

CFTC

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC and the CFTC continue to implement a regulatory framework for swaps and security-based swaps. The rules are intended to reduce risk, increase transparency and promote market integrity within the financial system by providing for the registration and comprehensive regulation of swap dealers and by imposing recordkeeping, data reporting, margin and clearing requirements with respect to swaps. We are currently subject to recordkeeping and data reporting requirements applicable to commercial end users. The CFTC finalized new rules establishing federal position limits for trading in certain commodities, such as natural gas. Entities such as PSEG began complying with the rules on January 1, 2022.

Nuclear

Nuclear Regulatory Commission (NRC)

Our operation of nuclear generating facilities is subject to comprehensive regulation by the NRC, a federal agency established to regulate nuclear activities to ensure the protection of public health and safety, as well as the environment. Such regulation involves testing, evaluation and modification of all aspects of plant operation in light of NRC safety, security, cybersecurity, and environmental requirements. Continuous demonstration to the NRC that plant operations meet requirements is necessary.

The NRC has the ultimate authority to determine whether any U.S. nuclear generating unit may operate. The NRC conducts ongoing reviews of nuclear industry operations experience and may issue or revise regulatory requirements. We are unable to predict the final outcome of these reviews or the cost of any actions we would need to take to comply with any new regulations, including possible modifications to the Salem, Hope Creek and Peach Bottom facilities, but such costs could be material.

The current operating licenses of our nuclear facilities expire in the years shown in the following table:

Unit	Year
Salem Unit 1	2036
Salem Unit 2	2040
Hope Creek	2046
Peach Bottom Unit 2 (A)	2033
Peach Bottom Unit 3 (A)	2034

- (A) Depreciation Expense and the Asset Retirement Obligation assume these units will operate through 2053 and 2054, respectively, given our expectation that previously approved operating license expiration dates will be restored by the NRC. See Item 8. Note 11. Asset Retirement Obligations (AROs) for additional information.

In 2024, PSEG submitted a letter to the NRC regarding a potential timeline to seek a second license renewal for our Salem and Hope Creek units. This second license renewal would extend the operating licenses through 2056 and 2060 for Salem Units 1 and 2, respectively, and 2066 for Hope Creek.

State Regulation

Our principal state regulator is the BPU, which oversees electric and natural gas distribution companies in New Jersey. We are also subject to various other states' regulations due to our operations in those states.

Our New Jersey utility operations are subject to comprehensive regulation by the BPU including, among other matters, regulation of retail electric and gas distribution rates and service, the issuance and sale of certain types of securities and compliance matters.

In addition to base rates, we recover certain costs or earn on certain investments pursuant to mechanisms known as adjustment clauses. These clauses permit the flow-through of costs to, or the recovery of investments from, customers related to specific programs, outside the context of base rate proceedings. Recovery of these costs or investments is subject to BPU approval for which we make periodic filings. Delays in the pass-through of costs or recovery of investments under these