This presentation is made as of the date hereof and contains “forward-looking statements” as defined in Rule 3b-6 of the Securities Exchange Act of 1934, Rule 175 of the Securities Act of 1933, and relevant legal decisions. The forward-looking statements are subject to risks and uncertainties. All forward-looking statements should be considered in the context of the risk and other factors detailed from time to time in CMS Energy’s and Consumers Energy’s Securities and Exchange Commission filings. Forward-looking statements should be read in conjunction with “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections of CMS Energy’s and Consumers Energy’s most recent Form 10-K and as updated in reports CMS Energy and Consumers Energy file with the Securities and Exchange Commission. CMS Energy’s and Consumers Energy’s “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections are incorporated herein by reference and discuss important factors that could cause CMS Energy’s and Consumers Energy’s results to differ materially from those anticipated in such statements. CMS Energy and Consumers Energy undertake no obligation to update any of the information presented herein to reflect facts, events or circumstances after the date hereof.

The presentation also includes non-GAAP measures when describing CMS Energy’s results of operations and financial performance. A reconciliation of each of these measures to the most directly comparable GAAP measure is included in the appendix and posted on our website at [www.cmsenergy.com](http://www.cmsenergy.com).

CMS Energy provides historical financial results on both a reported (GAAP) and adjusted (non-GAAP) basis and provides forward-looking guidance on an adjusted basis. During an oral presentation, references to “earnings” are on an adjusted basis. All references to net income refer to net income available to common stockholders and references to earnings per share are on a diluted basis. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, regulatory items from prior years, or other items. Management views adjusted earnings as a key measure of the company’s present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the company uses adjusted earnings to measure and assess performance. Because the company is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, the company’s reported earnings in future periods, the company is not providing reported earnings guidance nor is it providing a reconciliation for the comparable future period earnings. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings. References to earnings guidance refer to such guidance as provided by the company on August 3, 2020.

Investors and others should note that CMS Energy routinely posts important information on its website and considers the Investor Relations section, [www.cmsenergy.com/investor-relations](http://www.cmsenergy.com/investor-relations), a channel of distribution.
ESG Commitment...

- Ranked **Top Quartile by EEI Utility Standards** in Safety Performance
- **Named 2020 Barron’s 100 Most Sustainable Companies**
- Ranked **Top 50 globally** in Military Times Best for Vets Employers 2019
- **#1 utility for Best Employers for Women 2020 by Forbes® Magazine**
- **Named a Top U.S. utility for economic development by Business Facilities and Site Selection magazines**
- **#3 globally for Association for Talent Development 2019 Best Award**
- **#1 company in Michigan and Top 50 Best Employers for Diversity 2020 by Forbes® Magazine**
- **Received 2019 Energy Star® Partner of the Year Sustained Excellence Award**
- **Ranked No. 1 overall in the Midwest Large Segment for the 2019 Gas Residential Customer Satisfaction Study, J.D. Power and Associates**
- **Named Gold-Level Veteran Friendly Employer by the Michigan Veterans Affairs Agency (MVAA)**
- **Named a best utility by Investor Relations Magazine for the 4th consecutive year**
- **Named a Top U.S. utility for economic development by Business Facilities and Site Selection magazines**
- **Ranked No. 1 Michigan Company for Diversity in 2019 by Forbes® Magazine**
- **#1 utility for Best Employers for Women 2020 by Forbes® Magazine**
- **#1 company in Michigan and Top 50 Best Employers for Diversity 2020 by Forbes® Magazine**
- **Recognized nationwide**

*New or expanding load since 2015*
ESG Disclosures...

**Corporate Responsibility**
- CMS Energy & Consumers Energy Websites
- SEC Filings (10-K & Proxy)
- 2019 Carbon Disclosure Project
  - Report Scope 1, 2 & 3 Emissions
  - Water
- Climate Assessment Report
  - Considers TCFD Guidelines
- EEI & AGA ESG Templates
- Sustainability Report
- Civic & Political Engagement

You can find other related links regarding corporate responsibility by clicking this link.

... are transparent and easily obtainable.
Continued World Class Performance...

Caring for our Customers and our Co-Workers...

- Safety incidents down 70% since 2008.
- Tripled our spend with diverse suppliers over the past 7 years and doubling our spend with diverse suppliers over the next 5 years.
- Foundation donations of $110 MM over last decade.

...our Planet...

- 1,100 MWs of added solar through 2024 approved in Integrated Resource Plan.
- Net zero methane emissionsa by 2030 and carbon emissionsa by 2040.
- Enhanced, restored or protected >2,200 acres of land, and reduced water use by >450 MM gallons.
- Reduced usage since 2009 through EEb program, eliminating the need for 1 power plant.
- $10 MM 3-year PowerMiDrive electric vehicle program.

...and our Investors.

- 17 years of +7% EPSc growth.
- Raised dividend +7% YoY, 14th increase in as many years.
- Forecasted to generate ~$10 Bn of operating cash flow in aggregate over the next 5 years.
- Realized ~$20 MM of waste elimination through the CE Way in 2019, and identified ~$65 MM of cost reductions in 2020d.

people

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planet

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profit

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* Methane emissions from our natural gas delivery system and carbon emissions company-wide  

b Energy Efficiency  

c Adjusted (non-GAAP) CAGR, off actuals  

d As of June 30, 2020

...underpinned by our Triple Bottom Line.
PEOPLE • PLANET • PROFIT

PERFORMANCE
Focus on Safety
Safety in the Workplace . . .

Safety Performance

(Recordable Safety Incidents)

<table>
<thead>
<tr>
<th>2008</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>355</td>
<td>105</td>
</tr>
</tbody>
</table>

Down (70)%

2019 Successes

- **Zero fatalities**
- **Ranked top quartile by EEI utility standards in safety performance**
- **Partnered with EEI to develop a new risk-based safety model with focus on proactively avoiding serious injuries and fatalities**
- **Predicted and prevented safety incidents**
  - >1,000 “good-catches”
  - ~200 follow up actions resulting in many systemic improvements within our safety program to prevent future incidents
- **Eliminated >9,500 vintage services**

. . . every task, every job, every day.
Cyber and Physical Security Program . . .

Program Approach

- Integrated security program and organization
- Covers both physical and cyber security
- Dedicated team focused on detecting and responding to threats with close coordination with state and federal partners
- Security operates as an independent organization outside of IT to ensure a balance between technology delivery and risk

Program Focus

- Protecting critical infrastructure, customer data and the safety of our employees are top priorities
- Risk based approach where more critical assets require more stringent security controls
- Company projects include security requirements and assessments to ensure security is included in all initiatives

Industry-leading cyber security testing performance

- Ex. Director of Security meets with Audit Committee and Board of Directors each year
- 2 Board members with security experience

Myrna Soto
Retired CIO from Norfolk Southern

Deborah Butler
20 years of information technology & security experience

<5% click rate on internal phishing tests company-wide
Diversity, Equity & Inclusion . . .

#1 company in Michigan and Top 50 Best Employers for Diversity 2020 by Forbes® Magazine

>20% of employees are involved in one or more Employee Resource Groups

Ranked Top 50 globally in Military Times Best for Vets: Employers 2019 and Gold-Level Veteran Friendly Employer by the Michigan Veterans Affairs Agency (MCAA)

#1 utility for Best Employers for Women 2020 by Forbes® Magazine

#3 globally for Association for Talent Development 2019 Best Award

. . . to ensure we’ve provided a safe place to work for all of our co-workers.
Employee Wellness Programs . . .

Live Well Program

- Year-round engagement in employee wellness
  - Annual health visits
  - Mental and physical health awareness and education
  - Group physical activities

Physical • Emotional • Financial • Professional • Social • Community

- Employee participation incentivized with $75 in Amazon gift cards

94% 401K participation

69% of active 401K participants are saving

≥15%\textsuperscript{a}

\textsuperscript{a}Includes employee and employer contribution as of June 30, 2020

. . . focus on physical, emotional and financial health.
Building Our Talent Pipeline
Building the Next Generation . . .

STEM & Robotics

- Hometown, statewide and national focus
- Focus is in middle & high school levels

School-to-Work (STW)
(for electric line workers)

- Collaboration with community colleges
- 200+ hired, 97% retention rate

6 co-workers recognized for their leadership, innovative thinking and commitment to promoting STEM education and career development at the national Women of Color STEM conference in 2019.

. . . of Consumers Energy’s co-workers.
Working with Our Communities . . .

Gas Boot Camp

- 3-week training including physical assessment and Safety Culture course
- Successful candidates offered full-time positions
- 85% pass rate, 95% retention rate for 2019

Training Trust Agreement (with Power for America)

- Entry-level natural gas training, service, appliance repair and gas fundamentals
- Supports company safety initiatives

Utility Military Assistance Program

- Made up of Veterans and current National Guard members
- Delivers trained employees for our gas Enhanced Infrastructure Replacement Program (EIRP)

. . . to strengthen our future gas workforce.
Michigan State Utility Workers Council (MSUWC)

- ~3,500 employees represent O&M & construction
- >250 employees represent call centers

Sub of Utility Workers Union of America (UWUA)

- Contracts through 2020

72% employee engagement favorability score

80% employee engagement favorability score

Negotiations underway

37% unionized

... are strong and collaborative.
Diversity, Equity & Inclusion . . .

“Ensuring every voice within the company is heard”

Angela Thompkins
Vice President and Chief Diversity Officer

DE&I STRATEGY
Build and sustain a world class, inclusive workforce and customer experience through embedding Diversity, Equity and Inclusion into everything we do

Strategy Pillars

Our Culture
- Engaging Employee Resource Groups
- Embedding DE&I into our DNA

Our Processes
- DE&I standards embedded into everything we do

Our Talent
- Ensuring DE&I is in our whole employee experience (e.g. Attracting, Hiring, Retaining, Promoting, Developing)

Tripled our spend with diverse suppliers over the past 7 years and doubling our spend with diverse suppliers over the next 5 years.

2019: $1.2 MM in grants serving diverse populations

May 2020: $1.8 MM supporting women and minority-owned businesses affected by COVID-19

$100K in grants to support social justice and racial equality efforts in Michigan

. . . embedded in our corporate culture.
Delivering for Our Customers
Corporate Giving . . .

enabling Michigan and its communities to thrive and grow.

Continued Giving

Cumulative Donations

$115 MM

$10 MM

2009 2019

$11½ MM

in 2019

Cumulative Donations

> $110 MM

since 2009

2019 Donations

+ $6.0 MM

+ $1.3 MM

+ $4.2 MM

$11½ MM

in 2019

2020 Donations

$6.5 MM donated

to local missions including COVID-19 relief efforts, social justice and racial equality, and Mid-Michigan flood relief efforts.

As of June 30, 2020
## Signature Community Grants...

<table>
<thead>
<tr>
<th><strong>Kinexus Youth Solutions Inc.</strong></th>
<th><strong>In 2019:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridges gap between available jobs and skilled workers by providing success skill development to &gt;7K disadvantaged youth in state.</td>
<td><strong>People Awards</strong></td>
</tr>
<tr>
<td><strong>Kalamazoo Regional Educational Service Agency</strong></td>
<td><strong>+</strong></td>
</tr>
<tr>
<td>Supports the Career Pathway Initiative to provide career coaching, work-readiness training and skill development.</td>
<td><strong>$500,000</strong></td>
</tr>
<tr>
<td><strong>Conservation Resource Alliance</strong></td>
<td><strong>Planet Awards</strong></td>
</tr>
<tr>
<td>Plants 100K native trees throughout 15 counties in northwest Michigan by 2024, starting with 20K trees in 2019.</td>
<td><strong>$500,000</strong></td>
</tr>
<tr>
<td><strong>Michigan Nature Association</strong></td>
<td><strong>$1,000,000</strong></td>
</tr>
<tr>
<td>Protects, restores and enhances 575 acres of critical nature habitat for threatened and endangered species in 8 Michigan counties.</td>
<td>Awarded</td>
</tr>
<tr>
<td><strong>Michigan United Conservation Clubs</strong></td>
<td><strong>$1,000,000</strong></td>
</tr>
<tr>
<td>Creates an “On the Water” pilot program that engages stakeholders, scientists and volunteers with their freshwater resources.</td>
<td><strong>Awarded</strong></td>
</tr>
</tbody>
</table>

...focus on the Triple Bottom Line of People, Planet and Profit.
And Continue to Make . . .

<table>
<thead>
<tr>
<th>Flint Housing Opportunities</th>
<th>In 2019: Prosperity Awards:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effort to upgrade and sell over three dozen vacant homes to first-time homebuyers in Flint. Funding will aid in strengthening neighborhoods by transforming abandoned houses into affordable and attractive residences for first time home buyers.</td>
<td>☑️ $250,000</td>
</tr>
<tr>
<td><strong>Owosso ArtLive Project</strong></td>
<td>+</td>
</tr>
<tr>
<td>Transforms an Owosso Middle School into a residential and professional community for up to 30 artists as students move to a new school. The project will feature living and working space with retail outlets for residents, as well as a community kitchen for entrepreneurs.</td>
<td>☑️ $150,000</td>
</tr>
<tr>
<td><strong>Kalamazoo Farmers Market</strong></td>
<td>+</td>
</tr>
<tr>
<td>Expands and upgrades the Kalamazoo Farmers Market that attracts &gt;4,500 customers weekly from May through November. The grant will help with the renovation of the grounds used to host the farmers market.</td>
<td>☑️ $100,000</td>
</tr>
</tbody>
</table>

... Michigan a great place to live, work and innovate.
Community Engagement Team . . .

>350 local community events are invested in each year
>100 Boards served on

18 Community Affairs Managers

Active in the community

... uniquely positioned across the state.
Proactively Targeting New Businesses . . . to help make Michigan a great state to live in and conduct business.

**Great State to Do Business**

- **2019 Economic Impact**
  - Deal of the Year Award (Glanbia Campus)
  - Mid-America Economic Development Council
- **2019 Top 20**
  - Utilities in Economic Development
  - Site Selection Magazine

![Customer Committed Load]

- **2019 Entrepreneurial Award**
  - For Lean Rocket Lab (Jackson, MI)
  - Mid-America Economic Development Council
- **2020, 2019 & 2018**
  - Editor’s Choice Top Utility
  - (2018 Economic Development Deal of the Year)
  - Business Facilities

---

*As of July 31, 2020*

---

- **2020**
  - $2 Bn Michigan investment
  - ~3,000 jobs

- **2019**
- **2018**
- **2017**
- **2016**

- **New and Expanding Load**
  - >350 MW since 2015
  - ~$2 Bn Michigan investment
  - + ~3,000 jobs
  - >$1.5 Bn Michigan investment
  - + >3,600 jobs

---

... to help make Michigan a great state to live in and conduct business.
Lowering Customers Bills . . .

**Residential Bills**

<table>
<thead>
<tr>
<th></th>
<th>2013A</th>
<th>2020E</th>
<th>5-yr Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electric</strong></td>
<td>$108</td>
<td>$103</td>
<td>Flat bills with additional $7¼ Bn of capital</td>
</tr>
<tr>
<td><strong>Gas</strong></td>
<td>$ 88</td>
<td>$ 61</td>
<td>Flat bills with additional $5 Bn of capital</td>
</tr>
</tbody>
</table>

- **Cost Reductions**
  - Performance Through CE WAY
    - Identified >$65 MM in cost reductions
- **Energy Efficiency**
  - $3 Bn in savings to customers since 2009
- **Efficient Capital**
  - Reduced leaks, gas flow deliverability

**Residential Bills as % of Wallet**

- **Utility Bill**
  - Down 50 bps
  - ~4%
  - ~3½%

- **Housing**
  - 30%
- **Other**
  - 30%
- **Transportation**
  - 15%
- **Food**
  - 12%
- **Healthcare**
  - 5%
- **TV & Phone**
  - 4%

- **2007**

**Percentages may not total 100% due to rounding.**

---

*Weather-normalized, 2020 real dollars, adjusted for inflation. **CE bill as % of MI household income, current dollars; Source: fred.stlouis.org, bls.gov. †As of June 30, 2020."

. . . provides headroom for additional customer investment.
Customer Satisfaction Improved... 

J.D. Power Scores

Customer Experience

Customer Experience Index (CXi)

Customer Complaints

Electric Gas Residential Business

#1 in Midwest

2012 2019 2012 2019

Electric Gas

+126 pts +142 pts +140 pts +167 pts

616 646 639 679

625 677 779 813

2012 2019 2012 2019


Year-end forecast

YTD thru July 31, 2020

#1 in Midwest

Customer Satisfaction Improved... and remains a top priority.

J.D. Power Scores

Customer Experience

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2012 2019 2012 2019

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625 677 779 813

2012 2019 2012 2019


Year-end forecast

YTD thru July 31, 2020

#1 in Midwest

Customer Satisfaction Improved... and remains a top priority.


76a

<1Kb

>7K

37

... and remains a top priority.
Clean and Lean . . .

Old Utility Model

- Big Build
- Excess supply
- Actual Demand
- Expected Demand

Results in excess capacity, higher cost

Clean and Lean

- Modular
- Fully utilize assets
- EE & DR
- Demand

Matches supply with demand

. . . matches supply with demand in a modular way.
Clean Energy Strategy . . .

Next 5 Years

- 1 Bn gallons of H₂O saved
- 35% reduction of waste to landfills
- 5,000 acres of Michigan land enhanced, restored or protected

By 2040

- Net Zero carbon emissions
- Zero Coal used to generate electricity
- 56% of electricity from renewable sources

. . . focuses on both near-term and long-term targets.
Clean Energy Future . . .

- Elimination of coal
- More renewable energy
- Innovative energy solutions

Consumers Energy Capacity Mix

<table>
<thead>
<tr>
<th></th>
<th>Today</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewables</td>
<td>11%</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>Coal</td>
<td>8%</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>12%</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>Storage</td>
<td>11%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Peaking Plants</td>
<td>28%</td>
<td>42%</td>
<td>56%</td>
</tr>
<tr>
<td>Nuclear</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EWRa</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Energy waste reduction

. . . embodies the Triple Bottom Line/ESG focus.
Net Zero Plans . . .

**Carbon Emissions**

- (Electric System)
  - 2018: (38)%
  - 2024: ~ (45)%
  - 2032: ~ (70)%
  - 2040: > (90)%

- With Potential Offsets:
  - Carbon sequestration (2016)
  - Large-scale tree planting (2023)
  - Landfill methane capture (2031)

With Potential Offsets:
- Carbon sequestration
- Large-scale tree planting
- Landfill methane capture

**Methane Emissions**

- (Gas Delivery System)
  - 2018: Classic retirement (2016)
  - 2024: Kam 162 retirement (2023)
  - 2032: Campbell 162 retirement (2031)
  - 2040: Campbell 3 retirement (2039)

- 2030: Asset retirements & enhanced wells
- 2040: Overstock engine rod packing

2040 Net Zero

- (Since 2005; company-wide)
- (Since 2012)
- (Vintage service replacement)

. . . supported by our Clean Energy Plan.

- Renewable natural gas (~0.3 bcf)
- Damage prevention
- Continued VSR & EIRP

2030 Net Zero
Cleaner Supply Mix . . .

2019 CMS Energy by Fuel Mix

- Gas: 44%
- Coal: 24%
- Nuclear: 17%
- Renewables: 11%
- Pumped Storage: 2%
- Net Interchange Power & Other: 2%

By 2040

<table>
<thead>
<tr>
<th>Remaining Coal Units</th>
<th>Year of Retirement</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classic 7</td>
<td>2016</td>
<td>✔</td>
</tr>
<tr>
<td>Kam 1 &amp; 2</td>
<td>2023</td>
<td>✔</td>
</tr>
<tr>
<td>Campbell 1 &amp; 2</td>
<td>2031</td>
<td></td>
</tr>
<tr>
<td>Campbell 3</td>
<td>2039</td>
<td></td>
</tr>
</tbody>
</table>

Net zero carbon emissions\(^a\)

\(^a\)Carbon emissions company-wide

...today and into the future.
Declining Exposure to Coal...

Coal % of Rate Base*

- 2016: 20% Classic 7 retirement
- Today: <15%
- 2023: <10% Kam 1&2 retirement
- 2040: 0%

Growing Utility Renewables

(Estimated % EPSb)

- 2008: 0%
- 2015*: ~4%
- Todayc: ~9½%
- 2040: $3 - $6 Bn Investment opportunity PLUS Incentives on PPAs and Demand Response

*Coal rate base based on calendar year; total rate base based on a 13-month average.  
bAdjusted (non-GAAP).  
cIncludes ~$45 of energy efficiency spend. Today references 2020.

... with plans to eliminate completely.
Breathing Easier...

Air Emissions Reduction (2005-2019)

- Sulfur: 93%
- Nitrogen: 86%
- Mercury*: 91%
- Particulate Matter: 96%
- Carbon Dioxide: 37%

*Tracking began 2007

- Added emission control equipment
- Net Zero Carbon Emissions by 2040
- Shut down Classic 7 & added Jackson Gas Plant

... doing our part to clean Michigan’s air.
Land & Water Usage . . .

Total Landfill Space Avoided

- More landfill saved!
- ~2.5x reduction

<table>
<thead>
<tr>
<th>Year</th>
<th>Landfill Space Avoided (Total Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992 - 2014</td>
<td>530,338</td>
</tr>
<tr>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>1,307,066</td>
</tr>
</tbody>
</table>

Water Intensity

- Reduction in water usage
- (43)% reduction

<table>
<thead>
<tr>
<th>Year</th>
<th>Water Intensity (Gal/MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>32,102</td>
</tr>
<tr>
<td>2015</td>
<td>18,377</td>
</tr>
<tr>
<td>2019</td>
<td></td>
</tr>
</tbody>
</table>
Energy Efficiency Programs

- Saved customers over $3 Bn on their energy bills since 2009
- Reduced usage by ~4,500 GWh since 2009
- Recycling more than 25,000 appliances each year
- Providing more than 90,000 residential rebates each year
- Completing ~18,000 in home energy audits per year
- Selling more than 3 MM LEDs in stores across the state every year

Equivalent to 1 power plant

$1 of spend is equal to ~$3 customer savings

Electric

- From 1½% to 2% annually (by 2021)
- Next 5 years:
  - Spend ~$160 MM/yr
  - Pre-tax incentive ~$33 MM/yr

Gas

- 1% annually
- Next 5 years:
  - Spend ~$61 MM/yr
  - Pre-tax incentive ~$14 MM/yr

Assumes roughly 700 MW saved

... a fully-subscribed program.
Consumers Energy EV Program . . .

**Investment**: $10 MM over a 3-year period beginning in 2019

**Rebates**: Residential and commercial chargers

**Rates**: Time-of-use that encourages at-home charging during off-peak hours

- [Image: Fast charging stations operating in 4 cities]
- [Image: 30 more operating in early 2021 in 5 additional cities]

Five Components

1. **Residential Charging**
   - Rebate up to $500; no limit on number of rebates

2. **Public/Workplace Charging**
   - Rebate up to $5K/charger; 200 rebates

3. **DC Fast Charging**
   - Rebate up to $70K per charger; limit of 24 rebates

4. **Education and Outreach**
   - Resources to recruit and educate customers

5. **Technology Development**
   - Development of the IT system underpinning EV network

---

. . . that we call PowerMiDrive.
## Utility Renewables...

### Renewable Portfolio Standard (15% RPS)

- 525 MWs of wind
- $1 Bn of capital investment\(^a\)
- Approved in the REP filing
- Projects (COD):
  - Cross Winds 120 MWs (2019)
  - Gratiot 150 MWs (2020)
  - Hillsdale 166 MWs (late 2020)
- Supports state’s 15% RPS by YE 2021

\(^a\)Capital spend reflects estimates over the life of the program

## Integrated Resource Plan (20-Year IRP)

- 1,100 MWs of solar
  - 550 MWs rate base, ~$600 MM
  - 550 MWs PPA, earn WACC (5.88% x PPA price)
- $600 MM of capital investment offset by Karn 1&2 recovery via securitization
- RFP tranches:
  - 2019: 300 MWs for 2022
  - 2020: 300 MWs for 2023
  - 2021: 500 MWs for 2024

---

... approved and helping us to achieve net zero carbon by 2040.
Growing Enterprises Renewables...

Renewable Platform

- Aviator, 525 MWs of contracted wind
  - 51% cash equity ownership (tax equity utilized)
  - Funded with cash on hand, no new equity
  - Offers utility-like returns with creditworthy counterparties

- Operating projects:
  - 27 MWs of contracted solar (MI, WI)
  - 64 MWs of contracted biomass (MI, NC)
  - 105 MWs of contracted wind (OH)

TES
Filer City
Genesee
Grayling

... with an emphasis on clean energy and risk mitigation.
PEOPLE • PLANET • PROFIT

PERFORMANCE
Exceptional Governance . . .

Board of Directors with Diverse Backgrounds

By the Numbers

11 Members

~6 Years of average tenure

91% Independent

. . . led by an independent Chair and diverse Board.
Commitment to DE&I at Board Level . . .

Women’s Share of Board Seats

- CMS: 45%
- S&P 500: 26%

PoC’s Share of Board Seats

- CMS: 27%
- S&P 500: 19%

*Spencer Stuart - Institutional Investor Focus 2020: Board Composition; people of color (PoC) universe includes top 200 publicly traded companies

. . . surpasses the industry average.
Board Experience and Diversity . . .

Diversity

- **61** Average age
- **45%** Female
- **27%** People of color
- **55%** Gender, racial & ethnic diversity

Experience

- Senior Leadership: 100%
- Financing Accounting or Fin. Reporting: 100%
- Regulatory Environment & Governmental Affairs: 100%
- Risk Management: 82%
- Customer Experience: 82%
- Info. Tech. / Safety & Security: 73%
- Utility Mgmt: 36%
- Strategic Planning / Governance: 100%
- Sustainability & Environmental: 91%
- HR & Executive Compensation: 91%
- Lean: 55%

. . . adds to the quality of governance.
Committee Membership Makeup...

<table>
<thead>
<tr>
<th>Name</th>
<th>Audit</th>
<th>Compensation &amp; Human Resources</th>
<th>Executive</th>
<th>Finance</th>
<th>Governance, Sustainability, &amp; Public Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jon E. Barfield</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Deborah H. Butler</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kurt L. Darrow</td>
<td>✔</td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>William D. Harvey</td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
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<tr>
<td>John G. Russell</td>
<td></td>
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<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Suzanne F. Shank</td>
<td>✔</td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Myrna M. Soto</td>
<td>✔</td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>John G. Sznewajs</td>
<td>✔</td>
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<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Ronald J. Tanski</td>
<td></td>
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<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Laura H. Wright</td>
<td>✔</td>
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<td></td>
<td>✔</td>
<td></td>
</tr>
</tbody>
</table>

Contributions >$10K need Board approval

Committee Membership Makeup...

...is focused on key strengths of Board member.
## Committee Responsibilities

### Audit
7 meetings in 2019

- **Oversees:**
  - Integrity of financial statements & information
  - Compliance with legal & regulatory requirements
  - Risk management policies, controls & exposures
- **Reviews:**
  - Performance of internal audit function

### Compensation & Human Resources
7 meetings in 2019

- **Review & Approve:**
  - Executive compensation structure & policies
  - Grant stock & other stock-based awards
  - Financial & business goals
  - Officer stock ownership policy
- **Exercise Power & Authority of the Board:**
  - During the intervals between Board meetings

### Executive
as may be necessary

- **Review:**
  - Financing & investment plans & policies
  - Potential project investments & monitor progress
- **Approve:**
  - Short & Long-term financing plans
  - Financial policies relating to cash flow, capex & dividends

### Finance
3 meetings in 2019

- **Review:**
  - Political & charitable contributions
  - Stakeholder outreach, stewardship & corporate social responsibility & sustainability matters
  - Operation & performance of Board & Committees

### Governance, Sustainability, & Public Responsibility
3 meetings in 2019

- **Exercise Power & Authority of the Board:**
  - During the intervals between Board meetings
Compensation...

Compensation Mix for CEO

- **Base Salary**: 16%
- **Annual Incentive**: 18%
- **Long-term Incentive**: 66%

- **84% Performance Based**
  - Based on EPS (70%) & OCF (30%)
  - 16 1/2% tenure-based

2020 Operational Goals

- **Employee Safety**
- **Employee Empowerment Index**
- **Customer Experience Index (CXi)**
- **Electric Reliability - SAIDI**
- **Generation Customer Value**
- **Gas Flow Deliverability**
- **Eliminate Vintage Services**
- **Demand Response**
- **Trash to Landfill**

*Based on relative TSR & LTI EPS performance*

*100% pledged to local foundation*

*aDream Maker Fund started in Jackson, MI by CMS Energy CEO*
Risks are Carefully Considered . . .

<table>
<thead>
<tr>
<th>Risks</th>
<th>Mitigation Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Environment</td>
<td>• Participation in legislative and regulatory policy development</td>
</tr>
<tr>
<td>Climate Carbon Emissions (Regulation)</td>
<td>• Retired 7 coal plants, and plans to retire remaining 5 plants in fleet</td>
</tr>
<tr>
<td></td>
<td>• Energy Efficiency, Demand Response, and Renewable Energy Programs</td>
</tr>
<tr>
<td>Severe Weather (Ice, Thunder, Snow)</td>
<td>• Increased investment in infrastructure and smart electric systems</td>
</tr>
<tr>
<td>Water Levels</td>
<td>• Monitor lake levels at generation plants</td>
</tr>
<tr>
<td>Natural Disasters</td>
<td>• Geographically located in low-risk area</td>
</tr>
<tr>
<td>Economic Conditions</td>
<td>• Targeted efforts via donations to reduce uncollectible accounts</td>
</tr>
<tr>
<td></td>
<td>• Help local businesses navigate federal and state assistance programs throughout COVID-19 pandemic</td>
</tr>
</tbody>
</table>

. . . and proactive action is taken to mitigate those risks.
Consistent Growth Through . . .

- **EPS**
  - Recession
  - Recession
  - 7% CAGR

- **Dividend**
  - +7%
  - +6% to +8%

- **Weather**
  - Help
  - Hurt

- **Changes**

- **Governor**
  - (D)
  - (R)

- **Commission**
  - (D)
  - (D)
  - (D)
  - (I)

- **Adjustment**
  - Adjusted (non-GAAP)

---

... changing circumstances.
CMS’ Trading Performance . . .

Stock Performance\textsuperscript{a}

Total Shareowner Return\textsuperscript{b}

\textsuperscript{a}10-year stock performance as of December 31, 2019
\textsuperscript{b}Dividends reinvested as of December 31, 2019

. . . has exceeded those of our peers and the broader market.
**Investment Thesis**

- **Clean Energy Leader**
- **Strong Cash Flow & Balance Sheet**
- **Diversified Service Territory**
- **Aging Infrastructure**
- **Constructive Regulation**
- **Affordable Prices**

**Visually**:

- Nearly two decades of industry-leading, financial performance

**Text**:

- **Aging Infrastructure**
- **Constructive Regulation**
- **Clean Energy Leader**
- **Strong Cash Flow & Balance Sheet**
- **Diversified Service Territory**

**Takeaways**

- **Prudent Liquidity Management**
  - 2020 financings largely completed
  - No pension contributions required in 2020

- **Operational Excellence and Track Record**
  - Increased productivity driven by the CE Way
  - Sustainable savings and agile mindset

- **Top-Tier Regulatory Construct**
  - Forward-looking test years
  - 10-month rate cases

- **Visible and Executable 10-yr Capital Plan ($25 Bn)**
  - ~85% of projects are less than $200 MM
  - Renewable projects on track

- **Strong ESG Leadership**
  - Robust DE&I strategy with diverse Board and leadership team
  - Net zero carbon (2040) and net zero methane (2030)\(^a\)

\(^a\)Methane emissions from our natural gas delivery system and carbon emissions company-wide

...remains strong.
GAAP Reconciliation
### Earnings Per Share By Year GAAP Reconciliation

(CMS ENERGY CORPORATION)

**Reported earnings (loss) per share - GAAP**

<table>
<thead>
<tr>
<th>Year</th>
<th>$0.30</th>
<th>$0.64</th>
<th>($0.44)</th>
<th>($0.41)</th>
<th>($1.02)</th>
<th>$1.20</th>
<th>$0.91</th>
<th>$1.28</th>
<th>$1.58</th>
<th>$1.42</th>
<th>$1.66</th>
<th>$1.74</th>
<th>$1.89</th>
<th>$1.98</th>
<th>$1.64</th>
<th>$2.32</th>
<th>$2.39</th>
</tr>
</thead>
</table>

**CAGR**

| Year | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM | NM |

**Pre-tax items:**

**Electric and gas utility**

| Year | 0.32 | (0.60) | - | - | (0.06) | 0.08 | 0.55 | 0.05 | - | 0.27 | - | - | - | - | 0.04 | - | - | 0.02 |

**Tax impact**

| Year | (0.11) | 0.21 | - | - | (0.01) | (0.03) | (0.22) | (0.02) | - | (0.10) | - | - | - | - | (0.01) | 0.12 | [b] | 0.01 | (*) |

**Enterprises**

| Year | 0.91 | 0.97 | 0.06 | (0.12) | 1.67 | (0.02) | 0.14 | (0.05) | * | (0.01) | * | 0.05 | * | * | 0.02 | * |

**Tax impact**

| Year | (0.19) | (0.35) | (0.02) | 0.10 | (0.42) | * | (0.05) | 0.02 | (0.11) | * | (0.02) | (*) | (0.02) | (*) | (*) | 0.20 | (0.02) | (*) |

**EnterBank**

| Year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Tax impact**

| Year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Corporate interest and other**

| Year | 0.25 | (0.06) | 0.06 | 0.45 | 0.17 | 0.01 | 0.01 | * | - | * | * | * | * | * | 0.02 | 0.01 | * | 0.11 |

**Tax impact**

| Year | (0.09) | 0.03 | (0.02) | (0.18) | (0.49) | (0.03) | (*) | (*) | (0.01) | (*) | (*) | (*) | (*) | (*) | (0.01) | 0.19 | (b) | (*) | (0.03) |

**Discontinued operations (income) loss, net**

| Year | (0.16) | 0.02 | (0.07) | (0.03) | 0.40 | (*) | (0.08) | 0.06 | (0.01) | (0.03) | * | (*) | (*) | (*) | (*) | (*) | (*) | (*) | (*) |

**Asset impairment charges**

| Year | - | - | 2.80 | 1.07 | 0.93 | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Tax impact**

| Year | - | - | (0.98) | (0.31) | (0.33) | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Cumulative accounting changes**

| Year | 0.25 | 0.02 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Tax impact**

| Year | (0.09) | (0.01) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Adjusted earnings per share, including MTM - non-GAAP**

| Year | $0.81 | $0.87 | $1.39 | $0.57 | $0.84 | $1.21 | (a) | $1.26 | $1.36 | $1.45 | $1.55 | $1.66 | $1.77 | $1.89 | $2.02 | $2.17 | $2.33 | $2.49 |

**Mark-to-market**

| Year | 0.04 | (0.65) | 0.80 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Adjusted earnings per share, excluding MTM - non-GAAP**

| Year | NA | $0.90 | $0.96 | $1.08 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |

* Less than $0.01 per share.

(a) $1.25 excluding discontinued Exeter operations and accounting changes related to convertible debt and restricted stock.

(b) Reflects the impact of tax reform.