

**CE SHAREHOLDER QUESTION:** “Why in this current WOKE cancel culture environment are you STILL making financial contributions to any Democrats and their PAC's who have demonstrated a desire to dismantle the energy business?”

- Our political action committee, CMS Energy Employees for Better Government (EBG), is employee-run, bipartisan organization that prides itself on being governed by an elected steering committee of volunteer employees.
- According to the EBG By-laws ([linked here](#)), the purpose of the PAC is to:
  - Promote good citizenship and government through personal and financial participation in the elective and governmental process.
  - Develop a well-informed membership, dedicated to the protection, preservation, improvement, strengthening and promotion of the free enterprise system and investor-owned energy companies.
  - Establish programs that will ensure that the collective voice of the membership will be heard on issues important to the Members and the Corporation and its affiliates.
  - Advance, protect and preserve constitutional institutions, the free enterprise system and investor-owned energy companies.
  - Aid in the nomination and election of local, state and federal candidates or officials who generally agree with and espouse the foregoing objectives and principles. It is essential to the success of the EBG and Company to build solid relationships with officials at all levels of the political process.
- Our issues tend to be nonpartisan and we have found in our lasting relationships that often we share the same goals, just have different ways to achieve them.
- We strive not to look at issues from a partisan lens but conduct our business in a transparent way to engage with public officials to build trusted relationships regardless of partisanship.
- We are proud to cultivate working relationships with elected officials from across the political spectrum to advance our company's policy priorities and build sound public policy.

**CMS SHAREHOLDER QUESTION:** “How can we improve Emergency Response Time? I.E. Down Power Line Causing Ground Fire, Getting Power Turned Off - So Local Fire Dept. Can Extinguish Fire Safely?”

- Our top priority is to protect the safety of the public, our communities and customers. From there, our standard is to prioritize emergency orders and wire down orders to relieve First Responders to protect the public. Our continued investment in the infrastructure and new communicating equipment on the grid can enable better visibility, monitoring and response for our customers.

**CMS SHAREHOLDER QUESTION:** "Why was the December 2020 distribution characterized as a return of capital instead of a dividend?"

- A dividend is treated as taxable to shareowners if there is a certain level of Earnings & Profits (E&P). The Q4 2020 dividend was characterized as a return of capital distribution since CMS Energy did not exceed the prescribed level of current year or carryover E&P at the time of the distribution. Therefore, the Q4 2020 dividend is a non-taxable distribution to shareowners.

**CMS SHAREHOLDER QUESTION:** "I have concerns about infrastructure maintenance. It seems in SW Michigan, whenever there is an electrical outage, the recorded line says "TREES". In talking to the subcontractors who do the actual tree trimming, I found they were extremely restricted in simply dropping trees that hung over the 4800 volt lines feeding my neighborhood. They were held to a standard from a "supervisor's spreadsheet" and trees with overhanging branches that ASKED to be removed, was a NO GO; "not on the spreadsheet." Yet they spent hours and hours giving them a "surgical side haircut". I realize some property owners are "greet fanatics" and WANT to save a tree that would literally grow into the lines in short order. What latitude can be granted to shareholders and property owners to provide some common sense requests?."

- Thank you for your question on the company's forestry standards. We have developed line-clearing specifications based on industry standards per Michigan Public Service Commission (MPSC) requirements. The MPSC requires that the Company manages its entire electric system to provide similar reliability to all its customers. The specifications and work plan modelling are extremely sophisticated to accomplish that task. Individual customer (or property owner) requests are addressed for imminent safety and/or reliability concerns; any actions taken in these cases do not go beyond our established line-clearing specifications.
- For more specific standards on our policy, the Company removes overhanging limbs up to a point: 10-20' above the conductors depending on species. In some cases, the overhanging limbs beyond that point are part of the canopy of trees growing outside of our ROW. The Company provides customers three points of contact prior to work being done to address any concerns they may have before line-clearing crews are on site. The contract line-clearance crews execute the work plan and are not authorized to make changes in the field.

**CMS SHAREHOLDER QUESTION:** "With solar investments improving short-term green energy goals yet "kicking the bothersome waste" can down the road for roughly 20 years, what, if any generation investment or research will CMS be doing relative to fourth generation nuclear to meet climate change goals?"

- We've developed our Clean Energy Plan through the state's Integrated Resource Planning (IRP) process, gathering input from a diverse group of key stakeholders and modeling a wide variety of future scenarios and assumptions. Nuclear is a challenging resource due to regulatory, cost, permitting and waste disposal barriers, and is not currently part of the Clean Energy Plan. Further, Consumers Energy is focusing primarily on commercially viable, scalable technologies and not relatively early-stage research.

**CMS SHAREHOLDER QUESTION:** "Why is consumers electrical rates are in the top 10 of the nation? do you project going green will reduce our rates or is this Neanderthals thinking like Biden would say."

- According to U.S. Energy Information Administration (EIA), electric rates in Michigan are not in the top 10 in the nation. Whether you look at residential or commercial and industrial rates using the most recent data from January 2021, we range from 11 to 33 out of 50 states, confirming we are not in the top 10.
- We're committed to keeping energy bills affordable for Michigan families and businesses. From 2012 through 2020, our average residential customers' bills were below the national average. Additionally, we expect the average residential electric customer will pay about \$4 a day for electricity in 2022.
- Electric rates are directly correlated to strengthening our electric system to more safely and reliably provide electricity to 1.8 million Michigan homes and businesses. By upgrading our electric system it positively impacts people's lives.
  - We are replacing poles, lines and electrical equipment.
  - We are clearing tree branches and limbs away from electric lines.
  - We are providing energy more reliably. We plan to reduce the average length of time that customers lack power by nearly 15% from 2020 to 2025.
- We are committed to providing affordable electricity.
  - Our residential customers' bills have increased by an average of 3.3% each year over the past decade.
  - Actual customer bills depend ultimately on how much energy people use. So, households that have energy efficient light bulbs, appliances and smart thermostats often use less energy for typical everyday activities than in the past.

**CMS SHAREHOLDER QUESTION:** "Will you consider suspending political contributions to members of political parties that support secession?"

- Consumers Energy stands for safety above all else, denounces violence, and supports fundamental principles of the democratic process, including fair and free elections.
- Our political action committee, CMS Energy Employees for Better Government (EBG), is employee-run and prides itself on being governed by an elected steering committee of volunteer employees.

- EBG paused ALL contributions to all elected officials following the event that took place at the Capitol on January 6<sup>th</sup>.
- During the pause, the EBG Steering Committee gathered and carefully evaluated member feedback to assess its criteria for political contributions in the future.
- The Steering Committee listened to the PAC members and after many open discussions and careful consideration, the EBG Steering Committee voted to approve a strategy to consider State and Federal PAC contributions on a case-by-case basis. These changes include:
  - Expanding our criteria for evaluating requests for contributions to include voting record and announced positions on a broader view of issues important to the Corporation. We have added cultural values – including Diversity Equity and inclusion (DEI) issues – that consider whether candidates display pragmatism and collaborative engagement with the corporation and in our communities, as well as displaying civility and good judgment.
  - Utilizing the updated criteria to consider all future contributions and continue to monitor and evaluate legislators and candidates on a case-by-case basis. Sharing a list of all supported legislators in the EBG Quarterly Update, which is distributed to all EBG members.

**CMS SHAREHOLDER QUESTION:** “What happens to the odd cents when the dividend from the dividend reinvestment plan is not enough to purchase a fraction of a share? Who is pocketing this money?”

- Fractional shares rounded to three decimal places are deposited to the participant’s account for all dividends paid. Rounding breakage is an accumulation of rounding beyond the first three decimals for fractional shares from all the participants and with our large number of participants, the accumulation results in the company funding the additional dollars required.

**CMS SHAREHOLDER QUESTION:** “What is a greenwashing audit and why do you want me to vote against it?”

- Please see pages 69 to 72 of the proxy statement for more information on the proposal.  
[https://materials.proxyvote.com/Approved/125896/20210309/NPS\\_459788.PDF](https://materials.proxyvote.com/Approved/125896/20210309/NPS_459788.PDF)

**CMS SHAREHOLDER QUESTION:** “All of the members of the Board of Directors have ties to corporations, academic institutions, and NGOs. Why are simple, unconnected shareholders or consumers of Consumers Energy not on the Board?”

- At CMS Energy, Director candidates are sought whose particular background, experiences and qualities meet the needs of the Board. The Board values high

standards of integrity, business ethics and sound judgment, which add value, perspective and expertise to the Board's deliberations.

- The Governance Committee assesses, on a regular basis, the qualifications needed by the Board in light of the Board's current composition and recommends changes to the Board when appropriate; and determines from time to time other criteria for selection and retention of Board members.
- As a note, the Governance Committee has not established any specific, minimum qualifications that must be met by director candidates or identified any specific qualities or skills that the directors must possess. However, as stated in our Principles, the Board will include a broad spectrum of diverse business, political, academic, demographic and social interests.
- The Governance Committee takes a wide range of factors into account in evaluating the suitability of director candidates, including experience in business, leadership, regulated utility, sustainability and environment, risk management, customer experience, safety, governance, accounting, finance, legal, information technology, lean practices, and compensation and human resources, which will bring a diversity of thought, perspective, approach and opinion to the Board.
- The Governance Committee does not have a single method for identifying director candidates but will consider candidates suggested by a wide range of sources.
- For more information on the process, requirements and to submit a nomination, please visit [www.cmsenergy.com/corporategovernance](http://www.cmsenergy.com/corporategovernance) to review the CMS Energy Bylaws. Written notice must be sent to the Corporate Secretary, One Energy Plaza, Jackson, Michigan 49201.

**CMS SHAREHOLDER QUESTION:** "What do you see for the future of CMS in a state with a declining population?"

- We would respectfully disagree with your question that Michigan is declining in population. While the latest census figures show a slight decline, 0.6% in one calendar year, we are seeing some growth in our 6.8 million natural gas and electric customers.
- We are helping Michigan businesses grow all across the state by providing clean, reliable energy. We work to eliminate risk for new and expanding businesses by developing a solid energy foundation that includes competitive industrial electric rate options, low natural gas prices and robust new construction and energy efficiency incentive programs. We create economic opportunity by working directly with state and local economic development agencies across Michigan to understand long-term goals and provide tools beyond energy to reach them. Quite simply, we are transforming Michigan by creating 4,236 new jobs and more than \$2.7 billion in new investments all generated from 2020 projects.

**CMS SHAREHOLDER QUESTION:** “Why didn't consumers convert Cobb Plant to natural gas?”

- The decision to retire the Cobb plant in Muskegon instead of converting it into a natural gas plant was financial. The 14-inch gas line that had served the plant since 2000 was enough to run the 3 peaker units that were converted to natural gas and ignite and heat the water/steam for the 2 coal-fueled units. However, to make investments with the DTE gas distribution system would have cost millions of dollars that it didn't make economic sense given the relatively small size of the units (500 MW total) and the overall age of the plant.

**CMS SHAREHOLDER QUESTION:** “Have any of the generating facilities ever exceeded (dropped below) the 60Hz frequency required to maintain synchronization? By what amount (Hz) ? For what duration (minutes) ? During what event? Thank you.”

- Consumers Energy's generating facilities are synchronized to the Eastern Interconnection electric grid, like all other generators effectively east of the Rocky Mountains. It is the responsibility of grid operators, like the Midcontinent Independent System Operator (MISO), and generator operators to keep the electric grid operating at 60 Hz by balancing electric generation to electric load requirements every moment of every day.
- That being said, the electric grid is a dynamic system. Electric load increases and decreases across the network at all times. Electric generators can come off-line and on-line at any given moment. These occurrences cause the frequency of the electric system to fluctuate above and below 60 Hz throughout the day. Automatic controls on some generating facilities help to control the frequency and increase it when necessary and decrease it when necessary to maintain 60 Hz as close as possible. So, yes, generating facilities have operated below 60 Hz just as they have operated above 60 Hz as the electric system load and online generation changes.

**CMS SHAREHOLDER QUESTION:** “Why do I have to spend almost \$400.00 to get access to the other half of our stock?”

- More information is needed to better understand this specific scenario. In order to best assist you regarding your specific situation to discuss the fees being charged, please contact us at [Shareowner@cmsenergy.com](mailto:Shareowner@cmsenergy.com) or 517-788-0298. The current fee schedule can be found in the CMS Energy Prospectus and lost stock certificates replacement will incur additional fees for processing and surety bond cost.

**CMS SHAREHOLDER QUESTION:** “Is there any plans to purchase other utility companies that operate in the state of Michigan? Like smaller companies that would fill holes in our service area?”

- Our company policy is not to comment on potential M&A activity in general. Our strong bias is to focus on organic growth through the execution of our robust customer investment plan at the utility which will enable us to decarbonize our electric generation resources while improving the safety and reliability of our electric and gas systems to the benefit of customers, the communities we serve and investors.

**CMS SHAREHOLDER QUESTION:** “Will the company or its PAC be providing financial support to legislators and/or political candidates who have actively supported and spread the "Big Lie" denying the legitimacy of the 2020 presidential election? How about those who have actively stated the January 6<sup>th</sup> insurrection at the US Capitol was a hoax?”

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