

## **Statement of Verification Concerning the CMS Energy Scope 1, Scope 2, and Scope 3 Greenhouse Gas Inventory for Calendar Year 2022**

Trinity Consultants (Trinity) has conducted an independent third-party verification of the CMS Energy Corporation (CMS Energy) greenhouse gas (GHG) inventory for calendar year 2022. CMS Energy comprises multiple subsidiaries, most notably Consumers Energy Company (Consumers Energy) and NorthStar Clean Energy Company (NorthStar). For the purpose of this verification, the GHG emissions reported by each entity are filed under the parent company CMS Energy.

CMS Energy prepared a GHG inventory for calendar year 2022 which covers Scope 1, Scope 2, and selected categories of Scope 3 emissions for its US portfolio of electricity generating sites, compressor stations, and administrative offices. Trinity was engaged to review supporting evidence and provide assurance to CMS Energy that the activity data, calculations, and formulas used in the company's GHG inventory are accurate, reliable, and of suitable quality to characterize enterprise-wide GHG emissions for the reported year.

### **Organizational and Operational Boundaries**

- Equity Ownership, US Portfolio
- Scope 1 emissions addressing stationary combustion sources and fugitive leaks from natural gas delivery equipment
- Scope 2 emissions (location-based and market-based) addressing purchased electricity
- Scope 3 emissions addressing the following categories:
  - Purchased Goods and Services (Category 1)
  - Capital Goods (Category 2)
  - Fuel-and-Energy Related Activity (Category 3)
  - Waste Generated in Operations (Category 5)
  - Business Travel (Category 6)
  - Employee Commuting (Category 7)
  - Use of Sold Products (Category 11)

### **GHG Calculation and Reporting Protocols**

- The Climate Registry: General Reporting Protocol
- The Climate Registry: Electric Power Sector (EPS) Protocol
- US EPA Mandatory Greenhouse Gas Reporting Rule Equations, Subparts C, D, NN and W
- US EPA Emissions & Generation Resource Integrated Database (eGRID) (updated January 2023)
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD)
- WRI/WBCSD Scope 2 Guidance (amendment to the GHG Protocol Corporate Standard)
- WRI/WBCSD Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- US EPA Center for Corporate Climate Leadership GHG Emission Factors Hub (updated March 2023)

#### **GHG Verification Protocol**

- Environmental Resources Trust Corporate GHG Verification Guideline (Tier II), appropriate for basic reporting, and voluntary efforts for which there are no requirements for GHG emissions reduction compliance, suitably adapted

#### **Level of Assurance**

- Limited

#### **Data Verified and Period Covered**

- Scope 1: 17,674,826 metric tons of CO<sub>2</sub> equivalent
- Scope 2, location-based: 13,145 metric tons of CO<sub>2</sub> equivalent
- Scope 2, market-based: 13,884 metric tons of CO<sub>2</sub> equivalent
- Scope 3 emissions addressing the following categories:
  - Purchased Goods and Services (Category 1): 4,309,013 metric tons of CO<sub>2</sub> equivalent
  - Capital Goods (Category 2): 348,701 metric tons of CO<sub>2</sub> equivalent
  - Fuel-and-Energy Related Activity (Category 3): 7,655,958 metric tons of CO<sub>2</sub> equivalent
  - Waste Generated in Operations (Category 5): 27,003 metric tons of CO<sub>2</sub> equivalent
  - Business Travel (Category 6): 5,693 metric tons of CO<sub>2</sub> equivalent
  - Employee Commuting (Category 7): 15,094 metric tons of CO<sub>2</sub> equivalent
  - Use of Sold Products (Category 11): 12,429,612 metric tons of CO<sub>2</sub> equivalent
- January 1, 2022 to December 31, 2022

#### **GHG Verification Methodology**

- Conducted data verification in-person with Consumers Energy and NorthStar staff.
- Reviewed corporate GHG inventory management procedures.
- Ensured that Consumers Energy's and NorthStar's scope and boundaries reflected in the GHG inventory are fair and accurate.
- Interviewed Consumers Energy's Senior Environmental Planner and NorthStar's Environmental Management personnel.
- Selected and reviewed input data and calculations for selected Consumers Energy and NorthStar facilities – including electricity generating facilities, compressor stations, administrative offices, and affiliated US EPA 40 CFR Part 98 Mandatory Reporting Rule Subpart C, D, NN, and W emissions.
- The GHG emissions for which data were verified reflect all of CMS Energy's total Scope 1 and Scope 2 emissions, as well as more than total 90 percent of Scope 3 emissions with recorded data vouched to facility-specific data records.
- Ensured that GHG calculations and emissions factors used result in overall estimates that are accurate, reasonable and without material discrepancies.

#### **Assurance Opinion**

Based on Trinity's process to verify GHG inventories CMS Energy's Scope 1 direct, Scope 2 energy indirect (both location-based and market-based), as well as seven categories of Scope 3 emissions profile for calendar year 2022, no material discrepancies were identified that would indicate that the activity data, emissions calculations, and equations supporting the company's GHG emissions statements are not represented fairly in accordance with the noted Protocols and CMS Energy data management procedures.

Trinity has concluded that CMS Energy has implemented sufficient systems and controls for the accurate collection and analysis of activity data used to determine Scope 1, Scope 2 (location-based and market-based), and seven designated categories of Scope 3 emissions.

**Professional Competence, Due Diligence and Impartiality**

Trinity Consultants is an international consultancy with nearly 50 years of experience developing, reviewing, and providing assurance on emission inventories of all types – including GHG calculations. Professional competence, due diligence and impartiality were exercised via:

- **Independence** – Neither Trinity Consultants nor the Verification Team had any participation in development of the enterprise-wide GHG inventory for CMS Energy. The Verification Team maintained objectivity throughout the GHG assurance process and made determinations based on objective evidence gathered and generated during the evaluation.
- **Ethical Conduct** – The Verification Team demonstrated discretion and observed appropriate confidentiality procedures throughout the GHG assurance process.
- **Fair Presentation** – The findings and conclusions presented in this report are presented truthfully and accurately. No significant obstacles were encountered in executing the GHG verification.
- **Due Professional Care** – The Verification team members possess more than 50 years of collective experience in developing and reviewing GHG inventories. Due professional care and judgment were exercised in conducting the GHG inventory assurance.

Trinity consents to the release of this letter by CMS Energy to CDP in order to satisfy the terms of CDP disclosure requirements, but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this verification statement or our assurance report.

Trinity has prepared a separate report to CMS Energy management detailing the scope and approach for our GHG verification activity and confirming the verification opinion expressed above.



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