Integrated Resource Plan

Leading the Clean Energy Transformation

June 2021

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Presentation endnotes are included after the appendix.

2021 Integrated Resource Plan . . .

Key Outcomes

Retires ALL coal by 2025
(depreciated over design life)

Adds >$1 Bn of rate base over next 5 years
(>95% utility by 2025)

Accelerates decarbonization
(~60% carbon emissions reduction by 2025)[a]

Increases renewable resource deployment
(~8 GW of solar by 2040)

Ensures resilience, reliability and affordability
(~$650 MM in customer savings[b])

Presentation endnotes are included after the appendix.

. . . delivers across the Triple Bottom Line.

Proposed IRP Actions . . .

Key Objectives	Current Plan	2021 IRP
• Accelerates Decarbonization	Exit coal by 2040	Exit coal by 2025
Retire		
Karn 3&4 (oil)	2031	2023
Campbell 1&2 / Campbell 3	2031/2039	2025
• Ensures Reliability, Resilience & Affordability	No new dispatchable units	Purchase >2 GW of existing gas units
• Increases Renewables & Customer Programs	~6 GW of solar 1.1 GW EE	~8 GW of solar 1.1 GW EE
• Maintains Strong Balance Sheet	Securitization of retired units	Regulatory asset treatment for retired units[c]

~(60)% carbon emissions reduction by 2025[a]

~$650 MM in customer savings[b]

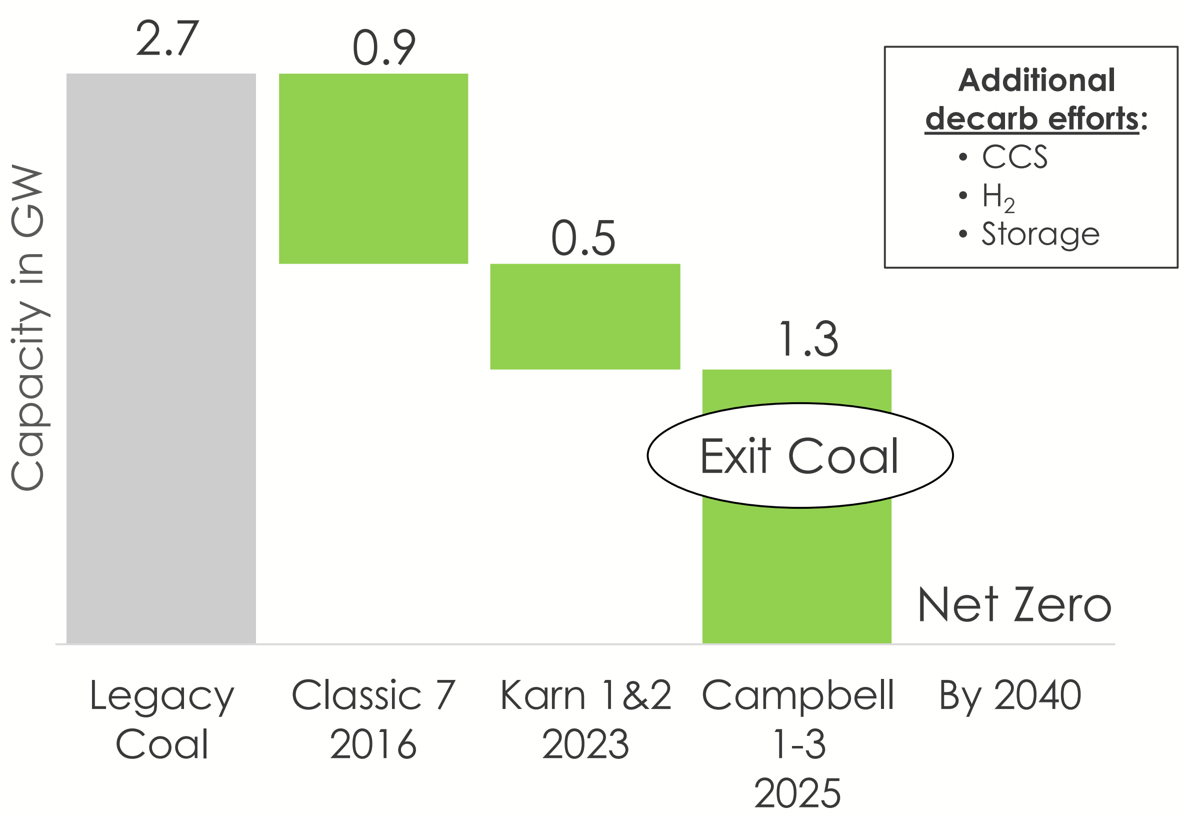
Presentation endnotes are included after the appendix.

. . . align with objectives.

Accelerates Decarbonization . . .

Coal Retirements

Carbon Emission Reduction[a]	~(33)%	~(40)%	~(60)%	(100)%



Key Benefits

- Reduces carbon emissions ~60%[a] by 2025
- Exceeds scientific targets / policy goals
- Enhances commitment to net zero by 2040
- Reduces adjusted O&M by >$90 MM[b]
- Improves operational flexibility

Presentation endnotes are included after the appendix.

. . . by exiting coal 15 years earlier than planned.

Ensures Reliability and Resilience . . .

Generates ~$650 MM in customer savings[a]

Acquiring Existing Gas Plants…

	Covert	DIG & Peakers
Purchase Price (MM)	$815[b]	$520[b]
Capacity (GW)	1.2	~1
Acquisition Date	2023	2025
Current RTO	PJM[c]	MISO – Zone 7
COD	2004	1999/2001

Presentation endnotes are included after the appendix.

Key Benefits

- Adds >$1 Bn of rate base
- Backfills capacity with existing gas plants
- Local, controllable generation in MISO Zone 7
- Competitively bid through third-party administered RFP
- No construction risk
- Meets reliability standards

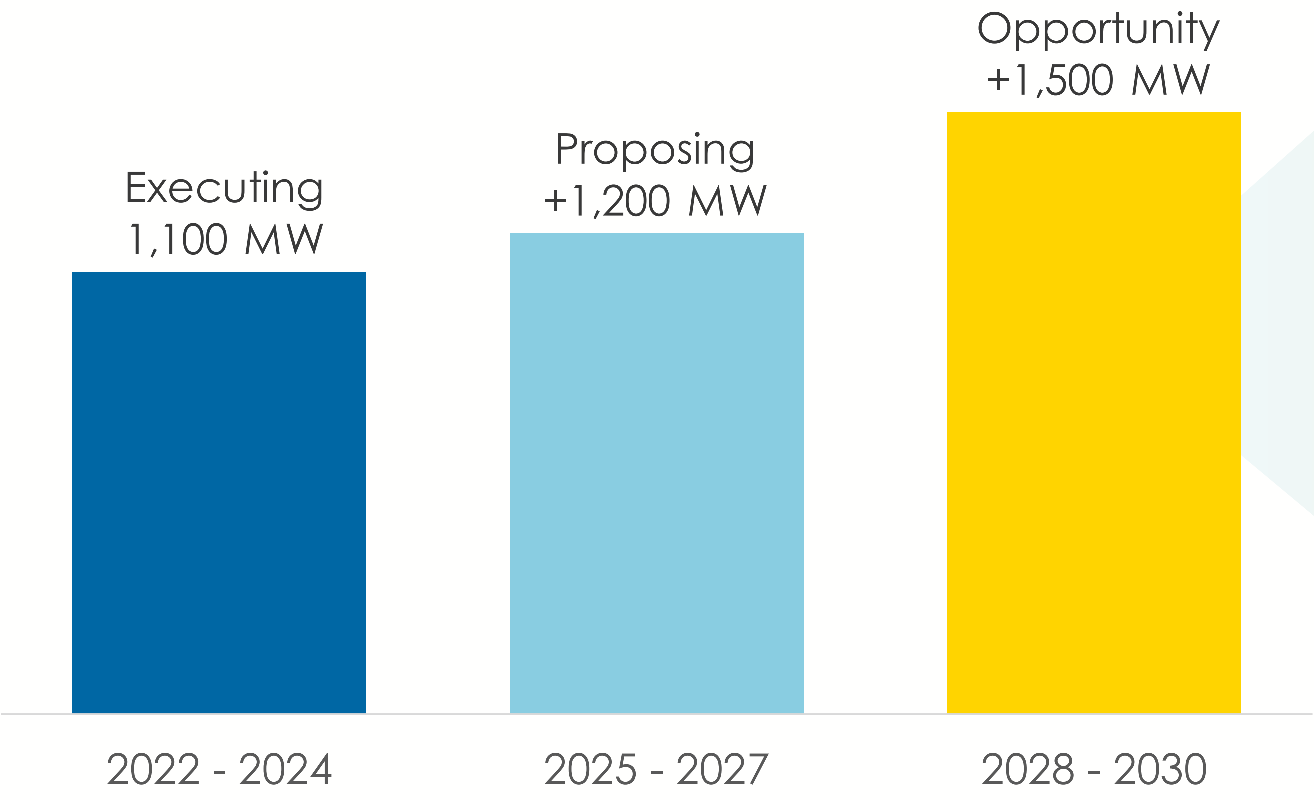
Adds DIG to rate base
>95% utility by 2025

. . . while maintaining affordability.

Increases Renewables & Customer Programs . . .

CMS ENERGY

2018 IRP	2021 IRP	Future IRP
✓Capex approved 50% PPA / 50% owned	Filed for approval of first 3 years >50% owned	Long-term alignment, approval in future IRP



Key Benefits

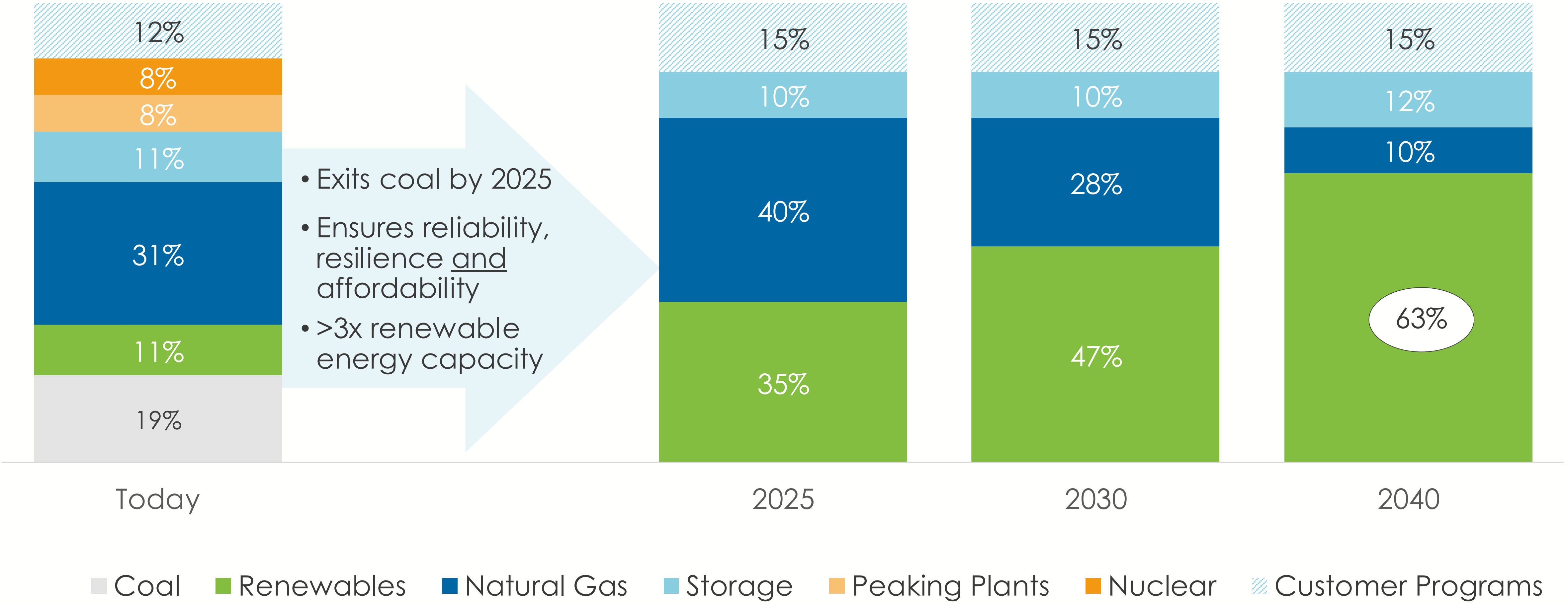
- Modular build-out; riding the cost-curve down
- Total of ~8 GW of solar by 2040
- >50% carbon free energy by 2031
- 90% clean energy resources by 2040
- Growing customer programs
  - ~1.1 GW EE
  - ~750 MW DR
  - >100 MW CVR
  - 475 MW battery

Earns incentives above authorized ROE

. . . achieving >50% carbon free energy by 2031.

Clean Energy Transformation . . .

Capacity Mix[a]



Presentation endnotes are included after the appendix.

. . . results in 90% clean energy resources by 2040.

Maintains Strong Balance Sheet . . .

Depreciates assets over design life while reducing costs for customers[a]

Avoids credit dilutive effects of securitization

Includes FCM on PPAs
(5.88% 2018 IRP vs. ~8.65% proposed)

Key Benefits

- Maintains solid investment grade credit ratings
- Mitigates levering effect of securitizations on balance sheet
- Accelerates rate base growth
- No new equity needed
- Proposed PPA adder supports and strengthens cash flow

Presentation endnotes are included after the appendix.

. . . at solid investment grade levels.

A Simple Investment Thesis . . .

Nearly two decades of industry-leading financial performance

Industry-leading clean energy commitment
Net Zero Carbon (2040) & Net Zero Methane (2030)[a]

Excellence through the CE WAY

Top-tier regulatory jurisdiction[b]

Premium total shareholder return
6% to 8% adjusted EPS growth + ~3% dividend yield

Presentation endnotes are included after the appendix.

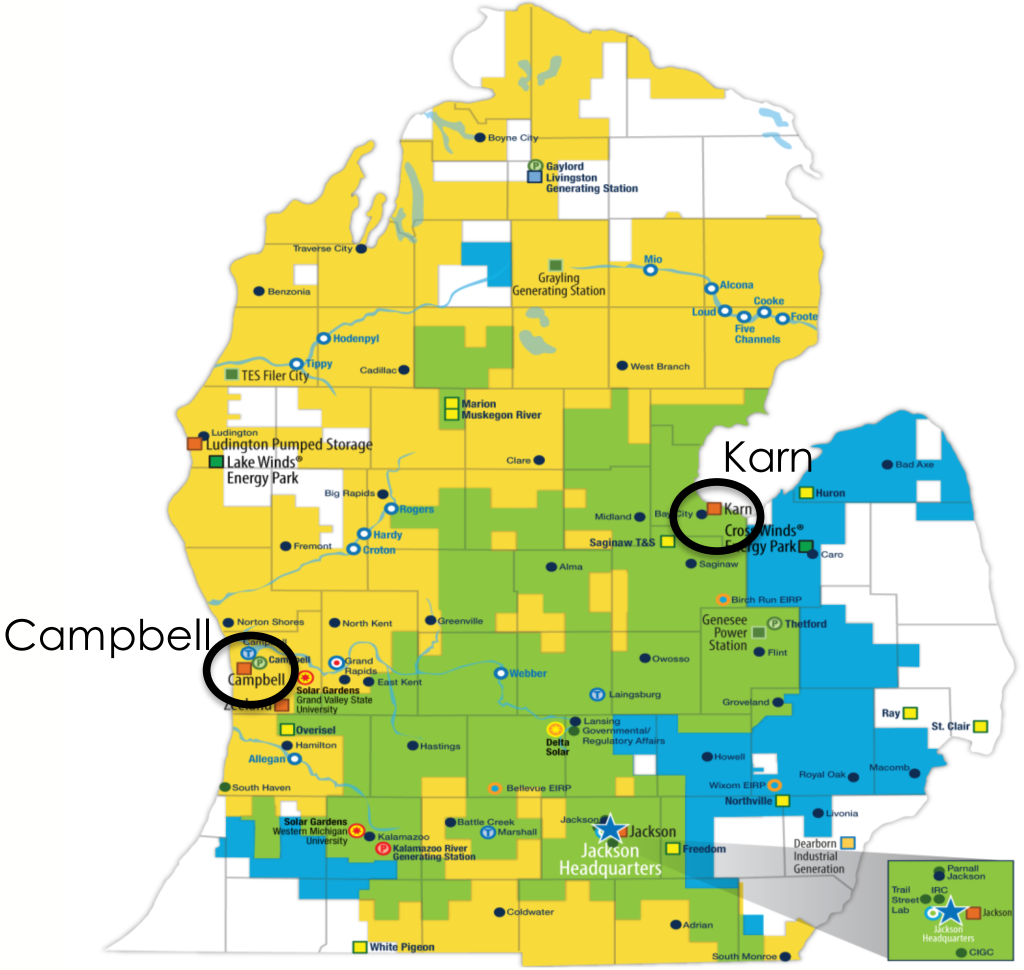
. . . becomes simpler, cleaner and leaner.

Appendix

Caring for Our Co-Workers and Communities . . .

We Have Done This Before

- Retired seven coal units in 2016 with Karn 1&2 scheduled to retire in 2023
- Caring for our co-workers and working to redevelop our communities
  - Retention incentive and placement plans for employees
  - Work with communities to transition local economies



. . . is embedded in our culture.

Maintains Strong Balance Sheet . . .

	Karn 3 & 4	Campbell 1 & 2	Campbell 3
Size (MW)[a]	1,119	608	840
Rate Base at Retirement (MM)[b]	~$110	~$375	~$810
Fuel	Oil	Coal	Coal
Retirement Date	2023	2025	2025
Design Life	2031	2031	2039
Recovery	Assets in rate base – depreciated over design life		

Presentation endnotes are included after the appendix.

. . . with recovery through rate base.

Key Components . . .

CMS ENERGY

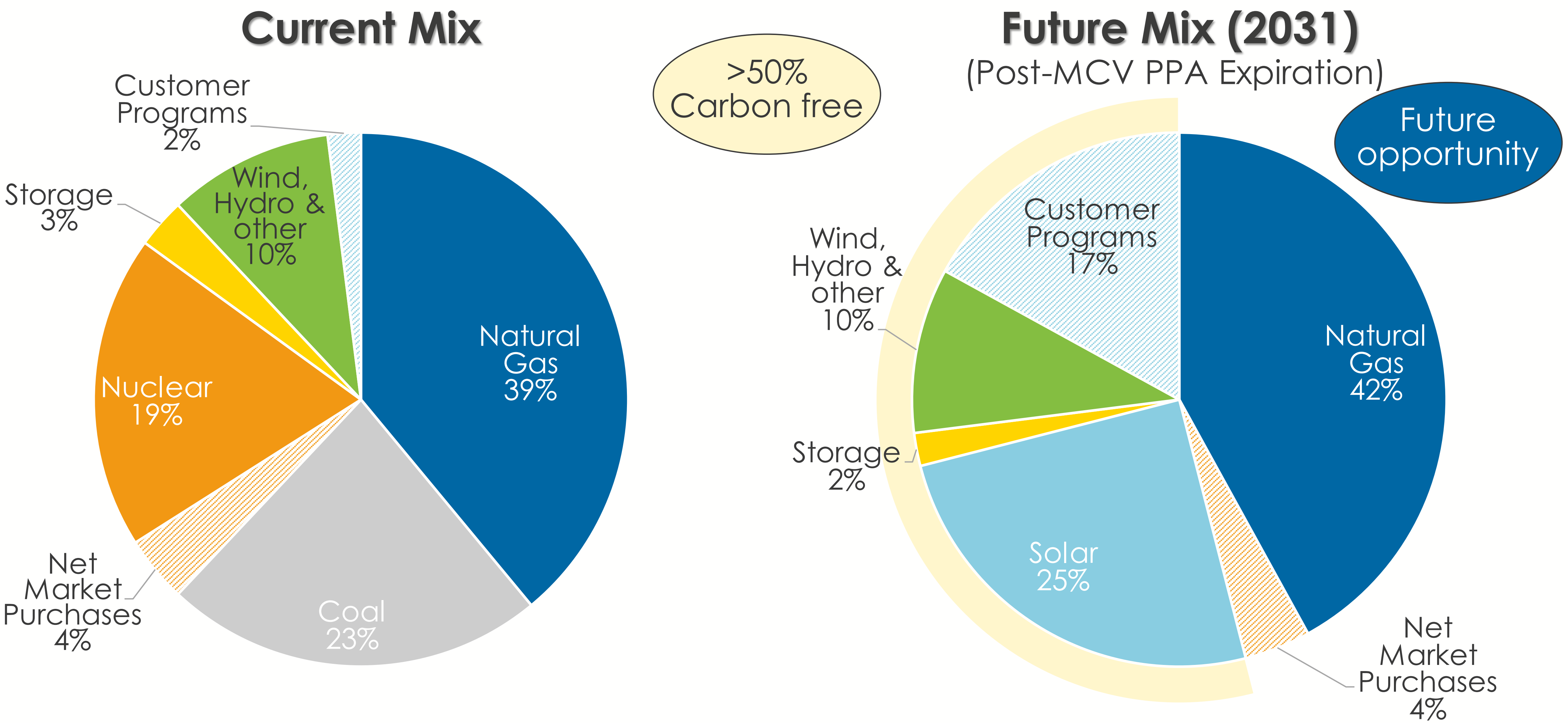
Renewables & Storage	
Solar	4.5 GW by 2030, 7.8 GW by 2040
Battery	~0.5 GW by 2040 (beginning in 2030)
Wind	~0.8 GW by 2023 (approved via RPS)
Customer Programs	**By 2030**
Energy Efficiency	~1,100 MW
Demand Response	~750 MW
Conservation Voltage Reduction	>100 MW
Coal	
Karn 1&2	~0.5 GW retired in 2023
Campbell 1-3	~1.4 GW retired in 2025
Natural Gas & Oil	
Karn 3&4	~1.1 GW retired in 2023
Gas RFPs for Existing Assets	~2.0 GW in 2023 - 2025
Zeeland & Jackson	~1.5 GW (owned & continued operations)

Delivering Across the Triple Bottom Line

- ✓ Exits coal by 2025
- ✓ Accelerates decarbonization
- ✓ Ensures reliability, resilience and affordability
- ✓ Increases renewables & customer programs
- ✓ Maintains strong balance sheet

. . . ensure reliability, resilience and affordability.

Our Energy Supply[a] Will Be Cleaner . . .



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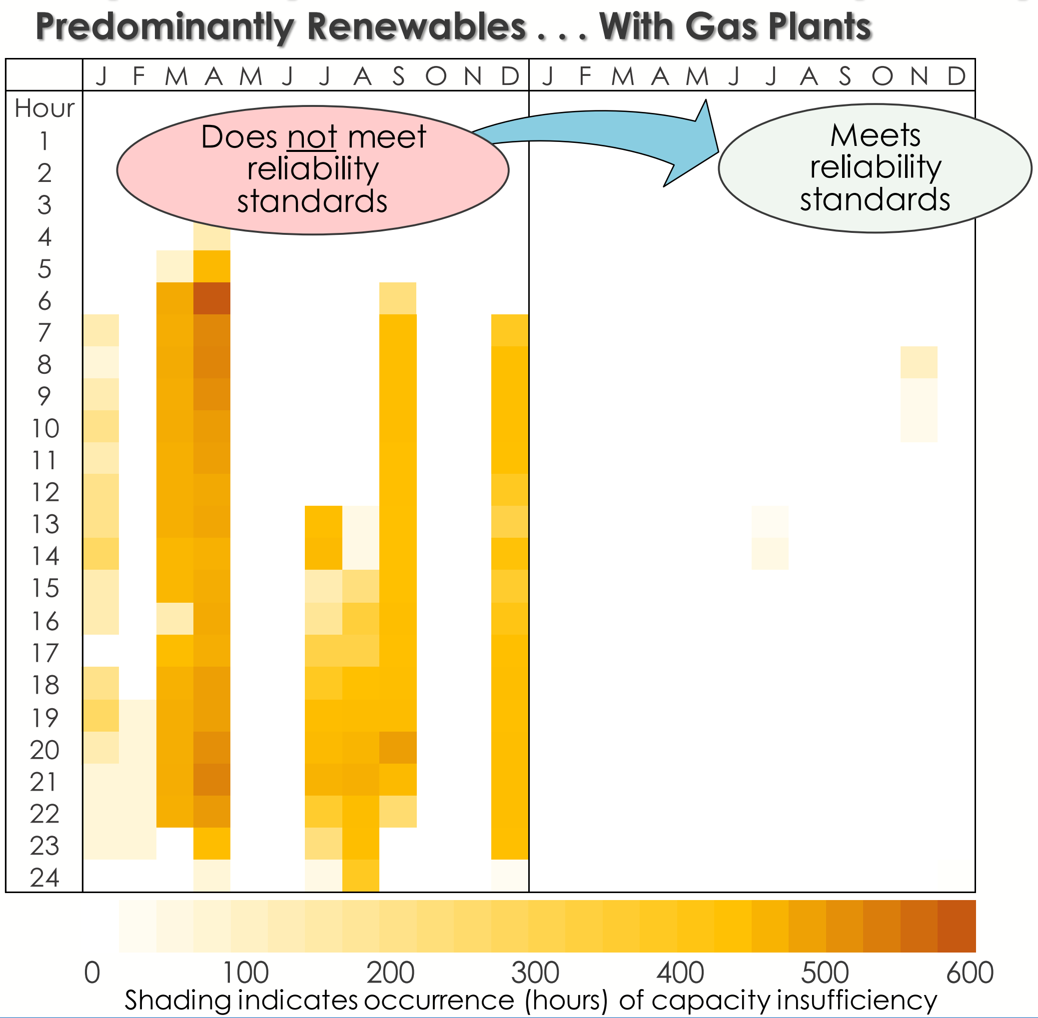
. . . and more reliable with further opportunity to decarbonize.

Deploying Renewables . . .

Frequency of Insufficient Capacity



Key Considerations

- A predominantly renewables scenario offers Insufficient capacity to meet reliability standards - in the winter when solar energy is less abundant AND in the summer
- Gas plants provide flexibility to be dispatched as needed for long-duration needs (days or weeks)
- Purchase of existing plants with less remaining life at a lower cost reduces long-term risks
- Accelerates decarbonization while long-duration storage technology matures

. . . while ensuring reliability and resilience.

Endnotes

Presentation Endnotes (pg 1)

Slide 3: [a]From 2005 baseline including utility-owned generation, PPAs and MISO purchases, post coal retire [b]2021 IRP vs. current plan savings

Slide 4: [a]From 2005 baseline including utility-owned generation, PPAs and MISO purchases, post coal retirements [b]2021 IRP vs. current plan savings [c]See appendix slide 13 for additional detail

Slide 5: [a]From 2005 baseline including utility-owned generation, PPAs and MISO purchases, post coal retirements [b]Including Karn 1&2, Karn 3&4 and Campbell 1-3, excluding potential fuel savings

Slide 6: [a]2021 IRP vs. current plan savings [b]Including $5 MM of transaction costs; excluding potential working capital and other adjustments [c]Requirement to transition to MISO per Purchase and Sale Agreement

Slide 8:[a]Utility-owned and PPAs

Slide 9: [a]2021 IRP vs. current plan savings; see appendix for additional detail

Slide 10: [a]Methane emissions from our natural gas delivery system and carbon emissions company-wide [b]UBS Research, 2021 state rankings and D.C.

Slide 13: [a]Represents full nameplate capacity, including 6.69% non-CE ownership of Campbell 3 [b]Projected rate base at retirement; Karn 3&4 at beginning of 2023, Campbell 1-3 at beginning of 2025

Slide 15: [a]Utility-owned, PPAs and MISO market purchases