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PSEG SUPPORTS QUICK CONGRESSIONAL ACTION ON CLEAN AIR IN WAKE OF COURT’S RESCINDING OF CAIR

***Power company says impact is “significant and substantial”
and calls for multi-pollutant legislation***

(July 29, 2008 - Newark, NJ) – Eric Svenson, PSEG’s vice president of environment, health and safety, testified today before Congress about the implications of a recent federal appeals court decision that struck down the Environmental Protection Agency’s Clean Air Interstate Rule (also known as CAIR). CAIR would have resulted in dramatic reductions in particulate matter and ozone and helped to eliminate smog, asthma and other chronic and acute respiratory effects. Clean air and public health are threatened in its absence.

Svenson told the Senate Clean Air and Nuclear Safety Subcommittee that the impact of the ruling would be “significant and substantial” and called for Congress to act quickly to pass multi-pollutant legislation like that championed by subcommittee chairman Senator Tom Carper (D-DE).

He said the rescinding of CAIR and the continued implementation of a patchwork of state and regional programs governing carbon dioxide have created “a chaotic regulatory environment.”

PSEG believes that legislation addressing the four major power plant pollutants - nitrogen (NO_x), sulfur dioxide (SO₂), carbon dioxide (CO₂) and mercury - is critical for ensuring timely public health and environmental benefits, business certainty, and a level playing field for the electric generating sector.

Svenson urged Congress to restart the legislative discussion and quickly pass multi-pollutant legislation, saying that the electric sector “needs certainty.”

CAIR would have resulted in considerable public health benefits as well as increased industry investment in pollution controls. With the rescinding of CAIR, “we are stuck with an inefficient, more expensive system with significant public health costs and much less environmental benefit,” Svenson told Congress.

“The ruling threatens to tie the hands of the EPA as it tries to find economically efficient and effective methods to improve public health and our environment,” Svenson said. He added that the ruling leaves “a huge regulatory hole.”

Go to the “news” section at www.pseg.com to see Svenson’s written and oral testimony in its entirety.

Public Service Enterprise Group (PSEG) is a publicly traded diversified energy company with annual revenues of more than \$13 billion, and three principal subsidiaries: PSEG Power, PSEG Energy Holdings, and Public Service Electric and Gas Company (PSE&G). PSEG Power, one of the largest independent power producers in the U.S. has three main subsidiaries: PSEG Fossil, PSEG Nuclear, and PSEG Energy Resources & Trade. PSEG Energy Holdings has two main unregulated energy-related businesses: PSEG Global and PSEG Resources. PSE&G, New Jersey's oldest and largest regulated gas and electric delivery utility, serves nearly three-quarters of New Jersey's population.

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