

PUBLIC SERVICE ENTERPRISE GROUP INC
Form DEF 14A
March 12, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. _)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:

- (2) Form Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Public Service Enterprise Group Incorporated

80 Park Plaza, Newark, NJ 07102

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT

Items of Business

1. Elect ten members of the Board of Directors to hold office until the Annual Meeting of Stockholders in 2020, or until his/her respective successor is elected and qualified;
2. Consider and act upon an advisory vote on the approval of executive compensation;
3. Consider and act upon the ratification of the appointment of Deloitte & Touche LLP as independent auditor for 2019; and
4. Transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

By order of the Board of Directors,

Michael K. Hyun

Secretary

March 4, 2019

YOUR VOTE IS IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES YOU OWN. PLEASE SIGN, DATE AND MAIL THE ACCOMPANYING PROXY CARD OR VOTING INSTRUCTION FORM PROMPTLY. YOU MAY ALSO VOTE VIA THE INTERNET OR BY TELEPHONE. PLEASE USE THE INTERNET ADDRESS OR TOLL-FREE NUMBER SHOWN ON YOUR PROXY CARD OR

VOTING INSTRUCTION FORM.

YOU MAY HAVE MULTIPLE ACCOUNTS AND THEREFORE RECEIVE MORE THAN ONE PROXY CARD OR VOTING INSTRUCTION FORM AND RELATED MATERIALS. PLEASE VOTE EACH PROXY CARD AND VOTING INSTRUCTION FORM THAT YOU RECEIVE. THANK YOU FOR VOTING.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on April 16, 2019. The Proxy Statement and Annual Report to Stockholders are available at www.ezodproxy.com/pseg/2019/ar.

The approximate date on which this Proxy Statement and the accompanying proxy card were first sent or given to security holders and made available electronically via the Internet was March 12, 2019.

Public Service Enterprise Group Incorporated (we, us, our, PSEG or the Company) is distributing this Proxy Statement to solicit proxies in connection with our 2019 Annual Meeting of Stockholders.

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How To Use This Proxy Statement

Electronic Delivery

You can help us and the environment by choosing to receive future proxy statements and related documents such as the Annual Report and Form 10-K by electronic delivery. You may sign up for future electronic delivery at the website below, depending on the nature of your ownership. Please note that these are not the same sites to use for voting. For further information about how to vote, see pages iii and 79.

If you are a stockholder of record, please go to www.proxyconsent.com/peg.

For shares held in Employee Benefit Plans, go to www.proxyconsent.com/peg.

If your shares are held by a bank or broker, please go to <https://enroll.icsdelivery.com/peg>.

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Voting is strongly encouraged. We urge you to sign, date and return the accompanying proxy card or voting instruction form whether or not you plan to attend the Annual Meeting. For stockholders of record, we have provided several alternative voting methods, including voting via the Internet or the toll-free telephone number listed above. For shares held by a bank or broker, including those in the various stockholder and employee plans that we offer, please follow the voting instructions you receive from your bank, broker or plan administrator. Most banks and brokers are likely to provide you with methods for internet or toll-free telephone voting. For more information, see pages 79-80.

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Forward-Looking Statements

Forward-Looking Statements

The statements contained in this Proxy Statement that are not purely historical are forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are discussed in our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission (SEC), and available on our website: <https://investor.pseg.com/sec-filings>. All of the forward-looking statements made in this Proxy Statement 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 Proxy Statement apply only as of the date hereof. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even in light of new information or future events, unless otherwise required by applicable securities laws.

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Proxy Statement Summary

OUR COMPANY

PSEG is an energy company with a diversified business mix with two principal directly owned operating subsidiaries.

Public Service Electric and Gas Company (PSE&G), 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 also invests in solar generation projects and energy efficiency and related programs in New Jersey.

PSEG Power LLC (Power), a multi-regional energy supply company that integrates the operations of its merchant nuclear and fossil generating assets with its power marketing businesses and fuel supply functions through competitive energy sales in well-developed energy markets primarily in the Northeast and Mid-Atlantic United States through its principal direct wholly owned subsidiaries. In addition, Power owns and operates solar generation facilities in various states.

PSEG's other direct wholly owned subsidiaries are: PSEG Long Island LLC (PSEG LI), which operates the Long Island Power Authority's (LIPA) transmission and distribution system under an Operations Services Agreement; PSEG Energy Holdings L.L.C. (Energy Holdings), which primarily has investments in leveraged leases; and PSEG Services Corporation (Services), which provides certain management, administrative and general services to PSEG and its subsidiaries at cost.

ANNUAL MEETING PROPOSALS

**Board
Recommendation**

1. **Election of Directors** vote to elect ten director nominees to serve one-year terms.

FOR

See page 6 for more information.

2. **Approval of Executive Compensation** advisory vote to approve the executive compensation of the named executive officers.

FOR

See page 37 for more information.

3. **Ratification of Auditor** ratification of the appointment of Deloitte & Touche LLP as independent auditor for 2019.

FOR

See page 75 for more information.

NOMINEES FOR ELECTION AS DIRECTOR

Name	Age	Director Since	Primary Occupation	Committee Memberships
*Willie A. Deese	63	2016	Retired Executive Vice President of Merck & Co. Inc.	A, CG, O
*William V. Hickey	74	2001	Retired Chairman of the Board and CEO of Sealed Air Corporation	A, F, FG (Acting Chair), NG (Acting Chair)
Ralph Izzo	61	2006	Chairman of the Board, President and CEO of PSEG	E (Chair)
*Shirley Ann Jackson	72	2001	President of Rensselaer Polytechnic Institute	CG (Chair), E, FG, NG, O
*David Lilley	72	2009	Retired Chairman of the Board, President and CEO of Cytec Industries	A, F, O (Chair)
*Barry H. Ostrowsky	68	2018	President and CEO of RWJBarnabas Health, Inc.	F, O
*Laura A. Sugg	58	2019	Retired President Australasia Division of ConocoPhillips Corporation	CG, FG, NG
	74	1994		CG, E, FG, NG, O

*Richard J. Swift			Retired Chairman of the Board, President and CEO of Foster Wheeler	
*Susan Tomasky	66	2012	Retired President AEP Transmission of American Electric Power Corporation	A (Chair), CG
*Alfred W. Zollar	64	2012	Retired General Manager Tivoli Software Division of IBM Corporation	A, F (Chair), FG, NG

* Independent

A=Audit CG=Corporate Governance E=Executive F=Finance FG=Fossil Generation NG=Nuclear Generation
O=Organization and Compensation

The Lead Director, Thomas A. Renyi, is retiring from his distinguished service at the conclusion of the 2019 Annual Meeting. The independent members of the Board of Directors (Board) have designated Shirley Ann Jackson to be the Lead Director effective upon Mr. Renyi's retirement.

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In January 2019, Laura A. Sugg, an accomplished energy industry executive, joined our Board. In December 2018, Hak Cheol (H.C.) Shin resigned from our Board, ending his distinguished service following his acceptance of the chief executive officer position in a corporation headquartered in South Korea and his relocation to Seoul.

We recognize the value of refreshment and succession planning, annual evaluation of effectiveness and continuing education for our directors. We believe that our directors are a diverse group of highly qualified leaders with a broad range of business, industry, academic and public service experience. Their skills in the areas of accounting/finance, construction/engineering, corporate governance, customer satisfaction and sales, environment/science, government/policy/regulatory, industry/generating plant operations, legal, management, manufacturing, product development, risk management and technology/cybersecurity serve us well. We benefit as well from the strong ethnic and gender diversity of our Board.

For additional information about director education, evaluation, refreshment and tenure, please see pages 12 and 23.

For additional biographical information about the diversity, experience, skills and qualifications of each individual nominee please refer to the charts on pages 22 and 27 and biographical data on pages 28-32.

CORPORATE GOVERNANCE

We have adopted what we believe are strong corporate governance standards and practices to assure effective management by our executives and oversight by our Board. We are committed to good governance because it promotes the long-term interests of stockholders, as well as accountability and trust in our company. These measures include the following:

Independent Directors	Board Leadership	Risk Management	Standards of Conduct
Established standards for director independence are set forth in our Corporate Governance Principles (Principles). All of our current directors and nominees are independent	Our Board leadership structure consists of a Chairman (who is also our CEO), a Lead Director, who is elected by the independent directors, and strong	Risk management is a key part of our strategic planning and business operations. We believe that we have an effective system	We are committed to operating in accordance with the highest ethical and legal standards. Our Standards of Conduct (Standards)

<p>under our Principles and the requirements of the New York Stock Exchange (NYSE), except Ralph Izzo, our Chairman of the Board, President and Chief Executive Officer (CEO), who is an employee of the Company. (Page 8)</p>	<p>committee chairs. This provides for independent Board leadership, while ensuring that the individual managing operations leads the Board discussions on key business and strategic issues. (Page 9)</p>	<p>of risk management with appropriate controls and Board and Committee oversight. (Page 10)</p>	<p>is a code of ethics that establishes a set of common expectations for behavior to which each director and employee must adhere. (Page 18)</p>
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Corporate Governance Highlights

Annual Election of all Directors	Standards of Conduct
Majority Voting for Directors	Related Person Transactions Practice
Independent Board (all but CEO)	Conflicts of Interest Practice
Independent Lead Director	Stockholders Right to Call Special Meetings
Regular Executive Sessions of Independent Directors	Proxy Access
Independent Committee Chairs and Members	Stockholder Engagement
Risk Oversight by the Board and Committees	No Poison Pill (Stockholder Rights Plan)
Annual CEO Evaluation	Commitment to Sustainability and Corporate Citizenship
Succession Planning	Annual Political Contributions Report
Annual Board and Committee Self-Evaluations	Diverse Skills and Qualifications of Directors
Corporate Governance Principles	Stock Ownership Requirements for Directors and Officers

For additional information on these and other matters relating to our corporate governance, see the discussion under Proposal 1. Election of Directors beginning on page 6.

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Proxy Statement Summary

Key Recent Corporate Governance Actions

In overseeing corporate governance, our Board continued its focus on effectiveness and best practices. In 2018 we:

Further reviewed risks facing our business and our risk management program and processes, including Board and Committee responsibilities, mapping identified risks to specific Board and Committee calendars and oversight duties (see page 10);

Reviewed current trends and developments in corporate governance and their implications for us, including with respect to board composition, director diversity and tenure, sustainability and stockholder engagement (see pages 26, 22-23, 7 and 42-43, respectively);

Refreshed our Board in 2018-2019 by adding two new directors, Barry H. Ostrowsky and Laura A. Sugg;

Revised our Principles to provide more detailed guidance on conflicts of interest, oversight of risk management, refreshment, succession planning and director orientation among other items (see page 6);

Established an enhanced business function devoted to Sustainability and Corporate Citizenship, with the senior leader reporting directly to the CEO (see page 7); and

Continued to build and maintain relationships with stockholders by engaging in constructive dialogue and exploring areas of interest involving corporate governance, sustainability, executive compensation and related matters (see pages 42-43).

BUSINESS PERFORMANCE

In recent years we have transformed our business mix to include a significantly higher percentage contribution to earnings by PSE&G, as noted in the discussion of Pay for Performance in our CD&A Executive Summary on pages 40-41.

Our business plan is designed to achieve growth while managing the risks associated with fluctuating commodity prices and changes in customer demand. We continue our focus on operational excellence, financial strength and disciplined investment. These guiding principles have provided the base from which we have been able to execute our strategic initiatives, including:

Improving utility operations through growth in investment in transmission and distribution and other infrastructure projects designed to enhance system reliability and resiliency and to meet customer expectations and public policy objectives; and

Maintaining and expanding a reliable generation fleet with the flexibility to utilize a diverse mix of fuels which allow us to respond to market volatility and capitalize on opportunities as they arise.

During 2018, our Net Income decreased, as compared to 2017, due primarily to non-cash Net Income benefits in 2017 that did not recur in 2018 related to new tax legislation affecting Power and Energy Holdings, and the recognition in 2018 of net unrealized losses on equity securities in our nuclear decommissioning trust fund as required by new accounting guidance effective January 1, 2018. These decreases were partially offset by accelerated depreciation in 2017 that did not recur in 2018 related to the early retirement of our Hudson and Mercer coal/gas generation units, the favorable impact at Power from the lower federal tax rate effective January 1, 2018 and higher earnings at PSE&G due to investments in transmission and distribution programs and the favorable impact of new rates effective November 1, 2018 as a result of the approval of our distribution base rate case.

For a comprehensive assessment of the Company's performance, please review the entire Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2018 (Form 10-K), which can be found on our website <https://investor.pseg.com/sec-filings> and on the SEC's website, www.sec.gov. A copy of our Form 10-K has been provided to each person solicited by means of this Proxy Statement.

Financial Highlights

Dollars in Millions, except per share amounts	2018 (\$)	2017 (\$)
Operating Revenues	9,696	9,094
Net Income	1,438	1,574
Total Assets	45,326	42,716
Earnings Per Share (EPS) Diluted	2.83	3.10
Dividends Paid per Share	1.80	1.72
Market Price per Share Year-end	52.05	51.50

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Our CD&A Executive Summary on pages 38-43, contains an overview of our executive compensation program, including discussion of say-on-pay, pay mix, peer group, best practices, pay for performance, engagement and key actions. We received approximately 93% approval on our Say-on-Pay proposal at the 2018 Annual Meeting of Stockholders.

Compensation Philosophy

We have designed a competitive executive compensation program benchmarked against our peers that we believe helps us recruit and retain top talent. Our executive compensation program closely links pay to performance with the ultimate goal of aligning our leadership team's interests with stockholders' interests. Our incentives put a significant portion of our executives' pay, including that of our CEO and Named Executive Officers (NEOs), at risk based on performance. These pay-at-risk incentives are targeted to pay out at approximately the median of our peer group when we deliver on our pre-established financial, operating and strategic goals.

In overseeing executive compensation, our Board utilizes an independent compensation consultant who provides only executive compensation services to the Board. A detailed discussion of our executive compensation program, including its elements, the factors we use in determining compensation and our governance features, appears in the CD&A beginning on page 44. The key components of our executive compensation program are:

Component	Type	Rationale
Base salary	Fixed	Experience, performance and competitive market.
Annual cash incentive under our Senior Management Incentive Compensation Plan (SMICP)	Variable Performance-Based	Emphasis on Operating EPS (non-GAAP) as the corporate financial objective with additional operational and strategic metrics. Payment opportunity from zero to 200% of target percentage of salary.
Equity-based incentive awards	Variable	PSUs (70% for the CEO and other

<p>under our Long-Term Incentive Plan (LTIP),</p> <p>consisting of performance share units</p> <p>(PSUs) and restricted stock units (RSUs)</p>	<p>Performance-Based</p>	<p>NEOs) are measured over a three-year period based equally upon Total Shareholder Return (TSR) and Return on Invested Capital (ROIC) vs. peers with the opportunity to earn between zero and 200% of target.</p>
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RSUs (30% for the CEO and other NEOs) cliff vest at the end of three years.

<p>Market-based retirement and post-employment benefits</p>	<p>Assist in attracting and retaining our executives and provide a competitive benefits package to our employees.</p>
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We have adopted executive compensation governance measures that we believe support good governance practices and further align our executives' interests with those of stockholders while discouraging executives from taking excessive risk.

Compensation Governance Highlights

Pay for Performance Alignment	No Hedging or Pledging
Annual Compensation Risk Assessment	Clawback Practice
No excise tax gross-ups	Double trigger change-in-control
Stock Ownership and Retention Policies	Common Stock Trading Pre-Clearance

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For 2018, the target annual and long-term incentive pay for our CEO and other NEOs as a group was 87% and 73%, respectively, of target Total Direct Compensation, as discussed in the CD&A under Compensation Philosophy-Pay Mix (see page 46).

We compared our recent financial performance and the compensation of our CEO and NEOs to that of our peer companies. The financial measures we examined were above the median of our peer group while our executive compensation was closely aligned to the peer median. Thus, we have concluded that our performance and executive compensation are appropriately aligned (see pages 40-41).

Further, performance is reflected in the actual value paid upon vesting of the one-year annual cash incentive payments and the three-year equity incentive compensation awards (see page 42).

For SMICP we set performance ranges to align with our business plan. Approved SMICP payments for 2018 were above target relative to internal goals, which were heavily weighted towards non-GAAP operating earnings. We continued to reward for strong financial performance and operational excellence (see pages 49-51).

For the PSUs granted under the LTIP for the three-year performance period ended December 31, 2018, actual payout was above target, based on our TSR relative to peers and ROIC in relation to our peers and business plan (last grant for which comparison to plan is a measure). Our strong stock price performance and dividend payments have created value for our stockholders over the three-year period (see pages 52-54).

The following table provides highlights of the compensation for our CEO and other NEOs in 2018 as reported in the 2018 Summary Compensation Table on page 60. For the complete details of compensation, please review the entire Proxy Statement.

NEO**Base Salary****Total Compensation**

	2018	Equity Incentive Plan	Non-Equity Incentive Plan	2018
	(\$)	Compensation	Plan Compensation	(\$) ⁽¹⁾
		2018	2018	
		(\$)	(\$)	
Ralph Izzo	1,340,000	6,985,019	2,036,800	10,419,291
Daniel J. Cregg	628,700	1,200,039	594,100	2,546,768
Ralph A. LaRossa⁽²⁾	719,700	4,400,095	597,500	7,514,587
Tamara L. Linde	595,600	1,200,039	571,800	2,450,518
David M. Daly	522,200	850,033	514,600	1,912,762

(1) Reflects all compensation, including change in pension value and all other, as reported in the 2018 Summary Compensation Table.

(2) Includes retention grant (see page 54 for additional details).

For more comprehensive information, see our discussion of executive compensation under Proposal 2. Advisory Vote on the Approval of Executive Compensation, beginning on page 37.

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Corporate Governance

You are being asked to vote on the election of ten individuals nominated by your Board to serve as the directors of our Company. Below, we have provided information about the Board, director independence, our leadership structure, risk management oversight, Board committees, ethics and conduct and related matters of corporate governance. We also describe our provisions for majority voting, director qualifications, diversity and retirement criteria and each nominee's specific experience, skills and qualifications. We also report to you information about security ownership and director compensation. All of the nominees currently serve as directors of the Company and were elected to their positions by the stockholders, except for Laura A. Sugg, who joined our Board in January 2019.

Vote required: A director will be elected if the number of shares voted FOR that director exceeds the number of shares voted AGAINST that director, not counting abstentions and votes withheld or for which no instructions are given. See Majority Voting for Election of Directors, under Nominees and Election on page 21.

AS RECOMMENDED BY THE BOARD, WE ASK YOU TO VOTE FOR ALL NOMINEES.

CORPORATE GOVERNANCE

Board of Directors

Our business and affairs are managed by or under the direction of the Board, which delegates certain responsibilities to its committees and to management consistent with our By-Laws. The Board has adopted and operates under the Principles which reflect our current governance practices in accordance with applicable statutory and regulatory requirements, including those of the SEC and the NYSE. The Principles provide written guidelines for directors and management to effectively pursue and support the Company's business objectives. The Principles are reviewed periodically by the Corporate Governance Committee, which recommends appropriate changes to the Board. In 2018 we revised the Principles to provide more detailed guidance on conflicts of interest, oversight of risk management, refreshment, succession planning and director orientation among other items. You can request copies of our By-Laws and Principles or view them at <https://investor.pseg.com/corporate-governance>.

Board Responsibilities

The Board provides direction and oversight of the conduct of our business by management. In fulfilling these responsibilities, the Board performs the following principal functions:

Approves corporate strategy, major management initiatives and significant investments;

Monitors and provides oversight of financial and business integrity and performance, including risk management;

Selects, evaluates the performance of, and approves succession plans for the CEO and other senior executives;

Selects nominees for election to the Board; and

Evaluates Board and Committee processes and performance.

The Board receives regular updates and actively engages in dialogue with our senior management. The Board has full and free access to all members of management and may hire its own consultants and advisors as it deems necessary.

Board Effectiveness and Accountability

Our Board, committees and directors undertake to perform their respective duties with the diligence and care required by law and expected of them by our stockholders, customers, employees and communities. We have adopted independence standards, standards of conduct and governance principles and implemented practices that are designed to reinforce our commitment to corporate and personal integrity. The Board monitors our dynamic and responsive stockholder engagement efforts as well as the broader outreach to our other stakeholders, with whom we maintain regular communications. The Board recognizes its role in

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Corporate Governance

continuing to contribute to the future success of our Company by promoting a corporate culture and values based on our core commitments of safety, integrity, continuous improvement, diversity and inclusion and customer service.

Sustainability and Corporate Citizenship

The Board understands that its continued oversight of our Company's commitment to principles of sustainability and corporate citizenship is of increasing importance to stockholders, as well as other constituencies. For more than 100 years we have been operating our business with a focus on sustainability, which reflects a deep recognition that our continued ability to prosper as a business depends on building strong relationships with our stakeholders. We produce an annual Sustainability Report, in accordance with the provisions of the Global Reporting Initiative, highlighting our commitments in the areas of Environmental, Social and Governance. In 2018, PSEG established an enhanced business function devoted to Sustainability and Corporate Citizenship, with the senior leader reporting directly to the CEO. This change recognizes the integral role of citizenship to the strategic business objectives of our company. In 2018, we also adopted a human rights practice, formalizing longstanding commitments.

Environmental

We have recognized for several decades that climate change is a real phenomenon that impacts our planet. PSEG is proud to be a leader in low carbon energy and have long advocated for comprehensive legislative solutions and public policies to cost-effectively reduce greenhouse gases. Over the past two decades, we have established and achieved carbon reduction goals through energy efficiency programs, deployment of renewable energy, increasing carbon-free nuclear output, building clean and efficient natural gas plants and shifting output from coal to natural gas. We believe that nuclear power, which currently meets approximately 40 percent of New Jersey's electric power needs, is a critical component of New Jersey's clean energy portfolio. We are also replacing aging cast-iron and unprotected steel natural gas infrastructure with new, more durable plastics to reduce leaks of methane, and we continue to enhance our water management practices to reduce potable water usage and concentration of pollutants in discharges.

Social

We invest in the communities we serve with a focus on the environment, safety, STEM education and workforce development and diversity and inclusion. Employee citizenship is reflected both on and off the job, through both dedicated service to and volunteerism in our communities.

Our commitment to health and safety is our foremost priority, underscored through our emphasis on a strong safety culture and continual striving for excellence in every part of our operations. Through our human capital management practices, we promote an environment where employees are engaged, develop and utilize skills, feel comfortable sharing their ideas and concerns, and directly support key business objectives. PSEG provides employee benefits to promote physical, financial and emotional well-being.

PSEG sees diversity and inclusion as a business imperative, as we operate and invest in our communities, and as we build a diverse, inclusive and purpose-driven workforce and culture essential to achieving business success. More than one third of the PSEG Foundation giving is focused on diversity and inclusion priorities in our communities and nearly one fifth of PSEG's total supplier spend is with minority, women and veteran-owned suppliers. PSEG enforces a zero-tolerance policy on harassment and fosters a culture of accountability, empathy and understanding. Unconscious bias education, courageous conversation and continuous improvement are areas of enterprise-wide focus.

Governance

The Board remains focused on shareholder value, long-term sustainability and strategic vision, in the context of our business environment, competitive landscape and regulatory climate. The organizational and leadership structures we have established, including the responsibilities of our Lead Director and the Board's oversight of our risk management program, executive compensation, talent management and succession planning, political contributions and adherence to company values and sustainability practices, serve to ensure that our Board and management operate effectively while maintaining a keen focus on long-term success.

Political Participation and Board Oversight

We are committed to participating in an ethical manner and in full compliance with all federal, state and local laws. We have established a Corporate Political Participation Practice that sets forth a controls process pursuant to which our senior management monitors, assesses and approves certain political contributions. The Corporate Governance Committee also oversees our political activities and contributions in accordance with this Practice. Stockholders may view our Practice at

https://investor.pseg.com/sites/pseg.investorhq.businesswire.com/files/doc_library/file/corp_political_participation_practice.pdf

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Corporate Governance

We prepare a political contributions report that is published annually. The report includes our corporate contributions to candidates, trade associations, other political and, for annual amounts totaling \$25,000 or more, social welfare organizations. PSEG requests that trade associations to which it paid total annual payments of \$50,000 or more identify the portion of dues or payments received from PSEG that were used for expenditures or contributions that, if made directly by PSEG, would not have been deductible under Section 162(e)(1)(B) of the Internal Revenue Code (IRC). The annual report is available on our website.

Stockholder Engagement and Communications with the Board

You, as a stockholder, and other interested parties, have a variety of channels for expressing your views to the Board:

You may communicate directly with the Board, including the Lead Director and other independent directors, by writing to:

Michael K. Hyun, Secretary

Public Service Enterprise Group Incorporated

80 Park Plaza, T4B, Newark, NJ 07102

Please indicate who should receive the communication. Unless the context otherwise requires, the Secretary will provide the communication to the Lead Director and to the Chair of the Board committee most closely associated with the nature of the request. The Secretary has the discretion not to forward communications that are commercial advertisements, other forms of soliciting material or billing complaints. All communications are available to any member of the Board upon his/her request.

Voting for Directors you have the opportunity to vote for the election of all of our directors on an annual basis.

Say-On-Pay you have the opportunity to cast an advisory vote each year on our executive compensation program.

Director Nominations you have the opportunity to recommend nominees for election to the Board in accordance with our By-Laws.

Shareholder Proposals you may submit proposals intended for inclusion in our proxy statement, in accordance with SEC rules.

Proxy Access subject to the applicable criteria, stockholders may nominate and include in our proxy statement director candidates.

Engagement we dialogue with a variety of our stockholders throughout the year, including at meetings of our major stockholders and at investor conferences.

Independence

Under our Principles and the requirements of the NYSE, the Board must consist of a majority of independent directors. The Board has established standards for director independence, which are set forth in the Principles and shown below.



Independence Standards

An independent director must have no material relationship with PSEG and its subsidiaries, including the following:

A director may not be an employee of ours or any of our subsidiaries;

A member of a director's immediate family may not be an executive officer of PSEG or one of our subsidiaries;

A director or immediate family member may not be an employee of any company where any executive of ours or our subsidiaries serves on the compensation committee;

A director may not be an employee and an immediate family member may not be an executive officer of any company that makes payments to or receives payments from us and our subsidiaries in any year more than the greater of \$1 million or 2% of such company's consolidated gross revenue;

A director or immediate family member may not receive more than \$50,000 in direct compensation from us (other than fees and compensation provided to directors generally);

A director or immediate family member may not be affiliated with or employed by our independent auditor; and

A director may not be an executive officer of a charity, if, in any year, contributions by us and our subsidiaries to that charity exceed the greater of \$1 million or 2% of the charity's consolidated gross revenue.

These limitations apply for three years after the end of the applicable affiliation or arrangement.

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Corporate Governance

The Board annually reviews other commercial relationships of directors, and relationships directors have with charitable and other tax-exempt organizations, and determines whether any of those relationships are material relationships that impair a director's independence. Other than the payments by us, reported in this Proxy Statement in the Director Compensation Table, none of our directors have or will receive any compensation or have entered into any "golden leash" arrangements in connection with their service on our Board.

The Board has determined that all of the current directors and nominees for election, are independent under the Principles and the requirements of the NYSE, except Ralph Izzo, our Chairman of the Board, President and CEO. These determinations were based upon a review of the responses submitted by each director to questionnaires we provided to them, relevant business records, publicly available information and applicable SEC and NYSE requirements.

Leadership Structure

Under our By-Laws, our senior leadership may include a Chairman of the Board, a President and a CEO, which positions may be held by one person or may be divided between two different people. As provided in its charter, the Corporate Governance Committee has the responsibility to assess the structure of the Board and periodically evaluate the Board's governance practices as well as the Principles. Building on the advice of the Corporate Governance Committee, the Board applies its experience and knowledge of our business to establish what it believes to be the most effective form of organization. In doing so, it utilizes its understanding of the challenges and opportunities we face and its evaluation of the individuals who are involved.

Based on that analysis and evaluation, the Board has determined that, at the present time and given our present officers and personnel, it is in the best interests of the Company and stockholders for a single individual to hold all three positions of Chairman of the Board, President and CEO. The Board believes that this strikes a desirable balance allowing us to benefit from the advantages of efficiency, coordination and accountability. Ralph Izzo currently holds these positions. As such, he has plenary powers of supervision and direction of our business and affairs and also presides at all meetings of the Board and of stockholders. The Board believes that Mr. Izzo possesses the attributes of experience, judgment, vision, managerial skill and overall leadership ability essential for our continued success. Mr. Izzo's in-depth knowledge and understanding of our strategy, operations, risk profile, regulatory and environmental circumstances and financial condition best position him to head our Board and provide leadership to management, employees, investors, customers, officials and the public. Our Board believes that the diverse experience and independence of the other directors along with a clearly defined and significant Lead Director and independent Committee Chair roles allows the Board to maintain effective oversight of operations, long-range planning, finances and risk management.

Lead Director

In addition to the Chairman, President and CEO, our leadership and governance structure is designed to rely on the contributions of our Lead Director. The Lead Director is an independent director designated annually by the

independent directors with the expectation that he/she will typically serve in that capacity for four years. The Lead Director may be appointed to serve up to twelve additional months beyond the four years if approved by a majority of the independent directors. The Lead Director provides the independent directors with a key means for collaboration and communication regarding Board agendas and the information directors receive from management. All directors play an active role in overseeing the Company's business both at the Board and committee levels, bringing fresh and differing viewpoints. The Lead Director coordinates with the Chairs of our various Board committees in setting agendas for committee meetings.

Thomas A. Renyi has served as Lead Director since April 2015. Mr. Renyi has decided to retire from our Board upon the completion of his current term, which ends following the 2019 Annual Meeting of Stockholders. Effective at that time, the independent directors have designated Shirley Ann Jackson to serve as Lead Director for a term expiring at the first meeting of directors after the 2020 Annual Meeting.

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Corporate Governance

Lead Director Duties and Responsibilities

Our Lead Director

Presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;

Serves as principal liaison on Board-wide issues between the Chairman and the independent directors;

Calls meetings of the independent directors, as may be necessary or desirable;

Consults with the Chairman on Board agendas;

Reviews information sent to the Board and consults with the Chairman on the quality and timeliness of information provided to the directors;

Serves on the Executive Committee; and

Receives from the Corporate Secretary communications to, or for consideration by, the independent directors.

The Lead Director complements the talents and contributions of Mr. Izzo and promotes confidence in our governance structure by providing an additional perspective to that of management. In particular, the Lead Director leads discussions on certain matters that the Board believes are appropriately headed by an independent director, including CEO succession planning, CEO performance evaluation and compensation and Board self-evaluation.

Independent Committee Chairs

The independent Chairs of our Committees shape the agenda for each Committee meeting and provide oversight over matters assigned to the Committee. The Chairs receive preliminary agendas and associated materials in advance of each meeting and regularly conduct pre-meeting reviews of the agenda with members of management. The Chairs also lead the Committee's self-evaluation discussions.

Risk Management Oversight

The Board is responsible for the oversight of risk at PSEG, both as a whole and through delegation to Board committees, which meet regularly and report out to the full Board. All committees play significant roles in carrying out the risk oversight function. In particular:

The Corporate Governance Committee provides oversight of the policies and processes by which the Company assesses and manages enterprise risk. The Corporate Governance Committee reviews the mapping of identified enterprise risks to the Board and its committees and makes recommendations to the Board with respect to such mapping. Our Chief Risk Officer and Chief Financial Officer (CFO) report on risk management to the Corporate Governance Committee, as well as to the Board. The Corporate Governance Committee also evaluates our governance and leadership structure, oversees our political participation activities and expenditures and reputational risk.

The Audit Committee oversees risks related to the Company's financial statements, the financial reporting process, accounting and legal matters and cybersecurity. The Audit Committee provides oversight on legal and business compliance, financial reporting, disclosure controls and procedures and reviews in a general manner the guidelines, policies and processes by which the Company assesses and manages enterprise risk, consistent with the listing standards of the NYSE. Our Chief Risk Officer and CFO report on risk management to the Audit Committee at its in person meetings.

The Finance Committee oversees financing transactions and approves appropriate commodity portfolio risk tolerance limits. The Finance Committee is responsible for monitoring risk related to our investments in our pension and post-retirement benefits and nuclear decommissioning trusts and receives periodic reports on their performance.

The Fossil Generation Operations Oversight Committee and the Nuclear Generation Operations Oversight Committee monitor and evaluate risks associated with our generation station operations, including with respect to environmental, safety and other compliance and personnel and performance matters.

The Organization and Compensation Committee (O&CC) considers the risks and rewards associated with executive compensation and talent management. As discussed on pages 56-57, the O&CC has reviewed our compensation policies and practices as they relate to risk management and seeks to appropriately balance the incentive nature of the compensation with mechanisms that serve to mitigate risk.

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Corporate Governance

Risk Mapping

We have mapped the key enterprise risks identified by management to the Board and committees based on the committees' respective areas of oversight. This mapping of risks serves to clarify the oversight responsibilities of each committee and ensure proper oversight of each identified risk. For example, the oversight of cybersecurity risk management has been expressly mapped to the Audit Committee. In addition, the Board and each committee have determined specific processes and schedules for performing their duties in connection with the mapped risks.

Risk Management Policy and Program

The Board has oversight of the Risk Management Program which consists of policies, process and controls, including the Risk Management Policy and Financial Risk Management Practice, as well as other policies and practices developed by management relating to risks, including but not limited to: market; credit; liquidity; operations; project development; political; regulatory; legal; compliance; strategic; reputation; business interruption; physical and cybersecurity; sustainability; environmental; and staffing.

Our Risk Management Program forms an integral part of our corporate culture and values, as well as our strategic planning and business operations.

Risk Management Committee Structure

Under the Risk Management Policy, we have established a Risk Management Committee (RMC) consisting of senior executives. The RMC is charged with, among other things:

Establishing and reviewing the framework for implementing the Risk Management Policy, including regularly reviewing and updating key management practices related to risk management;

Establishing and monitoring limits and controls designed to manage financial risks;

Regularly reviewing practices related to the review of potential transactions and the delegation of financial authority; and

Reviewing the management of enterprise-level risks.

In addition, other senior management committees oversee the management of specific categories of risks, including:

Our Capital Review Committee provides oversight and reviews proposed capital projects;

Our Compliance Committee reviews various compliance and ethics issues;

Our Business Interruption Management Committee provides oversight of activities relating to a significant interruption of business or other adverse event; and

Our Cybersecurity Council reviews prevalent cybersecurity issues, identifying the cyber risks to our critical infrastructure and confidential information, including personally identifiable information, as well as the measures the Company is taking or should take to identify and address those risks.

Our corporate compliance activities are centralized functions under our Chief Compliance Officer who has robust duties and responsibilities. Our Delegation of Authority provisions set forth the respective authority levels at which management and employees are authorized to conduct business.

Cybersecurity

The Board believes that cybersecurity is a critical component of the risk management program. We have established a comprehensive cybersecurity program that includes a Cybersecurity Council composed of members of senior management and others who are responsible for the Company's cybersecurity risk management practices. The Board and the Audit Committee receive periodic reports on areas such as the adequacy of personnel and resources to monitor and address cybersecurity threats, technological advances in cybersecurity protection, rapidly evolving cybersecurity threats that may affect our Company and industry, cybersecurity incident response and applicable cybersecurity laws, regulations and standards as well as collaboration mechanisms with intelligence and enforcement agencies and industry groups to assure timely threat awareness and response coordination. The Company's cybersecurity risk management practices, including protection of privacy, are fully integrated into our overall risk management program.

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Corporate Governance

The Company has established a comprehensive cybersecurity program designed to protect and preserve the confidentiality, integrity and availability of our and our customers' information and our systems. The cybersecurity program is built on technical, procedural, and people-focused measures to detect, protect against, respond to, and recover from cyber threats to our systems and information including company, employee and customer data. Features of our program include: identifying critical information and systems; conducting cyber risk assessments of our and third party systems; maintaining awareness of cyber threats and vulnerabilities through partnerships with public and private entities, as well as industry groups; periodic industry best practice review and operational benchmarking; maintaining and testing our cybersecurity incident response plans and systems; training personnel on cybersecurity issues; and raising cybersecurity awareness throughout our Company with electronic notices and seminars. We have incorporated a cybersecurity escalation process into our cybersecurity program to ensure that senior management is promptly made aware of material cyber events that impact the Company and kept updated during the life of the event.

Talent Management and Succession Planning

Our business planning process includes key aspects of workforce planning and development. We believe that we utilize a rigorous and disciplined process to evaluate talent and provide for succession planning in relation to our business objectives. This starts at the local level and continues through senior management, with direct involvement of our CEO and Board. We periodically review our workforce priorities, progress on achieving our commitment to diversity and effectiveness of our organizational structure and staffing.

The Board takes very seriously its responsibility to provide for an orderly process of succession within the ranks of our senior management. Periodically, the Board reviews with the CEO succession plans for key leadership positions and periodically meets with succession candidates to assure that highly qualified candidates are available, should the need arise to fill vacancies. The Board evaluates succession plans and organizational structure in the context of overall business strategy. Potential leaders are visible to Board members through formal presentations and informal events to allow the directors to personally assess individuals. We seek to maintain a continuity of management through appropriate recruitment and retention methods, including market-based and performance-measured compensation and career advancement and training opportunities.

Director Education and Board Evaluation

New directors receive comprehensive materials and an in-person orientation program that includes visits to corporate facilities and presentations by senior management to familiarize them with our strategic plans, operations, significant financial, accounting, and risk management issues, regulatory strategy, governance practices, compliance programs, including the Standards, principal officers and internal and independent auditors. Each year, the Board is briefed and continuing education is provided to all directors on corporate governance trends and best practices and topics of importance to our business, which may include the matters noted above, as well as regular appraisals of new developments and requirements that may impact us and emerging trends facing us and our industry. The Board is also provided with presentations and materials from external consultants and experts, including regulators, investors and legislators. Directors are encouraged to take advantage of other relevant educational programs.

The Board believes that a robust and constructive evaluation process is an important component of good corporate governance. The Board and each committee conduct an annual assessment to evaluate the effectiveness of their processes and practices, including Board and committee performance, Board composition and culture, Board meetings and risk management. Among the items considered are the monitoring and oversight of policies, evaluation of the CEO and senior officers, consideration of stockholder value, understanding of the business, access to information and resources and opportunity to inquire of, or challenge, management. The process includes a survey of the directors and discussions at Board and committee meetings, as applicable, led by the Lead Director and each respective committee chair.

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Table of Contents**Corporate Governance****Meetings of the Board, Committees and Stockholders**

The Board holds regularly scheduled meetings and meets on other occasions when circumstances require. Board and committee meetings are usually scheduled over two days. Each committee executes its responsibilities, as described below, and the Board receives reports from the committee Chairs on the significant matters considered and actions taken. A Board meeting typically focuses on the strategic and more important issues facing us. Directors spend additional time preparing for Board and committee meetings they attend and they are called upon for counsel between meetings.

Our Principles provide that the Board will meet at least six times each year and in executive session without management in attendance at every meeting, unless waived by the Board. When the Board meets in executive sessions, the Lead Director presides. In addition, each Board committee, except the Executive Committee, meets in executive session, with the independent Chair presiding, at each of its meetings, unless waived by the respective committee.

Special meetings of the Board may be called by the Chairman of the Board, CEO, or a majority of the directors by written request at any time. Special meetings of the stockholders may be called at any time by the Board or by the CEO or upon the written request of the holders of a majority of the capital stock entitled to cast votes.

2018 Meetings and Executive Sessions

Board/Committee	Meetings	Executive Sessions
PSEG Board	9 ⁽¹⁾	9
PSE&G Board	7	7
Audit	8	7
Corporate Governance	7 ⁽²⁾	5
Executive	0	0
Finance	4	3
Fossil Generation Operations Oversight	4	4
Nuclear Generation Operations Oversight	4 ⁽³⁾	4
Organization and Compensation	(4)	
	6	6

- (1) Includes one all-day Business Strategy Session and two special meetings
- (2) Includes three special meetings
- (3) Includes one meeting held at the site of nuclear generating stations we operate
- (4) Includes one special meeting

Meeting Attendance

Each director is expected to attend all Board meetings and all meetings of committees of which the director is a member. The Board recognizes that, on occasion, meetings will need to be scheduled on short notice and conflicts in schedules will arise that preclude director attendance. However, the Board expects each director will make every effort to keep absences to a minimum. The Board encourages personal attendance and discourages attendance telephonically, unless required by special circumstances. Unless a meeting is specifically designated as telephonic, the chair should be physically present at the meeting. Each director is also expected to attend the Annual Meeting of Stockholders. During 2018, each director attended at least 75% of the aggregate number of meetings of the Board and the committees on which he/she served. All of the directors attended the 2018 Annual Meeting of Stockholders.

Table of Contents**Corporate Governance****Committee Membership**

Current committee assignments are presented in the following table. Committee assignments and Chairs are regularly reviewed and periodically changed to best utilize the talents of our directors and meet the Company's evolving needs. We believe that rotating committee memberships strengthen our directors' understanding of the challenges we face while bringing greater diversity of perspective and experience to the work of each committee. The last such changes were effective in January 2019. Ongoing committee assignments for all directors typically are made at the organizational meeting of the Board following each Annual Meeting of Stockholders.

	Audit	Corporate Governance	Executive	Finance	Fossil Generation Operations Oversight	Nuclear Generation Operations Oversight	Organization & Compensation
Willie A. Deese							
William V. Hickey					Chair*	Chair*	
Ralph Izzo			Chair				
Shirley Ann Jackson		Chair					
David Lilley							Chair
Barry H. Ostrowsky							
Thomas A. Renyi Lead Director							

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A list of current committee membership requirements can be found below:

Committee	Membership Requirements
Audit	<p>Consists of three or more independent directors, in accordance with SEC and NYSE rules, who must meet NYSE requirements for financial literacy. At least one member must have accounting or financial management expertise. At least one member must be an audit committee financial expert as defined by the SEC. The Committee meets at least four times per year.</p> <p>Members may receive no direct or indirect compensation from us or our subsidiaries, other than as a director or committee member, and may not be affiliated with us or our subsidiaries. Under our Principles, without Board approval, a director may not serve as a member of our Audit Committee if he/she serves on the Audit Committee of more than three public companies, including ours.</p>
Corporate Governance	Consists of three or more independent directors who meet at least two times per year.
Executive	Consists of the Chairman of the Board, the Lead Director and at least one additional independent director.
Finance	Consists of three or more independent directors who meet at least three times per year.
Fossil Generation Operations Oversight	Consists of three or more independent directors who meet at least three times per year.
Nuclear Generation Operations Oversight	Consists of three or more independent directors who meet at least three times per year.

Organization & Compensation	Consists of three or more independent directors in accordance with SEC and NYSE rules, who meet at least two times per year.
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As set forth in their respective charters, each committee of the Board is responsible for the activities stated below. We provide these in detail in order to demonstrate the breadth and depth of our expectations of the directors' contributions to corporate governance oversight.

Audit Committee

Members: Willie A. Deese, William V. Hickey, David Lilley, Thomas A. Renyi, Susan Tomasky (Chair) and Alfred W. Zollar

Duties include, among other things: (i) assist the Board in fulfilling its responsibility for oversight of the integrity of our financial statements; and the quality and integrity of our accounting, auditing and financial reporting practices; (ii) appoint, terminate, compensate, and preapprove all services and fees, review independence and oversee the work of the independent auditor, including Public Company Accounting Oversight Board (PCAOB) and peer review reports of the independent auditor's performance; (iii) review with the independent auditor any audit issues or difficulties and management's response, and resolve disagreements which may arise between management and the independent auditor regarding financial reporting; (iv) provide oversight of our internal audit and environmental, health and safety audit functions, and legal and business conduct compliance program, including the Standards; (v) review cybersecurity programs and responses and the status of pending material litigation; (vi) review in a general manner the guidelines, policies and processes by which the Company assesses and manages enterprise risk, consistent with the listing standards of the NYSE; (vii) review risk management controls and disclosure controls and procedures in accordance with legal and SEC requirements; (viii) review earnings press releases, financial information and earnings guidance provided to analysts and rating agencies; (ix) recommend to the Board the inclusion of the audited financial statements in our Form 10-K; and (x) issue an annual committee report for inclusion in this Proxy Statement.

The Audit Committee Report appears below under Proposal 3. Ratification of the Appointment of Independent Auditor on page 77.

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Corporate Governance

Composition of the Audit Committee

The Board determines annually, and upon any change in Audit Committee composition, the independence, financial literacy and financial expertise of the Audit Committee members and makes written affirmation to the NYSE in accordance with its rules. The Board has determined that all members of the Audit Committee are independent. The Board has determined that all members of the Audit Committee are financially literate and, in addition, that Willie A. Deese, William V. Hickey, David Lilley, Thomas A. Renyi, Susan Tomasky (Chair), and Alfred W. Zollar possess accounting or financial management expertise, as defined in the NYSE rules. The Board further has determined that William V. Hickey, David Lilley, Thomas A. Renyi and Susan Tomasky (Chair) is each an audit committee financial expert under the Sarbanes-Oxley Act of 2002 and the rules of the SEC. No member of the Audit Committee serves on the Audit Committee of more than three public companies, including ours.

Management and the Board believe that the current composition of the Audit Committee provides that committee with the requisite expertise and experience to recommend to the Board the inclusion of the audited financial statements in our Form 10-K. The Board will consider this matter annually as a part of its ongoing governance review. The Audit Committee will also continue its practices to assure that adequate independent procedures exist for receipt and treatment of complaints regarding accounting, internal controls or auditing matters.

Corporate Governance Committee

Members: Willie A. Deese, Shirley Ann Jackson (Chair), Laura A. Sugg, Richard J. Swift and Susan Tomasky

Duties include, among other things: (i) assist the Board in administering corporate governance practices; (ii) consider the composition and qualifications of the Board and its committees and prospective nominees, assess the independence of each nominee and make recommendations to the Board; (iii) evaluate performance of the Board and its committees and review the Principles and committee charters and make recommendations to the Board to improve effectiveness of the Board and its committees; (iv) oversee sustainability efforts and initiatives; (v) oversee risk management guidelines, policies, and processes and mapping and identify risks to the Board and its committees; (vi) monitor governance trends and emerging best practices in corporate governance; (vii) review and take appropriate action regarding transactions with related persons under our Related Person Transactions Practice, and periodically review the Related Person Transactions Practice; (viii) review and make recommendations to the Board with respect

to compensation of directors; (ix) provide input to the O&CC regarding the performance of the CEO as Chairman of the Board; and (x) review our political participation activities and expenses.

The nomination process and criteria utilized are described under Nominees and Election beginning on page 21.

Executive Committee

Members: Ralph Izzo (Chair), Shirley Ann Jackson, Thomas A. Renyi, Richard J. Swift

Except as otherwise provided by law, the Executive Committee may exercise all of the authority of the Board when the Board is not in session.

Finance Committee

Members: William V. Hickey, David Lilley, Barry H. Ostrowsky, Thomas A. Renyi and Alfred W. Zollar (Chair)

Duties include, among other things: (i) review and make recommendations to the Board regarding corporate financial policies and processes and significant financial decisions; (ii) review and recommend to the Board annually our financial plan, dividend policy, capital structure and cash management policies and practices; (iii) discuss with management our risk assessment and risk management policies; (iv) review on behalf of the Company, with the Thrift and Pension and the Nuclear Decommissioning Trust Investment Committees, periodic reporting on the investment guidelines for and investment performance of the Company's pension plan trust funds and nuclear decommissioning trust funds; and (v) review with management credit agency ratings and analyses.

Fossil Generation Operations Oversight Committee

Members: William V. Hickey (Acting Chair), Shirley Ann Jackson, Laura A. Sugg, Richard J. Swift and Alfred W. Zollar

Duties include, among other things: (i) evaluate the effectiveness of our fossil generation operations, focusing on safety, plant performance, regulatory matters, large construction projects and improvement in operations; (ii) review labor and human relations, environmental, health and safety and legal and compliance issues; (iii) review the results of major inspections,

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evaluations and audit findings by external oversight groups and management's response; and (iv) provide oversight of management of risks related to the roles, duties and responsibilities of the Committee.

Nuclear Generation Operations Oversight Committee

Members: William V. Hickey (Acting Chair), Shirley Ann Jackson, Laura A. Sugg, Richard J. Swift and Alfred W. Zollar

Duties include, among other things: (i) evaluate the effectiveness of our nuclear generation operations, focusing on safety, plant performance, regulatory matters, large construction projects and improvement in operations; (ii) review labor and human relations, environmental, health and safety and legal and compliance issues; (iii) review the results of major inspections, evaluations and audit findings by external oversight groups and management's response; and (iv) provide oversight of management of risks related to the roles, duties and responsibilities of the Committee.

Organization and Compensation Committee

Members: Willie A. Deese, Shirley Ann Jackson, David Lilley (Chair), Barry H. Ostrowsky and Richard J. Swift

Duties include, among other things: (i) review, approve and modify, as necessary, our executive compensation policies, practices and plans; (ii) review the stockholder advisory vote on say-on-pay and consider any action it deems appropriate in light of that vote; (iii) review and approve our peer group and executive compensation levels targets and awards; (iv) review the risk to us of our compensation policies and practices; (v) provide oversight of management risks related to the roles, duties and responsibilities of the Committee; (vi) retain, compensate, oversee and annually review the performance and independence of the Board's compensation consultant; (vii) evaluate the CEO's performance with the independent Board members, determine and approve the CEO's compensation; (viii) annually review performance of certain other key members of management and management succession and development plans; (ix) monitor compliance with the Stock Ownership and Retention Policy (x) monitor compensation trends and emerging best practices in executive compensation; and (xi) review the CD&A and provide its report in this Proxy Statement.

The O&CC Report on Executive Compensation appears under Proposal 2. Advisory Vote on the Approval of Executive Compensation on page 59.

Composition of the O&CC

The Board determines annually the independence of the O&CC members and makes written affirmation to the NYSE in accordance with its rules. The Board believes that the current composition of the O&CC provides that committee with the requisite expertise and experience to oversee our executive compensation program and assess the alignment

of pay for performance.

Compensation Consultant

The O&CC has the authority to retain advisors and compensation consultants, with sole authority for their hiring and firing. The O&CC is directly responsible for such appointment, compensation and oversight in accordance with the applicable SEC requirements and NYSE standards. Since September 2009, the O&CC has retained Compensation Advisory Partners LLC (CAP) as its independent compensation consultant to provide it with information and advice that is not influenced by management. CAP is an executive compensation consulting firm that does not perform any other services for us or our subsidiaries. CAP provides advice to the O&CC on executive compensation and may also provide advice to the Corporate Governance Committee on matters pertaining to compensation of directors who are not executive officers. CAP may not perform any other services for us without obtaining the prior approval of the Chair of the O&CC.

In furtherance of CAP's independence, management receives copies of certain materials provided by CAP to the O&CC only under the direction of the O&CC Chair or the O&CC. The scope of CAP's assignment is to provide general advice relating to all aspects of executive compensation, including the review of our current compensation programs and levels, executive benefit plans, analysis of pay and performance alignment, the provision of comparative industry trends and peer data and the recommendation of program and pay level changes. Responsibility for assignment to and evaluation of work by CAP is solely that of the O&CC and, with respect to the compensation of non-employee directors, the Corporate Governance Committee. CAP meets with the O&CC and the Chair without management present when appropriate.

We pay the fees of any compensation consultant retained by the O&CC. Additional information regarding any such services performed in the past year is included in the CD&A on page 56. The O&CC also utilizes the services of our internal compensation professionals.

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Corporate Governance

Determination of Compensation Consultants Independence

The SEC and NYSE require compensation committees to assess the independence of their advisors and determine whether any conflicts of interest exist. In July 2018, the O&CC reviewed CAP's independence relative to the following factors: (i) CAP's provision of other services to the Company; (ii) the amount of fees CAP receives from the Company as a percentage of CAP's total revenue; (iii) the policies and procedures of CAP that are designed to prevent conflicts of interest; (iv) any business or personal relationship between O&CC members and CAP or its compensation consultants; (v) any PSEG stock owned by CAP or its compensation consultants; (vi) any business or personal relationship between our executive officers and CAP or any of its compensation consultants; and (vii) other factors that would be relevant to CAP's independence from management. On the basis of such review, the O&CC concluded that CAP is independent and no conflicts of interest exist.

Compensation Committee Interlocks and Insider Participation

During 2018, each of the following individuals served as a member of the O&CC: Willie A. Deese, William V. Hickey, Shirley Ann Jackson, David Lilley (Chair), Barry H. Ostrowsky, and Richard J. Swift, as well as former directors Albert R. Gamper, Jr. and Hak Cheol (H.C.) Shin. No member of the O&CC was an officer or employee or a former officer or employee of any PSEG company. None of our executive officers served as a director of or on the compensation committee of any of the companies for which any of these individuals served as an executive officer. No member of the O&CC had a direct or indirect material interest in any transaction with us, other than as described on page 19 under Transactions with Related Persons with respect to Barry H. Ostrowsky.

Standards of Conduct

We have a long-established corporate culture of emphasizing integrity and honesty with an expectation of adherence to the highest ethical standards. We have embodied these principles in the Standards, our code of ethics. We have substantially revised the format to simplify the presentation by focusing on key concepts and emphasizing the importance of value driven compliance. The Standards are posted on our website, <https://corporate.pseg.com/aboutpseg/leadershipandgovernance/standardsofintegrity>. We will send you a copy upon request.

The Standards establish a written set of common expectations of behavior for all directors, officers and employees regarding business relationships, personal conduct (including, among other things, corporate opportunities, conflicts of interest and supplier, competitor and governmental relations), safeguarding of Company property, business controls and compliance with regulatory requirements. In addition, the Standards mandate procedures for seeking ethical guidance, reporting concerns, investigation and discipline. We require every employee to complete a training program on the Standards and to certify as to compliance with the Standards annually. We provide a hotline by which complaints can be brought to the attention of the Company. Our Chief Compliance Officer has overall responsibility for administering the Standards under the oversight of the Audit Committee of the Board.

The Compliance Program establishes an organizational structure and validates the Standards and its mandated procedures, practices and programs. The Audit Committee of the Board has overall responsibility for oversight of the Compliance Program and has delegated to our Compliance Committee overall responsibility for the design, implementation and execution of the Compliance Program. The Compliance Committee's duties include assurance that we take all reasonable steps to coordinate organization-wide ethics and compliance activities, consistent enforcement of the Standards, including the detection and prevention of wrongdoing as a result of compliance investigations and otherwise foster a culture for ethical behavior and a commitment to legal compliance. The Compliance Committee, comprised of members of senior management, is chaired by our Chief Compliance Officer, who has overall responsibility for administering the Compliance Program.

We will post on our website:

Any amendment (other than one that is technical, administrative or non-substantive) that we adopt to the Standards; and

Any grant by us of a waiver from the Standards that applies to any director, executive officer or persons performing similar functions and that relates to any element enumerated by an applicable SEC requirement. A waiver of any provision of the Standards may be granted in exceptional circumstances, but only for substantial cause. A waiver for any director or executive officer may be made only by the Board and, if granted, will be promptly disclosed to our stockholders. In 2018, we did not grant any waivers to the Standards.

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Table of Contents**Corporate Governance****Standards of Conduct**

The Standards are applicable to us and our subsidiaries. The Standards:

Form an integral part of our business conduct compliance program and embody our commitment to conduct operations in accordance with the highest legal and ethical standards;

Apply to all of our directors and employees (including our principal executive officer, principal financial officer and principal accounting officer), each of whom is responsible for understanding and complying with the Standards;

Establish a set of common expectations for behavior to which each director and employee must adhere in dealings with investors, customers, fellow employees, competitors, vendors, government officials, the media and all others who may associate their words and actions with us; and

Have been developed to provide reasonable assurance that, in conducting our business, directors and employees behave ethically and in accordance with the law and do not take advantage of investors, regulators or customers through manipulation, abuse of confidential information or misrepresentation of material facts.

Our Standards, Compliance Program, Related Person Transactions Practice and Conflicts of Interest Practice described below, establish policies and procedures regarding personal and business conduct. Our written management practices provide that any capital investment with a non-PSEG entity or its affiliate, for which one of our directors or officers serves as a director or executive officer, must be approved by our Board. These are our only written policies and procedures regarding the review, approval or ratification of transactions with related persons.

Transactions with Related Persons

Our policies and procedures with regard to transactions with related persons, including the review and taking appropriate action regarding any such transactions, the standards applied and the responsibilities for application are set forth in our Related Person Transactions Practice.

Under the Related Person Transactions Practice, the Corporate Governance Committee of the Board reviews related person transactions with PSEG (including its subsidiaries) in which the amount involved exceeds \$120,000 and in which any related person had, has, or will have a direct or indirect interest. In general, related persons are directors, executive officers, their immediate family members, and stockholders beneficially owning 5% or more of our outstanding stock. PSEG must be notified prior to entry into a transaction in which PSEG is or will be a participant and a related person has or will have an interest.

The Corporate Governance Committee considers related person transactions and material changes to previously approved related person transactions. The Corporate Governance Committee takes into consideration a variety of factors and approves or ratifies those related person transactions that are in the best interests of PSEG and its stockholders. The Committee may impose such conditions as it deems appropriate in connection with the approval of the related person transactions.

When it is impracticable or undesirable to wait until a Committee meeting to consummate a related person transaction, the Committee Chair may review and approve a related person transaction. The Committee Chair reports any approved transactions to the Corporate Governance Committee.

A list of all existing related person transactions is presented to the Corporate Governance Committee at least annually for review.

Except as noted below, there were no transactions during 2018, and no transaction currently proposed, in which we were or are to be a participant and the amount involved exceeded \$120,000 and in which any related person (director, nominee, executive officer, any person known to us to beneficially own in excess of 5% of our Common Stock, or their immediate family members) had or will have a direct or indirect material interest.

PSEG Director Barry H. Ostrowsky is the President and CEO of RWJBarnabas Health, Inc. (RWJBarnabas), a non-profit corporation incorporated in New Jersey.

As part of the Company's philanthropic activities and commitment to invest in the communities in which we do business, the Company, directly or through a subsidiary, and PSEG Foundation, a separate, 501(c)(3) organization that is funded by the Company but whose donations are not determined by the PSEG Board, have periodically made charitable contributions to facilities operated by RWJBarnabas. In 2018, the Company donated approximately \$69,000 to facilities affiliated with RWJBarnabas. PSEG Foundation donated approximately \$137,000. It is expected that PSEG and PSEG Foundation each will make future contributions to facilities affiliated with RWJBarnabas.

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Corporate Governance

Since 2013, the Company's subsidiary, Services, has had a contractual arrangement with an RWJBarnabas affiliate, Robert Wood Johnson University Hospital Hamilton (RWJ Hamilton), pursuant to which RWJ Hamilton provides medical care, medical testing and related services to the Company and its subsidiaries. In 2018, the Company paid a total of approximately \$240,000 for services provided pursuant to this arrangement. The Company expects to pay a similar amount in 2019.

Since 2008, the Company's subsidiary, PSE&G, has engaged in an ongoing Hospital Energy Efficiency Program (HEE Program), through which PSE&G provides funds for energy efficiency upgrades to hospitals throughout the PSE&G service territory. The HEE Program was approved, and is overseen, by the New Jersey Board of Public Utilities (BPU). As of January 1, 2019, PSE&G has committed to invest approximately \$199 million in a variety of hospitals through the HEE Program. PSEG had made commitments of approximately \$37.7 million to RWJBarnabas facilities. These projects are in various stages of completion, with several fully completed and others in progress or in the planning stage. The aggregate portion that RWJBarnabas facilities have committed to repay to PSE&G through utility bills in accordance with the BPU-approved terms of the program is equal to approximately \$13.3 million. Because the HEE Program is ongoing, the investment and repayment figures are subject to change in the coming years.

Christopher LaRossa, brother of Ralph A. LaRossa, President and Chief Operating Officer of Power and one of the Company's executive officers, is an employee of, and receives compensation from, PSE&G. During 2018, Christopher LaRossa served and currently serves as District Manager - Regulatory Policy and Procedure. The approximate total compensation paid to Christopher LaRossa during 2018 was within the range set for employees with comparable qualifications and responsibilities who hold similar positions at the Company (salary of \$111,500 to \$223,100 plus incentive compensation targeted at 20% of salary). He also received health insurance and other benefits available to all other employees in a similar position. His compensation was determined in accordance with our compensation practices applicable to employees who hold similar positions. Ralph A. LaRossa did not and does not have any direct responsibility for directing or reviewing his brother's work or any influence over his brother's compensation or the other terms of his employment.

Conflicts of Interest

Our Conflicts of Interest Practice applies to all employees, contractors, suppliers and any third party working on behalf of PSEG and covers situations where individual interests are or could be at odds or in conflict with PSEG's interests. Such situations are required to be reported to our Office of Ethics and Compliance, which may conduct an investigation or take actions it deems appropriate.

The Principles provide that a director must notify the Chair of the Corporate Governance Committee if he/she encounters a conflict of interest or proposes to accept a position with an entity which may present a conflict of interest, so that the issue may be reviewed. Potential conflicts of interest include positions that directors or immediate family members hold as directors, officers or employees of other companies with which we do business or propose to do business and charitable and other tax-exempt organizations to which we contribute or propose to contribute.

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Nominees and Election

NOMINEES AND ELECTION

Election

Directors elected at each annual meeting are elected to serve one-year terms. Directors whose terms are to expire are eligible for re-nomination and will be considered by the Corporate Governance Committee in accordance with its policies and the retirement policy for directors, which are summarized in this Proxy Statement. Each of the current directors has been nominated for re-election, with the exception of Thomas A. Renyi, who is retiring from the Board at the expiration of his term at the conclusion of the 2019 Annual Meeting.

Our By-Laws currently provide that the Board shall consist of not less than three nor more than 16 directors as shall be set from time to time by the Board. The number of directors is currently set at eleven and will be reduced to ten upon the retirement of Mr. Renyi.

The nominees listed below were selected by the directors upon the recommendation of the Corporate Governance Committee. As discussed on pages 78-80 under Annual Meeting, Voting and Procedures, proxies will be voted in accordance with your instructions as indicated on the enclosed proxy card, voting instruction form or when voting by telephone or Internet.

If at the time of the 2019 Annual Meeting any of the nominees listed below should be unable to serve, which is not anticipated, it is the intention of the persons designated as proxies to vote, in their discretion, for other nominees, unless the number of directors constituting a full Board is reduced.

Majority Voting for Election of Directors

Our By-laws provide that in an uncontested election, each director shall be elected by a majority of the votes cast with respect to the director. A majority of votes cast means that the number of shares cast for a director's election exceeds the number of votes cast against that director. We do not include as votes cast (i) shares which are marked withheld, (ii) abstentions and (iii) shares as to which a stockholder has given no authority or direction.

As provided in the Principles, the Board has adopted a policy whereby any incumbent director receiving a majority vote against must promptly tender an offer of resignation. As a result, in uncontested elections, the Board will nominate for election or re-election as a director only candidates who have agreed promptly to tender a letter of resignation in the event that the number of shares voted for that director does not exceed the number of shares voted against that director. If an incumbent director fails to receive the required majority vote, the Corporate Governance Committee will consider the matter and then make a recommendation to the Board as to whether or not to accept the resignation. The Board will make the determination on whether or not to accept the recommendation of the Corporate Governance Committee.

Failure to Receive a Majority Vote

The Principles further provide that no director who fails to receive a majority vote in an uncontested election shall participate in either the recommendation of the Corporate Governance Committee or the determination of the Board with respect to his/her resignation letter or that of any other director in regard to that year's Annual Meeting election. Any such director may, however, participate in any and all other matters of the Board and its various committees to the fullest extent to which he/she would otherwise be permitted in accordance with applicable law and the Principles. If a majority of the Corporate Governance Committee fails to receive a majority vote, then the remaining independent directors will determine whether to accept one or more of the applicable resignations. If three or fewer independent directors do not receive a majority vote in the same election, then all independent directors may participate in any discussions or actions with respect to accepting or rejecting the resignation offers (except that no director will vote to accept or reject his/her own resignation offer).

In evaluating tendered resignations, the Corporate Governance Committee and the Board may consider all factors they deem relevant, including, but not limited to, the stated reason(s) for the against vote, the impact that the acceptance of the resignation would have upon our compliance with applicable law or regulation, the potential triggering of any change in control or similar provision in contracts, benefit plans or otherwise, the qualifications of the director and his/her past and anticipated future contributions to us.

The Corporate Governance Committee and the Board may consider possible remedies or actions to take in lieu of or in addition to accepting or rejecting of the resignation, such as development and implementation of a plan to address and cure the issues underlying the failure to receive a majority vote.

Following the Board's determination, we will publicly disclose the decision and, as applicable, the reasons for accepting or rejecting the resignation. To the extent that the Board accepts one or more resignations, the Corporate Governance Committee may recommend to the Board, and the Board will then determine, whether to fill any vacancy.

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Nominees and Election

Ability and Diversity

The Board believes that a nominee for director should be selected on the basis of the individual's ability, diversity of background and experience and soundness of judgment, from among candidates with an attained position of leadership in their field of endeavor. As noted above, a majority of the Board must consist of independent directors in accordance with our Principles and NYSE requirements.

The Board is guided by its consideration of how to best enhance its capability to oversee the affairs of the Company. It analyzes the skills it believes are necessary for effective governance of a leading company in our industry and the particular attributes and abilities of each individual. The Board does not believe that adopting arbitrary or inflexible policies or requirements will achieve that purpose. Rather it looks to promote better governance through a more dynamic examination and understanding of its members' abilities to meet evolving challenges. It values the mix of skills and experience, independence from management, fresh perspectives and seasoned knowledge that collectively help to guide the Company.



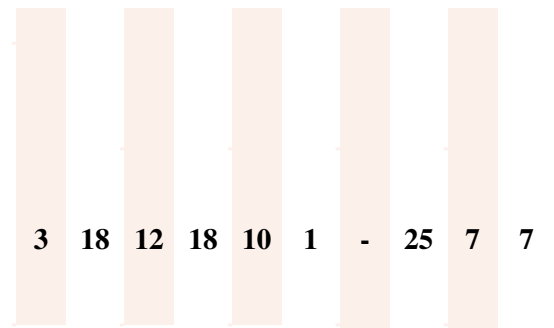
Diversity

Diversity is a factor for consideration of nominees for director pursuant to the diversity policy contained in our Principles and the charter of the Corporate Governance Committee. In considering diversity, the Corporate Governance Committee utilizes a broad meaning to include not only factors such as ethnicity and gender, but also background, experience, leadership positions, skills, accomplishments, financial expertise, professional interests, personal qualities and other traits desirable in achieving an appropriate group of qualified individuals. The Corporate Governance Committee considers and assesses the effectiveness of this policy in connection with the annual nomination process to assure the Board contains an effective mix of people to best further our long-term business interests.

The Board recognizes the value to the Company of directors with varied backgrounds. Among other attributes, ethnic and gender diversity brings to the boardroom a range of experiences and perspectives that enhance the Board's role in management oversight and strategic planning. Similarly, refreshment of the Board brings new ideas and viewpoints and tenure is considered in light of our current policy to limit a director's term of service following attainment of age 75.

Demographic Background

Board Tenure*

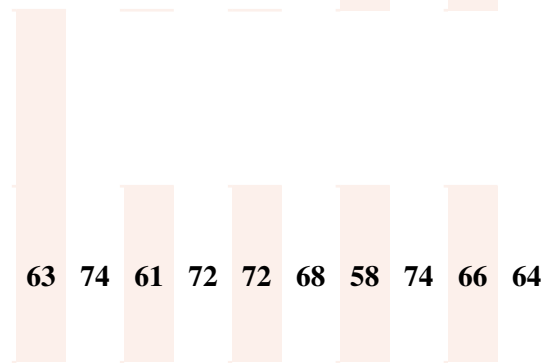


Diversity

Gender

Ethnicity

Age



*Rounded

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Nominees and Election

Refreshment and Tenure

The Corporate Governance Committee is very aware of the benefits of the refreshment of Board members to assure that new perspectives and ideas are considered. In selecting individuals for our Company, with its long investment horizon, the Corporate Governance Committee weighs the need for both director refreshment and institutional knowledge. It believes that the appropriate mix of varied levels of tenure and experience can help mitigate risk. This includes replenishing desired skills and experience as directors leave the Board. We also refresh Board committees through rotation of memberships, as noted under Committee Membership.

The Corporate Governance Committee does not believe it is appropriate to set absolute term limits on the length of a director's term, but rather seeks to achieve a balance in the longevity of service through appropriate Board refreshment. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of our history, policies and objectives.

The Corporate Governance Committee is cognizant of the many years of service of some Board members. In evaluating that factor when making its nominating recommendations, it believes that average tenure is a better measure than the individual time served by any one member or another. Average tenure recognizes the refreshment that takes place as long-serving members retire and new directors join the Board. At the conclusion of the 2019 Annual Meeting, upon election of the nominees, the average tenure of the members of our Board for their current term of service will be approximately ten years. In the past three years, we have refreshed our Board with three new members along with three retirements, the last of which will be effective as of the conclusion of the 2019 Annual Meeting. At that time, as shown in the table below, upon the election of the nominees presented in this Proxy Statement, the tenure of our directors will be balanced across a spectrum of experience on our Board. Further, pursuant to our policy on director age under our Principles, we expect that two of our current directors in the 11+ years category below will not be standing for re-election in 2020.

Director and Nominee Qualifications and Availability

The Corporate Governance Committee and the Board periodically review the skills and qualifications that they determine are necessary for the proper oversight of the Company by the directors in furtherance of their fiduciary duties. The Committee and the Board remain focused on ensuring that the individual and collective abilities of the directors continue to meet the governance needs of the Company. They are committed to nominating individuals who satisfy the applicable criteria for outstanding service to our Company and who together comprise the appropriate Board membership composition in light of evolving business demands. The Board evaluates the effectiveness of each director in contributing to the Board's work and the potential of each new nominee.

It is the Board's policy that a nominee recommended initially for election be able to serve at least five years, consistent with the Board's retirement policy. The Board believes that the ability of a director to serve for at least five years is a reasonable expectation in order for us to receive an appropriate benefit from the individual's abilities. This is especially so in light of the time invested by a director to become knowledgeable about our complex business operations. The Board believes that these service limitations provide it with a means for achieving a reasonable balance of veteran and new directors.

The Corporate Governance Committee also considers the amount of time that a person will likely have to devote to his/her duties as a director, including non-PSEG responsibilities as an executive officer, board member or trustee of business or charitable institutions and the contributions by directors to our ongoing business. The Corporate Governance Committee considers the qualifications of incumbent directors and potential new nominees, as well as the continuity of service and the benefit of new

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Nominees and Election

ideas and perspectives, before making recommendations to the Board for election or re-election. The Board then selects nominees based on the Corporate Governance Committee's recommendation.

Prior to accepting an invitation to serve as a director of another public company, the CEO and any directors must submit a letter to the Corporate Governance Committee so as to allow it to review potential conflicts and time demands of the new directorship. Any director who undertakes or assumes a new principal occupation, position or responsibility from that which he/she held when he/she was elected to the Board must submit a letter to the Corporate Governance Committee volunteering to resign from the Board. The Board does not believe that in every instance a director who undertakes or assumes a new occupation, position or responsibility from that which he/she held when the director joined the Board should necessarily leave the Board. The Corporate Governance Committee reviews the relevant details of such director's new position and determines the continued appropriateness of Board membership under the circumstances.

The Corporate Governance Committee and the Board believe that the experience gained through other directorships provides us with a breadth of valuable knowledge and insight. Exposure to other industries, management and issues gives a director a perspective not necessarily otherwise available to him/her from a more limited range of experience. The Corporate Governance Committee carefully monitors the attendance and participation of each director to assure that he/she demonstrates an appropriate level of commitment and effort in serving on our Board. In renominating the current directors, the Corporate Governance Committee and the Board determined that each director had successfully balanced the demands on his/her time and attention in meeting the fiduciary obligations to us.

Director Terms of Service

The Board seeks to maintain an orderly transition for phased termination of service and proper succession planning. Under the Board's policy, set forth in our Principles, directors who have never been employees of the PSEG group of companies may not serve as directors beyond the Annual Meeting of Stockholders held in the calendar year following their seventy-fifth birthday.

We believe that the current retirement age allows us to benefit from long-serving directors, including their industry expertise, institutional knowledge, historical perspective, stability and continuity and comfort with challenging Company management, while maintaining our ability to refresh the Board through the addition of new members. Our Board has a high level of diversity in tenure and qualifications.

Directors who are former PSEG CEOs may not serve as directors beyond the Annual Meeting of Stockholders following termination of active employment with the PSEG group of companies, unless otherwise determined by the Board, and may not serve beyond their seventy-fifth birthday. Directors who are former employees, other than CEOs, may not serve as directors beyond the Annual Meeting of Stockholders following termination of active employment with PSEG.

Stock Ownership

We believe that it is an important aspect of Board service for the interest of each individual member of our Board to align with the interests of our stockholders. Our Principles require that directors own shares of our Common Stock (including any restricted stock, whether or not vested, any stock units under the Directors' Equity Plan and any phantom stock under the Directors' Deferred Compensation Plan) equal to five times the annual retainer (currently \$95,000) within five years after election to the Board. We believe that this requirement is competitive with market practice. All incumbent directors currently meet this stock ownership level except for Mr. Ostrowsky, who joined the Board in February 2018 and Laura A. Sugg, who joined the Board in January 2019. Additional details can be found in the table under Security Ownership of Directors, Management and Certain Beneficial Owners on page 33.

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Nominees and Election

Nomination Process and Proxy Access

The Corporate Governance Committee considers the qualifications of Board members, evaluates prospective nominees and recommends candidates to the Board of Directors, in thoughtful recognition of the criteria discussed in this Proxy Statement. The Board's evaluation is focused on aligning the skills, qualifications and experience of our Board with the strategic development of our Company. Individual and collective competencies, personal characteristics, diversity of experience and backgrounds and commitment to the Company are assessed. The Corporate Governance Committee on occasion may pay a fee to an executive search firm to assist it in identifying and evaluating potential director nominees meeting our criteria, which are described further in this Proxy Statement. Any such firm's function would be to assist the Committee in identifying potential candidates for its consideration. During 2018, we engaged a third-party firm to assist in identifying and evaluating potential candidates, including those brought to our attention by members of the Board. One of the identified candidates, Laura A. Sugg, was elected to the Board at a meeting held in December 2018, effective on January 1, 2019.

The Corporate Governance Committee will consider stockholders' recommendations for nominees for election to the Board. The Corporate Governance Committee utilizes the same criteria to evaluate all potential nominees, including those recommended by stockholders or other sources. Our By-Laws require that stockholder nominations must be delivered to the Company's Secretary at least 90 days in advance of an Annual Meeting of Stockholders. With respect to an election to be held at a special meeting of stockholders for the election of directors, such advance notice of the nomination must be delivered to the Company's Secretary no later than the close of business on the seventh day following the date on which notice of such meeting is first given to stockholders. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the advance notice procedure contained in our By-Laws.

In order for a stockholder's proposed nominee to be included in the Company's proxy statement pursuant to the proxy access provisions of our By-Laws, such proposal must be received by the Company's Secretary no earlier than 150 days and no later than 120 days prior to the anniversary of the mailing date of the Company's proxy statement in the prior year. The proxy access provisions of our By-Laws permit an eligible stockholder (or a group of no more than 20 eligible stockholders) owning 3% or more of the Company's common stock continuously for at least three years to nominate director candidates representing up to 25% of the Board, and, upon the eligible stockholder's satisfaction of certain conditions as outlined in our By-Laws, require us to include such nominees in our proxy statement and proxy card for the annual meeting of stockholders. These proxy access provisions were adopted by the Board in 2015. In its consideration of proxy access, the Board engaged with a number of our significant stockholders and reviewed the published positions of other significant stockholders. Following these outreach efforts, the Board amended our By-Laws in order to provide meaningful proxy access rights to stockholders who are representative of the long-term interests of our Company.

Each nomination discussed above must be submitted in writing to **Michael K. Hyun, Secretary, Public Service Enterprise Group Incorporated, 80 Park Plaza, T4B, Newark, NJ 07102**. Nominations must be made in compliance with the procedures and requirements set forth in our By-Laws and accompanied by the written consent of any such person to serve if nominated and elected and by biographical material and the applicable requirements of the SEC to permit evaluation of the individual recommended.

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Biographical Information

BIOGRAPHICAL INFORMATION OF DIRECTOR NOMINEES

The present terms of eleven directors, **Willie A. Deese, William V. Hickey, Ralph Izzo, Shirley Ann Jackson, David Lilley, Barry H. Ostrowsky, Thomas A. Renyi, Laura A. Sugg, Richard J. Swift, Susan Tomasky and Alfred W. Zollar**, expire at the 2019 Annual Meeting. Each director, other than Thomas A. Renyi, who is retiring from the Board at the expiration of his term at the 2019 Annual Meeting, has been re-nominated to serve a new term. Each nominee will be presented for election to serve until the 2020 Annual Meeting, or until his/her respective successor is elected and qualified. All nominees were elected to their present terms by our stockholders, except Ms. Sugg, who was elected by the Board effective on January 1, 2019. In addition, Hak Cheol (H.C.) Shin resigned from the Board effective December 31, 2018, following his relocation to Seoul, South Korea and acceptance of a CEO position in a corporation headquartered there. The Board thanks Mr. Renyi and Mr. Shin for their many years of dedicated service.

We show below for each nominee:

The period of service as a director;

Age as of the date of the Annual Meeting;

Present committee memberships;

Business experience during at least the last five years; and

Other public company directorships during the past five years.

We also discuss the specific experience, qualifications, attributes and skills that led to the conclusion that he/she should serve as one of our directors. Our Board members have diverse backgrounds and experience and possess many varied and valuable skills and qualifications, not all of which are intended to be listed on the matrix below.

Each nominee's beneficial ownership of Common Stock is shown under Security Ownership of Directors, Management and Certain Beneficial Owners. Compensation for service as a director is shown in the Director Compensation Table and accompanying narrative.

As discussed above, the Corporate Governance Committee and the Board recommend and nominate for election those individuals they deem qualified and capable of serving as directors pursuant to the criteria they have set. Each of the

nominees this year meets these standards.



Board Composition

The Board is comprised of individuals with a diverse mix of knowledge, expertise and backgrounds. We have business leaders from industries including banking, science and technology, energy, consumer and industrial products and manufacturing as well as those who have excelled in academia and the public sector. As a group, they complement one another with a desirable mix of competencies and skills necessary to oversee our businesses. Our Board members have dealt widely with the types of issues facing us, including achieving optimal operational and financial performance, managing for growth, meeting regulatory, environmental and safety requirements, overseeing risk management and corporate governance, maintaining an engaged and diverse workforce and adapting to rapidly evolving business conditions.

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Biographical Information

Skills and Qualifications

Accounting/Finance experience is important in overseeing our financial reporting and internal controls to assure transparency and accuracy.

Construction/Engineering experience is important in assessing our operations, project development and opportunities for growth.

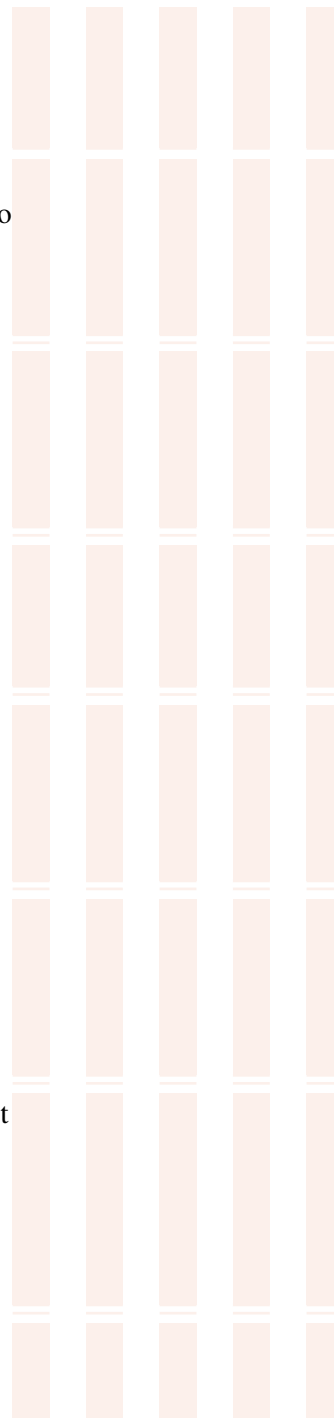
Corporate Governance experience is important in assuring Board effectiveness and appropriate oversight.

Customer Satisfaction & Sales experience is important in understanding the consumer-driven aspect of our business in order to provide outstanding service.

Environment/Science experience is important to an entity dependent on scientific expertise and in assessing environmental compliance, obligations and operations.

Government/Policy/Regulatory experience is important to a heavily regulated entity directly impacted by governmental actions, public policy and economic trends.

Industry/Generating Plant Operations experience is important in overseeing the development and



implementation of our operating plan and business strategy.

Legal experience is important in understanding and evaluating our legal risks and obligations.

Management experience is important in overseeing the leadership and performance of our Company's senior management.

Manufacturing experience is important in understanding and assessing the operation of our business, including safety, controls, efficiency and compliance.

Product Development experience is important in developing innovative solutions and adapting our business and strategy to meet customer expectations.

Risk Management experience is important in overseeing the risks facing the Company.

Technology/Cybersecurity experience is important in assessing the best tools to enhance business operations and customer service and address cybersecurity risks.



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Biographical Information

EXPERIENCE

Executive Vice President of Merck & Co. Inc., Kenilworth, New Jersey, which develops, manufactures, and distributes pharmaceuticals, from January 2008 until June 2016; President of Merck Manufacturing Division from 2005 until 2008; Senior Vice President of Global Procurement at Merck from 2004 to 2005. Former Senior Vice President of Global Procurement and Logistics at GlaxoSmithKline, a pharmaceutical company.

Director of CDK Global, Inc., Dentsply Sirona USA and G1 Therapeutics.

SKILLS AND QUALIFICATIONS

Management

Accounting/Finance

Government/Policy/Regulatory

Corporate Governance

Manufacturing

Technology/Cybersecurity

Mr. Deese has significant regulatory, manufacturing and procurement experience from his service as Executive Vice President of Merck & Co., Senior Vice President of Merck Manufacturing Division and Senior Vice President of Global Procurement and Logistics at GlaxoSmithKline.

The Board views Mr. Deese's background as a leader in a highly regulated industry to be of significant value in light of the many regulatory requirements our Company faces. His experience with manufacturing and technology is valuable to the oversight and cost effectiveness of our operations.

EXPERIENCE

Chairman of the Board of Sealed Air Corporation, Elmwood Park, New Jersey, which manufactures food and specialty protective packaging materials and systems, from March 2013 until May 2013; Chairman of the Board and CEO from September 2012 to February 2013; President and CEO from March 2000 to August 2012; President and Chief Operating Officer (COO) from December 1996 to February 2000.

Director of PSE&G.

Former Director of Sensient Technologies Corporation.

SKILLS AND QUALIFICATIONS

Manufacturing

Product Development

Accounting/Finance

Corporate Governance

Management

Technology/Cybersecurity

Mr. Hickey has a strong industrial and commercial manufacturing background from his service as President and CEO at Sealed Air Corporation. He is also a Certified Public Accountant and, as CEO of Sealed Air Corporation, he had ultimate responsibility for financial matters and overall business performance.

Mr. Hickey's executive managerial experience with product innovation, development, production and marketing contributes to the Board's ability to oversee our Company and focus on operational excellence.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES

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Biographical Information

EXPERIENCE

Chairman of the Board, President and CEO of PSEG since April 2007.

Chair of the Executive Committee.

Director of PSE&G, Power, Energy Holdings and Services.

President and COO of PSEG from October 2006 to April 2007; President and COO of PSE&G from October 2003 to October 2006.

Former Director of The Williams Companies, Inc.

SKILLS AND QUALIFICATIONS

Management

Accounting/Finance

Corporate Governance

Industry/Generating Plant Operations

Risk Management

Construction/Engineering

Environment/Science

Government/Policy/Regulatory

During Dr. Izzo's tenure as our Chairman of the Board, President and CEO, he has developed broad experience in general management, strategic planning, finance and risk management, as well as a thorough understanding of our business operations and the challenges and opportunities of our industry.

Dr. Izzo's background as a research physicist is of much benefit to a company that deals with many technical and scientific matters. His prior service as an energy and policy analyst at the federal and state levels is a significant asset as we position ourselves as a leader in the energy industry and public policy arena.

EXPERIENCE

President of Rensselaer Polytechnic Institute, Troy, New York, a major technological research university, since July 1999.

Director of PSE&G.

Former Director of PSEG from 1987 to 1995.

Chair, U.S. Nuclear Regulatory Commission (NRC) from July 1995 to July 1999.

Director of FedEx Corp. and International Business Machines Corporation (IBM).

Former Director of NYSE Euronext, Marathon Oil Corp. and Medtronic, Inc.

SKILLS AND QUALIFICATIONS

Management

Government/Policy/Regulatory

Environment/Science

Technology/Cybersecurity

Risk Management

Accounting/Finance

Corporate Governance

Industry/Generating Plant Operations

Dr. Jackson is a recipient of the National Medal of Science, the highest honor for scientific achievement bestowed by the President of the United States. As a distinguished scientist, Dr. Jackson brings an array of executive, governmental, scientific and academic experience from her years as Chair of the NRC and President of Rensselaer Polytechnic Institute. Her responsibilities as the head of a major university include financial matters.

We are a heavily regulated business which is very much affected by public policy and scientific developments. Thus, Dr. Jackson's experience and continued involvement in energy policy, scientific research and development, technology and innovation, security and financial services industry oversight is highly valued by the Board. Her background as a nuclear physicist and former NRC Chair is important as we have extensive nuclear operations.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES

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Biographical Information

EXPERIENCE

Chairman of the Board, President and CEO of Cytec Industries, Inc., Woodland Park, New Jersey, a global specialty chemicals and materials company, from January 1999 until December 2008; President and CEO from May 1998 to January 1999; President and COO from January 1997 to May 1998.

Former Director of Rockwell Collins, Inc., Andeavor Corporation (formerly Tesoro) and Arch Chemicals, Inc.

SKILLS AND QUALIFICATIONS

Product Development

Manufacturing

Customer Satisfaction & Sales

Accounting/Finance

Management

Corporate Governance

Environment/Science

Mr. Lilley has experience in product development, manufacturing and sales, gained from his years as Chairman of the Board, President and CEO at Cytec Industries. In this role he also had ultimate responsibility for financial matters and overall business performance.

Mr. Lilley's leadership is very important to us in light of the Board's oversight of our operations and adherence to safety and environmental requirements. He has a deep knowledge of finance and executive compensation, as well as extensive experience in operational management.