

LEADING TOWARD A SUSTAINABLE FUTURE



PSEG > POWERING PROGRESS



2020 ANNUAL REPORT





PUBLIC SERVICE ENTERPRISE GROUP (PSEG), a diversified energy holding company with approximately \$50 billion in assets at the end of 2020, 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 2 0 H I G H L I G H T S

PSEG

- Continued to provide essential energy services throughout the global COVID-19 pandemic
- Named to the Dow Jones North America Sustainability Index for 13th consecutive year; Forbes' America's Best Employers for Diversity list for third year; Newsweek's "America's Most Responsible Companies 2021"

PSE&G

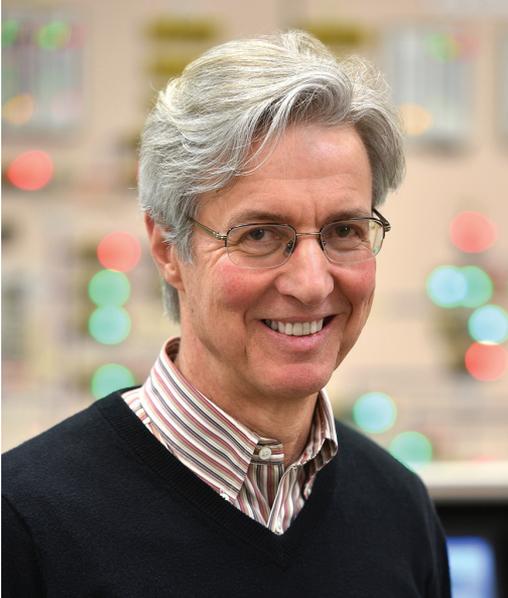
- Reached settlement on landmark Clean Energy Future – Energy Efficiency proposal, a three-year, \$1 billion program, the largest energy efficiency initiative in New Jersey history
- Earned 19th consecutive ReliabilityOne™ Award as the most reliable electric utility in the Mid-Atlantic region by PA Consulting, accompanied by the organization's Outstanding Customer Engagement Award

PSEG POWER

- Announced plans to explore strategic alternatives for PSEG's non-nuclear generating fleet, including PSEG Fossil and Solar Source portfolios
- Entered into agreement to acquire 25% equity interest in Ørsted's Ocean Wind project, on track to be the first New Jersey offshore wind generator in operation

PSEG LONG ISLAND

- Earned "most improved large utility in the nation," according to J.D. Power data spanning the last seven years
- Provided more than \$2 million in grants and discounts in 2020 to help more than 1,000 local businesses and organizations meet the challenges of COVID-19



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

For more than a century, PSEG has excelled in the face of challenging times. The challenges of 2020 rival the largest ever faced by our company, our nation or the world. And I could not be prouder of our employees' performance and our organization's ability to overcome unprecedented obstacles.

The COVID-19 pandemic's impact on PSEG has been transformative and has reinforced our commitment to our customers, employees, shareholders and the communities we serve as an essential, innovative and resilient corporation.

Since long before the onset of the pandemic, we have demonstrated our value as a provider of the most essential of services – safe, reliable and affordable energy. As millions of workers, students and caregivers were asked to stay home to slow the spread of the coronavirus, they relied on the energy we provide to power their video conferences and virtual classrooms, and to keep their homes bright and comfortable. We supported the critical work that healthcare providers were doing to save lives by ensuring the lights were on and the power was available to energize hospitals, nursing homes, critical care facilities and, most recently, vaccination centers.

PSEG employees also demonstrated that resilience and adaptability are not just words to describe our energy infrastructure, but also underline the character of our workforce. The need to change how we work in the name of health and safety – whether logging in from home or maintaining physical distance at our worksites – showed us that PSEG's strength comes from its people, and is not tied to a workplace or building. These insights will be invaluable as we transition our organization toward a post-pandemic environment.

PSEG acted to make a difference in 2020 even beyond our normal reliable delivery of energy. By donating 50,000 face masks and 200,000 pairs of gloves to medical providers early in the pandemic, contributing more than \$4 million to food banks and other pandemic relief needs, and employees using their personal time to manufacture PPE for first responders or to share time and resources to help those who are struggling, we demonstrated the generosity behind the name "Public Service."

DIVIDEND PER SHARE





Despite the challenges presented by the pandemic, PSEG has nevertheless continued its ongoing transition toward the future described in our Powering Progress vision – a future in which we help our customers use less energy, we ensure that the energy they use is as clean as possible, and we deliver that energy more reliably than ever before.

This year marks the first of PSE&G’s three-year, \$1 billion energy efficiency program, a historic step in our clean energy transformation. Energy efficiency was the first component of PSE&G’s Clean Energy Future proposal to be authorized; two additional programs – the statewide installation of advanced metering infrastructure and the development of electric vehicle charging infrastructure – were approved by the New Jersey Board of Public Utilities during the first weeks of 2021 .

This June also will mark the completion of PSEG Power’s long-term exit strategy from coal generation, with the scheduled retirement of Bridgeport Harbor Unit 3. At the same time, we are continuing our efforts to support nuclear power as New Jersey’s leading source of carbon-free energy and explore opportunities in the state’s growing offshore wind industry.

By the end of 2021, we expect to complete our Strategic Alternatives initiative. The intent is to accelerate our transformation into a primarily regulated electric and gas utility with a contracted zero-carbon energy business, consisting of our existing nuclear assets and future expected offshore wind investment.

Following a year during which we made progress to advance a culture of diversity, equity and inclusion (DEI), we intend to continue that work in 2021 with a goal of elevating PSEG’s reputation as a DEI leader, internally and externally. This work will further enhance PSEG’s historic commitment to providing all of our customers, in all of our communities, with safe, reliable and resilient energy.

PSEG has long recognized the importance of sustainability and our approach to environmental, social and governance (ESG) matters by integrating these considerations into our strategic decision-making, allocation of capital and risk management.

During my 14 years as CEO, our business strategy has considered not only how the effects of climate change might impact PSEG and its investors, but also how our business operations impact the world we live in, and how we can help all of our stakeholders manage its uncertainties.

The ultimate goal of PSEG’s ESG and sustainability efforts is that our organization remains a positive force in the world. Such purposeful focus ensures that our company exists not only to provide a public service, but also to benefit our customers, our communities, our workforce and our shareholders, with a bias toward equitable and ethical behavior.

We thank you, our shareholders, for your loyalty and support. We will continue to work hard and deliver our best effort, every day, to maintain your confidence and trust.

Sincerely,

Ralph Izzo

Chairman, President and Chief Executive Officer
Public Service Enterprise Group

Feb. 26, 2021



2020 Performance

During 2020, PSEG once again made excellent progress toward its business objectives.

Overall, we achieved solid operating and financial results in 2020, which marked the 16th 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 \$2.7 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 operation and maintenance costs across the enterprise.

Our strong financial position has supported the growth in our dividend. In February 2021, we raised our indicative annual dividend rate to \$2.04 per share, from \$1.96 per share in 2020. This is the 114th consecutive year our company has provided a dividend and the 17th dividend increase in the last 18 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 utility in the region. In 2020, for the 19th consecutive year, PSE&G received the ReliabilityOne™ Award for Outstanding Reliability Performance in the Mid-Atlantic Region from PA Consulting, an industry benchmarking group, as well as its 2020 Outstanding Customer Engagement Award.

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 continuing to make an already reliable system even stronger.

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.

For the first time in their history, both Salem and Hope Creek simultaneously attained the highest possible performance rating from the Institute of Nuclear Power Operations.

PSEG Nuclear also received a Framatome Top Innovative Practice Award from the Nuclear Energy Institute for its novel approach to performing critically important nuclear vessel interior inspections during planned maintenance and refueling outages at Hope Creek.

As a result of the dedication and focus of our Long Island workforce, PSEG Long Island continued its rise as the most improved large utility in the nation over the last seven years, according to J.D. Power data.

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 2021-2025 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 net income grew more than 6% in 2020. For 2021, we anticipate that regulated operations will exceed 80% of our consolidated earnings mix and we expect that percentage will continue to grow.

In 2020, we announced two major initiatives. First, that we are exploring strategic alternatives for PSEG Power's non-nuclear generating fleet, which includes more than 6,750 megawatts of fossil generation in New Jersey, Connecticut, New York and Maryland, as well as the 467-megawatt-dc Solar Source portfolio located in various states. The intent is to accelerate PSEG's transformation into a primarily regulated electric and gas utility with a contracted energy business, complemented by our zero-carbon nuclear assets – a plan we have been executing successfully for more than a decade.

Second, PSEG entered into a definitive agreement with Ørsted North America to acquire a 25% equity interest in the 1,100-megawatt Ocean Wind project, which is expected to provide first power in late 2024. This alliance combines Ørsted's global expertise in offshore wind with PSEG's state and regional experience executing complex energy infrastructure projects and power market knowledge, and will benefit New Jersey's development of an offshore wind supply chain, job creation efforts and environmental stewardship.

Both transactions are expected to be completed in 2021.

Finally, 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.

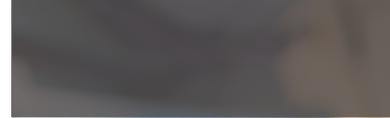
Disciplined Investment

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

PSE&G's investment of \$2.7 billion in its transmission and distribution infrastructure in 2020 provided for approximately 8% growth in rate base to over \$22 billion. Of this amount, PSE&G's investment in transmission represents 46%, or \$10 billion, of the company's rate base at the end of 2020. These transmission investments increase reliability and resiliency of the entire grid.

In 2021, we intend to invest approximately \$2.7 billion to achieve our commitments to provide safe, clean and affordable energy. PSEG's five-year capital investment program stands at a range of \$14 billion to \$16 billion, with regulated utility investments representing approximately 90% of our planned capital expenditures.

In September 2020, the New Jersey Board of Public Utilities approved our landmark energy efficiency proposal. This three-year, \$1 billion program is the centerpiece of PSE&G's historic Clean Energy Future initiative, which we first proposed in 2018. Two other Clean Energy Future components – a four-year, \$700 million program to provide 2.3 million electric customers with smart meter technology, and a \$166 million program to jump-start development of New Jersey's electric vehicle charging infrastructure, were approved in January 2021. Vehicle innovation and energy storage components remain pending before the BPU.





Each piece of PSE&G's Clean Energy Future proposal is designed to help reduce customers' energy costs, limit air pollution, create jobs and help make New Jersey a leader in clean energy.

In 2020, we also continued the second phases of our ongoing infrastructure-hardening programs. Our Gas System Modernization Program Phase II is a five-year, \$1.9 billion investment that is scheduled to replace 875 miles of cast-iron and unprotected steel natural gas infrastructure, while our Energy Strong II program is a four-year, \$842 million program, expected to mitigate flooding at 16 electric substations, subdivide more than 1,100 circuits and upgrade grid communications.

A Company with a Purpose

PSEG's Core Commitments – safety, integrity, continuous improvement, customer service, and diversity, equity & inclusion – will continue to guide our company.

Our success for 118 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.

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.

While ESG investing has grown in prominence recently, it has been at the forefront of our thinking for years. We have been named to the Dow Jones Sustainability Index for North America for 13 consecutive years and were listed among America's Most Responsible Companies for 2021 by Newsweek, based in part on our commitment to disclosure and transparency. And in January 2021, we published our first-ever ESG Performance Report.

PSEG has adopted the Sustainability Accounting Standards Board (SASB) disclosure practice and incorporated the U.N. Sustainable Development Goals. And in 2020, PSEG published its 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

Throughout 2020, we responded to unprecedented levels of public need with an unprecedented giving campaign. The PSEG Foundation provides approximately \$8 million in annual philanthropic grants and a robust matching gift program to help maximize support to nonprofit partners and our communities.

Since the start of the pandemic, PSEG and the PSEG Foundation together committed \$5 million in foundation and corporate giving initiatives: In April, the company and its foundation announced a \$2.5 million commitment to pandemic relief organizations; in June, we announced our \$1 million Powering Equity and Social Justice Initiative; and in December, we awarded \$1.5 million in Community Gift contributions to 14 community organizations addressing needs exacerbated by the pandemic.

In addition to these commitments, PSEG and the PSEG Foundation continued to invest in the communities we serve with our traditional emphasis on sustainability and the environment, education and workforce development, and diversity and inclusion. In 2020, our foundation's investment in organizations that serve the communities where we do business totaled nearly \$8.3 million.

Employee citizenship is reflected on and off the job, through dedicated service to and volunteerism in our communities. Approximately 25% of our employees dedicated their time to volunteerism activities which included numerous virtual opportunities.

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

Diversity, Equity & Inclusion

We began 2020 by making a strong commitment to focus on diversity and inclusion within our organization. As we thought further about our goals and objectives for the year, we recognized a need to explicitly add equity to the values we expect PSEG to reflect. And when concerns about social justice came to the nation's forefront, we continued our introspection and growth, recognizing the need to address these issues internally and to have necessary and difficult conversations about race, inequity, and social justice.

We continue to foster a diverse, equitable and inclusive workplace by developing our leaders, driving change at the local level, leveraging data to inform decisions, bringing on new programs to highlight areas where we have opportunities, and regularly reviewing and changing our policies and practices.

Following a year during which we made exciting progress to advance a culture of diversity, equity and inclusion, we are proud to have been recognized once again as one of Forbes'





Best Employers for Diversity and Best Employers for Veterans. We have signed onto CEO Action for Racial Equity, the largest CEO-driven business commitment to advance diversity, equity and inclusion. PSEG also joined the Valuable 500, a global consortium of business leaders committed to disability inclusion and ensuring opportunities for employees with disabilities to thrive.

This year, we also joined the New Jersey CEO Council, a coalition of CEOs from New Jersey-based companies who have pledged to hire or train more than 30,000 residents by 2030 and spend an additional \$250 million on procurement with state-based, diverse companies by 2025. Both efforts focus on underrepresented communities of color and other underserved communities, and are designed to help the state recover from the economic challenges of the COVID-19 pandemic.



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, a leading technological research university in Troy, N.Y.

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

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

BARRY H. OSTROWSKY is the President and Chief Executive Officer of RWJBarnabas Health, West Orange, N.J., 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, N.J., a data analytics and risk assessment company.

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

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

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

ALFRED W. ZOLLAR is Executive Advisor, Siris Capital Group, LLC and the retired General Manager – Tivoli Software division of International Business Machines Corporation, Armonk, N.Y., a worldwide information technology and consulting company.

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 20, 2021, at 1 p.m. ET** via **virtual webcast**. Prior registration is required at: **register.proxypush.com/peg**

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-fillings>. 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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