



empowering
people
powering life

P O W E R I N G P R O G R E S S



PUBLIC SERVICE ENTERPRISE GROUP (PSEG), a diversified energy holding company with approximately \$48 billion in assets at the end of 2019, is one of the nation's most reliable electric and gas transmission and distribution utilities, as well as a leading wholesale energy producer.

2 0 1 9 H I G H L I G H T S

PSEG

- Announced a goal to reduce PSEG Power fleet's carbon emissions 80% by 2046, from 2005 levels, with a vision to achieve net-zero carbon emissions by 2050, assuming necessary advances in technology, public policy and customer behavior.
- Named to the Dow Jones North America Sustainability Index for 12th consecutive year; Forbes' America's Best Employers for Diversity list for third year; and named one of America's Most JUST Companies by Forbes and JUST Capital.

PSE&G

- Launched second phases of successful Gas System Modernization and Energy Strong infrastructure programs.
- Earned 18th consecutive ReliabilityOne™ Award as the most reliable electric utility in the Mid-Atlantic region.

PSEG POWER

- One of the lowest carbon emissions intensity rates of the nation's largest power producers, according to the report, "Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States," released by M.J. Bradley & Associates.
- Placed new combined-cycle natural gas power plant in service in Connecticut; preparing to complete exit from coal generation by mid-2021.

PSEG LONG ISLAND

- Most improved large utility in the nation, according to J.D. Power data spanning the last six years.
- Installed more than 304,000 smart meters in 2019 as part of Advanced Metering Infrastructure rollout.

POWERING PROGRESS,

a future where people use less energy, and it's cleaner and more reliable than ever.



Letter from the Chairman

RALPH IZZO
Chairman, President
and Chief Executive Officer

T O U R S H A R E H O L D E R S

Traditionally, the energy industry has spoken most often about its hardware. The industry has, in recent years, taken steps to diversify its portfolio and provide customers with cleaner energy options. Equally important has been the industry's goal of a more diverse workforce.

We, too, are working to build a more diverse PSEG – from our business to our people – in order to create a more sustainable future for our company, our customers and the communities we serve.

As early as 2007, this company advocated for a national price on carbon as part of a larger climate change strategy. It was as clear then as it is today that we could not wait for others to act first – and we quietly and steadfastly continued on the clean energy path we had begun decades earlier.

Today, our PSEG Power fleet has reduced its carbon emission intensity by more than 40% since 2005 to a rate that is approximately half the national average.

In 2019, we announced a new goal to cut PSEG Power's carbon emissions even further, 80% by 2046, from 2005 levels. We also believe that, with the necessary advances in technology, public policy and consumer behavior, we can achieve our vision of attaining net-zero carbon emissions from PSEG Power's fleet by 2050.

This is **Powering Progress**, an even bolder vision for a future where people use less energy, and it's cleaner and more reliable than ever. Powering Progress embodies how we see the world today and how we choose to act for tomorrow – supporting our transformation to a cleaner energy company.

It has become increasingly clear that, if PSEG is going to continue our tradition of success, we must continue to build a culture that listens to, understands and reflects the many diverse communities we serve.

Whether we're providing returns for shareholders or building strong relationships with our customers, suppliers and stakeholders, our people have always been the key to our company's success.





We know that diverse and inclusive organizations make better business decisions, which lead to better business outcomes. In order to achieve our goals – modernizing critical infrastructure, transitioning to a cleaner energy company and preserving our nuclear fleet to help tackle climate change – a diverse and inclusive organization is essential.

With the scheduled retirement of the coal unit in Bridgeport Harbor, Connecticut, in mid-2021, PSEG Power will have exited coal generation completely, while stepping up its efforts to support and develop carbon-free generation sources, including nuclear, solar and offshore wind.

PSE&G also is a leading advocate for energy efficiency, which offers the unique benefit of reducing customers' energy use and carbon footprint while also helping them reduce their utility bills. Our Clean Energy Future filing calls for historic investments in energy efficiency – at \$2.5 billion over six years, the largest ever proposed in New Jersey – as well as investments in other progressive environmental programs, such as electric vehicle charging infrastructure, energy storage and the installation of Advanced Metering Infrastructure, or smart meters, throughout our service territory.

This transformation requires an evolution of our workforce and culture – one in which our skills can drive the industry's changing needs and our values and experiences reflect the diverse communities where we live and work.

Our ongoing transformation comes without sacrificing PSEG's historic commitment to providing all of our customers, in all of our communities, with safe, reliable and resilient energy.

We thank you, our shareholders, for your loyalty and support. We will continue to work hard in order to maintain your confidence and trust.

Sincerely,

A handwritten signature in black ink that reads 'Ralph Izzo'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ralph Izzo
Chairman, President and Chief Executive Officer
Public Service Enterprise Group

Feb. 26, 2020

B U S I N E S S U P D A T E

2019 Performance

During 2019, PSEG once again made excellent progress toward its business objectives.

Overall, we achieved solid operating and financial results in 2019, which marked the 15th consecutive year that PSEG delivered results within or above our original earnings guidance.

PSE&G's growth met expectations, fueled by the investment of approximately \$3 billion of capital, targeted at improving the reliability and resiliency of our system.

PSEG Power continued its emphasis on safety, operational excellence and a transition toward cleaner energy sources.

Finally, our results benefited from control of operations and maintenance costs by both PSE&G and PSEG Power.

Our strong financial position has supported the growth in our dividend. In February 2020, we raised our indicative annual dividend rate to \$1.96 per share, from \$1.88 per share in 2019. This is the 113th consecutive year our company has provided a dividend and the 16th dividend increase in the last 17 years.

We are committed, as always, to delivering sustainable, long-term value to our customers, our communities, our employees and our shareholders by focusing on these fundamental objectives: **operational excellence, financial strength and disciplined investment.**

Operational Excellence

Reliability is central to long-term excellence and financial strength in the energy industry.

As New Jersey's largest electric and gas utility, PSE&G is consistently ranked as the most reliable electric and gas utility in the region. In 2019, for the 18th consecutive year, PSE&G received the ReliabilityOne™ Award for Outstanding Reliability Performance in the Mid-Atlantic Region from PA Consulting, an industry benchmarking group.

DIVIDEND PER SHARE

2019	\$1.88
2018	\$1.80
2017	\$1.72
2016	\$1.64



PSE&G is continuing to invest billions of dollars to upgrade and modernize our infrastructure to meet changing customer expectations. The company's transmission hardening, Energy Strong and Gas System Modernization programs are making an already reliable system even better.

Reliability at PSEG also means ensuring that our power plants are operating at peak efficiency to provide power when and where it is needed, at the most affordable cost to the customer.

PSEG Power placed a new power plant into service in 2019: a 484-megawatt combined-cycle natural gas-fueled unit in Bridgeport, Connecticut. This new plant – the final piece of PSEG Power's three-unit capital investment plan – will replace a neighboring coal unit that is scheduled to retire in 2021 and complete PSEG Power's exit from coal generation.

PSEG Nuclear also received a Top Innovative Practice Award from the Nuclear Energy Institute for its use of state-of-the-art technology and pursuit of operational excellence at Hope Creek.

PSEG Long Island continued its rise as the most improved large utility in the nation over the last six years, according to J.D. Power data, while also maintaining the lowest rate of customer complaints among New York's large utilities.



Financial Strength

Over time, PSEG has emphasized the importance of financial strength as a key differentiator in our business. Financial strength helps keep us well-positioned to finance our current 2020-2024 capital program without the need to issue equity, while still having the opportunity for consistent and sustainable growth in our dividend.

In recent years, we have increasingly focused on investments in our regulated utility business. As a result, PSE&G's net income grew more than 17% in 2019. For 2020, we anticipate that regulated operations will approach 80% of our consolidated earnings mix and we expect that percentage will continue to grow.

At PSEG Power, in response to market conditions and a desire to reduce our company's carbon footprint, our generation portfolio has been reconfigured to be cleaner and more efficient. We also continue to find ways to increase the performance of PSEG Power's assets, while continually targeting lower costs – without compromising safety or reliability.

Further, our strong balance sheet continues to provide us with a competitive advantage. We maintain a solid financial profile capable of meeting our growth objectives and providing opportunities to extend our long history of paying dividends to shareholders.

Disciplined Investment

As energy markets evolve, our investments evolve, as well.

PSE&G's investment of \$2.7 billion in its transmission and distribution infrastructure in 2019 provided for approximately 6% growth in rate base to over \$20 billion. Of this amount, PSE&G's investment in transmission represents 45%, or \$9.2 billion, of the company's rate base at the end of 2019. These transmission investments increase reliability and resiliency of the entire grid.





In 2020, we intend to invest approximately \$2.8 billion to achieve our commitments to provide safe, clean and affordable energy. Our five-year capital investment program stands at a range of \$12 billion to \$16 billion, with regulated utility investments representing more than 90% of our planned capital expenditures.

In 2019, we began Phase II of our Gas System Modernization Program, a \$1.9 billion, five-year investment program that is scheduled to replace 875 miles of cast-iron and unprotected steel natural gas infrastructure, improving safety, reliability and service for our customers while also creating more than 3,000 jobs.

We also entered the second phase of our post-Superstorm Sandy Energy Strong program, which is hardening our electric and gas systems and improving its resiliency against extreme weather. Energy Strong II, a four-year, \$842 million program, is expected to mitigate flooding at 16 electric substations, subdivide more than 1,100 circuits and upgrade grid communications.

We also continue to work with the New Jersey Board of Public Utilities to reach agreement on our \$3.5 billion Clean Energy Future proposal, which calls for historic investments in energy efficiency, electric vehicle charging infrastructure, energy storage and smart meter technology.



A COMPANY WITH A PURPOSE

PSEG's Core Commitments – starting with fundamental commitments to safety and integrity – will continue to guide our company.

Our success for 117 years has been based on putting our energy to work for the greater benefit of our customers, our communities, our shareholders and the larger society around us.

Diversity & inclusion

In 2019, we deepened our commitments to building a more diverse, inclusive and purpose-driven workforce and culture. More than one-third of PSEG Foundation giving was focused on diversity and inclusion priorities in our communities. And 23% of PSEG's total supplier spend was with minority-, women- and veteran-owned businesses toward our goal of 30% by 2023.

We are proud to have been recognized during the past year as one of Forbes' Best Employers for Diversity and as a recipient of a "We Value Our Veterans" employer award from the New Jersey Department of Military and Veterans Affairs.



Environment, Social, Governance

PSEG strives to put the principles of ESG and sustainability – social responsibility, economic growth, sound corporate governance and especially environmental stewardship – at the forefront of our mission.

We have been named to the Dow Jones Sustainability Index for North America for 12 consecutive years and were listed among America's Most JUST Companies in 2019, recognizing PSEG as





a national leader in such categories as ethical leadership, equal opportunity, customer treatment, community support and environmental impact.

PSEG recently adopted the Sustainability Accounting Standards Board (SASB) disclosure practice and incorporated the U.N. Sustainable Development Goals in our 2019 Sustainability Report, which was published in December.

Later this year, PSEG will publish our first-ever Climate Report using the Task Force on Climate-Related Financial Disclosures (TCFD) framework – demonstrating transparency in assessing the goals and risks of our climate change strategy.

Giving

Through the PSEG Foundation and corporate giving, we invest in the communities we serve with emphasis on sustainability and the environment, education and workforce development, and diversity and inclusion. In 2019, our foundation's investment in organizations that serve the communities where we do business totaled nearly \$8.4 million.

Employee citizenship is reflected on and off the job, through dedicated service to and volunteerism in our communities. Our employees dedicated more than 50,000 hours to volunteerism in 2019.

PSEG is committed to maintaining our leadership role in New Jersey, New York, Connecticut, Maryland and all of the communities where we do business.



BOARD OF DIRECTORS

RALPH IZZO is the Chairman of the Board, President and Chief Executive Officer of PSEG.

SHIRLEY ANN JACKSON is PSEG's Lead Director and is President of Rensselaer Polytechnic Institute, Troy, NY.

WILLIE A. DEESE is the retired Executive Vice President of Merck & Co., Inc, and President, Merck Manufacturing Division, Kenilworth, NJ, which develops, manufactures and distributes pharmaceuticals.

WILLIAM V. HICKEY is the retired Chairman of the Board and Chief Executive Officer of Sealed Air Corporation, Elmwood Park, NJ. *(Not standing for re-election in April 2020)*

DAVID LILLEY is the retired Chairman of the Board, President and Chief Executive Officer of Cytec Industries Inc., Woodland Park, NJ, a global specialty chemicals and materials company.

BARRY H. OSTROWSKY is the President and Chief Executive Officer of RWJ Barnabas Health, West Orange, NJ, a comprehensive integrated health care delivery system of hospitals, programs and services.

SCOTT G. STEPHENSON is the Chairman of the Board, President and Chief Executive Officer of Verisk Analytics, Inc., Jersey City, NJ, a data analytics and risk assessment company.

LAURA A. SUGG is the retired President of the Australasia Division of ConocoPhillips Corporation, Houston, Texas, a worldwide oil and gas exploration and development company.

JOHN P. SURMA is the retired Chairman and Chief Executive Officer of United States Steel Corporation, a leading global integrated steel producer.

RICHARD J. SWIFT is the retired Chairman of the Board, President and Chief Executive Officer of Foster Wheeler Ltd., Clinton, NJ, and retired Chairman of the Financial Accounting Standards Advisory Council. *(Not standing for re-election in April 2020)*

SUSAN TOMASKY is the retired President – AEP Transmission of American Electric Power Corporation, Columbus, OH, an electric utility holding company with generation, transmission and distribution businesses.

ALFRED W. ZOLLAR is Executive Partner, Siris Capital Group, LLC and the retired General Manager – Tivoli Software division of International Business Machines Corporation, Armonk, NY, a worldwide information technology and consulting company, and served in various leadership roles, including senior management positions, in every IBM software group division.

STOCKHOLDER INFORMATION



STOCK EXCHANGE LISTINGS

New York (PSEG Common Stock) Trading Symbol: **PEG**

ANNUAL MEETING

Please note that the annual meeting of stockholders of Public Service Enterprise Group (PSEG) Incorporated will be held on **Tuesday, April 21, 2020 at 1 p.m.** at the **Newark Museum, 49 Washington St., Newark, NJ.**

STOCKHOLDER SERVICES

Please include your shareholder account number in any inquiry you may have about stock transfer, dividends, dividend reinvestment, direct deposit, missing or lost certificates, change of address requests, or for any other account specific request.

STOCKHOLDER SERVICES ON THE INTERNET

Please visit the EQ Shareowner Services site: **www.shareowneronline.com**. The EQ Shareowner Online website offers online access and transaction processing to shareholders.

HOW TO CONTACT SHAREOWNER SERVICES

Toll free: **800-242-0813**
(weekdays, 8 a.m. – 8 p.m. ET)
Web: **www.shareowneronline.com**

MAILING ADDRESS

EQ Shareowner Services
P.O. Box 64874, St. Paul, MN 55164-0874

SECURITY ANALYSTS AND INSTITUTIONAL INVESTORS

For information contact: Vice President – Investor Relations: **973-430-6565**

TRANSFER AGENT

The transfer agent for the Common Stock is: Equiniti Trust Company, Shareowner Services
PO Box 64874, St. Paul, MN 55164-0874

ENTERPRISE DIRECT

PSEG offers Enterprise Direct, a stock purchase and dividend reinvestment plan. For more information,

including a plan prospectus and an enrollment form, call or send us an e-mail with your current mailing address.

DIVIDENDS

Dividends on the common stock of PSEG, as declared by the Board of Directors, are generally payable on the last business day of March, June, September and December of each year.

DIRECT DEPOSIT OF DIVIDENDS

Your quarterly common stock dividend payments can be deposited electronically to your personal checking or savings account. More information, including instructions and a downloadable form, is available on the EQ Shareowner Services website **www.shareowneronline.com** or by contacting EQ Shareowner Services by phone. It's a free service.

DEPOSIT OF CERTIFICATES

To eliminate the risk and cost of loss, shareholders can deposit their certificates with EQ Shareowner Services, or take advantage of DRS, a convenient service for holding and tracking your shares and still receive a paid dividend. For more information, contact EQ Shareowner Services on the web or by phone.

GO GREEN WITH ELECTRONIC DELIVERY

Sign up to receive future proxy statements and related documents (Annual Report and Form 10-K) by electronic delivery. It will help PSEG fulfill its commitment to reduce our environmental impact. Log on to the appropriate site listed below, depending on the nature of your ownership:

- If you are a stockholder of record, please go to **www.proxyconsent.com/peg**
- For shares held in the ESPP, go to **https://enroll.icsdelivery.com/peg**
- For shares held in Employees Benefit Plans, go to **www.proxyconsent.com/peg**
- If your shares are held by a bank or broker, go to **https://enroll.icsdelivery.com/peg**

Forward-Looking Statements – The statements contained in this communication that are not purely historical, are “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. Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are discussed in our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission, and available on our website: <https://investor.pseg.com/sec-filings>. All of the forward-looking statements made in this communication 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 communication apply only as of the date hereof. 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.

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