

For further information, contact:

- Kathleen A. Lally, Vice President – Investor Relations
- Carlotta Chan Lane, Manager - Investor Relations

Phone: 973-430-6565

Phone: 973-430-6596

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PSEG POWER ENTERS INTO AGREEMENT TO SELL ODESSA

PSEG Power LLC, a subsidiary of Public Service Enterprise Group (PSEG: PEG) today announced that it has agreed to the sale of its remaining Texas generating asset. The 1000 MW gas-fired Odessa generating facility in West Texas will be sold, pursuant to an asset purchase agreement, to Odessa Power, LLC, a subsidiary of Energy Capital Partners II, LP for \$335 million. There is no debt attached to the asset.

The sale is expected to close during the third quarter of 2011 subject to customary regulatory approvals. The sale is not subject to financing contingencies. The sale of Odessa will complete the Texas asset sale process announced by PSEG Power in early 2011.

Goldman Sachs acted as exclusive financial advisor to PSEG Power in connection with the transaction.

FORWARD-LOOKING STATEMENT

The statements contained in this communication about our and our subsidiaries' future performance, including, without limitation, future revenues, earnings, strategies, prospects, consequences and all other statements that are not purely historical, are forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance they will be achieved. There are a number of risks and uncertainties that could cause actual results to differ materially from what may actually occur. A discussion of some of these risks and uncertainties is contained 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). These documents address in further detail our business, industry issues and other factors that could cause actual results to differ materially from those indicated in this communication. Forward looking statements made in this communication only apply as of this date. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even if our internal estimates change, unless otherwise required by applicable securities laws.