UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED June 30, 2026
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM TO

Commission File Number	Name of Registrant, Address, and Telephone Number	State or other jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number
001-09120	**Public Service Enterprise Group Incorporated** 80 Park Plaza Newark, New Jersey 07102 973 430-7000	New Jersey	22-2625848
001-00973	**Public Service Electric and Gas Company** 80 Park Plaza Newark, New Jersey 07102 973 430-7000	New Jersey	22-1212800

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Public Service Enterprise Group Incorporated		
Common Stock without par value	PEG	New York Stock Exchange
Public Service Electric and Gas Company		
8.00% First and Refunding Mortgage Bonds, due 2037	PEG37D	New York Stock Exchange
5.00% First and Refunding Mortgage Bonds, due 2037	PEG37J	New York Stock Exchange

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit such files). Yes ☒ No ☐

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Public Service Enterprise Group Incorporated	Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐
Public Service Electric and Gas Company	Large accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☒	Smaller reporting company	☐	Emerging growth company	☐

(Cover continued on next page)

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If any of the registrants is an emerging growth company, indicate by check mark if such registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether any of the registrants is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 20, 2026, Public Service Enterprise Group Incorporated had outstanding 498,420,030 shares of its sole class of Common Stock, without par value.

As of July 20, 2026, Public Service Electric and Gas Company had issued and outstanding 132,450,344 shares of Common Stock, without nominal or par value, all of which were privately held, beneficially and of record, by Public Service Enterprise Group Incorporated.

Public Service Electric and Gas Company is a wholly owned subsidiary of Public Service Enterprise Group Incorporated and meets the conditions set forth in General Instruction H(1) of Form 10-Q. Public Service Electric and Gas Company is filing its Quarterly Report on Form 10-Q with the reduced disclosure format authorized by General Instruction H.

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FORWARD-LOOKING STATEMENTS

Certain of the matters discussed in this report 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 our nuclear generation projects;
- significant resource adequacy challenges that present affordability and reliability concerns and that could cause policymakers to implement responsive measures that could have a material, adverse impact on our business, strategy, growth rates, cash flows, results of operations, and financial condition and increase regulatory uncertainty for utility investment initiatives and programs;
- 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, gas explosions, accidents, critical operating technology or business system failures, natural disasters, severe weather events, acts of war, terrorism or other acts of violence, sabotage, physical attacks or security breaches, cyberattacks 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;
- failure to attract and retain a qualified workforce;
- increases in the costs of equipment, materials, fuel, services and labor;
- the impact of our covenants in our debt instruments and credit agreements on our business;
- adverse performance of our defined benefit plan trust funds and Nuclear Decommissioning Trust Fund and increases in funding requirements;
- any inability to enter into or extend certain significant contracts;
- development, adoption and use of Artificial Intelligence by us and our third-party vendors;
- fluctuations in, or third-party default risk in wholesale power and natural gas markets, including the potential impacts on the economic viability of our generation units;
- the ability to obtain adequate nuclear fuel supply;
- 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 and Regional Transmission Organization rules;
- risks associated with generation activities at, and operation of, the Peach Bottom plants, which are similar to those to which nuclear generation plants that we operate are subject;
- 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 projects or programs may not be fully approved by regulators and its capital investment may be lower than planned;
- our ability to receive sufficient financial support for our New Jersey nuclear plants from the markets, and/or production tax credits;
- 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 operational, financial, environmental and health and safety risks;
- changes in or violation of federal, state and local environmental laws and regulations and enforcement;
- delays in receipt of, or an inability to receive, necessary licenses and permits and siting approvals; and
- changes in tax laws and regulations.

All of the forward-looking statements made in this report 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 report apply only as of the date of this report. 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 report 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.

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 by navigating to the Email Alerts webpage at https://investor.pseg.com/resources/email-alerts/default.aspx. The information on https://investor.pseg.com and https://investor.pseg.com/resources/email-alerts/default.aspx is not incorporated herein and is not part of this Form 10-Q.

FILING FORMAT

This combined Quarterly Report on Form 10-Q is separately filed by Public Service Enterprise Group Incorporated (PSEG) and Public Service Electric and Gas Company (PSE&G). Information relating to any individual company is filed by such company on its own behalf. PSE&G is only responsible for information about itself and its subsidiaries.

Discussions throughout the document refer to PSEG and its direct operating subsidiaries. Depending on the context of each section, references to "we," "us," and "our" relate to PSEG or to the specific company or companies being discussed.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Millions, except per share data
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
OPERATING REVENUES	$ 2,554	$ 2,805	$ 6,402	$ 6,027
OPERATING EXPENSES				
Energy Costs	866	826	2,373	2,012
Operation and Maintenance	906	854	1,843	1,773
Depreciation and Amortization	321	308	650	628
Total Operating Expenses	2,093	1,988	4,866	4,413
OPERATING INCOME	461	817	1,536	1,614
Net Gains (Losses) on Trust Investments	144	95	127	103
Net Other Income (Deductions)	41	46	84	83
Net Non-Operating Pension and Other Postretirement Benefit (OPEB) Credits (Costs)	21	16	40	32
Interest Expense	(269)	(248)	(541)	(489)
INCOME BEFORE INCOME TAXES	398	726	1,246	1,343
Income Tax Expense	(64)	(141)	(171)	(169)
NET INCOME	$ 334	$ 585	$ 1,075	$ 1,174
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
BASIC	498	499	498	499
DILUTED	499	500	499	500
NET INCOME PER SHARE:				
BASIC	$ 0.67	$ 1.17	$ 2.15	$ 2.35
DILUTED	$ 0.67	$ 1.17	$ 2.15	$ 2.35

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Millions
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
NET INCOME	$ 334	$ 585	$ 1,075	$ 1,174
Other Comprehensive Income (Loss), net of tax				
Unrealized Gains (Losses) on Available-for-Sale Securities, net of tax (expense) benefit of $1, $(2), $0 and $(13) for the three and six months ended 2026 and 2025, respectively	(2)	4	—	20
Unrealized Gains (Losses) on Cash Flow Hedges, net of tax (expense) benefit of $(3), $(3), $(4) and $5 for the three and six months ended 2026 and 2025, respectively	6	7	9	(13)
Pension/OPEB adjustment, net of tax (expense) benefit of $0, $0, $(1) and $(1) for the three and six months ended 2026 and 2025, respectively	2	2	3	3
Other Comprehensive Income (Loss), net of tax	6	13	12	10
COMPREHENSIVE INCOME	$ 340	$ 598	$ 1,087	$ 1,184

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
Millions
(Unaudited)

	June 30, 2026	December 31, 2025
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 192	$ 132
Accounts Receivable, net of allowance of $246 in 2026 and $248 in 2025	1,903	1,888
Tax Receivable	134	406
Unbilled Revenues, net of allowance of $4 in 2026 and $6 in 2025	302	381
Fuel	222	282
Materials and Supplies, net	868	873
Prepayments	425	75
Derivative Contracts	19	11
Regulatory Assets	469	537
Other	20	11
Total Current Assets	4,554	4,596
PROPERTY, PLANT AND EQUIPMENT	55,226	53,920
Less: Accumulated Depreciation and Amortization	(12,295)	(11,856)
Net Property, Plant and Equipment	42,931	42,064
NONCURRENT ASSETS		
Regulatory Assets	6,591	6,431
Operating Lease Right-of-Use Assets	150	138
Long-Term Investments	420	372
Nuclear Decommissioning Trust (NDT) Fund	2,995	2,915
Long-Term Receivable of Variable Interest Entity (VIE)	529	520
Rabbi Trust Fund	159	162
Derivative Contracts	—	6
Other	484	372
Total Noncurrent Assets	11,328	10,916
TOTAL ASSETS	$ 58,813	$ 57,576

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
Millions
(Unaudited)

	June 30, 2026	December 31, 2025
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES		
Long-Term Debt Due Within One Year	$ 850	$ 875
Commercial Paper and Loans	950	1,529
Accounts Payable	1,305	1,489
Derivative Contracts	203	65
Accrued Interest	289	265
Accrued Taxes	53	95
New Jersey Clean Energy Program	229	145
Obligation to Return Cash Collateral	157	106
Regulatory Liabilities	592	484
Other	565	687
Total Current Liabilities	5,193	5,740
NONCURRENT LIABILITIES		
Deferred Income Taxes and Investment Tax Credits (ITC)	8,320	7,930
Regulatory Liabilities	1,957	2,048
Operating Leases	137	128
Asset Retirement Obligations	1,403	1,381
OPEB Costs	222	242
OPEB Costs of Servco	512	501
Accrued Pension Costs	287	305
Environmental Costs	221	225
Derivative Contracts	47	21
Long-Term Accrued Taxes	145	141
Other	299	262
Total Noncurrent Liabilities	13,550	13,184
COMMITMENTS AND CONTINGENT LIABILITIES (See Note 8)		
CAPITALIZATION		
LONG-TERM DEBT	22,741	21,670
STOCKHOLDERS' EQUITY		
Common Stock, no par, authorized 1,000 shares; issued, 2026 and 2025—534 shares	5,026	5,062
Treasury Stock, at cost, 2026 and 2025—36 shares	(1,471)	(1,435)
Retained Earnings	13,853	13,446
Accumulated Other Comprehensive Loss	(79)	(91)
Total Stockholders' Equity	17,329	16,982
Total Capitalization	40,070	38,652
TOTAL LIABILITIES AND CAPITALIZATION	$ 58,813	$ 57,576

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Millions
(Unaudited)

	Six Months Ended June 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 1,075	$ 1,174
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	650	628
Amortization of Nuclear Fuel	108	101
Provision for Deferred Income Taxes and ITC	177	76
Non-Cash Employee Benefit Plan (Credits) Costs	13	38
Net Realized and Unrealized (Gains) Losses on Energy Contracts and Other Derivatives	300	(13)
Cost of Removal	(74)	(72)
Energy Efficiency Programs Regulatory Investment Expenditures	(263)	(318)
Amortization of Energy Efficiency Programs Regulatory Investment Expenditures	103	79
Net Change in Other Regulatory Assets and Liabilities	298	110
Net (Gains) Losses and (Income) Expense from NDT Fund	(168)	(144)
Net Change in Certain Current Assets and Liabilities:		
Tax Receivable	272	64
Prepayments	(350)	(248)
Accrued Taxes	(42)	60
Cash Collateral	(192)	(13)
Obligation to Return Cash Collateral	51	11
Other Current Assets and Liabilities	(115)	(22)
Employee Benefit Plan Funding and Related Payments	(27)	(28)
Other	5	44
Net Cash Provided By (Used In) Operating Activities	1,821	1,527
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property, Plant and Equipment	(1,459)	(1,415)
Proceeds from Sales of Trust Investments	1,408	731
Purchases of Trust Investments	(1,363)	(756)
Other	(37)	52
Net Cash Provided By (Used In) Investing Activities	(1,451)	(1,388)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Change in Commercial Paper	(579)	(943)
Proceeds from Short-Term Loans	500	—
Repayment of Short-Term Loans	(500)	—
Issuance of Long-Term Debt	1,500	3,150
Redemption of Long-Term Debt	(450)	(1,600)
Cash Dividends Paid on Common Stock	(668)	(629)
Other	(113)	(56)
Net Cash Provided By (Used In) Financing Activities	(310)	(78)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	60	61
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	156	154
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 216	$ 215
Supplemental Disclosure of Cash Flow Information:		
Income Taxes Paid (Received)	$ (263)	$ (55)
Interest Paid, Net of Amounts Capitalized	$ 520	$ 442
Accrued Property, Plant and Equipment Expenditures	$ 449	$ 371

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Millions
(Unaudited)

	Common Stock Shares	Common Stock Amount	Treasury Stock Shares	Treasury Stock Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance as of March 31, 2026	534	$ 5,010	(36)	$ (1,475)	$ 13,853	$ (85)	$ 17,303
Net Income	—	—	—	—	334	—	334
Other Comprehensive Income (Loss), net of tax (expense) benefit of $(2)	—	—	—	—	—	6	6
Comprehensive Income							340
Cash Dividends at $0.67 per share on Common Stock	—	—	—	—	(334)	—	(334)
Other	—	16	—	4	—	—	20
Balance as of June 30, 2026	534	$ 5,026	(36)	$ (1,471)	$ 13,853	$ (79)	$ 17,329
Balance as of March 31, 2025	534	$ 5,014	(35)	$ (1,376)	$ 12,868	$ (136)	$ 16,370
Net Income	—	—	—	—	585	—	585
Other Comprehensive Income (Loss), net of tax (expense) benefit of $(5)	—	—	—	—	—	13	13
Comprehensive Income							598
Cash Dividends at $0.63 per share on Common Stock	—	—	—	—	(315)	—	(315)
Other	—	15	—	3	—	—	18
Balance as of June 30, 2025	534	$ 5,029	(35)	$ (1,373)	$ 13,138	$ (123)	$ 16,671

	Common Stock Shares	Common Stock Amount	Treasury Stock Shares	Treasury Stock Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance as of December 31, 2025	534	$ 5,062	(36)	$ (1,435)	$ 13,446	$ (91)	$ 16,982
Net Income	—	—	—	—	1,075	—	1,075
Other Comprehensive Income (Loss), net of tax (expense) benefit of $(5)	—	—	—	—	—	12	12
Comprehensive Income							1,087
Cash Dividends at $1.34 per share on Common Stock	—	—	—	—	(668)	—	(668)
Other	—	(36)	—	(36)	—	—	(72)
Balance as of June 30, 2026	534	$ 5,026	(36)	$ (1,471)	$ 13,853	$ (79)	$ 17,329
Balance as of December 31, 2024	534	$ 5,057	(36)	$ (1,403)	$ 12,593	$ (133)	$ 16,114
Net Income	—	—	—	—	1,174	—	1,174
Other Comprehensive Income (Loss), net of tax (expense) benefit of $(9)	—	—	—	—	—	10	10
Comprehensive Income							1,184
Cash Dividends at $1.26 per share on Common Stock	—	—	—	—	(629)	—	(629)
Other	—	(28)	1	30	—	—	2
Balance as of June 30, 2025	534	$ 5,029	(35)	$ (1,373)	$ 13,138	$ (123)	$ 16,671

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Millions
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
OPERATING REVENUES	$ 2,137	$ 2,031	$ 5,222	$ 4,695
OPERATING EXPENSES				
Energy Costs	776	760	2,134	1,854
Operation and Maintenance	545	504	1,182	1,080
Depreciation and Amortization	286	275	581	555
Total Operating Expenses	1,607	1,539	3,897	3,489
OPERATING INCOME	530	492	1,325	1,206
Net Other Income (Deductions)	17	16	36	32
Net Non-Operating Pension and OPEB Credits (Costs)	20	18	37	35
Interest Expense	(174)	(161)	(349)	(318)
INCOME BEFORE INCOME TAXES	393	365	1,049	955
Income Tax Expense	(51)	(33)	(130)	(77)
NET INCOME	$ 342	$ 332	$ 919	$ 878

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Millions
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
NET INCOME	$ 342	$ 332	$ 919	$ 878
Unrealized Gains (Losses) on Available-for-Sale Securities, net of tax (expense) benefit of $0 for the three and six months ended 2026 and 2025	—	—	—	—
COMPREHENSIVE INCOME	$ 342	$ 332	$ 919	$ 878

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
Millions
(Unaudited)

	June 30, 2026	December 31, 2025
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 147	$ 97
Accounts Receivable, net of allowance of $246 in 2026 and $248 in 2025	1,460	1,431
Unbilled Revenues, net of allowance of $4 in 2026 and $6 in 2025	302	381
Materials and Supplies, net	599	613
Prepayments	312	17
Regulatory Assets	469	537
Other	20	11
Total Current Assets	3,309	3,087
PROPERTY, PLANT AND EQUIPMENT	49,916	48,752
Less: Accumulated Depreciation and Amortization	(10,087)	(9,767)
Net Property, Plant and Equipment	39,829	38,985
NONCURRENT ASSETS		
Regulatory Assets	6,591	6,431
Operating Lease Right-of-Use Assets	100	84
Long-Term Investments	261	199
Rabbi Trust Fund	28	29
Other	311	209
Total Noncurrent Assets	7,291	6,952
TOTAL ASSETS	$ 50,429	$ 49,024

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
Millions
(Unaudited)

	June 30, 2026	December 31, 2025
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES		
Long-Term Debt Due Within One Year	$ 850	$ 875
Commercial Paper and Loans	—	325
Accounts Payable	883	866
Accounts Payable—Affiliated Companies	155	472
Accrued Interest	220	197
New Jersey Clean Energy Program	229	145
Obligation to Return Cash Collateral	157	106
Regulatory Liabilities	592	484
Other	348	324
Total Current Liabilities	3,434	3,794
NONCURRENT LIABILITIES		
Deferred Income Taxes and ITC	7,411	7,074
Regulatory Liabilities	1,957	2,048
Operating Leases	88	73
Asset Retirement Obligations	457	457
OPEB Costs	124	126
Accrued Pension Costs	150	164
Environmental Costs	156	160
Long-Term Accrued Taxes	8	7
Other	221	188
Total Noncurrent Liabilities	10,572	10,297
COMMITMENTS AND CONTINGENT LIABILITIES (See Note 8)		
CAPITALIZATION		
LONG-TERM DEBT	15,688	15,117
STOCKHOLDER'S EQUITY		
Common Stock; 150 shares authorized; issued and outstanding, 2026 and 2025—132 shares	892	892
Contributed Capital	2,156	2,156
Retained Earnings	17,690	16,771
Accumulated Other Comprehensive Loss	(3)	(3)
Total Stockholder's Equity	20,735	19,816
Total Capitalization	36,423	34,933
TOTAL LIABILITIES AND CAPITALIZATION	$ 50,429	$ 49,024

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Millions
(Unaudited)

	Six Months Ended June 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 919	$ 878
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	581	555
Provision for Deferred Income Taxes and ITC	130	(1)
Non-Cash Employee Benefit Plan (Credits) Costs	3	22
Cost of Removal	(74)	(72)
Energy Efficiency Programs Regulatory Expenditures	(263)	(318)
Amortization of Energy Efficiency Programs Regulatory Expenditures	103	79
Net Change in Other Regulatory Assets and Liabilities	298	110
Net Change in Certain Current Assets and Liabilities:		
Accounts Receivable and Unbilled Revenues	53	(127)
Materials and Supplies	14	17
Prepayments	(295)	(274)
Accounts Payable	(20)	62
Accounts Receivable/Payable—Affiliated Companies, net	(321)	(3)
Obligation to Return Cash Collateral	51	11
Other Current Assets and Liabilities	51	53
Employee Benefit Plan Funding and Related Payments	(16)	(17)
Other	(48)	(21)
Net Cash Provided By (Used In) Operating Activities	1,166	954
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property, Plant and Equipment	(1,252)	(1,279)
Proceeds from Sales of Trust Investments	3	3
Purchases of Trust Investments	(2)	(2)
Other	(79)	13
Net Cash Provided By (Used In) Investing Activities	(1,330)	(1,265)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Change in Commercial Paper and Loans	(325)	(244)
Issuance of Long-Term Debt	1,000	900
Redemption of Long-Term Debt	(450)	(350)
Other	(11)	(12)
Net Cash Provided By (Used In) Financing Activities	214	294
Net Increase (Decrease) In Cash, Cash Equivalents and Restricted Cash	50	(17)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	121	108
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 171	$ 91
Supplemental Disclosure of Cash Flow Information:		
Net Income Taxes Paid (Received)	$ 122	$ (21)
Interest Paid, Net of Amounts Capitalized	$ 326	$ 295
Accrued Property, Plant and Equipment Expenditures	$ 403	$ 283

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY
Millions
(Unaudited)

	Common Stock	Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance as of March 31, 2026	$ 892	$ 2,156	$ 17,348	$ (3)	$ 20,393
Net Income	—	—	342	—	342
Comprehensive Income					342
Balance as of June 30, 2026	$ 892	$ 2,156	$ 17,690	$ (3)	$ 20,735
Balance as of March 31, 2025	$ 892	$ 2,156	$ 15,947	$ (4)	$ 18,991
Net Income	—	—	332	—	332
Comprehensive Income					332
Balance as of June 30, 2025	$ 892	$ 2,156	$ 16,279	$ (4)	$ 19,323

	Common Stock	Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance as of December 31, 2025	$ 892	$ 2,156	$ 16,771	$ (3)	$ 19,816
Net Income	—	—	919	—	919
Comprehensive Income					919
Balance as of June 30, 2026	$ 892	$ 2,156	$ 17,690	$ (3)	$ 20,735
Balance as of December 31, 2024	$ 892	$ 2,156	$ 15,401	$ (4)	$ 18,445
Net Income	—	—	878	—	878
Comprehensive Income					878
Balance as of June 30, 2025	$ 892	$ 2,156	$ 16,279	$ (4)	$ 19,323

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1. Organization, Basis of Presentation and Significant Accounting Policies

Organization

Public Service Enterprise Group Incorporated (PSEG) is a public utility holding company that, acting through its wholly owned subsidiaries, is a predominantly regulated electric and gas utility and a nuclear generation business. PSEG's principal operating subsidiaries are:

- **Public Service Electric and Gas Company (PSE&G)**—which is a public utility engaged principally in the transmission of electricity and distribution of electricity and natural gas in certain areas of New Jersey. PSE&G is subject to regulation by the New Jersey Board of Public Utilities (BPU), the Federal Energy Regulatory Commission (FERC) and other federal and New Jersey state regulators. PSE&G also invests in regulated solar generation projects and regulated energy efficiency (EE) and related programs in New Jersey, which are regulated by the BPU.
- **PSEG Power LLC (PSEG Power)**—which is an energy supply company that consists of the operations of merchant nuclear generating assets and fuel supply functions engaged in competitive energy sales via its principal direct wholly owned subsidiaries. PSEG Power's subsidiaries are subject to regulation by FERC, the Nuclear Regulatory Commission (NRC), and other federal regulators and state regulators in the states in which they operate.

PSEG's other direct wholly owned subsidiaries are: PSEG Long Island LLC (PSEG LI), which operates the Long Island Power Authority's (LIPA) electric transmission and distribution (T&D) system under an Operations Services Agreement (OSA); PSEG Energy Holdings L.L.C. (Energy Holdings), which primarily holds legacy lease investments and competitively bid, FERC regulated transmission; and PSEG Services Corporation (Services), which provides certain management, administrative and general services to PSEG and its subsidiaries at cost.

Basis of Presentation

The respective financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) applicable to Quarterly Reports on Form 10-Q. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting guidance generally accepted in the United States (GAAP) have been condensed or omitted pursuant to such rules and regulations. These Condensed Consolidated Financial Statements and Notes to Condensed Consolidated Financial Statements (Notes) should be read in conjunction with, and update and supplement matters discussed in, the Annual Report on Form 10-K for the year ended December 31, 2025.

The unaudited condensed consolidated financial information furnished herein reflects all adjustments which are, in the opinion of management, necessary to fairly state the results for the interim periods presented. All such adjustments are of a normal recurring nature. All significant intercompany accounts and transactions are eliminated in consolidation. The year-end Condensed Consolidated Balance Sheets were derived from the audited Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 31, 2025. Certain line item reclassifications have been made to prior year financial statements to conform with current year presentation. These reclassifications had no impact on PSEG's or PSE&G's results of operations, financial condition or cash flows.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Significant Accounting Policies

Cash, Cash Equivalents and Restricted Cash

The following provides a reconciliation of cash, cash equivalents and restricted cash reported within the Condensed Consolidated Balance Sheets that sum to the total of the same such amounts for the beginning (December 31, 2025) and ending periods shown in the Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2026. Restricted cash consists primarily of deposits received related to construction projects at PSE&G.

	PSE&G	PSEG Power & Other (A)	Consolidated
		Millions	
As of June 30, 2026			
Cash and Cash Equivalents	$ 147	$ 45	$ 192
Restricted Cash in Other Current Assets	3	—	3
Restricted Cash in Other Noncurrent Assets	21	—	21
Cash, Cash Equivalents and Restricted Cash	**$ 171**	**$ 45**	**$ 216**
As of December 31, 2025			
Cash and Cash Equivalents	$ 97	$ 35	$ 132
Restricted Cash in Other Current Assets	3	—	3
Restricted Cash in Other Noncurrent Assets	21	—	21
Cash, Cash Equivalents and Restricted Cash	**$ 121**	**$ 35**	**$ 156**

(A) Includes amounts applicable to PSEG Power, Energy Holdings, Services and PSEG (parent company).

Note 2. Revenues

Nature of Goods and Services

The following is a description of principal activities by which PSEG and its subsidiaries generate their revenues.

PSE&G

Revenues from Contracts with Customers

Electric and Gas Distribution and Transmission Revenues—PSE&G sells gas and electricity to customers under default commodity supply tariffs. PSE&G's regulated electric and gas default commodity supply and distribution services are separate tariffs which are satisfied as the product(s) and/or service(s) are delivered to the customer. The electric and gas commodity and delivery tariffs are recurring contracts in effect until modified through the regulatory approval process as appropriate. Revenue is recognized over time as the service is rendered to the customer. Included in PSE&G's regulated revenues are unbilled electric and gas revenues which represent the estimated amount customers will be billed for services rendered from the most recent meter reading to the end of the respective accounting period.

PSE&G's transmission revenues are earned under a separate tariff using a FERC-approved annual formula rate mechanism. The performance obligation of transmission service is satisfied and revenue is recognized as it is provided to the customer. The formula rate mechanism provides for an annual filing of an estimated revenue requirement with rates effective January 1 of each year and a true-up to that estimate based on actual revenue requirements. The true-up mechanism is an alternative revenue which is outside the scope of revenue from contracts with customers.

Other Revenues from Contracts with Customers

Other revenues from contracts with customers, which are not a material source of PSE&G revenues, are generated primarily from appliance repair services and solar generation projects. The performance obligations under these contracts are satisfied and revenue is recognized as control of products is delivered or services are rendered.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Revenues Unrelated to Contracts with Customers

Other PSE&G revenues unrelated to contracts with customers are derived from alternative revenue mechanisms recorded pursuant to regulatory accounting guidance. These revenues, which include the Conservation Incentive Program (CIP), green energy program true-ups and transmission formula rate true-ups, are not a material source of PSE&G revenues.

PSEG Power & Other

Revenues from Contracts with Customers

Electricity and Related Products—PSEG Power owns generation solely within PJM Interconnection, L.L.C. (PJM), which facilitates the dispatch of energy and energy-related products. PSEG Power primarily sells to the PJM Independent System Operator (ISO) energy and ancillary services which are separately transacted in the day-ahead or real-time energy markets. The energy and ancillary services performance obligations are typically satisfied over time as delivered and revenue is recognized accordingly. PSEG generally reports electricity sales and purchases conducted with PJM net on an hourly basis in either Operating Revenues or Energy Costs in its Condensed Consolidated Statements of Operations. The classification depends on the net hourly activity.

PSEG Power enters into capacity sales and capacity purchases through PJM. The transactions are reported on a net basis dependent on PSEG Power's monthly net sale or purchase position through PJM. The performance obligations with PJM are satisfied over time upon delivery of the capacity and revenue is recognized accordingly. In addition to capacity sold through PJM, PSEG Power sells capacity through bilateral contracts and the related revenue is reported on a gross basis and recognized over time upon delivery of the capacity.

In May 2025, PSEG Power's Salem 1, Salem 2 and Hope Creek nuclear plants zero emission certificate (ZEC) sales concluded. These nuclear plants received ZEC revenue from the electric distribution companies (EDCs) in New Jersey. PSEG Power recognized revenue when the units generated electricity, which was when the performance obligation was satisfied. These revenues have been considered variable consideration within the scope of revenue from contracts with customers and are included in PJM Sales in the following tables. ZEC revenue has been adjusted by the estimated production tax credit (PTCs) generated from these nuclear plants and revenue will be adjusted based upon the final calculated value of the PTCs generated by these nuclear plants and that adjustment could be material. In May 2026, the BPU issued an order instructing how the nuclear plants should refund to the EDCs the value of the ZECs generated in 2024 and purchased from the nuclear plants that were subsequently offset by PTC. As such, PSEG Power refunded the EDCs approximately $207 million as per the BPU's order. See Note 4. Rate Filings additional information.

Gas Contracts—PSEG Power sells wholesale natural gas, primarily through an index based full-requirements Basic Gas Supply Service (BGSS) contract with PSE&G to meet the gas supply requirements of PSE&G's customers. The BGSS contract remains in effect unless terminated by either party with a two-year notice. Based upon the availability of natural gas, storage and pipeline capacity beyond PSE&G's daily needs, PSEG Power also sells gas and pipeline capacity to other counterparties under bilateral contracts. The performance obligation is primarily the delivery of gas which is satisfied over time. Revenue is recognized as gas is delivered or pipeline capacity is released.

PSEG LI Contract—PSEG LI has a contract with LIPA which generates revenues. PSEG LI's subsidiary, Long Island Electric Utility Servco, LLC (Servco) records costs which are recovered from LIPA and records the recovery of those costs as revenues when Servco is a principal in the transaction. In September 2025, the LIPA board of trustees approved a five-year extension of the contract. See Amended OSA below for further information.

Other Revenues from Contracts with Customers

PSEG Power had contracted to provide energy management and fuel procurement services for LIPA. Revenue was recognized over time as services were rendered. This agreement expired in December 2025.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Revenues Unrelated to Contracts with Customers

PSEG Power's revenues unrelated to contracts with customers include electric, gas and certain energy-related transactions accounted for in accordance with Derivatives and Hedging accounting guidance. See Note 10. Financial Risk Management Activities for further discussion.

Energy Holdings generates lease revenues which are recorded pursuant to lease accounting guidance.

Disaggregation of Revenues

	PSE&G	PSEG Power & Other (A)	Eliminations	Consolidated
		Millions		
Three Months Ended June 30, 2026				
Revenues from Contracts with Customers				
Electric Distribution	$ 1,250	$ —	$ —	$ 1,250
Gas Distribution	343	—	—	343
Transmission	460	—	—	460
Electricity and Related Product Sales				
Third-Party Sales	—	351	—	351
Sales to Affiliates	—	—	—	—
Gas Sales				
Third-Party Sales	—	51	—	51
Sales to Affiliates	—	116	(116)	—
Other Revenues from Contracts with Customers (B)	87	187	(1)	273
Total Revenues from Contracts with Customers	2,140	705	(117)	2,728
Revenues Unrelated to Contracts with Customers (C)	(3)	(171)	—	(174)
Total Operating Revenues	**$ 2,137**	**$ 534**	**$ (117)**	**$ 2,554**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

	PSE&G	PSEG Power & Other (A)	Eliminations	Consolidated
		Millions		
Six Months Ended June 30, 2026				
Revenues from Contracts with Customers				
Electric Distribution	$ 2,424	$ —	$ —	$ 2,424
Gas Distribution	1,700	—	—	1,700
Transmission	914	—	—	914
Electricity and Related Product Sales				
Third-Party Sales	—	1,080	—	1,080
Sales to Affiliates	—	—	—	—
Gas Sales				
Third-Party Sales	—	228	—	228
Sales to Affiliates	—	768	(768)	—
Other Revenues from Contracts with Customers (B)	180	361	(2)	539
Total Revenues from Contracts with Customers	5,218	2,437	(770)	6,885
Revenues Unrelated to Contracts with Customers (C)	4	(487)	—	(483)
Total Operating Revenues	**$ 5,222**	**$ 1,950**	**$ (770)**	**$ 6,402**

	PSE&G	PSEG Power & Other (A)	Eliminations	Consolidated
		Millions		
Three Months Ended June 30, 2025				
Revenues from Contracts with Customers				
Electric Distribution	$ 1,174	$ —	$ —	$ 1,174
Gas Distribution	317	—	—	317
Transmission	443	—	—	443
Electricity and Related Product Sales				
Third-Party Sales	—	303	—	303
Sales to Affiliates	—	16	(16)	—
Gas Sales				
Third-Party Sales	—	44	—	44
Sales to Affiliates	—	128	(128)	—
Other Revenues from Contracts with Customers (B)	97	184	(2)	279
Total Revenues from Contracts with Customers	2,031	675	(146)	2,560
Revenues Unrelated to Contracts with Customers (C)	—	245	—	245
Total Operating Revenues	**$ 2,031**	**$ 920**	**$ (146)**	**$ 2,805**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

	PSE&G	PSEG Power & Other (A)	Eliminations	Consolidated
		Millions		
Six Months Ended June 30, 2025				
Revenues from Contracts with Customers				
Electric Distribution	$ 2,118	$ —	$ —	$ 2,118
Gas Distribution	1,460	—	—	1,460
Transmission	882	—	—	882
Electricity and Related Product Sales				
Third-Party Sales	—	756	—	756
Sales to Affiliates	—	48	(48)	—
Gas Sales				
Third-Party Sales	—	184	—	184
Sales to Affiliates	—	629	(629)	—
Other Revenues from Contracts with Customers (B)	188	362	(3)	547
Total Revenues from Contracts with Customers	4,648	1,979	(680)	5,947
Revenues Unrelated to Contracts with Customers (C)	47	33	—	80
Total Operating Revenues	**$ 4,695**	**$ 2,012**	**$ (680)**	**$ 6,027**

(A)Includes revenues applicable to PSEG Power, PSEG LI and Energy Holdings.

(B)Includes primarily revenues from appliance repair services and the sale of solar renewable energy credits (SRECs) at auction at PSE&G. PSEG Power & Other includes PSEG LI's OSA with LIPA and PSEG Power's energy management fee with LIPA.

(C)Includes alternative revenues at PSE&G, including CIP, Green Program Recovery Charge (GPRC) and transmission over or under recoveries, which are authorized to be collected or refunded in the future periods, and derivative and lease contracts at PSEG Power & Other.

Contract Balances

PSE&G

PSE&G did not have any material contract balances (rights to consideration for services already provided or obligations to provide services in the future for consideration already received) as of June 30, 2026 and December 31, 2025. Substantially all of PSE&G's accounts receivable and unbilled revenues result from contracts with customers that are priced at tariff rates. The allowance for credit losses represented approximately 12% of accounts receivable (including unbilled revenues) as of both June 30, 2026 and December 31, 2025.

Accounts Receivable—Allowance for Credit Losses

PSE&G's accounts receivable, including unbilled revenues, is primarily comprised of utility customer receivables for the provision of electric and gas service and appliance services, and are reported on the balance sheet as gross outstanding amounts adjusted for an allowance for credit losses. The allowance for credit losses reflects PSE&G's best estimate of losses on the account balances. The allowance is based on PSE&G's projection of accounts receivable aging, historical experience, economic factors and other currently available evidence. PSE&G's electric bad debt expense is recoverable through its Societal Benefits Clause (SBC) mechanism.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following provides a reconciliation of PSE&G's allowance for credit losses for the three and six months ended June 30, 2026 and 2025:

	2026	2025
	Millions	
Balance as of March 31	$ 259	$ 234
Utility Customer and Other Accounts		
Provision	27	22
Write-offs, net of Recoveries of $11 million and $10 million in 2026 and 2025, respectively	(36)	(30)
Balance as of June 30	**$ 250**	**$ 226**

	2026	2025
	Millions	
Balance as of Beginning of Year	$ 254	$ 215
Utility Customer and Other Accounts		
Provision	62	59
Write-offs, net of Recoveries of $25 million and $19 million in 2026 and 2025, respectively	(66)	(48)
Balance as of End of Period	**$ 250**	**$ 226**

PSEG Power & Other

PSEG Power generally collects consideration upon satisfaction of performance obligations, and therefore, PSEG Power had no material contract balances as of June 30, 2026 and December 31, 2025.

PSEG Power's accounts receivable include amounts resulting from contracts with customers and other contracts which are out of scope of accounting guidance for revenues from contracts with customers. The majority of these accounts receivable are subject to master netting agreements. As a result, accounts receivable resulting from contracts with customers and receivables unrelated to contracts with customers are netted within Accounts Receivable and Accounts Payable on the Condensed Consolidated Balance Sheets.

PSEG Power's accounts receivable consist mainly of revenues from energy and ancillary services sold directly to ISOs and other counterparties. In the wholesale energy markets in which PSEG Power operates, payment for services rendered and products transferred are typically due within 30 days of delivery. As such, there is little credit risk associated with these receivables. PSEG Power did not record an allowance for credit losses for these receivables as of June 30, 2026 or December 31, 2025. PSEG Power monitors the status of its counterparties on an ongoing basis to assess whether there are any anticipated credit losses.

PSEG LI did not have any material contract balances as of June 30, 2026 and December 31, 2025.

Remaining Performance Obligations under Fixed Consideration Contracts

PSEG primarily records revenues as allowed by the guidance, which states that if an entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, the entity may recognize revenue in the amount to which the entity has a right to invoice. PSEG has future performance obligations under contracts with fixed consideration as follows:

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Capacity Revenues from the PJM Annual Base Residual and Incremental Auctions—The Base Residual Auction is generally conducted annually three years in advance of the operating period. However, changes to capacity market rules have resulted in auction suspensions and delays so that recent auctions have been run closer in time to their operating periods. In July 2024 the results of the 2025/2026 auction were released, in July 2025 the results of the 2026/2027 auction were released and in December 2025 the results of the 2027/2028 auction were released. PSEG Power expects to realize the following average capacity prices resulting from the base and incremental auctions, including unit specific bilateral contracts for previously cleared capacity obligations.

Delivery Year	$ per Megawatt (MW)-Day	MW Cleared
June 2025 to May 2026	$ 270	3,500
June 2026 to May 2027	$ 329	3,500
June 2027 to May 2028	$ 333	3,500

Amended OSA—PSEG LI has been operating LIPA's electric T&D system in Long Island, New York since 2014 under a 12-year OSA with LIPA that expired on December 31, 2025, with annual fixed and variable components. The fixed fee for the provision of services thereunder in 2025 was approximately $45 million. In December 2025, PSEG LI entered into a five-year extension of the OSA ending on December 31, 2030. The fixed fee for the provision of services thereunder in 2026 and 2027 is approximately $43 million, escalating to approximately $47 million in 2028 and updated annually thereafter based on the change in the Consumer Price Index through the remainder of the contract. A competitor in the contract bidding process filed litigation against LIPA challenging the process. LIPA filed a motion to dismiss the competitor's claim as untimely, which was granted by the New York Supreme Court. The competitor filed an appeal in January 2026.

Note 3. Variable Interest Entity (VIE)

VIE for which PSEG LI is the Primary Beneficiary

PSEG LI consolidates Servco, a marginally capitalized VIE, which was created for the purpose of operating LIPA's T&D system in Long Island, New York as well as providing administrative support functions to LIPA. PSEG LI is the primary beneficiary of Servco because it directs the operations of Servco, the activity that most significantly impacts Servco's economic performance and it has the obligation to absorb losses of Servco that could potentially be significant to Servco. Such losses would be immaterial to PSEG.

Pursuant to the OSA, Servco's operating costs are paid entirely by LIPA, and therefore, PSEG LI's risk is limited related to the activities of Servco. PSEG LI has no current obligation to provide direct financial support to Servco. In addition to payment of Servco's operating costs as provided for in the OSA, PSEG LI receives an annual contract management fee. PSEG LI's annual contract management fee, in certain situations, could be partially offset by Servco's annual storm costs that are denied reimbursement by the Federal Emergency Management Agency, limited contingent liabilities and penalties for failing to meet certain performance metrics.

For transactions in which Servco acts as principal and controls the services provided to LIPA, such as transactions with its employees for labor and labor-related activities, including pension and OPEB-related transactions, Servco records revenues and the related pass-through expenditures separately in Operating Revenues and Operation and Maintenance (O&M) Expense, respectively. Servco recorded $166 million and $155 million for the three months ended June 30, 2026 and 2025, respectively, and $317 million and $307 million for the six months ended June 30, 2026 and 2025, respectively, of O&M expense, the full reimbursement of which was reflected in Operating Revenues. For transactions in which Servco acts as an agent for LIPA, it records revenues and the related expenses on a net basis, resulting in no impact on PSEG's Condensed Consolidated Statement of Operations.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 4. Rate Filings

In addition to items previously reported in the Annual Report on Form 10-K, significant regulatory orders received and currently pending rate filings with the BPU or FERC by PSE&G are as follows:

•**BGSS**—In May 2026, the BPU approved PSE&G's BGSS rate of approximately 36 cents per therm, which has been in effect since December 2025 when PSE&G self-implemented a BGSS rate increase.

In May 2026, PSE&G made its annual filing with the BPU requesting to maintain its BGSS rate of approximately 36 cents per therm, effective October 1, 2026. This matter is pending.

•**Clean Energy Future-Electric Vehicles (CEF-EV)**—In January 2026, PSE&G filed an updated cost recovery petition to recover $8 million annually in electric base rates. This filing requests the return of and on investment for CEF-EV electric investments placed in service through December 31, 2025. This matter is pending.

•**CIP**—In January 2026, the BPU gave final approval to the provisional electric CIP rates recovering annual deficient electric revenues of approximately $65 million. The provisional rate was effective June 1, 2025.

In March 2026, PSE&G filed its annual electric CIP petition seeking BPU approval to return to customers excess revenues of approximately $26 million based on the 12-month period ending May 31, 2026. This matter is pending.

In May 2026, the BPU gave final approval for recovery of approximately $89 million of deficient gas revenues based on updated actual data for the 12-month period ended September 30, 2025. The revised rate became effective June 1, 2026.

In May 2026, PSE&G filed its next annual gas CIP petition seeking BPU approval to recover estimated deficient gas revenues of approximately $19 million based on the 12-month period ending September 2026, with new rates proposed to be effective October 1, 2026. This matter is pending.

•**Gas System Modernization Program II Extension (GSMP II Ext)**—In February 2026, PSE&G filed a GSMP II Ext cost recovery petition seeking BPU approval to recover in gas rates an annual revenue increase of $4 million effective September 1, 2026 representing the return of and on investment in GSMP II Ext gas investments to be placed in service through May 31, 2026. This matter is pending.

In March 2026, the BPU approved PSE&G's updated GSMP II Ext cost recovery petition to recover $23 million annually in gas base rates effective April 1, 2026. The approved gas revenue increase represents the return of and on actual GSMP II Ext investments placed in service through October 31, 2025.

•**GPRC**—In July 2026, PSE&G filed its 2026 GPRC cost recovery petition requesting BPU approval for recovery of increases of $316 million and $52 million in annual electric and gas revenues, respectively. As PSE&G's 2025 GPRC cost recovery petition is still pending BPU approval, the 2026 GPRC cost recovery petition and request for electric and gas rate increases represents costs for both the 2025 GPRC and the 2026 GPRC periods.

•**Infrastructure Advancement Program (IAP)**—In January 2026, PSE&G filed an updated IAP cost recovery petition seeking BPU approval to recover in electric and gas base rates annual revenue increases of $10 million and $4 million, respectively. These increases represent the return of and on IAP investments in service through December 31, 2025. This matter is pending.

•**SBC and Non-Utility Generation Charge (NGC)**—In May 2026, the BPU approved PSE&G's petition to decrease its annual electric SBC and NGC rates by approximately $3 million and increase its annual SBC gas rate by $38 million under the NGC and the Energy Efficiency & Renewable Energy and Social components of the SBC. This approval includes the commencement of recovery of the previously deferred electric bad debt expense over a five-year period via the Social Programs component of the SBC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

•**Transmission Formula Rates**—In June 2026, in accordance with its transmission formula protocols, PSE&G filed with the FERC its 2025 true-up adjustment relating to its transmission formula rates in effect for calendar year 2025. The June 2026 true-up filing resulted in an approximate $28 million increase in the 2025 revenue requirement compared to the forecast filing. PSE&G had previously recognized the majority of the increased revenue in 2025.

•**ZEC Program**—In January 2026, the BPU directed PSE&G to eliminate its ZEC tariff rate, effective February 1, 2026 and for PSE&G to apply the overcollected ZEC revenue balance into the Universal Service Fund component of PSE&G's SBC clause.

In May 2026, the BPU also approved a $166 million refund, including interest, to PSE&G customers for ZECs previously paid to the eligible nuclear units. The refund is due to the receipt of federal zero-emission nuclear power production tax credits (PTCs) for calendar year 2024, paid by the IRS to the nuclear owners, based on their 2024 federal income tax filings. The BPU determined that the receipt of the PTCs by the nuclear owners constitutes a double payment under New Jersey's ZEC legislation. The BPU ordered the nuclear owners to refund all the EDCs in May 2026, and for the EDCs to refund their respective share of the PTC refunds to customers over approximately a 12-month period beginning June 1, 2026.

Note 5. Financing Receivables

PSE&G

On-Bill Repayment (OBR) Program

As part of the CEF–EE II OBR program that began in 2025, PSE&G provides funding to customers to upgrade equipment to increase energy efficiency. The OBR program allows customers to repay their portion of costs for equipment upgrades over time directly through their PSE&G bill. The terms of these agreements can be five, seven or ten years. Customers must meet acceptable credit standards to participate in the program. As of June 30, 2026, there have been no defaults under the OBR program; however, in the event a default, uncollectible amounts are recoverable through a regulatory mechanism, subject to prudency reviews. Therefore, no current credit losses have been recorded for the OBR program. A substantial portion of these amounts are noncurrent and reported in Long-Term Investments on PSEG's and PSE&G's Condensed Consolidated Balance Sheets. The following table reflects the outstanding amounts by class of customer.

Outstanding OBR Loans by Class of Customers	As of June 30, 2026	As of December 31, 2025
	Millions	
Commercial/Industrial	$ 37	$ 17
Residential	194	128
Total	231	145
Current Portion (included in Accounts Receivable)	(32)	(14)
Noncurrent Portion (included in Long-Term Investments)	**$ 199**	**$ 131**

Payments on all outstanding loans were current as of June 30, 2026 and have an average remaining life of approximately 7 years.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Note 6. Trust Investments

Nuclear Decommissioning Trust (NDT) Fund

PSEG Power maintains an external master NDT to fund its share of decommissioning costs for its five nuclear facilities. The trust contains two separate funds: a qualified fund and a nonqualified fund. Section 468A of the Internal Revenue Code limits the amount of money that can be contributed into a qualified fund. The funds are managed by third-party investment managers who operate under investment guidelines developed by PSEG Power.

The following tables show the amortized costs basis, gross unrealized gains and losses and fair values for the securities held in the NDT Fund.

	As of June 30, 2026			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	Millions			
Equity Securities				
Domestic	$ 504	$ 361	$ (15)	$ 850
International	331	141	(8)	464
Commingled	315	3	(1)	317
Total Equity Securities	1,150	505	(24)	1,631
Available-for-Sale Debt Securities				
Government	886	2	(54)	834
Corporate	545	2	(18)	529
Total Available-for-Sale Debt Securities	1,431	4	(72)	1,363
Total NDT Fund Investments (A)	**$ 2,581**	**$ 509**	**$ (96)**	**$ 2,994**

(A)The NDT Fund Investments table excludes cash and foreign currency of $1 million as of June 30, 2026, which is part of the NDT Fund.

	As of December 31, 2025			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	Millions			
Equity Securities				
Domestic	$ 544	$ 397	$ (9)	$ 932
International	452	180	(9)	623
Total Equity Securities	996	577	(18)	1,555
Available-for-Sale Debt Securities				
Government	849	6	(65)	790
Corporate	581	7	(19)	569
Total Available-for-Sale Debt Securities	1,430	13	(84)	1,359
Total NDT Fund Investments (A)	**$ 2,426**	**$ 590**	**$ (102)**	**$ 2,914**

(A)The NDT Fund Investments table excludes cash and foreign currency of $1 million as of December 31, 2025, which is part of the NDT Fund.

Net unrealized gains (losses) on debt securities of $(39) million (after-tax) were included in Accumulated Other Comprehensive Loss (AOCL) on PSEG's Condensed Consolidated Balance Sheet as of June 30, 2026. The portion of net unrealized gains (losses) recognized in the second quarter and first six months of 2026 related to equity securities still held as of June 30, 2026 was $98 million and $62 million, respectively.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The amounts in the preceding tables do not include receivables and payables for NDT Fund transactions which have not settled at the end of each period. Such amounts are included in Accounts Receivable and Accounts Payable on the Condensed Consolidated Balance Sheets as shown in the following table.

	As of June 30, 2026	As of December 31, 2025
	Millions	
Accounts Receivable	$ 25	$ 23
Accounts Payable	$ 12	$ 16

The following table shows the value of securities in the NDT Fund that have been in an unrealized loss position for less than and greater than 12 months.

	As of June 30, 2026				As of December 31, 2025			
	Less Than 12 Months		Greater Than 12 Months		Less Than 12 Months		Greater Than 12 Months	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	Millions							
Equity Securities (A)								
Domestic	$ 106	$ (14)	$ 2	$ (1)	$ 134	$ (8)	$ 4	$ (1)
International	75	(8)	—	—	37	(4)	22	(5)
Commingled	104	(1)	—	—	—	—	—	—
Total Equity Securities	285	(23)	2	(1)	171	(12)	26	(6)
Available-for-Sale Debt Securities								
Government (B)	362	(5)	245	(49)	85	(1)	359	(64)
Corporate (C)	211	(3)	113	(15)	54	(1)	167	(18)
Total Available-for-Sale Debt Securities	573	(8)	358	(64)	139	(2)	526	(82)
NDT Trust Investments	**$ 858**	**$ (31)**	**$ 360**	**$ (65)**	**$ 310**	**$ (14)**	**$ 552**	**$ (88)**

(A)Equity Securities—Investments in marketable equity securities within the NDT Fund are primarily in common stocks within a broad range of industries and sectors. Commingled funds are invested in both domestic and international securities. Unrealized gains and losses on these securities are recorded in Net Income.

(B)Debt Securities (Government)—Unrealized gains and losses on these securities are recorded in Accumulated Other Comprehensive Income (Loss). The unrealized losses on PSEG Power's NDT investments in U.S. Treasury obligations and Federal Agency mortgage-backed securities were caused by interest rate changes. PSEG Power also has investments in municipal bonds. It is not expected that these securities will settle for less than their amortized cost. PSEG Power does not intend to sell these securities, nor will it be more-likely-than-not required to sell before recovery of their amortized cost. PSEG Power did not recognize credit losses for U.S. Treasury obligations and Federal Agency mortgage-backed securities because these investments are guaranteed by the U.S. government or an agency of the U.S. government. PSEG Power did not recognize credit losses for municipal bonds because they are primarily investment grade securities.

(C)Debt Securities (Corporate)—Unrealized gains and losses on these securities are recorded in Accumulated Other Comprehensive Income (Loss). Unrealized losses were due to market declines. It is not expected that these securities would settle for less than their amortized cost. PSEG Power does not intend to sell these securities, nor will it be more-likely-than-not required to sell before recovery of their amortized cost. PSEG Power did not recognize credit losses for corporate bonds because they are primarily investment grade securities.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The proceeds from the sales of and the net gains (losses) on securities in the NDT Fund were:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	Millions			
Proceeds from NDT Fund Sales	**$ 860**	**$ 328**	**$ 1,391**	**$ 715**
Net Realized Gains (Losses) on NDT Fund				
Gross Realized Gains	$ 205	$ 41	$ 273	$ 89
Gross Realized Losses	(33)	(26)	(69)	(55)
Net Realized Gains (Losses) on NDT Fund (A)	**172**	**15**	**204**	**34**
Net Unrealized Gains (Losses) on Equity Securities	(30)	79	(78)	69
Net Gains (Losses) on NDT Fund Investments	**$ 142**	**$ 94**	**$ 126**	**$ 103**

(A) The cost of these securities was determined on the basis of specific identification.

The NDT Fund debt securities held as of June 30, 2026 had the following maturities:

Time Frame	Fair Value
	Millions
Less than one year	$ 24
1 - 5 years	341
6 - 10 years	256
11 - 15 years	84
16 - 20 years	120
Over 20 years	538
Total NDT Available-for-Sale Debt Securities	**$ 1,363**

PSEG Power periodically assesses individual debt securities whose fair value is less than amortized cost to determine whether the investments are impaired. For these securities, management considers its intent to sell or requirement to sell a security prior to expected recovery. In those cases where a sale is expected, any impairment would be recorded through earnings. For fixed income securities where there is no intent to sell or likely requirement to sell, management evaluates whether credit loss is a component of the impairment. If so, that portion is recorded through earnings while the noncredit loss component is recorded through Accumulated Other Comprehensive Income (Loss). Any subsequent recoveries of the noncredit loss component of the impairment would be recorded through Accumulated Other Comprehensive Income (Loss). Any subsequent recoveries of the credit loss component would be recognized through earnings. The assessment of fair market value compared to cost is applied on a weighted average basis taking into account various purchase dates and initial cost of the securities.

Rabbi Trust

PSEG maintains certain unfunded nonqualified benefit plans to provide supplemental retirement and deferred compensation benefits to certain key employees. Certain assets related to these plans have been set aside in a grantor trust commonly known as a "Rabbi Trust."

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following tables show the amortized cost basis, gross unrealized gains and losses and fair values for the securities held in the Rabbi Trust.

	As of June 30, 2026			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	Millions			
Domestic Equity Securities	$ 6	$ 10	$ —	$ 16
Available-for-Sale Debt Securities				
Government	98	—	(19)	79
Corporate	73	—	(9)	64
Total Available-for-Sale Debt Securities	171	—	(28)	143
Total Rabbi Trust Investments	**$ 177**	**$ 10**	**$ (28)**	**$ 159**

	As of December 31, 2025			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	Millions			
Domestic Equity Securities	$ 8	$ 9	$ —	$ 17
Available-for-Sale Debt Securities				
Government	102	—	(18)	84
Corporate	69	—	(8)	61
Total Available-for-Sale Debt Securities	171	—	(26)	145
Total Rabbi Trust Investments	**$ 179**	**$ 9**	**$ (26)**	**$ 162**

Net unrealized gains (losses) on debt securities of $(20) million (after-tax) were included in AOCL on PSEG's Condensed Consolidated Balance Sheet as of June 30, 2026. The portion of net unrealized gains (losses) recognized during both the second quarter and first six months of 2026 related to equity securities still held as of June 30, 2026 was approximately $1 million.

The amounts in the preceding tables do not include receivables and payables for Rabbi Trust Fund transactions which have not settled at the end of each period. Such amounts were immaterial as of June 30, 2026 and December 31, 2025.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following table shows the value of securities in the Rabbi Trust Fund that have been in an unrealized loss position for less than 12 months and greater than 12 months.

	As of June 30, 2026				As of December 31, 2025			
	Less Than 12 Months		Greater Than 12 Months		Less Than 12 Months		Greater Than 12 Months	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	Millions							
Available-for-Sale Debt Securities								
Government (A)	$ 10	$ —	$ 65	$ (19)	$ 1	$ —	$ 68	$ (18)
Corporate (B)	17	—	39	(9)	4	—	41	(8)
Total Available-for-Sale Debt Securities	27	—	104	(28)	5	—	109	(26)
Rabbi Trust Investments	**$ 27**	**$ —**	**$ 104**	**$ (28)**	**$ 5**	**$ —**	**$ 109**	**$ (26)**

(A)Debt Securities (Government)—Unrealized gains and losses on these securities are recorded in Accumulated Other Comprehensive Income (Loss). The unrealized losses on PSEG's Rabbi Trust investments in U.S. Treasury obligations and Federal Agency mortgage-backed securities were caused by interest rate changes. PSEG also has investments in municipal bonds. It is not expected that these securities will settle for less than their amortized cost. PSEG does not intend to sell these securities, nor will it be more-likely-than-not required to sell before recovery of their amortized cost. PSEG did not recognize credit losses for U.S. Treasury obligations and Federal Agency mortgage-backed securities because these investments are guaranteed by the U.S. government or an agency of the U.S. government. PSEG did not recognize credit losses for municipal bonds because they are primarily investment grade securities.

(B)Debt Securities (Corporate)—Unrealized gains and losses on these securities are recorded in Accumulated Other Comprehensive Income (Loss). Unrealized losses were due to market declines. It is not expected that these securities would settle for less than their amortized cost. PSEG does not intend to sell these securities, nor will it be more-likely-than-not required to sell before recovery of their amortized cost. PSEG did not recognize credit losses for corporate bonds because they are primarily investment grade.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The proceeds from the sales of and the net gains (losses) on securities in the Rabbi Trust Fund were:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	Millions			
Proceeds from Rabbi Trust Sales	**$ 7**	**$ 9**	**$ 17**	**$ 16**
Net Realized Gains (Losses) on Rabbi Trust:				
Gross Realized Gains	$ 1	$ —	$ 1	$ —
Gross Realized Losses	—	(1)	—	(1)
Net Realized Gains (Losses) on Rabbi Trust (A)	**1**	**(1)**	**1**	**(1)**
Net Unrealized Gains (Losses) on Equity Securities	1	2	—	1
Net Gains (Losses) on Rabbi Trust Investments	**$ 2**	**$ 1**	**$ 1**	**$ —**

(A)The cost of these securities was determined on the basis of specific identification.

The Rabbi Trust debt securities held as of June 30, 2026 had the following maturities:

Time Frame	Fair Value
	Millions
Less than one year	$ 2
1 - 5 years	30
6 - 10 years	21
11 - 15 years	11
16 - 20 years	17
Over 20 years	62
Total Rabbi Trust Available-for-Sale Debt Securities	**$ 143**

PSEG periodically assesses individual debt securities whose fair value is less than amortized cost to determine whether the investments are considered to be impaired. For these securities, management considers its intent to sell or requirement to sell a security prior to expected recovery. In those cases where a sale is expected, any impairment would be recorded through earnings. For fixed income securities where there is no intent to sell or likely requirement to sell, management evaluates whether credit loss is a component of the impairment. If so, that portion is recorded through earnings while the noncredit loss component is recorded through Accumulated Other Comprehensive Income (Loss). Any subsequent recoveries of the noncredit loss component of the impairment would be recorded through Accumulated Other Comprehensive Income (Loss). Any subsequent recoveries of the credit loss component would be recognized through earnings. The assessment of fair market value compared to cost is applied on a weighted average basis taking into account various purchase dates and initial cost of the securities.

The fair value of the Rabbi Trust related to PSE&G and PSEG Power & Other is detailed as follows:

	As of	
	June 30, 2026	December 31, 2025
	Millions	
PSE&G	$ 28	$ 29
PSEG Power & Other	131	133
Total Rabbi Trust Investments	**$ 159**	**$ 162**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 7. Pension and Other Postretirement Benefits (OPEB)

PSEG sponsors qualified and nonqualified pension plans and OPEB plans covering PSEG's and its participating affiliates' current and former employees who meet certain eligibility criteria.

PSEG and PSE&G are required to record the under or over funded positions of their defined benefit pension and OPEB plans on their respective balance sheets. Such funding positions are required to be measured as of the date of their respective year-end Consolidated Balance Sheets.

The following table provides the components of net periodic benefit costs (credits) relating to all qualified and nonqualified pension and OPEB plans on an aggregate basis for PSEG, excluding Servco. Amounts shown do not reflect the impacts of capitalization, co-owner allocations and certain regulatory orders. Only the service cost component is eligible for capitalization, when applicable.

	Pension Benefits Three Months Ended June 30,		OPEB Three Months Ended June 30,		Pension Benefits Six Months Ended June 30,		OPEB Six Months Ended June 30,	
	2026	2025	2026	2025	2026	2025	2026	2025
	Millions							
Components of Net Periodic Benefit Costs (Credits)								
Service Cost (included in O&M Expense)	$ 22	$ 22	$ —	$ 1	$ 44	$ 44	$ —	$ 1
Non-Service Components of Pension and OPEB (Credits) Costs								
Interest Cost	55	58	8	9	109	116	16	18
Expected Return on Plan Assets	(83)	(77)	(8)	(9)	(165)	(154)	(17)	(17)
Amortization of Net								
Prior Service (Credits) Costs	—	—	(1)	—	—	—	(1)	1
Actuarial Loss (Gain)	15	16	(1)	(1)	29	31	(2)	(2)
Non-Service Components of Pension and OPEB (Credits) Costs	**(13)**	**(3)**	**(2)**	**(1)**	**(27)**	**(7)**	**(4)**	**—**
Total Net Periodic Benefit Costs (Credits)	**$ 9**	**$ 19**	**$ (2)**	**$ —**	**$ 17**	**$ 37**	**$ (4)**	**$ 1**

Pension and OPEB costs (credits) for PSE&G and PSEG Power & Other are detailed as follows:

	Pension Benefits Three Months Ended June 30,		OPEB Three Months Ended June 30,		Pension Benefits Six Months Ended June 30,		OPEB Six Months Ended June 30,	
	2026	2025	2026	2025	2026	2025	2026	2025
	Millions							
PSE&G	$ 5	$ 12	$ (3)	$ (1)	$ 9	$ 24	$ (6)	$ (2)
PSEG Power & Other	4	7	1	1	8	13	2	3
Total Net Periodic Benefit Costs (Credits)	**$ 9**	**$ 19**	**$ (2)**	**$ —**	**$ 17**	**$ 37**	**$ (4)**	**$ 1**

PSEG will make future pension contributions to satisfy Internal Revenue Service (IRS) minimum funding requirements. Depending on market performance, actuarial assumptions and financial estimates, PSEG could contribute up to $100 million to its pension plan in 2026.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Servco Pension and OPEB

Servco sponsors a qualified pension plan and OPEB plan covering its employees who meet certain eligibility criteria. Under the OSA, employee benefit costs for these plans are funded by LIPA. See Note 3. Variable Interest Entity. The OPEB obligation, as well as the offsetting long-term receivable, is separately presented on the Condensed Consolidated Balance Sheet of PSEG. Prepaid pension costs are included in Other Noncurrent Assets with an offsetting liability in Other Noncurrent Liabilities.

Pension and OPEB costs of Servco are accounted for according to the OSA. Servco recognizes expenses for contributions to its pension plan trust and for OPEB payments made to retirees. Operating Revenues are recognized for the reimbursement of these costs. Servco plans to contribute $15 million into its pension plan in 2026. Servco's pension-related revenues and costs were $4 million and $6 million for the three months ended June 30, 2026 and 2025, respectively, and $8 million and $12 million for the six months ended June 30, 2026 and 2025, respectively. The OPEB-related revenues earned and costs incurred were $5 million and $4 million for the three months ended June 30, 2026 and 2025, respectively, and $8 million and $7 million for the six months ended June 30, 2026 and 2025, respectively.

Note 8. Commitments and Contingent Liabilities

Guaranteed Obligations

PSEG Power's activities primarily involve the purchase and/or sale of energy, nuclear fuel and other related products under transportation, physical, financial and forward contracts at fixed and variable prices. These transactions are with numerous counterparties and brokers that may require cash, letters of credit or guarantees as a form of credit support.

PSEG Power has unconditionally guaranteed payments to counterparties on behalf of its subsidiaries in commodity-related transactions in order to

- support current exposure, interest and other costs on sums due and payable in the ordinary course of business, and
- obtain unsecured credit thresholds from counterparties.

PSEG Power is subject to

- counterparty collateral calls due to margining provisions included in commodity contracts, and
- certain creditworthiness standards as guarantor under performance guarantees of its subsidiaries.

Under these agreements, guarantees cover credit extended between entities and can be reciprocal in nature. The exposure between counterparties can move in either direction.

In order for PSEG Power to incur a liability for the face value of the outstanding guarantees,

- its subsidiaries would have to fully utilize the credit granted to them by every counterparty to whom PSEG Power has provided a guarantee, and
- the net position of the related contracts would have to be "out-of-the-money", including payables (if the contracts are terminated, PSEG Power would owe money to the counterparties).

PSEG Power believes the probability of this result is unlikely. For this reason, PSEG Power believes that the current exposure at any point in time is a more meaningful representation of the potential liability under these guarantees. Current exposure consists of the net of accounts receivable and accounts payable and the forward value on open positions, less any collateral posted.

Changes in commodity prices can have a material impact on collateral requirements under such contracts, which are posted and received primarily in the form of cash and letters of credit.

PSEG Power also routinely enters into futures and options transactions primarily for electricity as part of its operations and for natural gas from time to time. These futures contracts usually require a cash margin deposit with brokers, which can change based on market movement and in accordance with exchange rules.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In addition to the guarantees discussed above, PSEG Power has also provided payment guarantees to third parties and regulatory authorities on behalf of its affiliated companies. These guarantees support various other non-commodity related obligations.

The following table shows the face value of PSEG Power's outstanding guarantees, current exposure and margin positions as of June 30, 2026 and December 31, 2025.

	As of	
	June 30, 2026	December 31, 2025
	Millions	
Face Value of Outstanding Guarantees	$ 1,154	$ 996
Exposure under Current Guarantees	$ 110	$ 132
Letters of Credit - Counterparty Margining Posted	$ 185	$ 95
Letters of Credit - Counterparty Margining Received	$ 11	$ 16
Cash Deposited and Received		
Counterparty Cash Collateral Deposited	$ —	$ —
Counterparty Cash Collateral Received	$ (5)	$ —
Net Broker Balance Deposited (Received)	$ 419	$ 222
Additional Amounts Posted		
Other Letters of Credit	$ 240	$ 232

As part of determining credit exposure, PSEG Power nets receivables and payables with the corresponding net fair values of energy contracts. See Note 10. Financial Risk Management Activities for further discussion. In accordance with PSEG's accounting policy, where it is applicable, cash (received)/deposited is allocated against derivative asset and liability positions with the same counterparty on the face of the Condensed Consolidated Balance Sheet. The remaining balances of net cash (received)/deposited after allocation are generally included in Accounts Payable and Accounts Receivable, respectively.

In addition to amounts for outstanding guarantees, current exposure and margin positions, PSEG and PSEG Power have posted letters of credit to support PSEG Power's various other non-energy contractual and environmental obligations. See Other Letters of Credit in the preceding table.

Environmental Matters

Newark Bay Complex

The Newark Bay Complex is a tidal estuary in northern New Jersey that includes Newark Bay, as well as portions of the Passaic River, the Hackensack River and other surrounding waterways. The U.S. Environmental Protection Agency (EPA) has designated various portions of the Newark Bay Complex as federal Superfund sites that must be investigated and remediated under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA).

Lower Passaic River Study Area

The EPA has determined that a 17-mile stretch of the Passaic River (Lower Passaic River Study Area (LPRSA)) in New Jersey is a "Superfund" site. PSE&G and certain of its predecessors conducted operations at properties in this area, including at one site that was transferred to PSEG Power.

The EPA has announced two separate cleanup plans for the Lower 8.3 miles and Upper 9 miles of the LPRSA. The EPA's plan for the Lower 8.3 miles involves dredging and capping sediments at an estimated cost of $2.3 billion, and its plan for the Upper 9 miles involves dredging and capping sediments at an estimated cost of $550 million. Additional cleanup work may be required depending on the results of these initial phases of work.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Occidental Chemical Corporation (Occidental) has voluntarily completed the design of the cleanup plan for the Lower 8.3 miles and has received an EPA Unilateral Administrative Order directing it to design the cleanup plan for the Upper 9 miles. Occidental has filed two lawsuits against PSE&G and others to attempt to recover costs associated with its past investigation and cleanup work within the LPRSA and to obtain a declaratory judgment of parties' shares of any future costs. PSEG cannot predict the outcome of the litigation.

In January 2026, Occidental's parent company completed the sale of Occidental to a third party and identified a new company, Environmental Resource Holdings, LLC, as the successor to Occidental's environmental liability at the Newark Bay Complex and elsewhere. PSE&G and others have filed suit for a declaratory judgment that Occidental remains liable for investigation and cleanup costs within the Newark Bay Complex and elsewhere.

The EPA finalized and received court approval of a settlement with 82 parties who have agreed to pay $150 million to resolve their LPRSA CERCLA liability, in whole or in part. This settlement is being appealed. PSE&G and PSEG Power are not included in the settlement, but the EPA sent PSE&G, Occidental, and several other Potentially Responsible Parties (PRPs) a letter in March 2022 inviting them to submit to the EPA individually or jointly an offer to fund or participate in the next stages of the remediation. PSEG submitted a good faith offer to the EPA in June 2022 on behalf of PSE&G and PSEG Power. PSEG understands that the EPA is evaluating its offer.

As of June 30, 2026, PSEG has approximately $66 million accrued for this matter. PSE&G has an Environmental Costs Liability of $53 million and a corresponding Regulatory Asset based on its continued ability to recover such costs in its rates. PSEG Power has an Environmental Costs Liability of $13 million.

The outcome of this matter is uncertain, and until (i) a final remedy for the entire LPRSA is selected and an agreement is reached by the PRPs to fund it, (ii) PSE&G's and PSEG Power's respective shares of the costs are determined, and (iii) PSE&G's ability to recover the costs in its rates is determined, it is not possible to predict this matter's ultimate impact on PSEG's financial statements. It is possible that PSE&G and PSEG Power will record additional costs beyond what they have accrued, and that such costs could be material, but PSEG cannot at the current time estimate the amount or range of any additional costs.

Newark Bay Study Area

The EPA has established the Newark Bay Study Area, which is an extension of the LPRSA and includes Newark Bay and portions of surrounding waterways. The EPA has notified PSEG and 21 other PRPs of their potential liability. PSE&G and PSEG Power are unable to estimate their respective portions of any loss or possible range of loss related to this matter. In December 2018, PSEG Power completed the sale of the site of the Hudson electric generating station. PSEG Power contractually transferred all land rights and structures on the Hudson site to a third-party purchaser, along with the assumption of the environmental liabilities for the site.

Natural Resource Damage Claims

New Jersey and certain federal regulators have alleged that PSE&G, PSEG Power and 56 other PRPs may be liable for natural resource damages within the LPRSA. In particular, PSE&G, PSEG Power and other PRPs received notice from federal regulators of the regulators' intent to move forward with a series of studies assessing potential damages to natural resources at the Diamond Alkali Superfund site, which includes the LPRSA and the Newark Bay Study Area. PSE&G and PSEG Power are unable to estimate their respective portions of any possible loss or range of loss related to this matter.

Hackensack River

EPA has designated approximately 23 river miles of the Lower Hackensack River as a federal Superfund site. The site runs from the river's confluence with Newark Bay north to the Oradell Dam. PSE&G and certain of its predecessors conducted operations at properties in this area, including at the Hudson, Bergen and Kearny generating stations that were transferred to PSEG Power. PSEG Power subsequently contractually transferred all land rights and structures on the Hudson generating station site to a third-party purchaser, along with the assumption of the environmental liabilities for that site.

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In 2024, the EPA identified PSE&G and four other parties as PRPs for the site and requested that they voluntarily perform a technical study of a portion of the Lower Hackensack River designated as "Operable Unit 2." PSE&G and PSEG Power have agreed to participate in the technical study. PSE&G and PSEG Power do not believe participation in the technical study will have a material impact on their results of operations and financial condition; however, future costs related to this matter could be material.

In September 2025, the EPA identified PSE&G and three other parties as PRPs for a new portion of the Lower Hackensack River. EPA requested the PRPs voluntarily perform a technical study for this incremental portion designated as "Operable Unit 3." PSE&G and PSEG Power are considering the EPA's request. We cannot predict the outcome of this matter.

Manufactured Gas Plant (MGP) Remediation Program

PSE&G is working with the New Jersey Department of Environmental Protection (NJDEP) to assess, investigate and remediate environmental conditions at its former MGP sites. To date, 38 sites requiring some level of remedial action have been identified. Based on its current studies, PSE&G has determined that the estimated cost to remediate all MGP sites to completion could range between $172 million and $189 million on an undiscounted basis, including its $53 million share for the Passaic River as discussed above. Since no amount within the range is considered to be most likely, PSE&G has recorded a liability of $172 million as of June 30, 2026. Of this amount, $20 million was recorded in Other Current Liabilities and $152 million was reflected as Environmental Costs in Noncurrent Liabilities. PSE&G has recorded a $172 million Regulatory Asset with respect to these costs. PSE&G periodically updates its studies taking into account any new regulations or new information which could impact future remediation costs and adjusts its recorded liability accordingly. PSE&G completed sampling in the Passaic River in 2020 to delineate coal tar from certain MGP sites that abut the Passaic River Superfund site. PSEG cannot determine at this time the magnitude of any impact on the Passaic River Superfund remedy.

Legacy Environmental Obligations at Former Fossil Generating Sites

PSEG Power has retained ownership of certain liabilities excluded from the 2022 sale of its fossil generation portfolio. These liabilities primarily relate to obligations under the New Jersey Industrial Site Recovery Act (ISRA) and the Connecticut Transfer Act (CTA) to investigate and remediate PSEG Power's two formerly owned generating station sites in Connecticut, and six formerly owned generating station sites in New Jersey. In addition, PSEG Power still owns two former generating station sites in New Jersey that triggered ISRA in 2015.

PSEG Power is in the process of fulfilling its obligations under the New Jersey ISRA and the CTA to investigate these sites. It will require multiple years and comprehensive environmental sampling to understand the extent of and to carry out the required remediation. At this stage in the remediation process, the full remediation costs are not estimable, but given the number and operating history of the facilities in the portfolio, the full remediation costs will likely be material in the aggregate. The costs could potentially include costs for, among other things, excavating soil, implementation of institutional controls, and the construction, operation and maintenance of engineering controls.

In May 2024, the EPA finalized revisions to the coal combustion residuals rule (CCR Rule) which established new requirements for the investigation and, if necessary, the cleanup of certain types of coal ash placed at certain fossil generation station sites, including certain sites owned or formerly owned by PSEG Power. In April 2026, EPA proposed additional revisions to the CCR Rule that may further modify the requirements of the 2024 revisions. PSEG is in the process of investigating each of the sites that PSEG Power currently owns that are subject to the CCR Rule, as well as sites that were formerly owned that are subject to the CCR Rule where PSEG Power retained certain environmental obligations to investigate and, if necessary, remediate. PSEG is currently unable to estimate the impact of the CCR Rule or the proposed additional revisions that EPA may choose to finalize, but it could have a material impact on PSEG's business, results of operations and cash flows.

Basic Generation Service (BGS), BGSS and ZECs

Each year, PSE&G obtains its electric supply requirements through annual New Jersey BGS auctions for two categories of customers that choose not to purchase electric supply from third-party suppliers. The first category is residential and smaller commercial and industrial customers (BGS-Residential Small Commercial Pricing (RSCP)). The second category is larger

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customers that exceed a BPU-established load (kW) threshold (BGS-Commercial and Industrial Energy Pricing (CIEP)). Pursuant to applicable BPU rules, PSE&G enters into the Supplier Master Agreements with the winners of these RSCP and CIEP BGS auctions to purchase BGS for PSE&G's load requirements. The winners of the RSCP and CIEP auctions are responsible for fulfilling all the requirements of a PJM load-serving entity including the provision of capacity, energy, ancillary services and any other services required by PJM. As such, prices set through these auctions are impacted by FERC-approved prices set in the PJM capacity auctions, which significantly increased for the 2025/2026 and subsequent auction years. See Note 2. Revenues for additional information. BGS suppliers assume all volume risk and customer migration risk and must satisfy New Jersey's renewable portfolio standards.

The BGS-CIEP auction is for a one-year supply period from June 1 to May 31 with the BGS-CIEP auction price measured in dollars per MW-day for capacity. The final price for the BGS-CIEP auction year commencing June 1, 2026 is $677.73 per MW-day, replacing the BGS-CIEP auction year price ending May 31, 2026 of $696.05 per MW-day. Energy for BGS-CIEP is priced at hourly PJM locational marginal prices for the contract period.

PSE&G contracts for its anticipated BGS-RSCP load on a three-year rolling basis, whereby each year one-third of the load is procured for a three-year period. The contract prices in dollars per MWh for the BGS-RSCP supply, as well as the approximate load, are as follows:

	Auction Year				
	2023	2024	2025	2026	
36-Month Terms Ending	May 2026	May 2027	May 2028	May 2029	(A)
Load (MW)	2,800	2,900	2,800	2,800	
$ per MWh	$ 93.11	$ 80.88	$ 107.36	$ 109.38	

(A)Prices set in the 2026 BGS auction became effective on June 1, 2026 when the 2023 BGS auction agreements expired.

PSE&G has a full-requirements contract with PSEG Power to meet the gas supply requirements of PSE&G's gas customers. PSEG Power has entered into hedges for a portion of these anticipated BGSS obligations, as permitted by the BPU. The BPU permits PSE&G to recover the cost of gas hedging up to 115 billion cubic feet or 80% of its residential gas supply annual requirements through the BGSS tariff. Current plans call for PSEG Power to hedge on behalf of PSE&G approximately 70 billion cubic feet or 50% of its residential gas supply annual requirements. For additional information, see Note 17. Related-Party Transactions.

Pursuant to a process established by the BPU, New Jersey EDCs, including PSE&G, were required to purchase ZECs from eligible nuclear plants selected by the BPU. In April 2021, PSEG Power's Salem 1, Salem 2 and Hope Creek nuclear plants were awarded ZECs for the three-year eligibility period from June 2022 through May 2025. PSE&G purchased the ZECs on a monthly basis with payment to be made annually following completion of each energy year. The ZEC program ended effective June 1, 2025, and the final ZEC payment from PSE&G to PSEG Power settled in August 2025. See Note 2. Revenues for additional information.

FERC Matters

FERC has completed a non-public investigation of the Roseland-Pleasant Valley (RPV) transmission project. In December 2024, FERC approved an agreement between PSE&G and FERC Enforcement Staff resolving its investigation. The agreement included a $6.6 million civil penalty and the implementation of certain compliance requirements, in addition to the process improvements that PSE&G has already implemented. It also included a statement that nothing in the agreement reflected a challenge by FERC Enforcement to the end-of-life determination relative to the project and that no disgorgement had been sought. In both a December 2024 proceeding related to PJM's annual cost allocation filing and in PSE&G's 2025 annual formula rate true-up filing, an intervenor raised an objection related to the recovery of costs for the RPV project. In January 2026, that same intervenor filed a FERC complaint against PSE&G requesting that FERC set a hearing on the recovery of these

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costs. In July 2026, FERC issued an order setting the matter for hearing and settlement judge procedures. We cannot predict the outcome of this matter and intend to vigorously defend against any challenge to the prudency of these costs.

BPU Audit of PSE&G

In 2020, the BPU ordered the commencement of a comprehensive affiliate and management audit of PSE&G. It has been more than ten years since the BPU last conducted a management and affiliate audit of this kind of PSE&G, which is initiated periodically as required by New Jersey statutes/regulations. Phase 1 of the audit reviews affiliate relations and cost allocation between PSE&G and its affiliates, including an analysis of the relationship between PSE&G and PSEG Energy Resources & Trade, LLC, a wholly owned subsidiary of PSEG Power over the past ten years, and between PSE&G and PSEG LI. Phase 2 is a comprehensive management audit, which addresses, among other things, executive management, corporate governance, system operations, human resources, cyber security, compliance with customer protection requirements and customer safety. The audit officially began in late May 2021. The BPU Audit Staff submitted the final audit report to the BPU in June 2023. The BPU has not yet determined which audit recommendations it will require PSE&G to implement. It is not possible at this time to predict the outcome of this matter.

Litigation

Sewaren 7 Construction

In June 2018, a complaint was filed in federal court in Newark, New Jersey against PSEG Fossil LLC, which at the time was a wholly owned subsidiary of PSEG Power, regarding an ongoing dispute with Durr Mechanical Construction, Inc. (Durr), a contractor on the Sewaren 7 project. Among other things, Durr sought damages of $93 million and alleges that PSEG Power withheld money owed to Durr and that PSEG Power's intentional conduct led to the inability of Durr to obtain prospective contracts. PSEG Power intends to vigorously defend against these allegations. In January 2021, the court partially granted PSEG Power's motion to dismiss certain claims, reducing the amount claimed to $68 million. In December 2018, Durr filed for Chapter 11 bankruptcy in the federal court in the Southern District of New York (SDNY). The SDNY bankruptcy court has allowed the New Jersey litigation to proceed. PSEG Power has accrued an amount related to outstanding invoices which does not reflect an assessment of claims and potential counterclaims in this matter. At this time, PSEG Power cannot predict the outcome of this matter.

Sherman Act Antitrust Matter

In July 2025, a putative class action complaint was filed in the United States District Court for the District of Maryland against 26 nuclear generation power companies, including PSEG, and two consulting companies. The plaintiffs allege defendants violated federal antitrust laws by conspiring to fix the compensation and exchange information regarding compensation for nuclear generation workers. The alleged class includes all persons employed in nuclear power generation by the defendants and their subsidiaries from 2003 until the present, and the relief sought includes treble damages. PSEG cannot predict the outcome of this matter.

Other Litigation and Legal Proceedings

PSEG and its subsidiaries are party to various lawsuits in the ordinary course of business. In view of the inherent difficulty in predicting the outcome of such matters, PSEG and PSE&G generally cannot predict the eventual outcome of the pending matters, the timing of the ultimate resolution of these matters, or the eventual loss, fines or penalties related to each pending matter.

In accordance with applicable accounting guidance, a liability is accrued when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. PSEG will continue to monitor the matter for further developments that could affect the amount of the accrued liability that has been previously established.

Based on current knowledge, management does not believe that loss contingencies arising from pending matters, other than the matters described herein, could have a material adverse effect on PSEG's or PSE&G's consolidated financial position or liquidity. However, in light of the inherent uncertainties involved in these matters, some of which are beyond PSEG's control,

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and the large or indeterminate damages sought in some of these matters, an adverse outcome in one or more of these matters could be material to PSEG's or PSE&G's results of operations or liquidity for any particular reporting period.

Note 9. Debt and Credit Facilities

Long-Term Debt Financing Transactions

The following long-term debt transactions occurred in the six months ended June 30, 2026:

PSEG

- issued $500 million of 4.80% Senior Notes due June 2031.

PSE&G

- issued $500 million of 4.20% Secured Medium-Term Notes, Series R, due January 2031,
- issued $500 million of 5.63% Secured Medium-Term Notes, Series R, due January 2056, and
- retired $450 million of 0.95% Secured Medium-Term Notes, Series N, at maturity.

Short-Term Liquidity

PSEG meets its short-term liquidity requirements, as well as those of PSEG Power, primarily through the issuance of commercial paper and, from time to time, short-term loans. PSE&G maintains its own separate commercial paper program to meet its short-term liquidity requirements. Each commercial paper program is fully back-stopped by its own separate credit facility.

The commitments under the $3.8 billion credit facilities are provided by a diverse bank group. As of June 30, 2026, the total available credit capacity was $3.2 billion. In March 2026, PSEG, PSEG Power, and PSE&G executed a two-year extension to their existing $3.75 billion revolving credit facilities, extending the maturity through March 2031, and removed the sustainability linked pricing mechanism associated with the PSEG sublimit of the Master Credit Facility. The $75 million PSEG Power letter of credit facility was also extended through March 2028.

As of June 30, 2026, no single institution represented more than 9% of the total commitments in the credit facilities.

As of June 30, 2026, PSEG's liquidity position, including credit facilities and access to external financing, was expected to be sufficient to meet its projected stressed requirements over a 12-month planning horizon.

Each of the credit facilities is restricted as to availability and use to the specific companies as listed in the following table; however, if necessary, the PSEG facilities can also be used to support its subsidiaries' liquidity needs.

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The total committed credit facilities and available liquidity as of June 30, 2026 were as follows:

	As of June 30, 2026				
Company/Facility	Total Facility	Usage (B)	Available Liquidity	Expiration Date	Primary Purpose
	Millions				
PSEG					
Revolving Credit Facility (A)	$ 1,500	$ 470	$ 1,030	Mar 2031	Commercial Paper Support/Funding/Letters of Credit
Total PSEG	**$ 1,500**	**$ 470**	**$ 1,030**		
PSE&G					
Revolving Credit Facility	$ 1,000	$ 27	$ 973	Mar 2031	Commercial Paper Support/Funding/Letters of Credit
Total PSE&G	**$ 1,000**	**$ 27**	**$ 973**		
PSEG Power					
Revolving Credit Facility (A)	$ 1,250	$ 58	$ 1,192	Mar 2031	Funding/Letters of Credit
Letter of Credit Facility	75	60	15	Mar 2028	Letters of Credit
Total PSEG Power	**$ 1,325**	**$ 118**	**$ 1,207**		
Total (C)	**$ 3,825**	**$ 615**	**$ 3,210**		

(A)Master Credit Facility with sub-limits of $1.5 billion for PSEG and $1.25 billion for PSEG Power; sub-limits can be adjusted pursuant to the terms of the Master Credit Facility agreement.

(B)The primary use of PSEG's and PSE&G's credit facilities is to support their respective Commercial Paper Programs, under which as of June 30, 2026, PSEG had $450 million commercial paper outstanding at a weighted average interest rate of 3.94% and PSE&G had no commercial paper outstanding.

(C)Amounts do not include uncommitted credit facilities or 364-day term loans, if any apply.

PSEG Power has uncommitted credit facilities totaling $425 million, which can be utilized for letters of credit. As of June 30, 2026, PSEG Power had $305 million in letters of credit outstanding under these uncommitted credit facilities.

PSE&G has an uncommitted credit facility totaling $30 million, which can be utilized for letters of credit. As of June 30, 2026, PSE&G's letters of credit outstanding were immaterial under this uncommitted credit facility.

Short-Term Loans

In December 2025, PSEG Power amended its existing $400 million 364-day variable rate term loan, which increased the balance to $500 million and extended the maturity to December 2026.

In February 2026, PSEG entered into a 364-day variable rate term loan agreement for $500 million. In June 2026, PSEG prepaid the $500 million term loan.

Note 10. Financial Risk Management Activities

Derivative accounting guidance requires that a derivative instrument be recognized as either an asset or a liability at fair value, with changes in fair value of the derivative recognized in earnings each period. Other accounting treatments are available through special election and designation provided that the derivative instrument meets specific, restrictive criteria, both at the time of designation and on an ongoing basis. These alternative permissible treatments include normal purchases and normal sales (NPNS), cash flow hedge and fair value hedge accounting. PSEG uses interest rate swaps and other derivatives, which are designated and qualifying as cash flow or fair value hedges. PSEG Power enters into additional contracts that are derivatives, but are not designated as either cash flow hedges or fair value hedges. These transactions are economic hedges and are recorded at fair market value with changes recognized in earnings.

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Commodity Prices

Within PSEG and its affiliate companies, PSEG Power has the most exposure to commodity price risk. PSEG Power is exposed to commodity price risk primarily relating to changes in the market price of electricity, natural gas and other commodities. Fluctuations in market prices result from changes in supply and demand, fuel costs, market conditions, weather, state and federal regulatory policies, environmental policies, transmission availability and other factors. PSEG Power uses a variety of derivative and non-derivative instruments, such as financial options, futures and swaps to manage the exposure to fluctuations in commodity prices and optimize the value of PSEG Power's expected generation. PSEG Power also uses derivatives to hedge a portion of its anticipated BGSS obligations with PSE&G. For additional information see Note 8. Commitments and Contingent Liabilities.

Interest Rates

PSEG, PSE&G and PSEG Power are subject to the risk of fluctuating interest rates in the normal course of business. Exposure to this risk is managed by targeting a balanced debt maturity profile which limits refinancing in any given period or interest rate environment. PSEG and PSEG Power may use a mix of fixed and floating rate debt and interest rate hedges.

Cash Flow Hedges

PSEG uses interest rate hedges which are designated and effective as cash flow hedges, to manage its exposure to the variability of cash flows, primarily related to variable-rate debt instruments or anticipated future long-term debt issuances.

As of June 30, 2026, PSEG had interest rate hedges outstanding through December 2026 which were executed to convert to fixed, a portion of PSEG Power's $500 million variable rate loan due December 2026. The fair value of these hedges was immaterial as of June 30, 2026.

As of June 30, 2026, PSEG also had interest rate hedges outstanding to fix the interest rate for anticipated 2026 debt issuances. The fair value of these hedges was $8 million as of June 30, 2026.

In the second quarter of 2026, PSEG unwound interest rate hedges in connection with the $500 million long-term debt issuance at PSEG that occurred in June 2026. See Note 9. Debt and Credit Facilities for additional information. The settlement payment of $10 million received for these interest rate hedges was recorded in Accumulated Other Comprehensive Income (Loss) and will be amortized into earnings to match the term and timing of the hedged debt.

The Accumulated Other Comprehensive Income (Loss) (after tax) related to outstanding and terminated interest rate hedges designated as cash flow hedges was $33 million and $24 million as of June 30, 2026 and December 31, 2025, respectively. The after-tax unrealized gains on these hedges expected to be reclassified to earnings during the next 12 months are $11 million.

Fair Values of Derivative Instruments

The following are the fair values of derivative instruments on the Condensed Consolidated Balance Sheets. The following tables also include disclosures for offsetting derivative assets and liabilities which are subject to a master netting or similar agreement. In general, the terms of the agreements provide that in the event of an early termination the counterparties have the right to offset amounts owed or owing under that and any other agreement with the same counterparty. Accordingly, and in accordance with PSEG's accounting policy, these positions are offset on the Condensed Consolidated Balance Sheets of PSEG. For additional information see Note 11. Fair Value Measurements.

Substantially all derivative instruments are contracts subject to master netting agreements. Contracts not subject to master netting or similar agreements are immaterial and did not have any collateral posted or received as of June 30, 2026 and December 31, 2025. The following tabular disclosure does not include the offsetting of trade receivables and payables.

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Balance Sheet Location	As of June 30, 2026 PSEG Power: PSEG Cash Flow Hedges Interest Rate Derivatives	PSEG Power: Not Designated Energy-Related Contracts	PSEG Power: Netting (A)	PSEG Power: Total PSEG Power	Consolidated: Total Derivatives
			Millions		
Derivative Contracts					
Current Assets	$ 8	$ 1,303	$ (1,292)	$ 11	$ 19
Noncurrent Assets	—	1,038	(1,038)	—	—
Total Mark-to-Market Derivative Assets	**$ 8**	**$ 2,341**	**$ (2,330)**	**$ 11**	**$ 19**
Derivative Contracts					
Current Liabilities	$ —	$ (1,513)	$ 1,310	$ (203)	$ (203)
Noncurrent Liabilities	—	(1,301)	1,254	(47)	(47)
Total Mark-to-Market Derivative (Liabilities)	**$ —**	**$ (2,814)**	**$ 2,564**	**$ (250)**	**$ (250)**
Total Net Mark-to-Market Derivative Assets (Liabilities)	**$ 8**	**$ (473)**	**$ 234**	**$ (239)**	**$ (231)**

Balance Sheet Location	As of December 31, 2025 PSEG Power: PSEG Cash Flow Hedges Interest Rate Derivatives	PSEG Power: Not Designated Energy-Related Contracts	PSEG Power: Netting (A)	PSEG Power: Total PSEG Power	Consolidated: Total Derivatives
			Millions		
Derivative Contracts					
Current Assets	$ —	$ 782	$ (771)	$ 11	$ 11
Noncurrent Assets	4	871	(869)	2	6
Total Mark-to-Market Derivative Assets	**$ 4**	**$ 1,653**	**$ (1,640)**	**$ 13**	**$ 17**
Derivative Contracts					
Current Liabilities	$ —	$ (850)	$ 785	$ (65)	$ (65)
Noncurrent Liabilities	—	(975)	954	(21)	(21)
Total Mark-to-Market Derivative (Liabilities)	**$ —**	**$ (1,825)**	**$ 1,739**	**$ (86)**	**$ (86)**
Total Net Mark-to-Market Derivative Assets (Liabilities)	**$ 4**	**$ (172)**	**$ 99**	**$ (73)**	**$ (69)**

(A)Represents the netting of fair value balances with the same counterparty (where the right of offset exists) and the application of cash collateral. All cash collateral (received) posted that has been allocated to derivative positions, where the right of offset exists, has been offset on the Condensed Consolidated Balance Sheets. As of June 30, 2026 and December 31, 2025, PSEG Power had net cash collateral (receipts) payments to counterparties of $414 million and $222 million, respectively. Of these net cash collateral (receipts) payments, $234 million as of June 30, 2026 and $99 million as of December 31, 2025 were netted against the corresponding net derivative contract positions. Of the $234 million as of June 30, 2026, $18 million was netted against current liabilities and $216 million against noncurrent liabilities. Of the $99 million as of December 31, 2025, $14 million was netted against current liabilities and $85 million against noncurrent liabilities.

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Certain of PSEG Power's derivative instruments contain provisions that require PSEG Power to post collateral. This collateral may be posted in the form of cash or credit support with thresholds contingent upon PSEG Power's credit rating from each of the major credit rating agencies. The collateral and credit support requirements vary by contract and by counterparty. These credit risk-related contingent features stipulate that if PSEG Power were to be downgraded to a below investment grade rating by S&P or Moody's, it would be required to provide additional collateral. A below investment grade credit rating for PSEG Power would represent a two level downgrade from its current Moody's and S&P ratings. This incremental collateral requirement can offset collateral requirements related to other derivative instruments that are assets with the same counterparty, where the contractual right of offset exists under applicable master agreements. PSEG Power may also enter into commodity transactions on the New York Mercantile Exchange (NYMEX), Nodal Exchange (Nodal) and Intercontinental Exchange (ICE). The NYMEX, Nodal and ICE clearing houses act as counterparties to each trade. Transactions on the NYMEX, Nodal and ICE must adhere to comprehensive collateral and margin requirements.

The aggregate fair value of all derivative instruments with credit risk-related contingent features in a liability position that are not fully collateralized (excluding transactions on the NYMEX, Nodal and ICE that are fully collateralized) was $252 million as of June 30, 2026 and $96 million as of December 31, 2025. As of June 30, 2026 and December 31, 2025, PSEG Power had the contractual right of offset of $2 million and $11 million, respectively, related to derivative instruments that are assets with the same counterparty under master agreements and net of margin posted. If PSEG Power had been downgraded to a below investment grade rating, it would have had additional collateral obligations of $250 million and $85 million as of June 30, 2026 and December 31, 2025, respectively, related to its derivatives, net of the contractual right of offset under master agreements and the application of collateral.

The following shows the effect on the Condensed Consolidated Statements of Operations and on AOCL of derivative instruments designated as cash flow hedges for the three and six months ended June 30, 2026 and 2025:

Derivatives in Cash Flow Hedging Relationships	Amount of Pre-Tax Gain (Loss) Recognized in AOCL on Derivatives Three Months Ended June 30, 2026	2025	Location of Pre-Tax Gain (Loss) Reclassified from AOCL into Income	Amount of Pre-Tax Gain (Loss) Reclassified from AOCL into Income Three Months Ended June 30, 2026	2025
	Millions			Millions	
PSEG					
Interest Rate Derivatives	$ 11	$ 11	Interest Expense	$ 2	$ 1
Total PSEG	**$ 11**	**$ 11**		**$ 2**	**$ 1**

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Derivatives in Cash Flow Hedging Relationships	Amount of Pre-Tax Gain (Loss) Recognized in AOCL on Derivatives Six Months Ended June 30, 2026	2025	Location of Pre-Tax Gain (Loss) Reclassified from AOCL into Income	Amount of Pre-Tax Gain (Loss) Reclassified from AOCL into Income Six Months Ended June 30, 2026	2025
	Millions			Millions	
PSEG					
Interest Rate Derivatives	$ 16	$ (16)	Interest Expense	$ 3	$ 2
Total PSEG	**$ 16**	**$ (16)**		**$ 3**	**$ 2**

The effect of interest rate cash flow hedges is recorded in Interest Expense in PSEG's Condensed Consolidated Statement of Operations. For the six months ended June 30, 2026 and 2025, the amount of gain on interest rate hedges reclassified from AOCL into income was $2 million and $1 million after-tax, respectively.

The following reconciles the Accumulated Other Comprehensive Income (Loss) for derivative activity included in the AOCL of PSEG on a pre-tax and after-tax basis.

Accumulated Other Comprehensive Income (Loss)	Pre-Tax	After-Tax
	Millions	
Balance as of December 31, 2024	**$ 50**	**$ 36**
Loss Recognized in AOCL	(11)	(8)
Less: Gain Reclassified into Income	(5)	(4)
Balance as of December 31, 2025	**$ 34**	**$ 24**
Gain Recognized in AOCL	16	11
Less: Gain Reclassified into Income	(3)	(2)
Balance as of June 30, 2026	**$ 47**	**$ 33**

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The following shows the effect on the Condensed Consolidated Statements of Operations of derivative instruments not designated as hedging instruments or as NPNS for the three and six months ended June 30, 2026 and 2025, respectively. PSEG Power's derivative contracts reflected in this table primarily includes contracts to hedge the purchase and sale of electricity and natural gas.

Derivatives Not Designated as Hedges	Location of Pre-Tax Gain (Loss) Recognized in Income on Derivatives	Pre-Tax Gain (Loss) Recognized in Income on Derivatives			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2026	2025	2026	2025
		Millions			
Energy-Related Contracts	Operating Revenues	$ (186)	$ 233	$ (539)	$ (8)
Energy-Related Contracts	Energy Costs	1	(1)	1	(3)
Total		**$ (185)**	**$ 232**	**$ (538)**	**$ (11)**

The following table summarizes the net notional volume purchases/(sales) of open derivative transactions by commodity as of June 30, 2026 and December 31, 2025.

Type	Notional	As of June 30, 2026	As of December 31, 2025
		Millions	
Natural Gas	Dekatherm (Dth)	70	70
Electricity	MWh	(78)	(73)
Financial Transmission Rights (FTRs)	MWh	28	16
Interest Rate Derivatives	U.S. Dollars	570	970

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Commodity Credit Risk

Credit risk relates to the risk of loss that PSEG would incur as a result of non-performance by counterparties pursuant to the terms of their contractual obligations for the purchase and/or sale of energy, nuclear fuel and other related products. PSEG has established credit policies that it believes significantly minimize credit risk. These policies include an evaluation of potential counterparties' financial condition (including credit rating), collateral requirements under certain circumstances and the use of standardized agreements, which allow for the netting of positive and negative exposures associated with a single counterparty. In the event of non-performance or non-payment by a major counterparty, there may be a material adverse impact on PSEG's financial condition, results of operations or net cash flows.

As of June 30, 2026, 100% of the net credit exposure for PSEG Power's wholesale operations was with investment grade counterparties. There were two counterparties with credit exposure greater than 10% of the total. These credit exposures were with PSE&G and one non-affiliated counterparty. The PSE&G credit exposure is eliminated in consolidation. See Note 17. Related-Party Transactions for additional information.

PSE&G's supplier master agreements are approved by the BPU and govern the terms of its electric supply procurement contracts. These agreements define a supplier's performance assurance requirements and allow a supplier to meet its credit requirements with a certain amount of unsecured credit. The amount of unsecured credit is determined based on the supplier's credit ratings from the major credit rating agencies and the supplier's tangible net worth. The credit position is based on the initial market price, which is the forward price of energy on the day the procurement transaction is executed, compared to the forward price curve for energy on the valuation day. To the extent that the forward price curve for energy exceeds the initial market price, the supplier is required to post a parental guarantee or other security instrument such as a letter of credit or cash, as collateral to the extent the credit exposure is greater than the supplier's unsecured credit limit. As of June 30, 2026, PSE&G held parental guarantees, letters of credit and cash as security. PSE&G's BGS suppliers' credit exposure is calculated each business day. As of June 30, 2026, PSE&G had $245 million in unsecured mark-to-market credit exposure with its suppliers. PSE&G is permitted to recover its costs of procuring energy through the BPU-approved BGS tariffs. PSE&G's counterparty credit risk is mitigated by its ability to recover realized energy costs through customer rates.

Note 11. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting guidance for fair value measurement emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and establishes a fair value hierarchy that distinguishes between assumptions based on market data obtained from independent sources and those based on an entity's own assumptions. The hierarchy prioritizes the inputs to fair value measurement into three levels:

Level 1—measurements utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that PSEG and PSE&G have the ability to access. These consist primarily of listed equity securities and money market mutual funds, as well as natural gas and electric futures contracts executed on an exchange.

Level 2—measurements include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable inputs such as interest rates and yield curves that are observable at commonly quoted intervals. These consist primarily of non-exchange traded derivatives such as futures or forward contracts, all option contracts and most fixed income securities.

Level 3—measurements use unobservable inputs for assets or liabilities, based on the best information available and might include an entity's own data and assumptions. In some valuations, the inputs used may fall into different levels of the hierarchy. In these cases, the financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These consist primarily of certain capacity contracts that deliver beyond the PJM capacity auction periods.

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Certain derivative transactions may transfer from Level 2 to Level 3 if inputs become unobservable and internal modeling techniques are employed to determine fair value. Conversely, measurements may transfer from Level 3 to Level 2 if the inputs become observable. There were no transfers to or from Level 3 during the six months ended June 30, 2026 and 2025.

The following tables present information about PSEG's and PSE&G's respective assets and (liabilities) measured at fair value on a recurring basis as of June 30, 2026 and December 31, 2025, including the fair value measurements and the levels of inputs used in determining those fair values. Amounts shown for PSEG include the amounts shown for PSE&G.

Description	Total	Netting (E)	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Recurring Fair Value Measurements as of June 30, 2026				
			Millions		
PSEG					
Assets:					
Cash Equivalents (A)	$ 155	$ —	$ 155	$ —	$ —
Derivative Contracts:					
Energy-Related Contracts (B)	$ 11	$ (2,330)	$ 2,300	$ 41	$ —
Interest Rate Derivatives (C)	$ 8	$ —	$ —	$ 8	$ —
NDT Fund (D)					
Equity Securities	$ 1,314	$ —	$ 1,314	$ —	$ —
Debt Securities—U.S. Treasury	$ 427	$ —	$ —	$ 427	$ —
Debt Securities—Govt Other	$ 407	$ —	$ —	$ 407	$ —
Debt Securities—Corporate	$ 529	$ —	$ —	$ 529	$ —
Rabbi Trust (D)					
Equity Securities	$ 16	$ —	$ 16	$ —	$ —
Debt Securities—U.S. Treasury	$ 53	$ —	$ —	$ 53	$ —
Debt Securities—Govt Other	$ 26	$ —	$ —	$ 26	$ —
Debt Securities—Corporate	$ 64	$ —	$ —	$ 64	$ —
Liabilities:					
Derivative Contracts:					
Energy-Related Contracts (B)	$ (250)	$ 2,564	$ (2,500)	$ (314)	$ —
PSE&G					
Assets:					
Cash Equivalents (A)	$ 125	$ —	$ 125	$ —	$ —
Rabbi Trust (D)					
Equity Securities	$ 3	$ —	$ 3	$ —	$ —
Debt Securities—U.S. Treasury	$ 9	$ —	$ —	$ 9	$ —
Debt Securities—Govt Other	$ 5	$ —	$ —	$ 5	$ —
Debt Securities—Corporate	$ 11	$ —	$ —	$ 11	$ —

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Description	Total	Netting (E)	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Recurring Fair Value Measurements as of December 31, 2025				
			Millions		
PSEG					
Assets:					
Cash Equivalents (A)	$ 80	$ —	$ 80	$ —	$ —
Derivative Contracts:					
Energy-Related Contracts (B)	$ 13	$ (1,640)	$ 1,610	$ 43	$ —
Interest Rate Derivatives (C)	$ 4	$ —	$ —	$ 4	$ —
NDT Fund (D)					
Equity Securities	$ 1,555	$ —	$ 1,555	$ —	$ —
Debt Securities—U.S. Treasury	$ 384	$ —	$ —	$ 384	$ —
Debt Securities—Govt Other	$ 406	$ —	$ —	$ 406	$ —
Debt Securities—Corporate	$ 569	$ —	$ —	$ 569	$ —
Rabbi Trust (D)					
Equity Securities	$ 17	$ —	$ 17	$ —	$ —
Debt Securities—U.S. Treasury	$ 57	$ —	$ —	$ 57	$ —
Debt Securities—Govt Other	$ 27	$ —	$ —	$ 27	$ —
Debt Securities—Corporate	$ 61	$ —	$ —	$ 61	$ —
Liabilities:					
Derivative Contracts:					
Energy-Related Contracts (B)	$ (86)	$ 1,739	$ (1,715)	$ (110)	$ —
PSE&G					
Assets:					
Cash Equivalents (A)	$ 60	$ —	$ 60	$ —	$ —
Rabbi Trust (D)					
Equity Securities	$ 3	$ —	$ 3	$ —	$ —
Debt Securities—U.S. Treasury	$ 10	$ —	$ —	$ 10	$ —
Debt Securities—Govt Other	$ 5	$ —	$ —	$ 5	$ —
Debt Securities—Corporate	$ 11	$ —	$ —	$ 11	$ —

(A)Represents money market mutual funds.

(B)Level 1—These contracts represent natural gas and electric futures contracts executed on an exchange, and are being valued solely on settled pricing inputs which come directly from the exchange such as NYMEX, ICE and Nodal Exchange.

Level 2—Fair values for energy-related contracts are obtained primarily using a market-based approach. Most derivative contracts (forward purchase or sale contracts, futures, swaps and all options) are valued using settled prices from similar assets and liabilities from an exchange, such as NYMEX, ICE and Nodal Exchange, or auction prices. Prices used in the valuation process are also corroborated independently by management to determine that values are based on actual transaction data or, in the absence of transactions, bid and offers for the day. Examples may include certain electricity, capacity and natural gas contracts based on market prices, basis adjustments and other premiums where adjustments and premiums are not considered significant to the overall inputs.

Level 3—Unobservable inputs are used for the valuation of certain contracts. See “Additional Information Regarding Level 3 Measurements” for more information on the utilization of unobservable inputs.

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(C)Interest rate derivatives are valued using quoted prices on commonly quoted intervals, which are interpolated for periods different than the quoted intervals, as inputs to a market valuation model. Market inputs can generally be verified and model selection does not involve significant management judgment.

(D)The NDT Fund maintains investments in various equity and fixed income securities. The Rabbi Trust maintains investments in a Russell 3000 index fund and various fixed income securities. These securities are generally valued with prices that are either exchange provided (equity securities) or market transactions for comparable securities and/or broker quotes (fixed income securities). The fair value measurement table excludes any cash and foreign currency included in these trusts. For additional information, see Note 6. Trust Investments.

Level 1—Investments in marketable equity securities within the NDT Fund are primarily investments in common stocks across a broad range of industries and sectors. Most equity securities are priced utilizing the principal market close price or, in some cases, midpoint, bid or ask price. Certain other securities classified as equity in the NDT and Rabbi Trust Funds consist primarily of investments in money market funds which seek a high level of current income as is consistent with the preservation of capital and the maintenance of liquidity. To pursue its goals, the funds normally invest in diversified portfolios of high quality, short-term, dollar-denominated debt securities and government securities. The funds' net asset value is priced and published daily. The Rabbi Trust's Russell 3000 index fund is valued based on quoted prices in an active market and can be redeemed daily without restriction.

Level 2—NDT and Rabbi Trust fixed income securities include primarily investment grade corporate bonds, collateralized mortgage obligations, asset-backed securities and certain government and U.S. Treasury obligations or Federal Agency asset-backed securities and municipal bonds with a wide range of maturities. Since many fixed income securities do not trade on a daily basis, they are priced using an evaluated pricing methodology that varies by asset class and reflects observable market information such as the most recent exchange price or quoted bid for similar securities. Market-based standard inputs typically include benchmark yields, reported trades, broker/dealer quotes and issuer spreads. Certain short-term investments are valued using observable market prices or market parameters such as time-to-maturity, coupon rate, quality rating and current yield.

Practical Expedient—Beginning in 2026, the NDT includes certain commingled equity funds which are not included in the fair value hierarchy as they are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient. These funds do not meet the definition of readily determinable fair value due to the frequency of publishing NAV (monthly and bi-monthly). The objective of the funds is to outperform the Morgan Stanley Capital International (MSCI) All Country World Index. The total amount excluded from the table as of June 30, 2026 was $317 million.

(E)Represents the netting of fair value balances with the same counterparty (where the right of offset exists) and the application of collateral. See Note 10. Financial Risk Management Activities for additional detail.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Additional Information Regarding Level 3 Measurements

For valuations that include both observable and unobservable inputs, if the unobservable input is determined to be significant to the overall inputs, the entire valuation is categorized in Level 3. This includes derivatives valued using indicative price quotations for contracts with tenors that extend into periods with no observable pricing. In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks such as liquidity, volatility and contract duration. Such instruments are categorized in Level 3 because the model inputs generally are not observable. PSEG considers credit and non-performance risk in the valuation of derivative contracts categorized in Levels 2 and 3, including both historical and current market data, in its assessment of credit and non-performance risk by counterparty. The impacts of credit and non-performance risk were not material to the financial statements.

As of June 30, 2026, PSEG carried $2.8 billion of net assets that were measured at fair value on a recurring basis. No liabilities were measured using unobservable inputs and classified as Level 3 within the fair value hierarchy.

As of June 30, 2025, PSEG carried $3.0 billion of net assets that were measured at fair value on a recurring basis, of which $1 million of net liabilities were measured using unobservable inputs and classified as Level 3 within the fair value hierarchy and are considered immaterial.

Fair Value of Debt

The estimated fair values, carrying amounts and methods used to determine the fair value of long-term debt as of June 30, 2026 and December 31, 2025 are included in the following table and accompanying notes.

	As of June 30, 2026		As of December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Millions			
Long-Term Debt:				
PSEG (A)	$ 5,814	$ 5,795	$ 5,315	$ 5,371
PSE&G (A)	16,538	15,069	15,992	14,705
PSEG Power (A)	1,239	1,270	1,238	1,288
Total Long-Term Debt	**$ 23,591**	**$ 22,134**	**$ 22,545**	**$ 21,364**

(A) Given that these bonds do not trade actively, the fair value amounts of taxable debt securities (primarily Level 2 measurements) are generally determined by a valuation model using market-based measurements that are processed through a rules-based pricing methodology. The fair value amounts above do not represent the price at which the outstanding debt may be called for redemption by each issuer under their respective debt agreements.

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Note 12. Net Other Income (Deductions)

	PSE&G	PSEG Power & Other (A)	Consolidated
		Millions	
Three Months Ended June 30, 2026			
NDT Fund Interest and Dividends	$ —	$ 26	$ 26
Allowance for Funds Used During Construction	13	—	13
Other Interest	3	3	6
Other	1	(5)	(4)
Total Net Other Income (Deductions)	**$ 17**	**$ 24**	**$ 41**
Six Months Ended June 30, 2026			
NDT Fund Interest and Dividends	$ —	$ 49	$ 49
Allowance for Funds Used During Construction	23	—	23
Solar Loan Interest	1	—	1
Other Interest	9	6	15
Other	3	(7)	(4)
Total Net Other Income (Deductions)	**$ 36**	**$ 48**	**$ 84**
Three Months Ended June 30, 2025			
NDT Fund Interest and Dividends	$ —	$ 25	$ 25
Allowance for Funds Used During Construction	10	—	10
Solar Loan Interest	1	—	1
Other Interest	4	8	12
Other	1	(3)	(2)
Total Net Other Income (Deductions)	**$ 16**	**$ 30**	**$ 46**
Six Months Ended June 30, 2025			
NDT Fund Interest and Dividends	$ —	$ 45	$ 45
Allowance for Funds Used During Construction	21	—	21
Solar Loan Interest	2	—	2
Other Interest	7	12	19
Other	2	(6)	(4)
Total Net Other Income (Deductions)	**$ 32**	**$ 51**	**$ 83**

(A)PSEG Power & Other consists of activity at PSEG Power, Energy Holdings, PSEG LI, Services, PSEG (parent company) and intercompany eliminations.

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Note 13. Income Taxes

PSEG's and PSE&G's total income tax expense (benefit) for interim periods is determined using an estimated annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter, PSEG and PSE&G update the respective estimated annual effective tax rates, and if the estimated tax rate changes, PSEG and PSE&G make cumulative adjustments. PSEG's and PSE&G's effective tax rates for the three and six months ended June 30, 2026 and 2025 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
PSEG	16.1%	19.4%	13.7%	12.6%
PSE&G	13.0%	9.0%	12.4%	8.1%

PSEG and PSE&G's lower effective tax rate compared to the statutory tax rate is primarily driven by the effects of utility ratemaking.

The decrease in PSEG's effective tax rate for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was primarily driven by the pre-tax earnings impact of fluctuations in mark-to-market (MTM) on economic hedges. The increase in PSEG's effective tax rate for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was primarily driven by a decrease in the flowback of historic mixed service cost deductions as an effect of utility ratemaking in 2026 compared to 2025.

The increase in PSE&G's effective tax rate for the three and six months ended June 30, 2026 compared to the three and six months ended June 30, 2025 was primarily driven by a decrease in the flowback of historic mixed service cost deductions as an effect of utility ratemaking in 2026 compared to 2025.

In August 2022, the Inflation Reduction Act (IRA) was signed into law. The IRA enacted a new 15% corporate alternative minimum tax (CAMT), which is based on adjusted financial statement income.

In 2025, PSEG determined that it is subject to CAMT as it is an applicable corporation. As of June 30, 2026, PSEG and PSE&G have recorded a cumulative CAMT liability of approximately $180 million and $140 million, respectively, along with corresponding deferred tax assets related to CAMT credit carryforwards, which management expects to fully utilize in future periods. However, certain CAMT rules remain unclear; therefore, the issuance of additional authoritative guidance could materially impact PSEG's and PSE&G's results of operations, financial condition and cash flows.

In the second quarter of 2026, PSEG received notice that the Internal Revenue Service (IRS) will commence an examination of PSEG's U.S. federal income tax return for the years ended December 31, 2021 through December 31, 2024.

The enactment of additional federal or state tax legislation and clarification of previously enacted tax laws could impact PSEG's and PSE&G's financial statements.

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Note 14. Accumulated Other Comprehensive Income (Loss), Net of Tax

Accumulated Other Comprehensive Income (Loss)	Cash Flow Hedges	Pension and OPEB Plans	Available-for-Sale Securities	Total
	Three Months Ended June 30, 2026			
		Millions		
Balance as of March 31, 2026	$ 27	$ (55)	$ (57)	$ (85)
Other Comprehensive Income (Loss) before Reclassifications	7	—	(3)	4
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	(1)	2	1	2
Net Current Period Other Comprehensive Income (Loss)	6	2	(2)	6
Balance as of June 30, 2026	**$ 33**	**$ (53)**	**$ (59)**	**$ (79)**

Accumulated Other Comprehensive Income (Loss)	Cash Flow Hedges	Pension and OPEB Plans	Available-for-Sale Securities	Total
	Three Months Ended June 30, 2025			
		Millions		
Balance as of March 31, 2025	$ 16	$ (75)	$ (77)	$ (136)
Other Comprehensive Income (Loss) before Reclassifications	8	—	2	10
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	(1)	2	2	3
Net Current Period Other Comprehensive Income (Loss)	7	2	4	13
Balance as of June 30, 2025	**$ 23**	**$ (73)**	**$ (73)**	**$ (123)**

Accumulated Other Comprehensive Income (Loss)	Cash Flow Hedges	Pension and OPEB Plans	Available-for-Sale Securities	Total
	Six Months Ended June 30, 2026			
		Millions		
Balance as of December 31, 2025	$ 24	$ (56)	$ (59)	$ (91)
Other Comprehensive Income (Loss) before Reclassifications	11	—	(13)	(2)
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	(2)	3	13	14
Net Current Period Other Comprehensive Income (Loss)	9	3	—	12
Balance as of June 30, 2026	**$ 33**	**$ (53)**	**$ (59)**	**$ (79)**

Accumulated Other Comprehensive Income (Loss)	Cash Flow Hedges	Pension and OPEB Plans	Available-for-Sale Securities	Total
	Six Months Ended June 30, 2025			
		Millions		
Balance as of December 31, 2024	$ 36	$ (76)	$ (93)	$ (133)
Other Comprehensive Income (Loss) before Reclassifications	(12)	—	17	5
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	(1)	3	3	5
Net Current Period Other Comprehensive Income (Loss)	(13)	3	20	10
Balance as of June 30, 2025	**$ 23**	**$ (73)**	**$ (73)**	**$ (123)**

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Description of Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	Location of Pre-Tax Amount In Statement of Operations	Amounts Reclassified from Accumulated Other Comprehensive Income (Loss) to Statement of Operations					
		Three Months Ended June 30, 2026			Six Months Ended June 30, 2026		
		Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount	Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount
		Millions					
Cash Flow Hedges							
Interest Rate Derivatives	Interest Expense	$ 2	$ (1)	$ 1	$ 3	$ (1)	$ 2
Total Cash Flow Hedges		2	(1)	1	3	(1)	2
Pension and OPEB Plans							
Amortization of Net Actuarial Loss	Net Non-Operating Pension and OPEB Credits (Costs)	(2)	—	(2)	(4)	1	(3)
Total Pension and OPEB Plans		(2)	—	(2)	(4)	1	(3)
Available-for-Sale Debt Securities							
Realized Gains (Losses)	Net Gains (Losses) on Trust Investments	(2)	1	(1)	(22)	9	(13)
Total Available-for-Sale Debt Securities		(2)	1	(1)	(22)	9	(13)
Total		**$ (2)**	**$ —**	**$ (2)**	**$ (23)**	**$ 9**	**$ (14)**

Description of Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	Location of Pre-Tax Amount In Statement of Operations	Amounts Reclassified from Accumulated Other Comprehensive Income (Loss) to Statement of Operations					
		Three Months Ended June 30, 2025			Six Months Ended June 30, 2025		
		Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount	Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount
		Millions					
Cash Flow Hedges							
Interest Rate Derivatives	Interest Expense	$ 1	$ —	$ 1	$ 2	$ (1)	$ 1
Total Cash Flow Hedges		1	—	1	2	(1)	1
Pension and OPEB Plans							
Amortization of Net Actuarial Loss	Net Non-Operating Pension and OPEB Credits (Costs)	(2)	—	(2)	(4)	1	(3)
Total Pension and OPEB Plans		(2)	—	(2)	(4)	1	(3)
Available-for-Sale Debt Securities							
Realized Gains (Losses)	Net Gains (Losses) on Trust Investments	(3)	1	(2)	(4)	1	(3)
Total Available-for-Sale Debt Securities		(3)	1	(2)	(4)	1	(3)
Total		**$ (4)**	**$ 1**	**$ (3)**	**$ (6)**	**$ 1**	**$ (5)**

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Note 15. Earnings Per Share (EPS) and Dividends

EPS

Basic EPS is calculated by dividing Net Income by the weighted average number of shares of common stock outstanding. Diluted EPS is calculated by dividing Net Income by the weighted average number of shares of common stock outstanding, plus dilutive potential shares related to PSEG's stock based compensation. The following table shows the effect of these dilutive potential shares on the weighted average number of shares outstanding used in calculating diluted EPS:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
EPS Numerator (Millions):								
Net Income	**$ 334**	**$ 334**	**$ 585**	**$ 585**	**$ 1,075**	**$ 1,075**	**$ 1,174**	**$ 1,174**
EPS Denominator (Millions):								
Weighted Average Common Shares Outstanding	498	498	499	499	498	498	499	499
Effect of Stock Based Compensation Awards	—	1	—	1	—	1	—	1
Total Shares	**498**	**499**	**499**	**500**	**498**	**499**	**499**	**500**
EPS								
Net Income	**$ 0.67**	**$ 0.67**	**$ 1.17**	**$ 1.17**	**$ 2.15**	**$ 2.15**	**$ 2.35**	**$ 2.35**

Dividends

	Three Months Ended June 30,		Six Months Ended June 30,	
Dividend Payments on Common Stock	**2026**	**2025**	**2026**	**2025**
Per Share	$ 0.67	$ 0.63	$ 1.34	$ 1.26
In Millions	$ 334	$ 315	$ 668	$ 629

On July 20, 2026, PSEG's Board of Directors approved a $0.67 per share common stock dividend for the third quarter of 2026.

Note 16. Financial Information by Business Segment

As discussed below, PSEG's two reportable segments are PSE&G and PSEG Power & Other, which includes amounts related to the PSEG Power operating segment as well as amounts applicable to Energy Holdings, PSEG LI, PSEG (parent corporation) and Services, which do not meet the definition of operating segments individually or in the aggregate and are immaterial to PSEG's consolidated assets and results.

PSE&G

The PSE&G reportable segment earns revenues from its tariffs, under which it provides electric transmission and electric and gas distribution services to residential, commercial and industrial customers in New Jersey. The rates charged for electric transmission are regulated by FERC while the rates charged for electric and gas distribution are regulated by the BPU. Revenues are also earned from several other activities such as investments in EE equipment on customers' premises, solar investments, the appliance service business and other miscellaneous services.

PSEG Power & Other

This reportable segment is comprised primarily of PSEG Power which earns revenues primarily by selling energy and capacity from our nuclear generation units and from the sale of wholesale natural gas through a full-requirements BGSS contract with

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PSE&G. PSEG Power also enters into bilateral contracts for energy, gas and other energy-related contracts to optimize the value of its portfolio of generating assets and gas supply obligations.

This reportable segment also includes amounts applicable to PSEG LI, which generates revenues under its contract with LIPA, primarily for the recovery of costs when Servco is a principal in the transaction (see Note 3. Variable Interest Entity for additional information) as well as fixed and variable fee components under the contract, and Energy Holdings which holds an immaterial portfolio of remaining lease investments. Other also includes amounts applicable to PSEG (parent company) and Services.

	PSE&G	PSEG Power & Other (A)	Eliminations (B)	Consolidated Total
		Millions		
Three Months Ended June 30, 2026				
Operating Revenues	$ 2,137	$ 534	$ (117)	$ 2,554
Energy Costs	776	207	(117)	866
Controllable Operation and Maintenance (C)	343	185	—	528
Depreciation and Amortization	286	35	—	321
Interest Income	3	3	—	6
Interest Expense	174	95	—	269
Income Tax Expense	51	13	—	64
Other Segment Items (D)	168	10	—	178
Net Income (Loss)	$ 342	$ (8)	$ —	$ 334
Gross Additions to Long-Lived Assets	$ 631	$ 135	$ —	$ 766
Three Months Ended June 30, 2025				
Operating Revenues	$ 2,031	$ 920	$ (146)	$ 2,805
Energy Costs	760	212	(146)	826
Controllable Operation and Maintenance (C)	331	185	—	516
Depreciation and Amortization	275	33	—	308
Interest Income	5	9	(1)	13
Interest Expense	161	88	(1)	248
Income Tax Expense	33	108	—	141
Other Segment Items (D)	144	50	—	194
Net Income	$ 332	$ 253	$ —	$ 585
Gross Additions to Long-Lived Assets	$ 674	$ 113	$ —	$ 787

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	PSE&G	PSEG Power & Other (A)	Eliminations (B)	Consolidated Total
		Millions		
Six Months Ended June 30, 2026				
Operating Revenues	$ 5,222	$ 1,950	$ (770)	$ 6,402
Energy Costs	2,134	1,009	(770)	2,373
Controllable Operation and Maintenance (C)	707	323	—	1,030
Depreciation and Amortization	581	69	—	650
Interest Income	10	6	—	16
Interest Expense	349	192	—	541
Income Tax Expense	130	41	—	171
Other Segment Items (D)	412	166	—	578
Net Income	$ 919	$ 156	$ —	$ 1,075
Gross Additions to Long-Lived Assets	$ 1,252	$ 207	$ —	$ 1,459
Six Months Ended June 30, 2025				
Operating Revenues	$ 4,695	$ 2,012	$ (680)	$ 6,027
Energy Costs	1,854	838	(680)	2,012
Controllable Operation and Maintenance (C)	685	364	—	1,049
Depreciation and Amortization	555	73	—	628
Interest Income	9	14	(2)	21
Interest Expense	318	173	(2)	489
Income Tax Expense	77	92	—	169
Other Segment Items (D)	337	190	—	527
Net Income	$ 878	$ 296	$ —	$ 1,174
Gross Additions to Long-Lived Assets	$ 1,279	$ 167	$ (31)	$ 1,415
As of June 30, 2026				
Total Assets	$ 50,429	$ 8,582	$ (198)	$ 58,813
Investments in Equity Method Subsidiaries	$ —	$ 30	$ —	$ 30
As of December 31, 2025				
Total Assets	$ 49,024	$ 9,067	$ (515)	$ 57,576
Investments in Equity Method Subsidiaries	$ —	$ 26	$ —	$ 26

(A)PSEG Power & Other results include net after-tax gains (losses) of $(185) million and $136 million for the three months and ($215) million and $1 million for the six months ended June 30, 2026 and 2025, respectively, related to the impacts of non-trading commodity mark-to-market activity, which consists of the financial impact from positions with future delivery dates.

(B)Intercompany eliminations primarily relate to intercompany transactions between PSE&G and PSEG Power. For a further discussion of the intercompany transactions between PSE&G and PSEG Power, see Note 2. Revenues and Note 17. Related-Party Transactions.

(C)Controllable Operation and Maintenance expense includes amounts for labor and benefit costs, materials, outside services and other normal operational costs, including intersegment amounts, and is the significant expense information that is regularly provided to the Chief Operating Decision Maker (the Chief Executive Officer (CEO) for PSEG and PSE&G).

(D)Other Segment Items include all other items to reconcile to Net Income. This includes all other O&M (primarily related to clause related expenditures at PSE&G and expenditures for transactions in which Servco acts as principal and controls the services provided to LIPA at PSEG Power & Other, each of which offset corresponding revenue

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amounts in those segments), non-operating pension and OPEB credits and costs, gains and losses on trust investments and other income and deductions.

Note 17. Related-Party Transactions

The following discussion relates to intercompany transactions, which are eliminated during the PSEG consolidation process in accordance with GAAP.

PSE&G

The financial statements for PSE&G include transactions with related parties presented as follows:

Related-Party Transactions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
			Millions	
Net Billings from PSEG Power (A)	$ 85	$ 144	$ 738	$ 676
Administrative Billings from Services (B)	145	126	295	243
Total Billings from Affiliates	**$ 230**	**$ 270**	**$ 1,033**	**$ 919**

Related-Party Transactions	As of June 30, 2026	As of December 31, 2025
	Millions	
Net Payable to PSEG Power (A)	38	$ 228
Net Payable to Services (B)	94	102
Net Payable to PSEG (C)	23	142
Accounts Payable—Affiliated Companies	**$ 155**	**$ 472**
Working Capital Advances to Services (D)	**$ 33**	**$ 33**
Long-Term Accrued Taxes Payable (C)	**$ 8**	**$ 7**

(A) PSE&G has entered into a requirements contract with PSEG Power under which PSEG Power provides the gas supply services needed to meet PSE&G's BGSS and other contractual requirements. In addition, PSEG Power sold ZECs to PSE&G from its nuclear units under the ZEC program as approved by the BPU. The rates in the BGSS contract and for the ZEC sales were prescribed by the BPU. BGSS sales were billed and settled on a monthly basis. ZEC sales were billed on a monthly basis and settled annually following completion of each energy year. The ZEC program ended effective June 1, 2025, with the final ZEC payment from PSE&G to PSEG Power settled in August 2025. For additional information on ZECs, see Note 2. Revenues. In addition, PSEG Power and PSE&G provide certain technical services for each other generally at cost in compliance with FERC and BPU affiliate rules.

(B) Services provides and bills administrative services to PSE&G at cost. In addition, PSE&G has other payables to Services, including amounts related to certain common costs, which Services pays on behalf of PSE&G.

(C) PSEG pays net wages and payroll taxes and receives reimbursement from its affiliated companies for their respective portions. PSEG and its subsidiaries file a consolidated federal income tax return and PSEG and PSE&G file state income tax returns, some of which are combined or unitary. Income taxes are allocated to PSEG's subsidiaries in accordance with a tax allocation agreement whereby each PSEG subsidiary's current and deferred tax expense is computed on a stand-alone basis. Each subsidiary is allocated an amount of tax similar to that which would be paid if it filed a separate income tax return, except for certain tax attributes and state apportionment results. If the result is a net tax liability, such amount shall be paid to PSEG. If there are NOLs and/or tax credits, the subsidiary shall receive payment for the tax savings from PSEG to the extent that PSEG is able to utilize those benefits.

(D) PSE&G has advanced working capital to Services. The amount is included in Other Noncurrent Assets on PSE&G's Condensed Consolidated Balance Sheets.

ITEM 2.MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)

This combined MD&A is separately filed by Public Service Enterprise Group Incorporated (PSEG) and Public Service Electric and Gas Company (PSE&G). Information contained herein relating to any individual company is filed by such company on its own behalf.

PSEG's business consists of two reportable segments, PSE&G and PSEG Power LLC (PSEG Power) & Other, primarily comprised of our principal direct wholly owned subsidiaries, which are:

- **PSE&G**—which is a public utility engaged principally in the transmission of electricity and distribution of electricity and natural gas in certain areas of New Jersey. PSE&G is subject to regulation by the New Jersey Board of Public Utilities (BPU), the Federal Energy Regulatory Commission (FERC), and other federal and New Jersey state regulators. PSE&G also invests in regulated solar generation projects and regulated energy efficiency (EE) and related programs in New Jersey, which are regulated by the BPU, and
- **PSEG Power**—which is an energy supply company that consists of the operations of merchant nuclear generating assets and fuel supply functions engaged in competitive energy sales via its principal direct wholly owned subsidiaries. PSEG Power's subsidiaries are subject to regulation by FERC, the Nuclear Regulatory Commission (NRC) and other federal regulators and state regulators in the states in which they operate.

The PSEG Power & Other reportable segment also includes amounts related to the parent company as well as PSEG's other direct wholly owned subsidiaries, which are: PSEG Long Island LLC (PSEG LI), which operates the Long Island Power Authority's (LIPA) transmission and distribution (T&D) system under an Operations Services Agreement (OSA); PSEG Energy Holdings L.L.C. (Energy Holdings), which primarily holds legacy lease investments and competitively bid, FERC regulated transmission; and PSEG Services Corporation (Services), which provides certain management, administrative and general services to PSEG and its subsidiaries at cost.

Our business discussion in Item 1. Business of our 2025 Annual Report on 10-K (Form 10-K) provides a review of the regions and markets where we operate and compete, as well as our strategy for conducting our businesses within these markets, focusing on operational excellence, financial strength and making disciplined investments. Our risk factor discussion in Item 1A. Risk Factors of Form 10-K provides information about factors that could have a material adverse impact on our businesses. The following supplements that discussion and the discussion included in the Executive Overview of 2025 and Future Outlook provided in Item 7 in our Form 10-K by describing significant events and business developments that have occurred during 2026 and changes to the key factors that we expect may drive our future performance. The following discussion refers to the Condensed Consolidated Financial Statements (Statements) and the Related Notes to Condensed Consolidated Financial Statements (Notes). This discussion should be read in conjunction with such Statements, Notes and the Form 10-K.

EXECUTIVE OVERVIEW OF 2026 AND FUTURE OUTLOOK

We are a public utility holding company that, acting through our wholly owned subsidiaries, is a predominantly regulated electric and gas utility and a nuclear generation business. Our business plan focuses on achieving growth by allocating capital primarily toward regulated investments in an effort to continue to improve the sustainability and predictability of our business and realizing the value of the consistent and reliable carbon-free generation from our nuclear units. We are focused on investing to meet growing energy demand, modernize our energy infrastructure, improve reliability and resilience, and increase EE to meet customer expectations and be well aligned with public policy objectives. With these investments and higher working capital recovery approved in the distribution rate case, our regulated rate base increased from approximately $34 billion as of December 31, 2024 to approximately $36 billion as of December 31, 2025. In addition, our nuclear facilities retain the downside price protection of a production tax credit (PTC) from 2024 through 2032.

For the years 2026-2030, our regulated capital investment program is estimated to be in a range of $22.5 billion to $25.5 billion. We expect these capital investments to result in a compound annual growth rate in our regulated rate base in a range of 6.0% to 7.5% from year-end 2025 to year-end 2030. The regulated capital investments represent the majority of PSEG's total capital investment program of $24 billion to $28 billion. The low end of the range includes an extension of our Gas System

Modernization Program (GSMP) and Clean Energy Future (CEF)-EE program, as these programs are expected to continue beyond their currently approved time frames. The upper end of our capital investment range includes potential incremental investments to address continued demand growth and other investments to meet infrastructure needs and support New Jersey's clean energy goals.

PSE&G

At PSE&G, our focus is on investing capital in T&D infrastructure and clean energy programs to meet growing demand, enhance the reliability and resiliency of our T&D system, meet customer expectations and support public policy objectives.

In 2024, the BPU approved our CEF-EE II filing authorizing approximately $2.9 billion for energy efficiency projects committed between January 1, 2025 through June 30, 2027, to be completed over an expected six-year period. The Order approved a program investment budget of approximately $1.9 billion, net of administrative expenses, and approximately $1 billion to continue our customer on-bill repayment program.

In November 2025, the BPU issued an Order approving PSE&G's GSMP III program, authorizing $1.05 billion of capital investment to replace 525 miles of high pressure cast iron gas mains and unprotected steel mains, with cost recovery through three periodic rate adjustments as portions of the investment are put into service. In that Order, the BPU also authorized $360 million of investment to replace an additional 75 miles of gas main, with cost recovery to be requested in a future base rate case. Investment under the GSMP III program began in 2026 and will continue through December 2028, plus trailing services replacement and paving costs into 2029.

PSE&G currently anticipates filing by year end 2026 to update base rates.

PSEG Power

At PSEG Power, we seek to produce low-cost electricity by efficiently operating our nuclear generation assets, mitigate earnings volatility through hedging and the PTC mechanism, and support public policies that preserve these existing carbon-free base load nuclear generating plants. During the first six months of 2026, our nuclear units generated approximately 15.8 terawatt hours and operated at a capacity factor of 93.7%. Effective April 2025, PSEG Power revised the estimated useful lives for the Salem 1, Salem 2 and Hope Creek nuclear plants due to our expectation that a 20-year license extension will be approved for these facilities. In 2025, we also completed work to extend the refueling cycle at our Hope Creek facility from 18 months to 24 months. In addition, we are planning power uprates at Salem Units 1 and 2 that will increase generation capacity and reliability and support long-term operation of these units, including through a potential subsequent license renewal.

Our hedging strategy continues to incorporate an estimated range of risk reduction impacts from the PTCs on our nuclear generation portfolio while retaining the ability to benefit when market pricing exceeds the level at which we would receive PTCs. As of June 30, 2026, we expect that our current portfolio position for 2026 will result in the realized value of our nuclear generation output being above the level at which we would receive PTCs. Our strategy will continue to evolve taking into account energy market conditions, PTC guidance uncertainty, and potential incremental changes upon receiving U.S. Treasury guidance. In addition, we continue to explore opportunities for the potential sale of power, capacity and/or emission credits from our nuclear facilities pursuant to long-term agreements.

Climate Strategy and Sustainability Efforts

We remain guided by our vision to power a future where people use energy more efficiently, and it's safer and delivered more reliably than ever. Our investments remain focused on infrastructure modernization, energy efficiency, and supporting growing customer demand, as well as New Jersey's long-term energy goals.

PSE&G has undertaken a number of initiatives that support the reduction of GHG emissions, including our implementation of New Jersey's EE and related programs that are intended to support New Jersey's Energy Master Plan (EMP) and Gubernatorial Executive Orders through programs designed to help customers use energy more efficiently, reduce GHG emissions, support the expansion of the EV infrastructure in New Jersey, install energy storage capacity to supplement solar generation and enhance grid resiliency, install smart meters and supporting infrastructure to allow for the integration of other clean energy technologies and to more efficiently respond to weather and other outage events.

We continue to assess physical risks of climate change and adapt our capital investment program to improve the reliability and resiliency of our system in an environment of increasing frequency and severity of weather events. PSE&G is committed to the safe and reliable delivery of natural gas to approximately 1.9 million customers throughout New Jersey and we are equally committed to reducing GHG emissions associated with such operations. The GSMP is designed to improve safety and reliability and significantly reduce natural gas leaks in our distribution system, which would reduce the release of methane, a potent GHG, into the air. From 2018 through 2025 we reduced reported methane emissions by over 34% system wide.

We also continue to focus on working to preserve the economic viability of our nuclear units, which provide over 80% of the carbon-free energy in New Jersey. These efforts include reducing market risk by advocating for state and federal policies, such as the PTC established by the IRA, and capacity market reform and related generator interconnection policies at PJM Interconnection, L.L.C. (PJM) that recognize the value of our nuclear fleet's carbon-free generation and its contribution to grid reliability and resource adequacy, and potential long-term contracts that recognize the value of its consistent and reliable carbon-free energy.

Competitively Bid, FERC Regulated Transmission Projects

PSEG continues to evaluate additional investment opportunities in regulated transmission. In December 2023, PJM awarded us an approximately $424 million project to address increasing load and reliability issues in Maryland and northern Virginia as part of its 2022 Window 3 competitive solicitation. PJM has directed that the project be placed in service in 2027. However, based on the procedural timeline established by order of the Maryland Public Service Commission, we do not currently believe a 2027 in-service date for the project is reasonably achievable. We are continuing to take all available steps to obtain approvals for timely project execution. We cannot predict the outcome.

PSEG will continue to evaluate opportunities to participate in transmission solicitation processes and may decide to submit bids for these opportunities, some of which could be material investments.

PSEG LI

PSEG LI has been operating LIPA's electric T&D system in Long Island, New York since 2014 under a 12-year OSA with LIPA that expired on December 31, 2025. In 2025, a five year extension of the contract was approved. A competitor in the contract bidding process filed litigation against LIPA challenging the process. LIPA filed a motion to dismiss the competitor's claim as untimely, which was granted by the New York Supreme Court in December 2025. The competitor filed an appeal in January 2026.

Financial Results

The results for PSEG, PSE&G and PSEG Power & Other for the three and six months ended June 30, 2026 and 2025 are presented as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	Millions, except per share data			
PSE&G	$ 342	$ 332	$ 919	$ 878
PSEG Power & Other (A)	(8)	253	156	296
PSEG Net Income	**$ 334**	**$ 585**	**$ 1,075**	**$ 1,174**
PSEG Net Income Per Share (Diluted)	**$ 0.67**	**$ 1.17**	**$ 2.15**	**$ 2.35**

(A) Other includes after-tax activities at the parent company, PSEG LI, and Energy Holdings as well as intercompany eliminations.

PSEG Power's results above include the Nuclear Decommissioning Trust (NDT) Fund activity and the impacts of non-trading commodity mark-to-market (MTM) activity, which consist of the financial impact from positions with future delivery dates.

The variances in our Net Income attributable to changes related to the NDT Fund and MTM are shown in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	Millions, after tax			
NDT Fund and Related Activity (A) (B)	$ 94	$ 65	$ 87	$ 71
Non-Trading MTM Gains (Losses) (C)	$ (185)	$ 136	$ (215)	$ 1

(A)NDT Fund activity includes gains and losses on NDT securities which are recorded in Net Gains (Losses) on Trust Investments. See Item 1. Note 6. Trust Investments for additional information. NDT Fund activity also includes interest and dividend income and other costs related to the NDT Fund recorded in Net Other Income (Deductions), interest accretion expense on PSEG Power's nuclear Asset Retirement Obligation (ARO) recorded in Operation and Maintenance (O&M) Expense and the depreciation related to the ARO asset recorded in Depreciation and Amortization (D&A) Expense.

(B)Net of tax benefit (expense) of $(59) million and $(43) million for the three months and $(60) million and $(49) million for the six months ended June 30, 2026 and 2025, respectively.

(C)Net of tax benefit (expense) of $73 million and $(54) million for the three months and $84 million and $(1) million for the six months ended June 30, 2026 and 2025, respectively.

The decreases in Net Income for the three and six months ended June 30, 2026 versus the comparable periods in 2025 was driven primarily by MTM losses in 2026 compared to gains in the prior year, as shown in the table above. These impacts were partially offset by increases from continued investment in T&D clause programs at PSE&G and higher capacity revenues and gas sales at PSEG Power.

Regulatory, Legislative and Other Developments

We closely monitor and engage with stakeholders on significant regulatory and legislative developments.

Transmission Rate Proceedings and Return on Equity (ROE)

Under current FERC rules, PSE&G continues to earn a 50 basis point adder to its base ROE for its voluntary membership in PJM as a transmission owner. In June 2026, legislation was passed in New Jersey that requires transmission owners that own and operate transmission facilities in New Jersey to be members of a Regional Transmission Organization (RTO) approved by FERC. The legislation will require that, effective January 1, 2027, transmission owners be members in an RTO. While we are continuing to assess the potential impact of this legislation, this mandatory RTO membership requirement could result in the future loss of PSE&G's 50 basis-point ROE adder for participating in an RTO. This would prospectively reduce PSE&G's annual Net Income and annual cash inflows by approximately $40 million. We cannot predict the outcome of this matter.

New Jersey Clean Energy Matters

In February 2023, the previous governor of New Jersey issued executive orders (EOs) that establish or accelerate previously established 2050 targets for clean-sourced energy, building decarbonization, and EV adoption goals, with new target dates of 2030 or 2035, as applicable. In November 2025 the BPU released the updated Energy Master Plan (EMP) that presents potential pathways toward meeting New Jersey's clean energy and decarbonization goals. Given the new administration took office in January 2026, it is not clear how the EMP might influence New Jersey's energy policy and we cannot predict the impact on our business that might result.

In July 2026, the BPU issued the final framework for the extension of its second triennium of energy efficiency programs. The final framework includes elements that adjust the overall budget for the extension, requiring budgets to be based on gross, not net, energy savings, adjusts return on equity that the utilities can earn for achieving performance goals, and replaces the existing method to collect foregone revenue. The framework also allows for utilities to file for alternative proposals, including but not limited to ROE and savings targets. Petitions by utilities for the extension are due on September 30, 2026. It is

anticipated that the BPU will issue the framework for the third program cycle of energy efficiency programs later in 2026. We cannot predict the outcome of this matter.

Environmental Regulation

We are subject to liability under environmental laws for the costs and penalties of remediating contamination of property now or formerly owned by us and of property contaminated by hazardous substances that we generated. In particular, the historic operations of PSEG companies and the operations of numerous other companies within the Newark Bay Complex are alleged by federal and state agencies to have discharged substantial contamination into the Newark Bay Complex in violation of various statutes. The Newark Bay Complex is a tidal estuary in northern New Jersey that includes Newark Bay, as well as portions of the Passaic River, the Hackensack River and other surrounding waterways. The U.S. Environmental Protection Agency (EPA) has designated various portions of the Newark Bay Complex as federal Superfund sites that must be investigated and remediated under the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

In addition, PSEG Power has retained ownership of certain liabilities excluded from the sale of its fossil generation portfolio, primarily related to obligations under New Jersey and Connecticut state laws to investigate and remediate the sites. We are also currently involved in a number of proceedings relating to sites where other hazardous substances may have been discharged and may be subject to additional proceedings in the future, and the costs and penalties of any such remediation efforts could be material.

For further information regarding the matters described above, as well as other matters that may impact our financial condition and results of operations, see Item 1. Note 8. Commitments and Contingent Liabilities.

Nuclear

In May 2025, PSEG Power's Salem 1, Salem 2 and Hope Creek nuclear plants zero emission certificate (ZEC) sales concluded. Pursuant to a process established by the BPU, ZECs were purchased from these nuclear plants by the electric distribution companies (EDCs) in New Jersey. As previously noted, the Federal government established a PTC for electricity generated using existing nuclear energy, which began January 2024 and continues through 2032 and impacted PSEG Power's decision not to apply for the ZEC three-year eligibility period which began June 2025. The expected PTC rate is up to $15/MWh subject to adjustment based upon a facility's gross receipts. The PTC rate and the gross receipts threshold are subject to annual inflation adjustments. ZEC revenue recorded has been reduced by the estimated PTCs generated from these nuclear plants. The PTC amounts recorded to date are subject to change based on several factors, including but not limited to, adjustments to estimated market prices and generation and the issuance of authoritative guidance by the U.S. Treasury/the Internal Revenue Service, including clarification of the definition of "gross receipts" used to determine the phase out. Any adjustments to amounts previously recorded could be material. We continue to analyze the impact of the PTC, including any future guidance from the U.S. Treasury to assess any impact of PTCs on expected ZEC payments and/or any future ZEC application periods. For additional information, see Item 1. Note 2. Revenues.

Demand, Supply and Energy Costs

An increasing demand for power and a lack of sufficient new generation resources in PJM and in New Jersey, has raised resource adequacy concerns and resulted in higher electricity costs for our customers in 2025. Prices from the July 2024 PJM annual capacity market auction, which were approximately 10 times higher than prices from the 2023 auction and which impacted customer bills, provoked concern from state regulators and legislators and have created regulatory uncertainty. Prices from the July 2025 capacity market auction were higher than those produced by the July 2024 auction and PJM indicated that the prices would have been even higher if not for the existence of a FERC-approved ceiling, which remained in effect for the December 2025 auction. In February 2026, PJM filed with FERC a proposal to extend the price cap for another two delivery years (2028/29 and 2029/30) and, in April 2026, FERC issued an order accepting PJM's proposal. In January 2026, the White House's National Energy Dominance Council signed an agreement with the governors of all 13 states in the PJM region that memorializes a "statement of principles" intended to prompt PJM to make major changes to its capacity market, including running a "reliability backstop auction" to procure new generation capacity to provide up to 15-year "price certainty". PJM has committed to run this backstop auction and is targeting a September 2026 date following FERC approval of all needed rule changes. In July 2026, PJM submitted proposed tariff revisions with FERC to establish a one-time capacity procurement

mechanism to address resource adequacy challenges in the PJM region. Under the "Reliability Backstop Procurement" framework, PJM intends to secure 15-year commitments from new eligible generation resources to match the reliability shortfall observed in the base residual auction for the 2028/2029 delivery year. To commence the procurement window on September 30, 2026, PJM asked FERC to approve the filing with an effective date of September 29, 2026. We cannot predict the outcome of this proceeding.

In addition, in 2025, FERC both issued an order that will encourage optionality for "large load" customers by facilitating co-location with generation, and initiated a rulemaking proceeding to establish definitive rules for future large customer connections intended to ensure reliability and address resource adequacy concerns. FERC has recently issued an order in the rulemaking proceeding directing all of the RTOs/ISOs, including PJM, to establish rules for future large load connections, including how the RTOs/ISOs will study these requests and how transmission costs will be paid. We cannot predict the outcome of these proceedings and their impact on our business.

Federal and State Executive Orders and State Legislative and Other Activity

There have been a number of federal executive orders during the past year, including but not limited to orders requiring retiring generating units to stay on-line beyond their retirement date to mitigate system reliability risk and orders imposing widespread and substantial tariffs on imports.

There has been increased New Jersey state legislative activity and executive orders regarding energy affordability, resource adequacy and regulatory topics. In 2025, per direction to EDCs from the BPU, PSE&G took steps to mitigate the impacts of increasing electricity costs resulting from capacity market price increases, including the implementation of extended deferred payment arrangements. Further, the New Jersey legislature enacted a law prohibiting disconnection for non-payment during the period June 15 through August 31, beginning in 2026, and for such period annually thereafter, for certain qualified electric and gas customers. Both of these actions increased our bad debt expense in 2025, with potential additional increases in the future.

In January 2026, the New Jersey Governor issued executive orders directing the BPU within its legal authority to mitigate electric rate increases through state funding during 2026 as well as other actions, and to advance resource adequacy solutions, in New Jersey. Executive Order No. 1 directed the BPU to complete and issue a study regarding modernization of the traditional electric distribution utility business model and the BPU retained a consultant to prepare the study. In July 2026, the BPU issued its consultant's study, which discusses potential options for electric distribution utility ratemaking, including a review of other jurisdictions. The consultant will now undertake a quantitative analysis of the modernization options presented in its report. We cannot predict the outcome of this initiative or its potential impact on our business. It is not clear how these orders might influence New Jersey's energy policy.

We cannot predict the impacts on our supply chain, business, cash flow, results of operations and financial condition from the federal and state legislative activity and executive orders, certain of which may require regulatory actions to implement.

Interest Rate Matters

PSEG's long-term financing plan is designed to replace maturities and support funding its capital program. Given our financing needs, the prevailing interest rate environment will be a key factor in determining interest expense on variable-rate debt and long-term rates on future financing plans. In order to increase the predictability of interest expense, we may use interest rate hedges to help limit our exposure to fluctuating interest rates and fix a portion of our interest rate exposure for anticipated long-term financing plans at PSEG and PSEG Power. PSE&G's interest rate risk is moderated due to annual transmission rate filings and distribution recoveries through periodic rate filings.

Tax Legislation

The enactment, amendment or repeal of federal or state tax legislation and/or the clarification of previously enacted tax laws could have a material impact on our effective tax rate and cash tax position.

In August 2022, the IRA enacted a 15% corporate alternative minimum tax (CAMT), which is based on adjusted financial statement income, and established a PTC for existing qualified nuclear facilities. However, aspects of the IRA provisions for CAMT and PTCs remain unclear; therefore, the issuance of future authoritative guidance could materially impact PSEG's and PSE&G's results of operations, financial condition and cash flows.

Future Outlook

Our future success will be influenced by our ability to continue to maintain strong operational and financial performance, address regulatory and legislative developments that impact our business and respond to the issues and challenges described below. In order to do this, we will seek to:

- obtain approval of and execute on our utility capital investment program to meet increasing customer demand, modernize our infrastructure, improve the reliability and resilience of the service we provide to our customers, and align our sustainability and climate goals with New Jersey's energy policy;
- obtain a fair return for our T&D investments through our transmission formula rate, existing rate incentives, distribution infrastructure and clean energy investment programs and periodic distribution base rate case proceedings;
- focus on controlling costs while maintaining safety, reliability and customer satisfaction and complying with applicable standards and requirements;
- manage the risks and opportunities in federal and state policies related to energy;
- advocate for appropriate regulatory guidance on the PTC to ensure long-term support for New Jersey's largest carbon-free generation resource, and adapt our hedging program accordingly, and realize the value of our consistent and reliable, carbon-free nuclear output;
- engage constructively with our multiple stakeholders, including regulators, government officials, customers, employees, investors, suppliers and the communities in which we do business or are seeking to do business; and
- deliver on our human capital management strategy to attract, develop and retain a high-performing diverse workforce.

In addition to the risks described elsewhere in this Form 10-Q for 2026 and beyond, the key issues and challenges we expect our business to confront include:

- regulatory and political uncertainty with regard to federal and state energy and related policies, including transmission planning and rates policy, the role of distribution utilities and decarbonization impacts, design of energy and capacity markets, resource adequacy and affordability, tax regulation and environmental regulation, as well as with respect to the outcome of any legal, regulatory or other proceedings;
- performance of the financial markets, including the impact on our pension funding requirements and interest rates on our future financing plans;
- continuing to manage costs and maintain affordable customer rates, which could impact customer collections, investment programs and have other impacts;
- the increasing frequency, sophistication and magnitude of cybersecurity attacks against us and our respective vendors and business partners who may have our sensitive information and/or access to our environment, and the increasing frequency and magnitude of physical attacks on electric and gas infrastructure;
- future changes in federal and state tax laws or any other associated tax guidance; and
- the impact of changes in energy demand, natural gas and electricity prices and PJM's challenge to ensure resource adequacy to meet demand growth amidst efforts to decarbonize several sectors of the economy.

We continually assess a broad range of strategic options to maximize long-term shareholder value and address the interests of our multiple stakeholders. We consider a wide variety of factors when determining how and when to efficiently deploy capital, including the performance and prospects of our businesses; returns and the sustainability and predictability of future earnings streams; the views of investors, regulators, public policy initiatives, rating agencies, customers and employees; our existing indebtedness and restrictions it imposes; and tax considerations, among other things. Strategic options available to us include:

- investments in PSE&G, including T&D facilities to enhance reliability, resiliency and modernize the system to meet the growing needs and increasingly higher expectations of customers, and clean energy investments, including our EE programs;
- continued operation of our nuclear generation facilities that are expected to be supported by the PTC through 2032, nuclear capacity uprates, such as our planned Salem power uprate supported by a clean energy PTC, as well as obtaining license extensions and energy, capacity and/or emission credit sales with potential customers seeking consistent and reliable carbon-free power;
- opportunities that may arise from our enabling of or involvement in new nuclear projects;
- investments in generation and battery storage through BPU, RTO or other similar solicitations or bilateral agreements;
- investments in competitive, regulated transmission through PJM and other RTO/ISO processes; and
- acquisitions, dispositions, development and other transactions involving our common stock, assets or businesses that could provide value to customers and shareholders.

There can be no assurance, however, that we will successfully develop and execute any of the strategic options noted above, or any additional options we may consider in the future. The execution of any such strategic plan may not have the expected benefits or may have unexpected adverse consequences.

RESULTS OF OPERATIONS

PSEG

Our results of operations are comprised of the results of operations of our reportable segments, PSE&G and PSEG Power & Other, excluding charges related to intercompany transactions, which are eliminated in consolidation. For additional information on intercompany transactions, see Item 1. Note 17. Related-Party Transactions.

	Three Months Ended June 30,		Increase/ (Decrease) 2026 vs. 2025		Six Months Ended June 30,		Increase/ (Decrease) 2026 vs. 2025	
	2026	2025			2026	2025		
	Millions		Millions	%	Millions		Millions	%
Operating Revenues	$ 2,554	$ 2,805	$ (251)	(9)	$ 6,402	$ 6,027	$ 375	6
Energy Costs	866	826	40	5	2,373	2,012	361	18
Operation and Maintenance (A)	906	854	52	6	1,843	1,773	70	4
Depreciation and Amortization	321	308	13	4	650	628	22	4
Net Gains (Losses) on Trust Investments	144	95	49	52	127	103	24	23
Net Other Income (Deductions)	41	46	(5)	(11)	84	83	1	1
Net Non-Operating Pension and OPEB Credits (Costs)	21	16	5	31	40	32	8	25
Interest Expense	269	248	21	8	541	489	52	11
Income Tax Expense	64	141	(77)	(55)	171	169	2	1

(A)Includes amortization of Energy Efficiency (EE) programs regulatory expenditures of $53 million, $41 million, $103 million and $79 million for the three months and six months ended June 30, 2026 and 2025, respectively.

The following discussions for PSE&G and PSEG Power & Other provide a detailed explanation of their respective variances.

PSE&G

	Three Months Ended June 30,		Increase/ (Decrease) 2026 vs. 2025		Six Months Ended June 30,		Increase/ (Decrease) 2026 vs. 2025	
	2026	2025			2026	2025		
	Millions		Millions	%	Millions		Millions	%
Operating Revenues	$ 2,137	$ 2,031	$ 106	5	$ 5,222	$ 4,695	$ 527	11
Energy Costs	776	760	16	2	2,134	1,854	280	15
Operation and Maintenance (A)	545	504	41	8	1,182	1,080	102	9
Depreciation and Amortization	286	275	11	4	581	555	26	5
Net Other Income (Deductions)	17	16	1	6	36	32	4	13
Net Non-Operating Pension and OPEB Credits (Costs)	20	18	2	11	37	35	2	6
Interest Expense	174	161	13	8	349	318	31	10
Income Tax Expense	51	33	18	55	130	77	53	69

(A)Includes amortization of EE programs regulatory expenditures of $53 million, $41 million, $103 million and $79 million for the three months and six months ended June 30, 2026 and 2025, respectively.

Three Months Ended June 30, 2026 as Compared to Three Months Ended June 30, 2025

Operating Revenues increased $106 million due to changes in delivery, commodity, clause and other operating revenues.

Delivery Revenues are primarily derived from revenues recovered on our regulated investments in rate base and costs through periodic filings of distribution rate cases, approved distribution investment recovery programs and the annual filing of transmission formula rates. Due to PSE&G's electric and gas distribution CIP decoupling mechanism, there is minimal impact from sales volumes on most distribution delivery revenues. Also included in delivery revenues are revenue credits to customers to flowback tax benefits realized by PSE&G. These revenue credits are offset in Income Tax Expense.

Delivery revenues increased $40 million due primarily to a $17 million increase in delivery volumes, $13 million from increased GPRC revenues and a $10 million increase in transmission revenues due primarily to higher rate base investments.

Clause Revenues are revenues from various pass-through regulatory programs for which PSE&G earns no margin. These revenues are entirely offset by the amortization of related costs in O&M, D&A and Interest and Income Tax Expense, which were originally recognized as regulatory assets.

Clause Revenues increased $50 million due primarily to a $35 million increase in TAC and GPRC deferrals and a $15 million increase in Societal Benefits Clause (SBC) collections.

Commodity Revenues are revenues from customers choosing default electric (basic generation service or BGS) and gas supply (basic gas supply service or BGSS) from PSE&G. PSE&G procures the BGS and BGSS on behalf of these retail customers and earns no margin on this service as all costs are passed back to the BGS and BGSS customers. The changes in Commodity Revenues for both electric and gas are entirely offset by changes in Energy Costs.

Commodity Revenues increased $64 million primarily due to higher electric BGS revenues of $66 million, primarily from higher prices, partially offset by lower gas BGSS revenues of $2 million, primarily from lower volume.

Other Operating Revenues are primarily comprised of revenues derived from various GPRC programs including Transition Renewable Energy Certificates (TREC) revenues, Community Solar collections and the Successor Solar Incentive Program (SuSI). The revenues from these programs offset costs included in Energy Costs. In addition, other operating revenues include revenues from our Appliance Service Business (ASB) which offers various appliance protection and repair plans to customers.

Other Operating revenues decreased $48 million due primarily to a decrease in ZECs as a result of the ZEC collection ending effective May 31, 2025.

Operating Expenses

Energy Costs increased $16 million. This is entirely offset by changes in Commodity Revenues and Other Operating Revenues.

Operation and Maintenance increased $41 million due primarily to $28 million in higher clause and renewable expenditures and $13 million in higher other operating and Services expenses.

Depreciation and Amortization increased $11 million due primarily to an increase in depreciation due to higher plant placed in service and increased amortization of Regulatory Assets.

Interest Expense increased $13 million due primarily to incremental debt and the replacement of maturing debt at higher rates.

Income Tax Expense increased $18 million due primarily to a decrease in the flowback of historic mixed service cost deductions as an effect of utility ratemaking and higher pre-tax income.

Six Months Ended June 30, 2026 as Compared to Six Months Ended June 30, 2025

Operating Revenues increased $527 million due to changes in delivery, commodity, clause and other operating revenues.

Delivery Revenues are primarily derived from revenues recovered on our regulated investments in rate base and costs through periodic filings of distribution rate cases, approved distribution investment recovery programs and the annual filing of transmission formula rates. Due to PSE&G's electric and gas distribution CIP decoupling mechanism, there is minimal impact

from sales volumes on most distribution delivery revenues. Also included in delivery revenues are revenue credits to customers to flowback tax benefits realized by PSE&G. These revenue credits are offset in Income Tax Expense.

Delivery revenues increased $130 million due primarily to a $67 million increase in delivery volumes, $42 million from increased GPRC revenues and a $28 million increase in transmission revenues due primarily to higher rate base investments. These delivery revenue increases were offset by a $7 million decrease due to an increase in credits flowed back to customers as part of our TAC mechanism.

Clause Revenues are revenues from various pass-through regulatory programs for which PSE&G earns no margin. These revenues are entirely offset by the amortization of related costs in O&M, D&A and Interest and Income Tax Expense, which were originally recognized as regulatory assets.

Clause Revenues increased $114 million due primarily to an $82 million increase in TAC and GPRC deferrals and a $36 million increase in SBC collections.

Commodity Revenues are revenues from customers choosing default electric (basic generation service or BGS) and gas supply (basic gas supply service or BGSS) from PSE&G. PSE&G procures the BGS and BGSS on behalf of these retail customers and earns no margin on this service as all costs are passed back to the BGS and BGSS customers. The changes in Commodity Revenues for both electric and gas are entirely offset by changes in Energy Costs.

Commodity Revenues increased $371 million primarily due to higher electric BGS revenues of $267 million and higher gas BGSS revenues of $104 million, primarily from higher prices.

Other Operating Revenues are primarily comprised of revenues derived from various GPRC programs including TREC revenues, Community Solar collections and SuSI. The revenues from these programs offset costs included in Energy Costs. In addition, other operating revenues include revenues from our ASB which offers various appliance protection and repair plans to customers.

Other Operating revenues decreased $88 million due primarily to a decrease in ZECs as a result of the ZEC collection ending effective May 31, 2025.

Operating Expenses

Energy Costs increased $280 million. This is entirely offset by changes in Commodity Revenues and Other Operating Revenues.

Operation and Maintenance increased $102 million due primarily to $80 million in higher clause and renewable expenditures, $4 million in higher distribution and transmission operational expenditures and $18 million in higher other operating and Services expenses.

Depreciation and Amortization increased $26 million due primarily to an increase in depreciation due to higher plant placed in service and increased amortization of software and Regulatory Assets.

Interest Expense increased $31 million due primarily to incremental debt and the replacement of maturing debt at higher rates.

Income Tax Expense increased $53 million due primarily to a decrease in the flowback of historic mixed service cost deductions as an effect of utility ratemaking and higher pre-tax income.

PSEG Power & Other

	Three Months Ended June 30,		Increase/ (Decrease)		Six Months Ended June 30,		Increase/ (Decrease)	
	2026	2025	2026 vs. 2025		2026	2025	2026 vs. 2025	
	Millions		Millions	%	Millions		Millions	%
Operating Revenues	$ 534	$ 920	$ (386)	(42)	$ 1,950	$ 2,012	$ (62)	(3)
Energy Costs	207	212	(5)	(2)	1,009	838	171	20
Operation and Maintenance	361	350	11	3	661	693	(32)	(5)
Depreciation and Amortization	35	33	2	6	69	73	(4)	(5)
Net Gains (Losses) on Trust Investments	144	95	49	52	127	103	24	23
Net Other Income (Deductions)	24	31	(7)	(23)	48	53	(5)	(9)
Net Non-Operating Pension and OPEB Credits (Costs)	1	(2)	3	N/A	3	(3)	6	N/A
Interest Expense	95	88	7	8	192	173	19	11
Income Tax Expense	13	108	(95)	(88)	41	92	(51)	(55)

Three Months Ended June 30, 2026 as Compared to Three Months Ended June 30, 2025

Operating Revenues decreased $386 million due primarily to changes in generation and gas supply and other operating revenues.

Generation Revenues decreased $387 million due primarily to

•a net decrease of $450 million due to MTM losses in 2026 as compared to MTM gains in 2025. Of this amount, there was a $370 million decrease due to changes in forward prices in 2026 as compared to 2025, coupled with a $80 million decrease due to positions reclassified to realized upon settlement, and

•a net decrease of $25 million primarily due to the conclusion of ZEC sales in May 2025,

•partially offset by a net increase of $51 million in capacity revenue due primarily to higher capacity prices, and

•a net increase of $37 million due primarily to higher average realized prices and higher volumes sold in 2026.

Gas Supply Revenues decreased $3 million due primarily to

•a net decrease of $12 million in sales under the BGSS contract due primarily to $6 million from lower sales volume and $6 million from lower sales prices,

•partly offset by a net increase of $9 million related to sales to third parties due primarily to $14 million from higher sales volumes, partially offset by $5 million from lower sales prices.

Operating Expenses

Energy Costs represent the cost of generation, which includes fuel costs for generation as well as purchased energy in the market, and gas purchases to meet PSEG Power's obligation under its BGSS contract with PSE&G. Energy Costs decreased $5 million due to

Gas costs decreased $11 million due primarily to

•a net decrease of $17 million related to sales under the BGSS contract, of which $11 million was due to lower average cost of gas coupled with interstate gas pipeline refunds due to a settlement on pipeline rates from prior periods, and $6 million was due to lower send out volumes, and

•a net increase of $7 million related to sales to third parties due primarily to $11 million from higher sales volumes, partially offset by $4 million from lower sales prices.

Generation costs increased $6 million due primarily to increased nuclear fuel costs.

Operation and Maintenance increased $11 million due primarily to a net increase in various operational expenses.

Net Gains (Losses) on Trust Investments increased $49 million due primarily to NDT investments with a $157 million increase in net realized gains in 2026, partially offset by $30 million in net unrealized losses in 2026 as compared to $79 million in net unrealized gains in 2025 on equity securities.

Other Income (Deductions) decreased $7 million due primarily to interest income.

Interest Expense increased $7 million due primarily to incremental debt and the replacement of maturing long-term debt at higher rates.

Income Tax Expense decreased $95 million due primarily to lower pre-tax income.

Six Months Ended June 30, 2026 as Compared to Six Months Ended June 30, 2025

Operating Revenues decreased $62 million due primarily to changes in generation and gas supply and other operating revenues.

Generation Revenues decreased $241 million due primarily to

•a net decrease of $300 million due to MTM losses in 2026 as compared to MTM gains in 2025. Of this amount, there was a $276 million decrease due to changes in forward prices in 2026 as compared to 2025, coupled with a $24 million decrease due to positions reclassified to realized upon settlement, and

•a net decrease of $81 million primarily due to the conclusion of ZEC sales in May 2025,

•partially offset by a net increase of $115 million in capacity revenue due primarily to higher capacity prices, and

•a net increase of $24 million due primarily to higher average realized prices, partially offset by lower volumes sold in 2026.

Gas Supply Revenues increased $180 million due primarily to

•a net increase of $160 million in sales under the BGSS contract due primarily to $136 million from higher sales prices and $24 million from higher sales volumes, and

•a net increase of $24 million related to sales to third parties due primarily to $16 million from higher sales prices, and $8 million from higher sales volumes.

Operating Expenses

Energy Costs represent the cost of generation, which includes fuel costs for generation as well as purchased energy in the market, and gas purchases to meet PSEG Power's obligation under its BGSS contract with PSE&G. Energy Costs increased $171 million due to

Gas costs increased $166 million due primarily to

•a net increase of $155 million related to sales under the BGSS contract, of which $131 million was due to higher average cost of gas, which includes a $9 million reduction in cost from interstate gas pipeline refunds due to a settlement on pipeline rates from prior periods, and $24 million was due to higher send out volumes, and

•a net increase of $14 million related to sales to third parties due primarily to higher sales volumes.

Generation costs increased $5 million due primarily to increased nuclear fuel costs.

Operation and Maintenance decreased $32 million due primarily to an adjustment to indirect taxes in 2026 and a net decrease in nuclear and various operational expenses.

Net Gains (Losses) on Trust Investments increased $24 million due primarily to NDT investments with a $170 million increase in net realized gains in 2026, partially offset by $78 million in net unrealized losses in 2026 as compared to $69 million in net unrealized gains in 2025 on equity securities.

Other Income (Deductions) decreased $5 million due primarily to interest income.

Net Non-Operating Pension and OPEB Credits (Costs) increased $6 million due primarily to a decrease in interest cost and an increase in the long-term expected return on assets.

Interest Expense increased $19 million due primarily to incremental debt and the replacement of maturing long-term debt at higher rates.

Income Tax Expense decreased $51 million due primarily to lower pre-tax income.

LIQUIDITY AND CAPITAL RESOURCES

The following discussion of our liquidity and capital resources is on a consolidated basis, noting the uses and contributions, where material, of our two direct major operating subsidiaries.

Operating Cash Flows

We continue to expect our operating cash flows combined with cash on hand and financing activities to be sufficient to fund planned capital expenditures and shareholder dividends.

For the six months ended June 30, 2026, our operating cash flow increased $294 million, as compared to the same period in 2025. The net increase was primarily due to higher tax refunds and a net change at PSE&G, as discussed below, partially offset by $179 million of higher net cash collateral postings in 2026 as compared to the same period in 2025 at PSEG Power.

PSE&G

PSE&G's operating cash flow increased $212 million from $954 million to $1,166 million for the six months ended June 30, 2026, as compared to the same period in 2025. The increase was primarily due to a decrease in net regulatory deferrals, a decrease in accounts receivable and unbilled revenues, and higher earnings, partially offset by taxes paid in 2026 as compared to tax refunds received in 2025 and the timing of vendor payments.

Short-Term Liquidity

PSEG meets its short-term liquidity requirements, as well as those of PSEG Power, primarily through the issuance of commercial paper and, from time to time, short-term loans. PSE&G maintains its own separate commercial paper program to meet its short-term liquidity requirements. Each commercial paper program is fully back-stopped by its own separate credit facility.

Each of our credit facilities is restricted as to availability and use to the specific companies as listed below; however, if necessary, the PSEG facilities can also be used to support our subsidiaries' liquidity needs.

In March 2026, PSEG, PSEG Power and PSE&G executed a two-year extension to their existing $3.75 billion revolving credit facilities, extending the maturity through March 2031, and removed the sustainability linked pricing mechanism associated with the PSEG sublimit of the Master Credit Facility. The $75 million PSEG Power letter of credit facility was also extended through March 2028.

In February 2026, PSEG entered into a 364-day variable rate term loan agreement for $500 million. In June 2026, PSEG prepaid the $500 million term loan.

In December 2025, PSEG Power amended its existing $400 million 364-day variable rate term loan, which increased the balance to $500 million and extended the maturity to December 2026.

Our total committed credit facilities and available liquidity as of June 30, 2026 were as follows:

	As of June 30, 2026		
Company/Facility	**Total Facility**	**Usage**	**Available Liquidity**
	Millions		
PSEG	$ 1,500	$ 470	$ 1,030
PSE&G	1,000	27	973
PSEG Power	1,325	118	1,207
Total	**$ 3,825**	**$ 615**	**$ 3,210**

PSEG Power has uncommitted credit facilities totaling $425 million, which can be utilized for letters of credit. As of June 30, 2026, PSEG Power had $305 million in letters of credit outstanding under these uncommitted credit facilities.

PSE&G has an uncommitted credit facility totaling $30 million, which can be utilized for letters of credit. As of June 30, 2026, PSE&G's letters of credit outstanding were immaterial under this uncommitted credit facility.

We continually monitor our liquidity and seek to add capacity as needed to meet our liquidity requirements, including to satisfy any additional collateral requirements. As of June 30, 2026, PSEG's liquidity position, including credit facilities and access to external financing, was expected to be sufficient to meet its projected stressed requirements over a 12-month planning horizon. PSEG analyzes its liquidity requirements using stress scenarios that consider different events, including changes in commodity prices and the potential impact of PSEG Power losing its investment grade credit rating from S&P or Moody's, which would represent a two-level downgrade from its current Moody's and S&P ratings. In the event of a deterioration of PSEG Power's credit rating, certain of PSEG Power's agreements allow the counterparty to demand further performance assurance. The potential additional collateral that we would be required to post under these agreements if PSEG Power were to lose its investment grade credit rating was approximately $705 million and $703 million as of June 30, 2026 and December 31, 2025, respectively.

For additional information, see Item 1. Note 9. Debt and Credit Facilities.

Long-Term Debt Financing

During the next twelve months,

- PSE&G has $425 million of 2.25% Secured Medium-Term Notes Series L, due September 2026, and
- PSE&G has $425 million of 3.00% Secured Medium-Term Notes Series L, due May 2027.

PSEG, PSEG Power, Energy Holdings, PSEG LI and Services participate in a corporate money pool, an aggregation of daily cash balances designed to efficiently manage their respective short-term liquidity needs, which are accounted for as intercompany loans. Servco does not participate in the corporate money pool. Servco's short-term liquidity needs are met through an account funded and owned by LIPA.

For additional information see Item 1. Note 9. Debt and Credit Facilities.

Common Stock Dividends

On July 20, 2026, our Board of Directors approved a $0.67 per share common stock dividend for the third quarter of 2026. This reflects an indicative annual dividend rate of $2.68 per share. We expect to continue to pay cash dividends on our common stock; however, the declaration and payment of future dividends to holders of our common stock will be at the discretion of the Board of Directors and will depend upon many factors, including our financial condition, earnings, capital requirements of our businesses, alternate investment opportunities, legal requirements, regulatory constraints, industry practice and other factors that the Board of Directors deems relevant. For additional information related to cash dividends on our common stock, see Item 1. Note 15. Earnings Per Share (EPS) and Dividends.

Credit Ratings

If the rating agencies lower or withdraw our credit ratings, such revisions may adversely affect the market price of our securities and serve to materially increase our cost of capital and limit access to capital. Credit ratings shown are for securities that we typically issue. Outlooks are shown for the credit ratings at each entity and can be Stable, Negative, or Positive. There is no assurance that the ratings will continue for any given period of time or that they will not be revised by the rating agencies, if in their respective judgments, circumstances warrant. Each rating given by an agency should be evaluated independently of the other agencies' ratings. The ratings should not be construed as an indication to buy, hold or sell any security.

	Moody's (A)	S&P (B)
PSEG		
Outlook	**Stable**	**Stable**
Senior Notes	Baa2	BBB
Commercial Paper	P2	A2
PSE&G		
Outlook	**Stable**	**Stable**
Mortgage Bonds	A1	A
Commercial Paper	P2	A2
PSEG Power		
Outlook	**Stable**	**Stable**
Senior Notes	Baa2	BBB

(A)Moody's ratings range from Aaa (highest) to C (lowest) for long-term securities and P1 (highest) to NP (lowest) for short-term securities.

(B)S&P ratings range from AAA (highest) to D (lowest) for long-term securities and A1 (highest) to D (lowest) for short-term securities.

CAPITAL REQUIREMENTS

We expect that all of our capital requirements over the next three years will come from a combination of internally generated funds and external debt financing. There were no material changes to our projected capital expenditures as compared to amounts disclosed in our 2025 Form 10-K.

PSE&G

During the six months ended June 30, 2026, PSE&G made capital expenditures of $1,252 million, primarily for T&D system reliability. In addition, PSE&G had $86 million associated with the CEF-EE II on-bill repayment program included in investing cash flows, as well as cost of removal, net of salvage, of $74 million associated with capital replacements, and expenditures for EE programs of $263 million, which are included in operating cash flows.

PSEG Power & Other

During the six months ended June 30, 2026, PSEG Power & Other made capital expenditures of $134 million, excluding $73 million for nuclear fuel, primarily related to various nuclear projects at PSEG Power and various information technology projects at Services.

ITEM 3.QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The risk inherent in our market-risk sensitive instruments and positions is the potential loss arising from adverse changes in commodity prices, equity security prices and interest rates as discussed in the Notes to Condensed Consolidated Financial Statements. It is our policy to use derivatives to manage risk consistent with business plans and prudent practices. We have a Risk Management Committee comprised of executive officers who utilize a risk oversight function to ensure compliance with our corporate policies and risk management practices.

Additionally, we are exposed to counterparty credit losses in the event of non-performance or non-payment. We have a credit management process, which is used to assess, monitor and mitigate counterparty exposure. In the event of non-performance or non-payment by a major counterparty, there may be a material adverse impact on our financial condition, results of operations or net cash flows.

Commodity Contracts

The availability and price of energy-related commodities are subject to fluctuations from factors such as weather, environmental policies, changes in supply and demand, state and federal regulatory policies, market rules and other events. To reduce price risk caused by market fluctuations, we enter into supply contracts and derivative contracts, including forwards, futures, swaps, and options with approved counterparties. These contracts, in conjunction with physical sales and other services, help reduce risk and optimize the value of owned electric generation capacity.

Value-at-Risk (VaR) Models

VaR represents the potential losses, under normal market conditions, for instruments or portfolios due to changes in market factors, for a specified time period and confidence level. We estimate VaR across our commodity businesses.

MTM VaR consists of MTM derivatives that are economic hedges. The calculation does not include market risks associated with activities that are subject to accrual accounting, primarily our generating facilities and some load-serving activities.

The VaR models used are variance/covariance models adjusted for the change of positions with 95% and 99.5% confidence levels and a one-day holding period for the MTM activities. The models assume no new positions throughout the holding periods; however, we actively manage our portfolio.

From April through June 2026, MTM VaR varied between a low of $53 million and a high of $92 million at the 95% confidence level. The range of VaR was narrower for the three months ended June 30, 2026 as compared with the year ended December 31, 2025.

	MTM VaR	
	Three Months Ended June 30, 2026	Year Ended December 31, 2025
	Millions	
95% Confidence Level, Loss could exceed VaR one day in 20 days		
Period End	$ 70	$ 63
Average for the Period	$ 69	$ 41
High	$ 92	$ 71
Low	$ 53	$ 17
99.5% Confidence Level, Loss could exceed VaR one day in 200 days		
Period End	$ 109	$ 99
Average for the Period	$ 107	$ 64
High	$ 143	$ 111
Low	$ 83	$ 27

See Item 1. Note 10. Financial Risk Management Activities for a discussion of credit risk.

ITEM 4.CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

PSEG and PSE&G

We have established and maintain disclosure controls and procedures as defined under Rule 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") that are designed to provide reasonable assurance that information required to be disclosed in the reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported and is accumulated and communicated to the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of each respective company, as appropriate, by others within the entities to allow timely decisions regarding required disclosure. We have established a disclosure committee which includes several key management employees and which reports directly to the CFO and CEO of each of PSEG and PSE&G. The committee monitors and evaluates the effectiveness of these disclosure controls and procedures. The CFO and CEO of each of PSEG and PSE&G have evaluated the effectiveness of the disclosure controls and procedures and, based on this evaluation, have concluded that disclosure controls and procedures at each respective company were effective at a reasonable assurance level as of the end of the period covered by the report.

Internal Controls

PSEG and PSE&G

There have been no changes in internal control over financial reporting that occurred during the second quarter of 2026 that have materially affected, or are reasonably likely to materially affect, each registrant's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are party to various lawsuits and environmental and regulatory matters, including in the ordinary course of business. For information regarding material legal proceedings, including updates to information reported in Item 3 of Part I of the Form 10-K, see Part I, Item 1. Note 8. Commitments and Contingent Liabilities in this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

The discussion of our business and operations in this Quarterly Report on Form 10-Q should be read together with the risk factors contained in Part I, Item 1A of our Form 10-K which describes various risks and uncertainties that could have a material adverse impact on our business, prospects, financial position, results of operations or cash flows and could cause results to differ materially from those expressed elsewhere in this report.

ITEM 5. OTHER INFORMATION

Certain information is provided below for new matters that have arisen subsequent to the filing of the Form 10-K and the first quarter 2026 Form 10-Q.

Director and Officer Rule 10b5-1 and non-Rule 10b5-1 Trading Plans

During the three months ended June 30, 2026, none of the Company's directors or officers adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

Federal Regulation

Transmission Regulation—Transmission Rate Proceedings and ROE

December 31, 2025 Form 10-K page 10. Under current FERC rules, PSE&G continues to earn a 50 basis point adder to its base ROE for its voluntary membership in PJM as a transmission owner. In June 2026, legislation was passed in New Jersey that requires transmission owners that own and operate transmission facilities in New Jersey to be members of a Regional Transmission Organization (RTO) approved by FERC. The legislation will require that, effective January 1, 2027, transmission owners be members in an RTO. While we are continuing to assess the potential impact of this legislation, this mandatory RTO membership requirement could result in the future loss of PSE&G's 50 basis-point ROE adder for participating in an RTO. This would prospectively reduce PSE&G's annual Net Income and annual cash inflows by approximately $40 million. We cannot predict the outcome of this matter.

Transmission Regulation—Transmission Planning Proceedings

December 31, 2025 Form 10-K page 11 and March 31, 2026 Form 10-Q page 66. In March 2026, FERC issued an order addressing a longstanding dispute about the methodology used in PJM to calculate and assign transmission project costs. The FERC order, among other things, rejected a proposed settlement agreement that would have shifted significant costs to PSE&G's transmission customers. FERC directed PJM to recalculate cost responsibility assignments and resettle billings going back to 2015. Proceedings continue at FERC and at the U.S. Court of Appeals for the DC Circuit. We cannot predict the outcome of these proceedings.

Regulation of Wholesale Sales—Generation/Market Issues/Market Power

December 31, 2025 Form 10-K page 10. In October 2025, in response to a directive by the Secretary of Energy, FERC initiated a rulemaking proceeding to establish rules by the end of April 2026 to facilitate the interconnection of large load customers to the transmission system through a queue process. In June 2026, FERC issued an order directing PJM and its transmission customers to show cause as to why the PJM Tariff should not be found to be unjust and unreasonable because it does not contain provisions relating to the application and study process for large customers seeking transmission service, mitigation of risk of cost shifting among transmission customers due to large loads, including providing transparency into

transmission costs, and accommodation of co-location arrangements and behind the meter generation. We cannot predict the outcome of these matters.

Capacity Market Issues

In July 2026, PJM proposed tariff revisions to FERC to implement a proposed "Reliability Backstop Procurement" framework to address the 6.8 GW resource shortfall for the 2028/2029 delivery year. This procurement mechanism seeks 15-year commitments from new generation resources, with costs passed to load-serving entities and end-use customers, including data centers. We cannot predict the outcome of this matter.

State Regulation

Energy Efficiency, Triennial Review

December 31, 2025 Form 10-K page 14 and March 31, 2026 Form 10-Q page 66. While it was previously anticipated that the BPU would issue a final framework for the third triennium during the first half of 2026, in April 2026, BPU Staff issued its straw proposal for a one-year extension to the second triennium of energy efficiency programs rather than issuing a framework for the third triennium to accommodate the time needed for the BPU to establish the third triennium framework. In July 2026, the BPU issued the final framework for the extension. The final framework includes elements that adjust the overall budget for the extension, requiring budgets to be based on gross, not net, energy savings, adjusts return on equity that the utilities can earn for achieving performance goals, and replaces the existing method to collect foregone revenue. The framework also allows for utilities to file for alternative proposals, including but not limited to ROE and savings targets. Petitions by utilities for the extension are due on September 30, 2026. It is anticipated that the BPU will issue the framework for the third program cycle of energy efficiency programs later in 2026. We cannot predict the outcome of this matter at this time.

BGS Process

December 31, 2025 Form 10-K page 14. The February 2025 BGS auction resulted in a significant cost increase for electricity supplied by PSE&G and all other New Jersey electric distribution companies that was reflected in customers' rates beginning June 1, 2025. The cost increases were in large part due to higher prices from the PJM capacity market (base residual auction). The February 2026 BGS auction resulted in a slight cost decrease for electricity supplied by PSE&G that became effective June 1, 2026. In July 2026, New Jersey's EDCs filed their annual joint proposal for conduct of the February 2027 BGS auction covering energy years 2028 through 2030. Rates resulting from the February 2027 BGS auction will become effective June 1, 2027.

Certain Recently-Enacted State Legislation

In July 2026, Governor Sherrill signed the Advance Grid Technologies Act into law. This Act will increase BPU oversight of supplemental electric transmission projects that are developed under PJM's Attachment M-3 process. It requires any supplemental transmission project that is 100kV or more to file for and obtain a Certificate of Public Convenience and Necessity before beginning construction of the project. At the same time, it encourages utilities to use advanced grid technologies, such as dynamic line ratings, advanced conductors, and power flow control devices, by providing an expedited approval process for projects that meaningfully incorporate these technologies.

In July 2026, Governor Sherrill also signed the Data Center Fair Share Act into law. This legislation is designed to protect non-data center customers from bearing the costs of providing service to the state's rapidly growing large data center sector. The law requires the BPU and electric utilities to establish a separate rate class and tailored service requirements for qualifying large data centers, ensuring they pay the full cost of the electricity infrastructure and grid upgrades, among other costs, needed to serve their operations. It also encourages data centers to bring new, lower-cost clean energy resources online and requires them to reduce electricity demand during periods of grid stress before residential customers are affected. In addition, the legislation requires the BPU to create with stakeholder input an innovative retail program allowing new large-load customers to offset their capacity obligations by funding demand-reduction measures elsewhere on the grid, with the goal of supporting AI and data center growth while maintaining grid reliability and keeping electricity bills affordable for other New Jersey customers. The BPU is expected to initiate policy proceedings to develop rate class and demand reduction programs, the outcome of which is uncertain at this time.

In July 2026, the Power NJ Act was signed into law. This legislation establishes a competitive framework to evaluate and procure at least 1,100 MW of new nuclear generation, including advanced reactors and small modular reactors, to help meet growing electricity demand while supporting the state's clean energy goals. The legislation directs the BPU to solicit proposals, evaluate developers, and negotiate contracts through a structured process with significant oversight and public input and establishes a Reliable Capacity Certificate program to provide qualifying projects with a stable revenue mechanism that supports financing while ensuring reliable, carbon-free electricity for New Jersey.

ITEM 6. EXHIBITS

A listing of exhibits being filed with this document is as follows:

a. PSEG:

Exhibit 10.1:	Deferred Compensation Plan for Certain Employees, amended and restated effective July 20, 2026
Exhibit 10.2:	Equity Deferral Plan, amended and restated effective July 20, 2026
Exhibit 10.3:	Management Incentive Compensation Plan, amended and restated effective July 20, 2026
Exhibit 31:	Certification by Ralph LaRossa Pursuant to Rules 13a-14 and 15d-14 of the 1934 Act
Exhibit 31.1:	Certification by Daniel J. Cregg Pursuant to Rules 13a-14 and 15d-14 of the 1934 Act
Exhibit 32:	Certification by Ralph LaRossa Pursuant to Section 1350 of Chapter 63 of Title 18 of the U.S. Code
Exhibit 32.1:	Certification by Daniel J. Cregg Pursuant to Section 1350 of Chapter 63 of Title 18 of the U.S. Code
Exhibit 101.INS:	Inline XBRL Instance Document - The Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
Exhibit 101.SCH:	Inline XBRL Taxonomy Extension Schema
Exhibit 104:	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

b. PSE&G:

Exhibit 10.1:	Deferred Compensation Plan for Certain Employees, amended and restated effective July 20, 2026
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SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
(Registrant)

By: /S/ ROSE M. CHERNICK
Rose M. Chernick
Vice President and Controller
(Principal Accounting Officer)

Date: August 4, 2026

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
(Registrant)

By: /S/ ROSE M. CHERNICK
Rose M. Chernick
Vice President and Controller
(Principal Accounting Officer)

Date: August 4, 2026