regional electric bills lower than average

Monthly Gas Bills

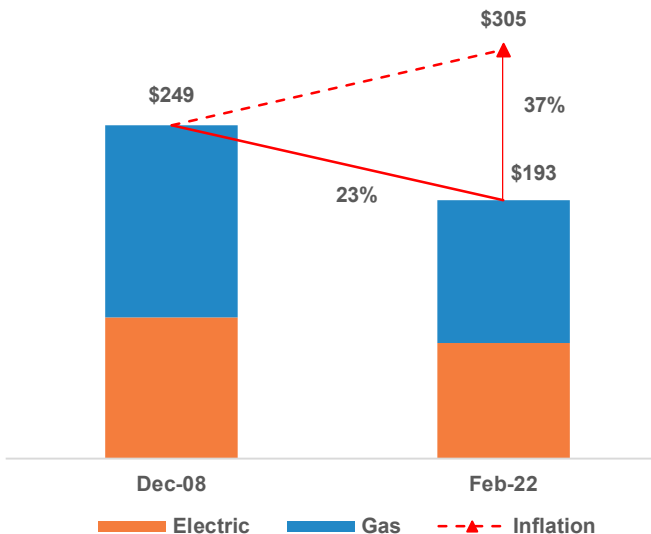


Monthly Electric Bills

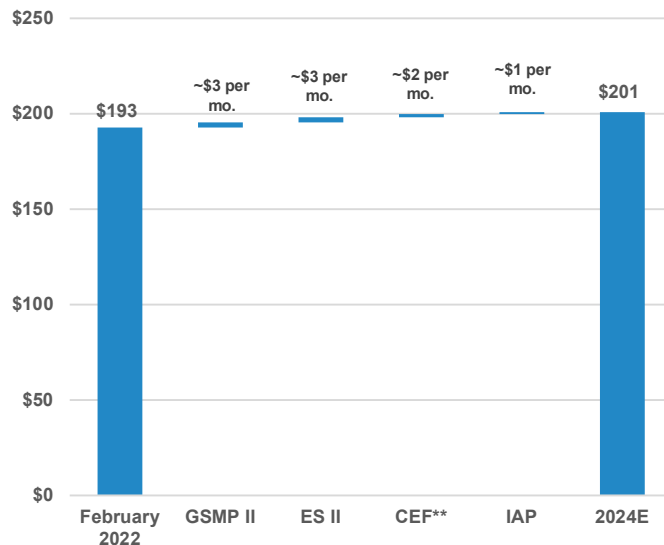


PSE&G: Typical residential electric and gas bills are down over 20% from over a decade ago, or over 35% adjusted for inflation

Combined Monthly Typical Residential Electric and Gas Customer Bill¹ Comparison 2008 to 2022 with Inflation



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



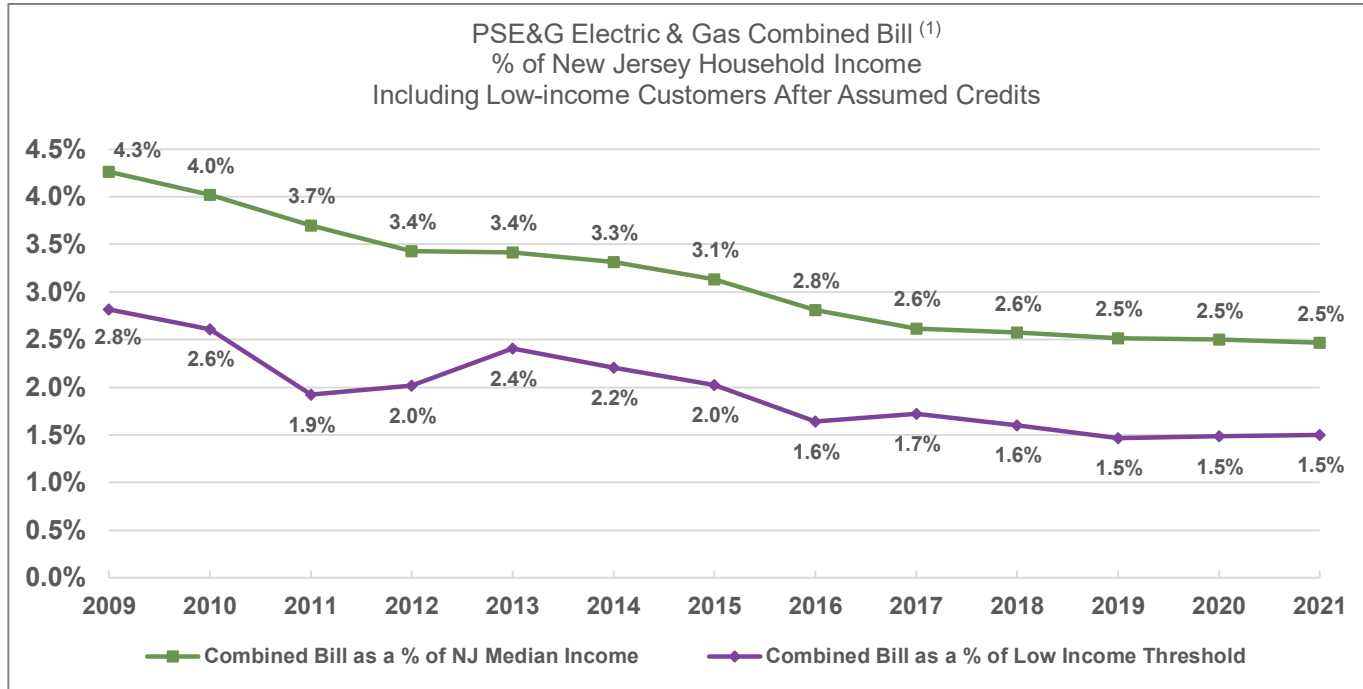
Over the next three years, the combined impact of GSMP II, ES II, CEF-EE and the IAP filing is expected to increase customer bills by 2% - 3% per year



¹Average 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. Future bill reflects bill change from identified investment programs and related cost and excludes impacts of electric and gas supply.

**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 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

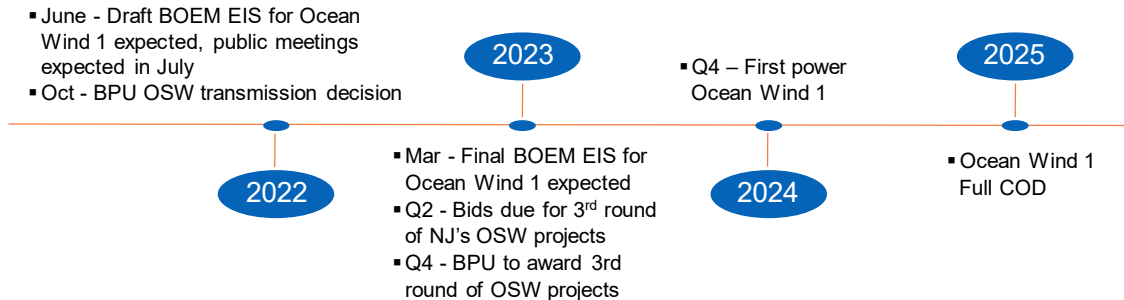


(1) Based on a typical residential electric customer using 740 kilowatt-hours per summer month and 6,920 kilowatt-hours on an annual basis using rates as of June 1 for each year and a typical residential gas heating customer using 172 therms per winter month and 1,040 therms on an annual basis using 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 goal of 100% clean energy by 2050
- 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



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 projects

Offshore Transmission



- In April 2021, the BPU and PJM opened a competitive solicitation for offshore wind transmission utilizing the PJM SAA
- Bids submitted on September 17; decision announcement expected in October 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 for the total partnership 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 20 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
 - 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 currently on hold while BPU pursues a clean energy market capacity construct in PJM process

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

- New Independent Lead Director - Susan Tomasky
- 55% of current directors are gender and/or ethnically diverse
- Board refreshment program has introduced 6 new directors in the last 4 years
- Good mix of tenures and effective refreshment program

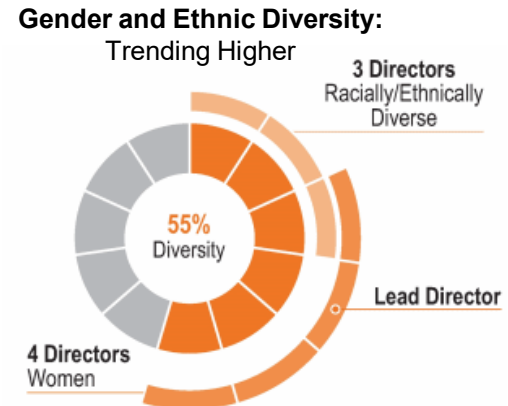
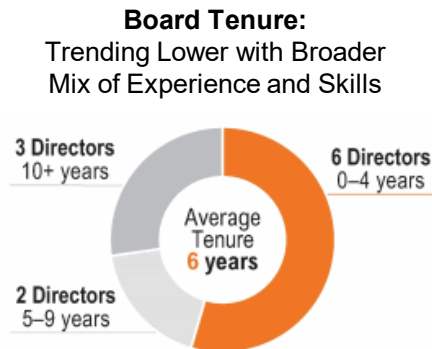
• Effective oversight of ESG matters

- Sustainability & 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 and employee diversity (EEO)

• 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



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

	Before PSEG Fossil & Solar Source Sales	After PSEG Fossil and Solar Source Sales
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	Authorized \$500M Program; Completed in May 2022 via open market and ASR
Non-GAAP Operating Earnings Guidance	Annual	5% to 7% EPS CAGR from 2022 Guidance Midpoint to 2025
Consistent, Sustainable Dividend Growth	Annual Increase of \$0.08 per share in Common Dividend since 2015	Raised 2022 Indicative Annual Common Dividend by \$0.12 per share
Increased Financial Flexibility (Minimum FFO/ Debt)	17% to 18%	13% to 14%

Sale of PSEG Fossil and Solar Source generated significant cash flow for debt reduction and share repurchases

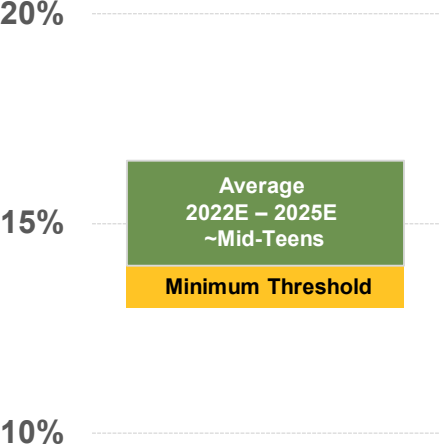
	Sources and (Uses) of Cash
Net Solar Sale Proceeds	~\$0.4B
Net PSEG Fossil Sale Proceeds	~\$1.75B
Total After-Tax (Net) Proceeds	~\$2.15B
2023 and 2031 Power Senior Note Redemptions and Make-Whole Premium	(~\$1.6B)
Net Proceeds after Power Debt Redemption	~\$0.5B
Total Announced Share Repurchase	(\$0.5B)
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

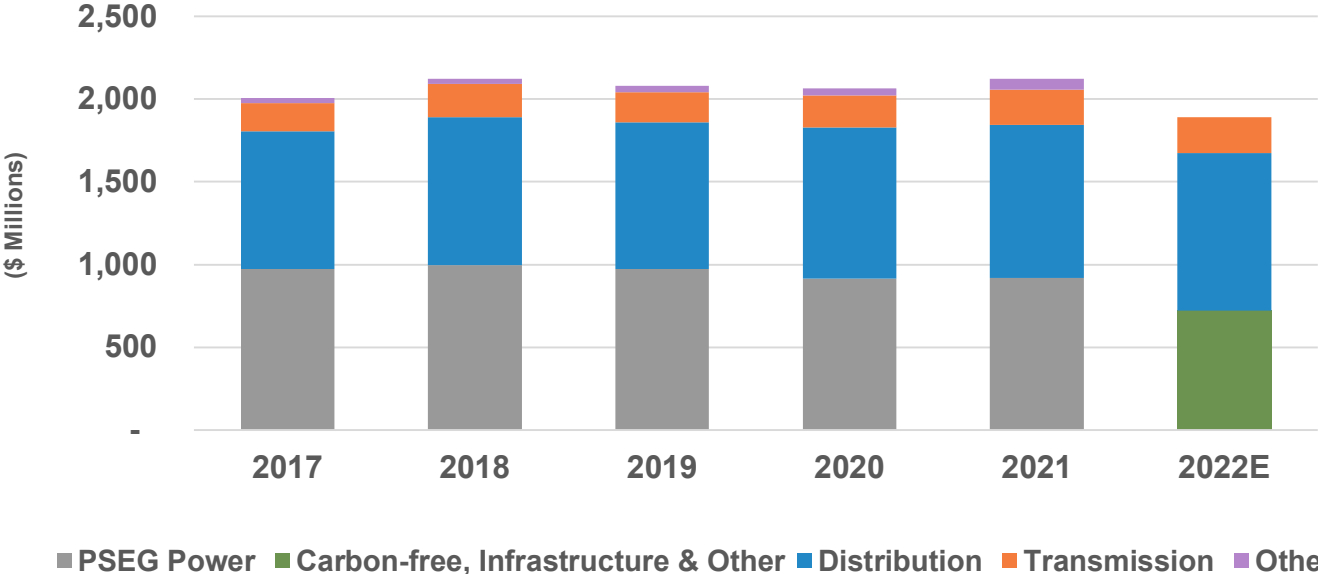


~\$4B of investment capacity if debt capacity funds PSE&G growth at target capital structure

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 eliminating support costs related to the divested assets

PSEG O&M Expense (1)
 2017 – 2022E CAGR = ~(-1.8%)

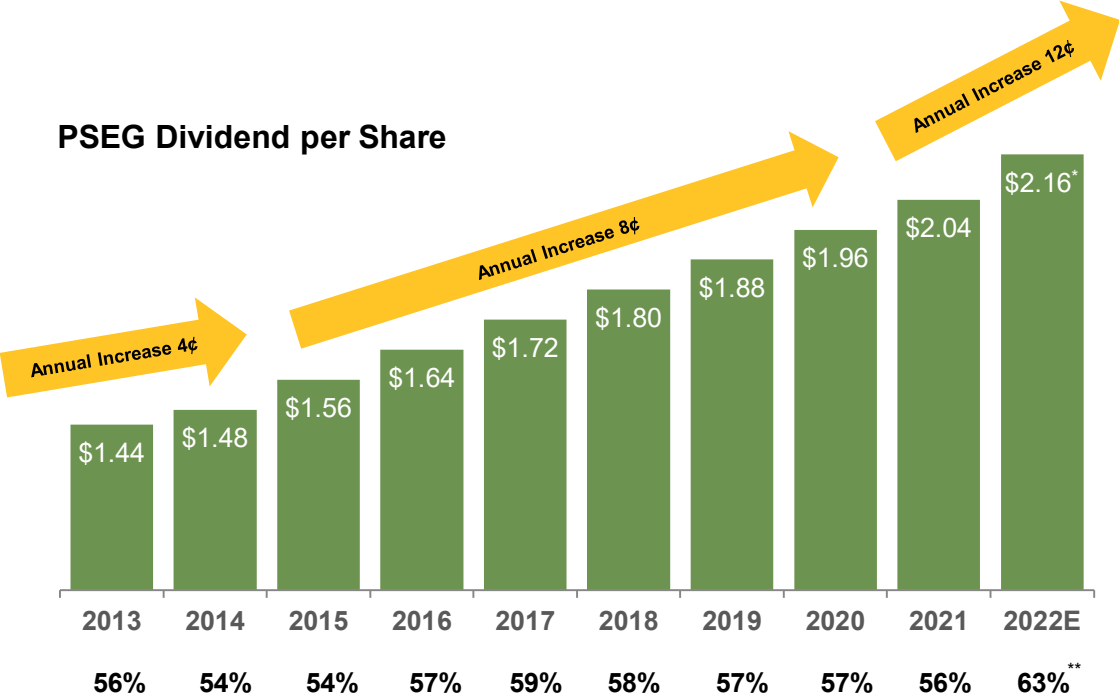


Support costs related to asset divestitures have been eliminated with successful just transition placement of impacted employees



(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.
 **2022E Payout Ratio reflects the indicative annual dividend rate divided by the mid-point of non-GAAP Operating Earnings guidance of \$3.35 - \$3.55 per share.
 Note: All future decisions and declarations regarding dividends on the common stock are subject to approval by the Board of Directors.



Meeting Takeaways

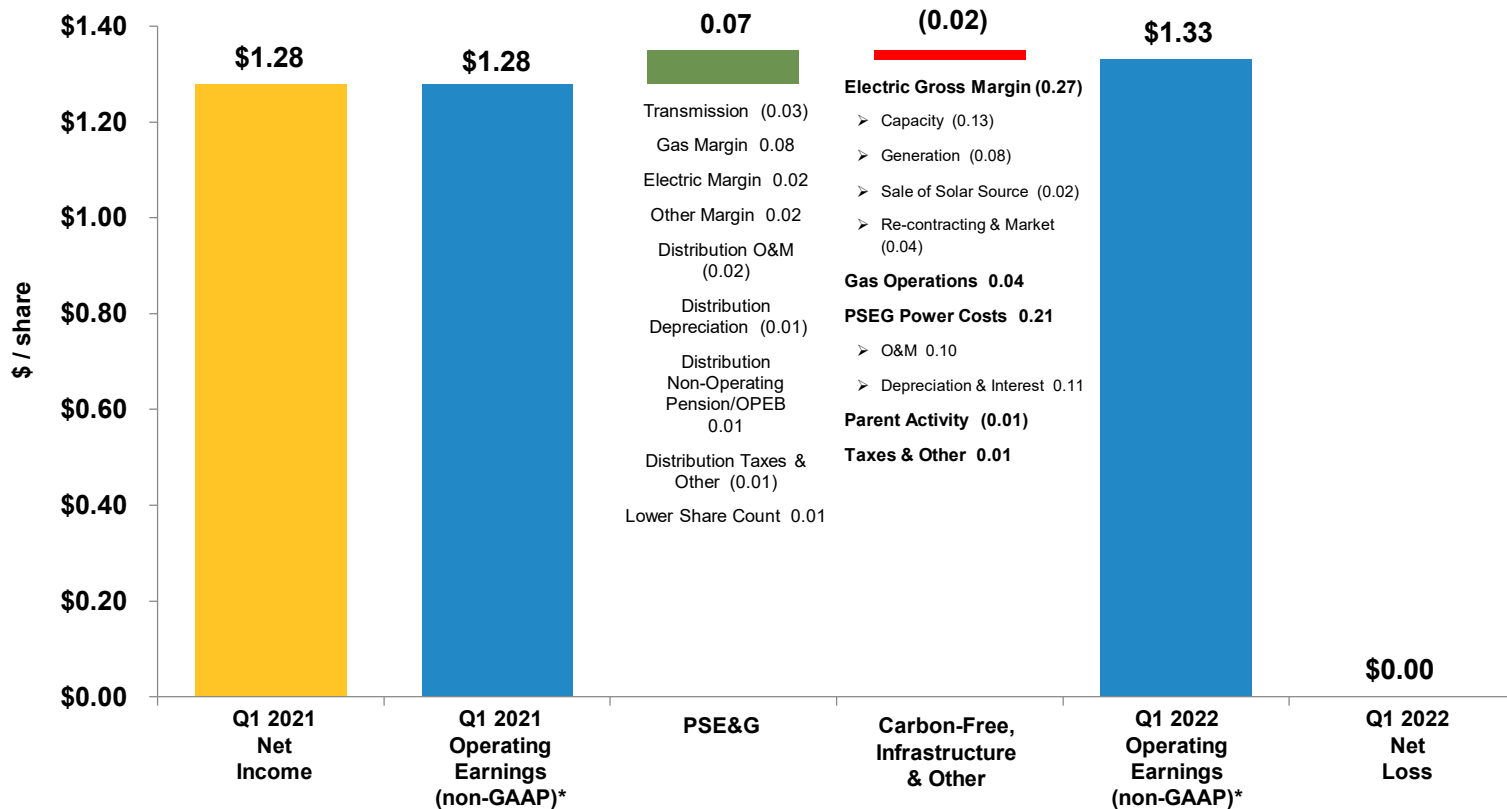


- **PSEG 2022: 90% regulated business mix from stable, predictable operations of PSE&G, 10% Carbon-free Generation, Infrastructure & Other**
- **PSE&G: Robust capital program aligned with state clean energy goals, increased by \$1B to \$14B-\$16B through 2025, at our best-in-class utility**
- **Future 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 EPS growth rate of 5% - 7% from the 2022 guidance midpoint to 2025
 - Raised indicative annual 2022 common dividend by \$0.12 per share to \$2.16 per share
 - Completed remainder \$500M share repurchase program in May 2022 via accelerated share repurchase program
- **Planned CEO Succession to begin September 1:**
 - Ralph Izzo to retire as CEO; will continue on as Executive Chair of the Board through year-end 2022
 - Ralph LaRossa elected by the PSEG Board of Directors as President and CEO; will assume additional responsibilities of Chair of the Board on January 1, 2023

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

Appendix

PSEG EPS Reconciliation – Q1 2022 versus Q1 2021



Note: 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 three months ended March 31, 2022 as their impact was antidilutive to GAAP results. For non-GAAP per share calculations, we used fully diluted average shares outstanding of 504 million, including the three million potentially dilutive shares as they were dilutive to non-GAAP results. * See Slides A and B for Items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP) for PSEG and CFIO.

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 Loan Outstanding as of 3/31/2022 ⁽¹⁾ **\$1.3B**

PSEG Long-term Debt Outstanding as of 3/31/2022 **\$4.1B**

PSEG Consolidated Debt to Capitalization as of 3/31/2022 **59%**

PSEG 2022 Financing Activity

364-Day Term Loan due March 2022 (\$0.5B)

Early Repayment of 364-Day Term Loan due May 2022 (\$0.8B)

PSEG Power Issuer Credit Ratings

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

PSEG Power Long-term Debt Outstanding as of 3/31/2022 **\$1.3B**

PSEG Power 2022 Financing Activity

Variable Rate Term Loan due March 2025 \$1.3B

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 3/31/2022 **\$12.3B**

PSE&G 2022 Financing Activity

3.10% Secured Medium-Term Notes (Green Bond) due March 2032 \$0.5B

PSEG Liquidity and Net Cash Collateral Postings

- PSEG had approximately \$3.2B of available liquidity plus cash and short-term investments of \$1.6B (inclusive of \$910M at PSE&G) at 3/31/2022
- PSEG Power had net cash collateral postings of \$1.5B at 3/31/2022 (net cash collateral postings were \$2.6B at the end of April) primarily related to out-of-the-money hedge positions resulting from higher energy prices during the first quarter of 2022



(1) 364-Day term loan is included in Short-Term Debt. Term loan outstanding as of 3/31/2022 matures August 2022. In April, PSEG entered into a \$1.5B 364-Day term loan due April 2023. Note: Total Long-Term Debt Outstanding amounts may not add to PSEG Consolidated Total Long-Term Debt Outstanding due to rounding. Amounts on slide are rounded up to one decimal place.

PSEG Liquidity as of March 31, 2022

Company	Facility	Expiration Date	Total Facility	Usage	Available Liquidity
(\$ millions)					
PSE&G	Revolving Credit Facility	March 2027	\$1,000	\$18	\$982
<u>PSEG Money Pool</u>					
PSEG/PSEG Power	Revolving Credit Facility (PSEG)	March 2027	\$1,500	\$428	\$1,072 ^(A,B)
	Revolving Credit Facility (PSEG Power)	March 2027	1,250	79	1,171 ^(A)
	Letter of Credit Facility (PSEG Power)	September 2023	100	83	17
			\$2,850	\$590	\$2,260
		Total Facilities	\$3,850	\$608	\$3,242
		PSEG Money Pool Cash and Short-term Investments			\$693
		PSE&G Cash and Short-term Investments			\$910
					Total Liquidity Available
					\$4,845
		Total Money Pool Liquidity Available			\$2,953

Note: In April 2022, PSEG Power entered into Letter of Credit Facilities totaling \$200M.

(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 based mechanism with potential increases or decreases, which are not expected to be material, depending on performance relative to targeted methane emission reductions.



Q1 2022 Generation Measures & Hedge Update

Nuclear Generation Measures	Quarter ended March 31		Year ended December 31
	2022	2021	2021
Capacity Factor	100.0%	98.6%	91.9%
Fuel Cost (\$ millions)	\$49	\$49	\$188
Generation (GWh)	8,444	8,245	31,158
Fuel Cost (\$/MWh)	\$5.80	\$5.94	\$6.03

2021 Nuclear Refueling Completed: Spring – HC | Fall – S2, PB3
 2022 Nuclear Refueling Schedule: Spring – S1 | Fall – HC, PB2

Carbon-Free Contracted Energy Sales*			
	Apr – Dec 2022E	2023E	2024E
Fuel	Nuclear	Nuclear	Nuclear
Volume TWh	21 - 23	30 - 32	29 - 31
% Hedged	95-100%	95-100%	50-55%
Price \$/MWh	\$28	\$30	\$31

* Numbers reflect management's view of hedge percentages and prices as of March 31, 2022. 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

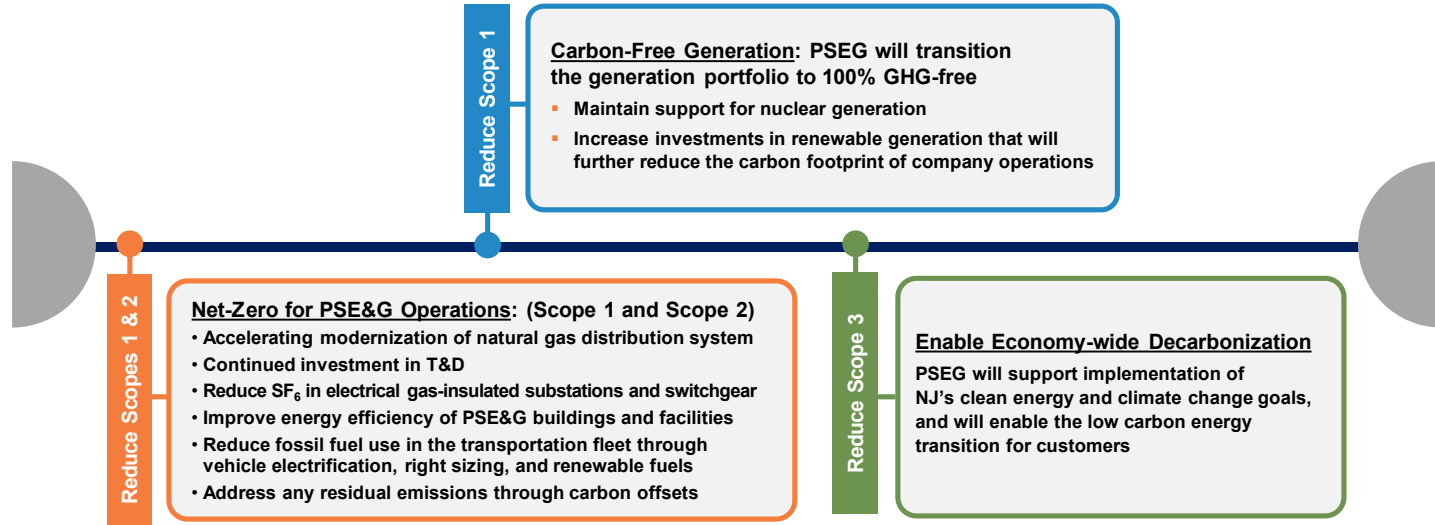
<u>Delivery Year</u>	<u>PSEG's Average Prices (\$/MW-Day)</u>	<u>PSEG's Cleared Capacity (MW)</u>
2021/2022	\$142	3,700
2022/2023	\$97	3,300

- **New Jersey Zero Emissions Certificates** ~\$200 million/year through May 2023
- Q1 2022 **Generation Gross Margin** \$30.69/MWh
- Planned **Nuclear capital spending** (excluding fuel) is < \$150 million for 2022



Note: Generation indicates period net generation; Delivery Year runs from June 1 to May 31 of the next calendar year, Average Prices and Cleared Capacity reflect base and incremental auctions.
 S=Salem; HC=Hope Creek; PB=Peach Bottom; E=Estimate

PSEG is transitioning to Net-Zero operations, which will help enable a lower carbon, competitive New Jersey economy



- PSEG committed to [The Business Ambition for 1.5°C](#) in the fall of 2021, which includes our Net Zero by 2030 goals as well as keeping our emissions targets – across all three scopes – within the 1.5°C degree temperature limit consistent with the Paris Agreement
- Setting Science Based targets across all three emission scopes in order to validate PSEG's Net Zero commitments, inform needed investments and explore potential growth opportunities
- With an improved business mix and an already compelling ESG profile, PSEG is creating shareholder value by growing our rate base in alignment with New Jersey's clean energy goals as well as our Business Ambition for 1.5°C

Glossary of Terms

AFUDC	Allowance for Funds Used During Construction	GHG	Greenhouse Gas
AMI	Automated Metering Infrastructure	GSMP	Gas System Modernization Program
ARO	Asset Retirement Obligations	IAP	Infrastructure Advancement Program
BPU	New Jersey Board of Public Utilities	LIHEAP	Low Income Home Energy Assistance Program
BOEM	Bureau of Ocean Energy Management	M&R	Metering and Regulating
CAGR	Compound Annual Growth Rate	OREC	Offshore Wind Renewable Energy Certificate
C&I	Commercial and Industrial	OSHA	Occupational Safety and Health Administration
CEF	Clean Energy Future	OSW	Offshore Wind
CEF-EE	Energy Efficiency	PTC	Production Tax Credit
CEF-EV	Electric Vehicle	PJM	Pennsylvania Jersey Maryland
CEF-EC	Energy Cloud	RFP	Request for Proposal
CEF-ES	Energy Storage	ROE	Return on Equity
COD	Commercial Operation Date	RTO	Regional Transmission Organization
CO ₂ e	Carbon Dioxide equivalent	SAA	State Agreement Approach
CWIP	Construction Work in Progress	SAIDI	System Average Interruption Duration Index
DC	Direct Current	SF ₆	Sulfur Hexafluoride
DEI	Diversity, Equity & Inclusion	T&D	Transmission and Distribution
DOE	Department of Energy	U.N.	United Nations
E	Estimate	USF	Universal Service Fund
EIS	Environmental Impact Statement	ZEC	Zero Emission Certificates
EMAAC	Eastern Mid-Atlantic Area Council		
ES	Energy Strong		
EPS	Earnings Per Share		
ESG	Environmental, Social and Governance		
FERC	Federal Energy Regulatory Commission		
FFO	Funds from Operations		

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Reconciliation of Non-GAAP Operating Earnings

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

Reconciling Items	Three Months Ended		Year Ended								
	March 31,		December 31,								
	2022	2021	2021	2020	2019	2018	2017	2016	2015	2014	2013
	(\$ millions, Unaudited)										
Net Income (Loss)	\$ (2)	\$ 648	\$ (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)	72	(55)	(178)	(231)	(255)	144	(133)	(5)	(24)	(138)	(86)
(Gain) Loss on Mark-to-Market (MTM), pre-tax ^(b)	845	47	620	81	(285)	117	167	168	(157)	(111)	125
Storm O&M, net of insurance recoveries, pre-tax	-	-	-	-	-	-	-	-	(172)	27	54
Plant Retirements, Dispositions and Impairments, pre-tax ^(c)	16	-	2,940	(122)	402	(51)	975	669	-	-	-
Oil Lower of Cost or Market (LOCOM) adjustment, pre-tax	-	-	-	2	-	-	-	-	-	-	-
Goodwill Impairment, pre-tax	-	-	-	-	16	-	-	-	-	-	-
Lease Related Activity, pre-tax	-	-	10	-	58	8	77	147	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform ^(d)	(259)	10	(891)	106	37	(74)	(427)	(391)	150	104	(27)
Tax Reform	-	-	-	-	-	-	(745)	-	-	-	-
Operating Earnings (non-GAAP)	\$ 672	\$ 650	\$ 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)	501	507	504	507	507	507	507	508	508	508	508
	(\$ Per Share Impact - Diluted, Unaudited)										
Net Income (Loss)	\$ 0.00	\$ 1.28	\$ (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)	0.14	(0.11)	(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)	1.69	0.09	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	-	-	-	-	-	-	-	-	(0.34)	0.05	0.11
Plant Retirements, Dispositions and Impairments, pre-tax ^(c)	0.03	-	5.83	(0.24)	0.79	(0.10)	1.92	1.32	-	-	-
Goodwill Impairment, pre-tax	-	-	-	-	0.03	-	-	-	-	-	-
Lease Related Activity, pre-tax	-	-	0.02	-	0.11	0.02	0.15	0.29	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform ^(d)	(0.52)	0.02	(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)	(0.01)	-	(0.02)	-	-	-	-	-	-	-	-
Operating Earnings (non-GAAP)	\$ 1.33	\$ 1.28	\$ 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) Amount for the three months ended March 31, 2022 includes the results for fossil generation sold in February 2022. Full year 2021 amounts include 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 2018 through 2022 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 three months ended March 31, 2022 and 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 504 million for the three months ended March 31, 2022 and 507 million for the year ended December 31, 2021, 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 three months ended March 31, 2022 and year ended December 31, 2021 results to reconcile the two Earnings/(Loss) per share 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/(Loss).

Reconciliation of Non-GAAP Operating Earnings

Carbon-Free, Infrastructure & Other Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended March 31,		Year Ended December
	2022	2021	2021
	(\$ millions, Unaudited)		
Net Income (Loss)	\$ (511)	\$ 171	\$ (2,094)
(Gain) Loss on NDT Fund Related Activity, pre-tax	72	(55)	(178)
(Gain) Loss on MTM, pre-tax ^(a)	845	47	620
Plant Retirements, Dispositions and Impairments, pre-tax ^(b)	16	-	2,940
Lease Related Activity, pre-tax	-	-	10
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(c)	(259)	10	(891)
Operating Earnings (non-GAAP)	\$ 163	\$ 173	\$ 407
PSEG Fully Diluted Average Shares Outstanding (in millions)^(d)	501	507	504

- (a) Includes the financial impact from positions with forward delivery months.
- (b) Amount for the three months ended March 31, 2022 includes the results for fossil generation sold in February 2022. Full year 2021 amounts include 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 the statutory rate 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.
- (d) 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 three months ended March 31, 2022 and 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 504 million for the three months ended March 31, 2022 and 507 million for the year ended December 31, 2021, 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 as a non-GAAP financial measure and how it differs from Net Income/(Loss).