Department of Energy
Washington, DC 20585

Order No. 202-25-9

Pursuant to the authority vested in the Secretary of Energy by section 202(c) of the Federal Power Act (FPA),[1] and section 301(b) of the Department of Energy Organization Act,[2] and for the reasons set forth below, I hereby determine that an emergency exists in portions of the Midwest region of the United States due to a shortage of electric energy, a shortage of facilities for the generation of electricity, and other causes. Issuance of this Order will meet the emergency and serve the public interest.

Order Nos. 202-25-3 and 202-25-7

J.H. Campbell Generating Plant (Campbell Plant) is a 1,420 MW coal-fired plant primarily owned by Consumers Energy Company (Consumers) and located in West Olive, MI. In 2021, Consumers announced that it planned to implement a "speed closure" of the Campbell Plant fifteen years before the end of its scheduled design life.[3] Instead of retiring the Campbell Plant at the end of its design life, Consumers planned to accelerate the Campbell Plant's retirement and discontinue its operations on May 31, 2025.

Order No. 202-25-3, issued pursuant to FPA section 202(c), required that the Campbell Plant remain in operation for 90 days, until August 21, 2025. Subsequently, Order No. 202-25-7, issued pursuant to FPA section 202(c), required that the Campbell Plant remain in operation for 90 days, until November 19, 2025. Those orders were based on my determination that emergency conditions existed in the region served by the Midcontinent Independent System Operator, Inc. (MISO). Specifically, I determined that MISO likely faced tight reserve margins during the summer 2025 period, particularly during periods of high demand or low generation resource output. I determined that the continued operation of the Campbell Plant would provide additional generation capacity during these periods which would help prevent the potential loss of power to homes and local businesses in the areas that might have been affected by curtailments or outages that would otherwise pose a risk to public health and safety. I determined that the continued operation of the Campbell Plant was necessary to alleviate immediate and anticipated threats to reliability. My determination was based on a number of facts.

First, the North American Electric Reliability Corporation (NERC) released its 2025

[1] 16 U.S.C. § 824a(c).
[2] 42 U.S.C. §7151(b).
[3] *See Consumers Energy Announces Plan to End Coal Use by 2025; Lead Michigan's Clean Energy Transformation*, Consumers Energy (June 23, 2021), https://www.consumersenergy.com/news-releases/newsrelease-details/2021/06/23/consumers-energy-announces-plan-to-end-coal-use-by-2025-lead-michigans-cleanenergy-transformation.

Summer Reliability Assessment on May 14, 2025. In its assessment, NERC indicated that "[d]emand forecasts and resource data indicate that MISO is at elevated risk of operating reserve shortfalls during periods of high demand or low resource output."[4] In particular, NERC explained that the retirement of thermal generation capacity increased the likelihood of electricity supply shortfalls. NERC anticipated that the near-term period of greatest capacity shortfall for MISO would likely occur in August.[5]

Second, multiple generation facilities in Michigan have retired in recent years. According to the U.S. Energy Information Administration (EIA), "[s]ince 2020, about 2,700 megawatts of coal-fired generating capacity have been retired and no new coal-fired facilities are planned."[6] Additionally, EIA stated, "[t]ypically, Michigan's nuclear power plants have supplied about 30% of in-state electricity, but the amount of electricity generated by nuclear power plants in Michigan has declined as plants have been decommissioned."[7] The state's Big Rock Point nuclear power plant shut down in 1997, and the Palisades nuclear power plant closed in 2022. The Palisades plant remains unavailable, although according to a recent news report, "Holtec International expects the Palisades plant in Michigan to resume service early next year…."[8]

Third, the Campbell Plant's retirement would have further decreased available dispatchable generation within MISO's service territory, adding to the loss of the other 1,575 MW of natural gas and coal-fired generation that has retired since the summer of 2024. Although MISO and Consumers have incorporated the planned retirement of the Campbell Plant into their supply forecasts and Consumers acquired a 1,200 MW natural gas power plant in Covert, MI, the NERC Assessment still anticipates "elevated risk of operating reserve shortfalls."[9]

Fourth, MISO's Planning Resource Auction Results for the 2025-2026 Planning Year, released in April 2025, noted that for the northern and central zones, which include Michigan, "new capacity additions were insufficient to offset the negative impacts of decreased accreditation, suspensions/retirements and external resources."[10] While the results "demonstrated sufficient

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[4] *2025 Summer Reliability Assessment*, North American Electric Reliability Corporation, at 16 (May 2025), https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_SRA_2025.pdf (NERC 2025 Summer Reliability Assessment).

[5] *Id.*

[6] *Michigan State Profile and Energy Estimates*, U.S. Energy Info. Admin. (Oct. 17, 2024), https://www.eia.gov/state/print.php?sid=MI.

[7] *Id.*

[8] *Nuclear plants face decadelong timeline to meet AI energy needs,* Los Angeles Times. (Nov. 13, 2025), https://www.latimes.com/business/story/2025-11-13/despite-80-billion-commitment-nuclear-plants-face-decade-long-timeline-to-meet-ai-energy-needs.

[9] NERC 2025 Summer Reliability Assessment at 16.

[10] *Planning Resource Auction—Results for Planning Year 2025–2026,* Midcontinent Independent System Operator, Inc., 13 (May 29, 2025), https://cdn.misoenergy.org/2025%20PRA%20Results%20Posting%2020250529_Corrections694160.pdf. (MISO Planning Resource Auction – Results for Planning Year 2025-26).

capacity," the summer months reflected the "highest risk and a tighter supply-demand balance" and these results "reinforce the need to increase capacity."[11]

Continuing Emergency Conditions

The emergency conditions that led to the issuance of Order Nos. 202-25-3 and 202-25-7 continue, both in the near and long term.[12] The production of electricity from the Campbell Plant will continue to be a critical asset to maintain reliability in MISO. According to the U.S. Environmental Protection Agency's data, the plant has generated an average of approximately 509,000 MWh per month, from June 2025 through September 2025,[13] providing vital generation capacity to the region. Additionally, between June 11 and November 5, MISO issued dozens of alerts to manage grid reliability in its Central Region in response to hot weather, severe weather, high customer load, forced generation outages, and transfer capability limits.

MISO's year-round resource adequacy concerns are well documented. In 2022, MISO requested Federal Energy Regulatory Commission (FERC) approval of its filing to revise its resource adequacy construct (including the Planning Resource Auction or PRA) to establish capacity requirements for each of the four seasons of the year rather than on an annual basis determined by peak summer demand.[14] MISO justified this revision by explaining that "Reliability risks associated with resource adequacy have shifted from 'Summer only' to a year-round concern."[15] MISO noted that over 60% of all "MaxGen" events (events when MISO initiates emergency procedures because of concerns over the adequacy of available generation) occurred outside of the summer season.[16]

In December of 2023, MISO released an "Attributes Roadmap," in which it presented "an in-depth look at the challenges of operating a reliable bulk electric system in a rapidly transforming energy landscape."[17] Among other things, this report described changes in the time of year during

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[11] *Id*. at 2,12. For further information regarding the determination that emergency conditions existed, *see* Order No. 202-25-7.

[12] Further, as noted in Order No. 202-25-7, as a coal-fired facility, it would be difficult for the Campbell Plant to resume operations once it has been retired. Specifically, any stop and start of operation creates heating and cooling cycles that could cause an immediate failure that could take 30-60 days to repair if a unit comes offline. In addition, other practical issues, such as employment, contracts, and permits may greatly increase the timeline for resumption of operations. Further, if Consumers were to begin disassembling the plant or other related facilities, the associated challenges would be greatly exacerbated. Thus, continuous operation is required in such cases so long as the Secretary determines a shortage exists and is likely to persist.

[13] *See, Custom Data Download, EPA CAMPD (Clean Air Markets Program Data), https://campd.epa.gov/data/custom-data-download (search criteria to produce these results could include Emissions >> Monthly >> Unit (default) >>Apply >>"2025" and "June, July, August, September." The data can then be filtered to only include the JH Campbell Plant.)*

[14] M*idcontinent Independent System Operator, Inc.,* FERC Docket No. ER22-495-000 (Nov. 30, 2021). This request was approved by FERC on August 31, 2022. Midcontinent Independent System Operator, Inc.*,* 180 FERC ¶ 61,141 (2022).

[15] MISO Transmittal Letter at 3, FERC Docket No. ER22-495-000 (Nov. 30, 2021).

[16] Id. at 3-4.

[17] *Attributes Roadmap*, MISO (Dec. 2023), https://cdn.misoenergy.org/2023%20Attributes%20Roadmap631174.pdf

which the risk of the loss of load was greatest. For the 2023/24 Planning Year, the greatest risk of loss of load was in the summer, but it is expected that by the summer of 2027, there will be an equal loss of load risk in both the summer and fall seasons. MISO also projects that the risk of loss of load in the winter and spring seasons, although not as high as in the summer or fall, will nevertheless increase over time.[18]

More recently, MISO affirmed the resource adequacy problems occurring outside of its summer season in its 2024 report entitled, "*MISO's Response to the Reliability Imperative."*[19] In a section of that report entitled "Risks in Non-Summer Seasons," MISO again stressed that it has resource reliability concerns outside of the summer season.

> Widespread retirements of dispatchable resources, lower reserve margins, more frequent and severe weather events and increased reliance on weather-dependent renewables and emergency-only resources have altered the region's highest historic risk profile, creating risks in non-summer months that rarely posed challenges in the past.[20]

These MISO studies indicate that the emergency conditions caused by the loss of generation capacity in MISO extend past the summer season.

While the 2025 – 2026 NERC Winter Reliability Assessment has not yet been released as of the date of this Order, two recent winter studies (2024 – 2025 NERC Winter Reliability Assessment[21] and the 2023 – 2024 NERC Winter Reliability Assessment[22]) have assessed the MISO assessment area as an elevated risk, with the "potential for insufficient operating reserves in above-normal conditions." Specifically, the 2024 – 2025 Winter Reliability Assessment noted that "[ge]nerating capacity is 10 GW lower (-6.8%) compared to the prior winter as generators have retired, withdrawn from MISO's capacity market, or received lower winter accredited capacity."[23]

The evidence indicates that there is also a potential longer term resource adequacy emergency in MISO. When MISO reported the results of its PRA for the 2025-26 Planning Year, it noted that "new capacity additions were insufficient to offset the negative impacts of decreased

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[18] *Id.* at 11.

[19] *MISO's Response to the Reliability Imperative*, MISO (Updated Feb. 2024), https://cdn.misoenergy.org/2024+Reliability+Imperative+report+Feb.+21+Final504018.pdf

[20] *Id.* at 12.

[21] 2024 – 2025 NERC Winter Reliability Assessment at 5, https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_WRA_2024.pdf

[22] 2023 – 2024 NERC Winter Reliability Assessment at 5, https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_WRA_2023.pdf

[23] 2024 – 2025 NERC Winter Reliability Assessment at 15, https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_WRA_2024.pdf

accreditation, suspensions/retirements and external resources" in the northern and central zones, which include Michigan.[24]

On June 6, 2025, the Organization of MISO States (OMS) and MISO issued the results of their survey, which has been conducted annually for many years to determine the degree to which expected capacity resources satisfy planning reserve margin requirements.[25] The 2025 Survey presented projections of resource adequacy for the summer of 2026 and subsequent years. Although the survey projected a potential capacity surplus for the summer of 2026, it also projected that at least 3.1 GW of additional generation capacity beyond currently committed generation capacity must be added to meet the projected planning reserve margin.[26] The survey also projected that there would be insufficient capacity to meet the peak demand for electricity in each of the following four summers, increasing from a deficit of 1.4 GW in 2027 to 8.2 GW in 2030.[27] Similar results were projected for MISO's winter seasons, with a small surplus of generation capacity in 2026, followed by increasing deficits the following four years.[28]

The primary reasons for these projected deficits also are shown on the OMS-MISO survey. Large amounts of existing generation capacity are projected to be retired each year while, at the same time, the demand for electricity is projected to increase at an accelerating pace.[29] Although the OMS-MISO survey projects generation capacity to continue to increase in the coming years with the addition of new potential generation assets, the increase in capacity is largely offset by the projected retirements, and does not keep up with the growth in demand.[30]

MISO has been taking steps to address these projected deficits. For example, on June 6, 2025, MISO submitted a proposal to FERC to establish an Expedited Resource Addition Study (ERAS) process to provide a framework for the expedited study of interconnection requests to address urgent resource adequacy and reliability needs in the near term. This proposal was approved by FERC on July 21, 2025.[31] The ERAS process should help expedite the construction of needed new capacity. However, resources studied under the ERAS will have commercial operation dates that are at least three years away, and are provided an additional three-year grace period to commence commercial operations.[32] In addition, supply chain constraints impeding the acquisition of critical grid components, including large natural gas turbines and transformers, are

[24] MISO Planning Resource Auction – Results for Planning Year 2025-26 at 13.
[25] *OMS-MISO Survey Results*, OMS and MISO (Updated June 6, 2025) https://cdn.misoenergy.org/20250606%20OMS%20MISO%20Survey%20Results%20Workshop%20Presentation702311.pdf
[26] *Id.* at 2.
[27] *Id.* at 7.
[28] *Id.* at 9
[29] *Id.* at 7, 9.
[30] *Id.*
[31] M*idcontinent Independent System Operator, Inc.,* 192 FERC ¶ 61,064 (2025).
[32] 192 FERC ¶ 61,064 at P 84.

likely to further hinder rapid construction and exacerbate reliability concerns.[33] Consequently, the new ERAS process is unlikely to result in the addition of any new generation capacity in the next few years.

Order Nos. 202-25-3 and 202-25-7 were preceded by executive orders on January 20, 2025, and April 8, 2025, in which President Donald J. Trump underscored the dire energy challenges facing the Nation due to growing resource adequacy concerns. Specifically, in Executive Order 14262, "Strengthening the Reliability and Security of the United States Electric Grid," President Trump emphasized that "the United States is experiencing an unprecedented surge in electricity demand driven by rapid technological advancements, including the expansion of artificial intelligence data centers and increase in domestic manufacturing."[34] President Trump likewise recognized, in Executive Order 14156, "Declaring a National Energy Emergency," that the "United States' insufficient energy production, transportation, refining, and generation constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy."[35] The Executive Order adds: "Hostile state and non-state foreign actors have targeted our domestic energy infrastructure, weaponized our reliance on foreign energy, and abused their ability to cause dramatic swings within international commodity markets."[36]

The Department's July 2025 Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid, issued pursuant to the President's directive in Executive Order 14262, details the myriad challenges affecting the Nation's energy outlook. "Absent decisive intervention, the Nation's power grid will be unable to meet projected demand for manufacturing, re-industrialization, and data centers driving artificial intelligence (AI) innovation."[37] The prolific growth of data centers for the development of AI, as well as their immense energy needs, presents a new and unexpected source of load growth. This growth is illustrated by the fact that there are more than twenty AI companies operating in Michigan alone.[38] In addition, as just one example,

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[33] *See generally*, *US Gas-Fired Turbine Wait Times as Much as Seven Years; Costs Up Sharply*, S&P Global (May 2025), US gas-fired turbine wait times as much as seven years; costs up sharply | S&P Global. "With demand for natural gas-fired turbines in the US rapidly accelerating amid power demand growth forecasts driven by AI, manufacturing, and electrification, wait times for turbines are anywhere between one and seven years depending on the model, and costs have increased considerably, experts told Platts."

[34] Executive Order No. 14262, 90 Fed. Reg. 15521 (Apr. 8, 2025) (*Strengthening the Reliability and Security of the United States Electric Grid*), https://www.whitehouse.gov/presidential-actions/2025/04/strengthening-the-reliabilityand-security-of-the-united-states-electric-grid/.

[35] Executive Order No. 14156, 90 Fed. Reg. 8433 (Jan. 20, 2025) (*Declaring a National Energy Emergency*), https://www.whitehouse.gov/presidential-actions/2025/01/declaring-a-national-energy-emergency/.

[36] *Id*.

[37] *See also Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid*, U.S. Department of Energy (July 2025), at 1, https://www.energy.gov/sites/default/files/2025-07/DOE%20Final%20EO%20Report%20%28FINAL%20JULY%207%29.pdf.

[38] Ekku Jokinen, *Top 21 Artificial Intelligence Companies in Michigan*, (last accessed Aug. 13, 2025), https://www.inven.ai/company-lists/top-21-artificial-intelligence-companies-in-michigan.

Consumers has announced an additional 1 GW of new power to a planned hyperscale data center and "continue[s] to see positive momentum with data centers within the 9 GW pipeline . . . ."[39]

Grid operators — including MISO itself — have also acknowledged the Nation's current energy crisis. For instance, during a March 25, 2025, hearing before the House Committee on Energy and Commerce, Jennifer Curran, Senior Vice President, Planning and Operations, MISO, testified that "the MISO region faces resource adequacy and reliability challenges due to the changing characteristics of the electric generating fleet, inadequate transmission system infrastructure, growing pressures from extreme weather, and rapid load growth."[40] Ms. Curran also described "much stronger growth [in demand for electricity] from continued electrification efforts, a resurgence in manufacturing, and an unexpected demand for energy-hungry data centers to support artificial intelligence."[41] She added, "[a] growing reliability risk is that the rapid retirement of existing coal and gas power plants threatens to outpace the ability of new resources with the necessary operational characteristics to replace them."[42]

Pursuant to section 202(c)(4)(B) of the FPA, the Department has consulted with the primary Federal agency with expertise in the environmental interest protected by the laws or regulations that may conflict with this Order. The agency did not submit additional conditions for inclusion in this Order.

ORDER

FPA section 202(c)(1) provides that whenever the Secretary of the Department of Energy determines "that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy," then the Secretary has the authority "to require by order . . . such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest."[43] This statutory language constitutes a specific grant of authority to the Secretary to require the continued operation of the Campbell Plant when the Secretary has

[39] *See Michigan utility Consumers Energy to provide 1GW of power to new hyperscale data center*, Data Center Dynamics (August 05, 2025), https://www.datacenterdynamics.com/en/news/michigan-utility-consumers-energy-toprovide-1gw-of-power-to-new-hyperscale-data-center/ (quoting Consumers Energy CEO Garrick Rochow).
[40] Keeping the Lights On: Examining the State of Regional Grid Reliability Before the House Committee on Energy and Commerce, Subcommittee on Energy, 119th Cong. (Mar. 25, 2025) (statement of Ms. Jennifer Curran, Senior Vice President for Planning and Operations, Midcontinent Independent System Operator), at 5, https://democratsenergycommerce.house.gov/sites/evo-subsites/democrats-energycommerce.house.gov/files/evo-mediadocument/witness-testimony_curran_eng_grid-operators_03.25.2025.pdf
[41] *Id.* at 6.
[42] *Id.* at 7.
[43] Although the text of FPA section 202(c) grants this authority to "the Commission," section 301(b) of the Department of Energy Organization Act transferred this authority to the Secretary of the Department of Energy. *See* 42 U.S.C. § 7151(b).

determined that such continued operation will best meet an emergency caused by a sudden increase in the demand for electric energy or a shortage of generation capacity.

Such is the case here. As described above, the emergency conditions resulting from increasing demand and shortage from accelerated retirements of generation facilities supporting the issuance of Order Nos. 202-25-3 and 202-25-7 will continue in the near term and are also likely to continue in subsequent years. This could lead to the loss of power to homes and local businesses in the areas affected by curtailments or outages, presenting a risk to public health and safety. Given the responsibility of MISO to identify and dispatch generation necessary to meet load requirements, I have determined that, under the conditions specified below, continued additional dispatch of the Campbell Plant is necessary to best meet the increased demand and determined shortage and serve the public interest under FPA section 202(c).

To ensure the Campbell Plant will be available if needed to address emergency conditions, the Campbell Plant shall remain in operation until February 17, 2026.[44]

Based on my determination of an emergency set forth above, I hereby order:

A. From November 19, 2025, MISO and Consumer Energy shall take all measures necessary to ensure that the Campbell Plant is available to operate. For the duration of this Order, MISO is directed to take every step to employ economic dispatch of the Campbell Plant to minimize cost to ratepayers. Following the conclusion of this Order, sufficient time for orderly ramp down is permitted, consistent with industry practices. Consumers Energy is directed to comply with all orders from MISO related to the availability and dispatch of the Campbell Plant.

B. To minimize adverse environmental impacts, this Order limits operation of dispatched units to the times and within the parameters as determined by MISO pursuant to paragraph A. MISO shall provide a daily notification to the Department (via AskCR@hq.doe.gov) reporting whether the Campbell Plant has operated in compliance with the allowances contained in this Order.

C. All operation of the Campbell Plant must comply with applicable environmental requirements, including but not limited to monitoring, reporting, and recordkeeping requirements, to the maximum extent feasible while operating consistent with the emergency conditions. This Order does not provide relief from any obligation to pay fees or purchase offsets or allowances for emissions that occur during the emergency condition or to use other geographic or temporal flexibilities available to generators.

[44] 16 U.S.C. § 824a(c)(4).

D. By December 3, 2025, MISO is directed to provide the Department of Energy (via AskCR@hq.doe.gov) with information concerning the measures it has taken and is planning to take to ensure the operational availability of the Campbell Plant consistent with this Order. MISO shall also provide such additional information regarding the environmental impacts of this Order and its compliance with the conditions of this Order, in each case as requested by the Department of Energy from time to time.

E. Consumers is directed to file with the Federal Energy Regulatory Commission Tariff revisions or waivers to effectuate this Order, as needed. Rate recovery is available pursuant to 16 U.S.C. § 824a(c).

F. This Order shall not preclude the need for the Campbell Plant to comply with applicable state, local, or Federal law or regulations following the expiration of this Order.

G. Because this Order is predicated on the shortage of facilities for generation of electric energy and other causes, the Campbell Plant shall not be considered a capacity resource.

H. This Order shall be effective from 00:00 Eastern Standard Time (EST) on November 19, 2025, and shall expire at 00:00 EST on February 17, 2026, with the exception of applicable compliance obligations in paragraph D.

Issued in Washington, D.C. at 5:58PM EST on this 18th day of November 2025.

Chris Wright

Chris Wright
Secretary of Energy

cc:

FERC Commissioners
Chairman Laura V. Swett
Commissioner David Rosner
Commissioner Lindsay S. See
Commissioner Judy W. Chang
Commissioner David A. LaCerte

Michigan Public Service Commissioners

Chairman Dan Scripps
Commissioner Katherine Peretick
Commissioner Shaquila Myers

UNITED STATES DEPARTMENT OF ENERGY

Midcontinent Independent System Operator	Order No. 202-25-3

MOTION TO INTERVENE AND PETITION FOR REHEARING OF THE STATES OF MINNESOTA AND ILLINOIS

Pursuant to section 202 (c) of the Federal Power Act, 16 U.S.C. §§ 824a(c), 825l, the States of Minnesota and Illinois ("the States") move to intervene and petition for rehearing of the Department of Energy's ("DOE") May 23, 2025, Order No. 202-25-3 ("Order," Exhibit 1) directing the Midcontinent Independent System Operator ("MISO") to ensure that the coal-burning J.H. Campbell Plant ("Campbell Plant") in West Olive, Michigan, operated by Consumers Energy, remains available to operate through August 20, 2025, expiring at 00:00h on August 21, 2025.

Pursuant to the Federal Power Act ("the Act") and Department procedures applying it to petitions for rehearing, the States hereby file this timely request for rehearing of DOE's Order. The Order proceeds from a faulty conclusion that an emergency exists for the MISO Regional Transmission Organization ("RTO")—specifically for the summer months of 2025. This Order exceeds DOE's legal authority in several respects. And even if an emergency did exist and DOE had the legal authority to issue an Order, this Order is not rationally related to meet the purported need. It should be rescinded.

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MOTION TO INTERVENE

The States[1] move to intervene in this proceeding and thereby to become a party for purposes of Section 313l of the Act, 16 U.S.C. § 825l. The States have an interest in and are aggrieved by the Order in several ways and seek to intervene and petition for rehearing. *FDR v. R.J. Reynolds Vapor Co.*, 606 U. S. ___ (2025) (slip op., at 3–8) (defining an "adversely affected or aggrieved" party within the APA and without as "anyone even 'arguably within the zone of interests to be protected or regulated by the statute . . . in question.'" (quoting *Association of Data Processing Service Organizations, Inc. v. Camp*, 397 U. S. 150, 153 (1970))).

Factual Background

The utilities in the States are members of MISO, the electric grid operator for the central United States. MISO covers the largest geographical range of any independent system operator ("ISO") in the U.S. The 15 states covered by MISO are: Arkansas, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, North Dakota, South Dakota, Texas, and Wisconsin. As the ISO of the electric grid in this region, MISO manages the flow of electricity across the high-voltage, long-distance power lines. To do so, MISO develops rules so that the wholesale electricity transmission system operates reliably and safely. MISO has described this as being like the "air traffic controller" for the grid in its territory[2], meaning that MISO seeks to resolve power congestion (traffic) issues in real-time through its control room and has processes in place to anticipate and avoid emergencies that could lead to the loss of power.

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[1] *See* Minn. Stat. § 8.01 ("The attorney general shall appear for the state in all causes in the supreme and federal courts wherein the state is directly interested; also in all civil causes of like nature in all other courts of the state whenever, in the attorney general's opinion, the interests of the state require it.).

[2] "Meet MISO," https://www.misoenergy.org/meet-miso/about-miso/industry-foundations/what-we-do/ (last visited June 23, 2025).

On May 23, 2025, the DOE issued an emergency order pursuant to section 202(c) of the Federal Power Act to MISO. *See* Ex. 1; *see also* 16 U.S.C. § 824(c)(1). The Order directs MISO, in coordination with Consumers Energy, the owner of the plant, to ensure that the Campbell Plant in West Olive, Michigan remains available for operation. *Id.* Consumers Energy announced its plan to retire the coal facility in 2021, and MISO approved that plan three years ago, in March 2022.[3]

Adverse Effects

The States will be adversely affected by the emergency order preventing the planned retirement of the Campbell Plant in two primary ways.

First, households and businesses in the States, and the States as consumers in their own right, all will pay higher electricity bills as a result of the Order's imposition of costs and cost-recovery to the States. By ordering the Campbell Plant to take all steps necessary to be available and ordering MISO to take all steps necessary for the Campbell Plant to provide economic dispatch, costs are already being incurred and more costs will continue to be generated. Notably, the age of the units is concerning for costs, and Consumers Energy projected in 2021 that retiring Campbell in 2025 would avoid $365,008,000 in capital expenditures and major maintenance costs.[4] The Order would likely require at least a portion of capital expenditures and major maintenance costs that were not completed in the last four years, which will potentially drive up

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[3] *See* Consumers Energy, "2021 Clean Energy Plan," https://www.consumersenergy.com/-/media/CE/Documents/company/IRP-2021.pdf (last accessed June 23, 2025).

[4] *In the matter of the application of Consumers Energy Company for approval of its integrated resource plan pursuant to MCL 460.6t and for other relief*, MPSC Case No. U-21090, Revised Direct Testimony of Norman J. Kapala on Behalf of Consumers Energy Company at 3 (Oct. 2021).

costs and impact ratepayer bills. This would be in addition to the cost of rehiring operators and obtaining more coal, among other expenses.

Although the precise amount is not yet known, the Order provides that cost recovery is available to Consumers Energy through Federal Energy Regulatory Commission ("FERC") proceedings, which Consumers Energy has already initiated. Consumers Energy filed a petition FERC[5] asking for a process to allocate costs (net of market revenues) across all of MISO Zones 1 through 7 (which includes Minnesota and Illinois). They ask that costs be apportioned according to load, which would assign costs to the States. MISO has already filed its answer indicating its general support for adjusting its tariff to account for Consumers Energy's cost recovery petition, meaning the costs would be charged to the States according to their respective share of load.

Second, the States will suffer environmental harms as a result of the Order. The Campbell Plant is a significant source of particulate matter, nitrogen oxides, sulfur oxides, and carbon dioxide,[6] among other pollutants. By prolonging the operations of the Campbell Plant beyond its planned retirement date, the Order will increase the amount of pollution emitted in the state of Michigan and other MISO States, causing harm to the public health and welfare.[7] Coal-fired power plants also contribute to regional, national, and global greenhouse gas emissions, which cause global climate change. Climate change directly harms the States, imposes significant additional costs on them for responsive actions and resiliency programs, and threatens state climate goals and comply with federal and state air pollution requirements.

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[5] FERC Docket: EL25-90.

[6] *See In the Matter of the Application of Consumers Energy Co. for Approval of Its Integrated Res. Plan Pursuant to Mcl 460.6t & for Other Relief.*, No. U-21090, 2022 WL 2915368, at *73 (June 23, 2022).

[7] *See* Cross-State Air Pollution Rule (CSAPR) and Clean Air Act § 110.

Minnesota, for example, is experiencing rapid changes including higher winter temperatures and larger, more frequent extreme precipitation events, extreme heat, and drought.[8] Each of Minnesota's top-ten combined warmest and wettest years on record have occurred since 1998, with 2024 standing as the warmest year on record and 2019 the wettest.[9] Minnesota is already suffering from a significant uptick in devastating, large-area extreme rain events, threatening the state with ever greater frequency and intensity.[10] These events damage streets, wastewater facilities, businesses, homes, farms, and natural resources, costing local governments, business owners, and residents millions of dollars in cleanup, repairs, and adaptation expenses.[11] Wildfires are also becoming larger and more frequent, including a rash of devastating fires in the spring of 2025 that consumed more than 32,000 acres and destroyed an estimated 150 structures. The spring of 2024 included heavy precipitation and extreme rainfall events, leading to extensive flooding and federal declarations for large parts of the state.[12] From 1980 to 2024, the annual average for billion-dollar weather and climate disasters in Minnesota is 1.4 events per year, but the annual average from 2020 to 2024 is 4.6 events.[13] The "Lost Winter" of 2023-2024 was the

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[8] Minnesota Climate Trends, *Minnesota Department of Natural Resources* (2023), https://www.dnr.state.mn.us/climate/climate_change_info/climate-trends.html.
[9] *Id*.
[10] *Id*.
[11] *Id*.
[12] "Extreme Rainfall Drenches Northeastern Minnesota," Minnesota Department of Natural Resources, https://www.dnr.state.mn.us/climate/journal/extreme-rainfall-northeast-mn-june-18-2024; "Extreme Rain and Flooding in Southern Minnesota, June 20-22," Minnesota Department of Natural Resources, (August 9, 2024), https://www.dnr.state.mn.us/climate/journal/extreme-rain-flooding-southern-minnesota-june-20-22.html; "Disaster information," Minnesota Department of Public Safety, https://dps.mn.gov/divisions/hsem/em-resources/disaster-information (last visited June 23, 2025).
[13] "Billion Dollar Weather and Climate Disasters, Minnesota Summary, *NOAA National Centers for Environmental Information*, Billion-Dollar Weather and Climate Disasters | Minnesota Summary | National Centers for Environmental Information (NCEI)," https://www.ncei.noaa.gov/access/billions/state-summary/MN.

warmest on record, with temperatures averaging 10.9°F above 1991-2020 averages, greatly harming Minnesota's recreational economy.[14] These impacts will continue, and emissions from the Campbell Plant will contribute to them.

Climate change is affecting Illinois in a number of ways. Illinois' farming industry is vulnerable to cycles of extreme drought and extreme precipitation caused by climate change. In 2023, a severe drought dried up soil throughout the state, with extreme dryness extending down to 20 inches below the surface in some areas.[15] In other years, extreme precipitation has threatened Illinois' agriculture. For instance, January to June of 2013 was the wettest period ever recorded in Illinois, causing widespread flooding in farmland that forced farmers to delay planting and lose revenue.[16] Climate change is also intensifying catastrophic extreme weather events. In 2024, the Illinois State Climatologist recorded strong wind, hail, and tornadoes across all of Illinois' 102 counties and the state logged 142 tornadoes—a new annual record.[17] These storms included a July 15, 2024 "derecho" that produced 100 mile-per-hour winds and 48 separate tornados.[18] In the

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[14] *Id*.
[15] Illinois State Climatologist, Drought Worsens in a Very Dry June (June 30, 2023), https://stateclimatologist.web.illinois.edu/2023/06/30/drought-worsens-in-a-very-dry-june/ (last visited May 23, 2025).
[16] University of Illinois–Institute of Government & Public Affairs, Preparing for Climate Change in Illinois: An Overview of Anticipated Impacts (2015), https://indigo.uic.edu/articles/report/Preparing_for_Climate_Change_in_Illinois_An_Overview_of_Anticipated_Impacts/15078939/1 (last visited May 23, 2025). See also U.S. Dept. of Agriculture Climate Hubs and Great Lakes Research Integrated Science Assessment, Climate Change Impacts on Illinois Agriculture (2022), https://www.climatehubs.usda.gov/sites/default/files/2022_ClimateChangeImpactsOnIllinoisAgriculture.pdf (last visited May 23, 2025).
[17] Tony Briscoe, Lake Michigan Water Levels Rising at Near Record Rate, CHICAGO TRIBUNE (July 12, 2015), https://www.chicagotribune.com/2015/07/12/lake-michigan-water-levels-rising-at-near-record-rate/ (last visited May 23, 2025).
[18] National Weather Service, July 15, 2024 Derecho Produces Widespread Wind Damage and Numerous Tornadoes, available at https://www.weather.gov/lot/2024_07_15_Derecho#:~:text=With%2032%20tornadoes%2C%20t

Chicago area alone, the derecho produced 32 tornados, breaking the previous records set by the July 2014 "double derecho" and March 2023 storm.

PETITION FOR REHEARING

I. Overview and Concise Statement of Error

The challenged Order declares an emergency based on a shortage of electric energy generation when there is no emergency. Even if there were an emergency, the Order imposes several requirements that are inconsistent with and exceed DOE's legal authority. And even if DOE had the authority to impose the requirements, they are not directed to actions that will actually meet the purported emergency.

The Order

The challenged Order is premised on an incomplete recitation of MISO's planned capacity and reserves for the summer of 2025. It notes that MISO "faces potential tight reserve margins during the summer 2025 period." Ex. 1 at 1 (emphasis added). It relies on the North American Electric Reliability Corporation's ("NERC") 2025 Summer Reliability Assessment. Ex. 2. That report does not identify any war, fuel shortage, or natural disaster. *Id*. Rather, it evaluates generation resource and transmission system adequacy as well as energy sufficiency to meet projected summer peak demands and operating reserves. Ex. 2 at 5. Here are NERC's main conclusions regarding MISO:

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he%20July,March%2031%2C%202023%20tornado%20outbreaks. (last visited May 25, 2025). See also David Struett, Tornado Record Broken with 27 Chicago Area Twisters July 15—Spawned by 'Ring of Fire', WBEZ CHICAGO, available at https://www.wbez.org/weather/2024/07/24/chicago-weather-tornado-record-derecho-july-15 (last accessed May 23, 2025)

Midcontinent Independent System Operator (MISO): MISO is expecting to have an existing certain capacity of 142,793 MW in the *2025 SRA*, which is a slight reduction from the 143,866 MW submitted for the *2024 SRA*. The retirement of 1,575 MW of natural gas and coal-fired generation since last summer, combined with a reduction in net firm capacity transfers due to some capacity outside the MISO market opting out of the MISO planning resource auction, is contributing to less dispatchable generation in MISO. With higher demand and less firm resources, MISO is at elevated risk of operating reserve shortfalls during periods of high demand or low resource output. MISO's most recent energy assessment reveals that the period of highest energy shortfall risk has shifted from July to August. This shift is driven by the decline in dispatchable generation and the increasing share that solar and wind resources have in meeting demand. The risk of supply shortfalls increases in late summer as solar output diminishes earlier in the day, leaving variable wind and a more limited amount of dispatchable resources to meet demand.

Id. at 5. NERC concluded that all areas were projected to have "adequate anticipated resources for normal summer peak load conditions." *Id*. Indeed, the "elevated risk" designation means the probabilistic indices are low but not negligible. *Id*. at 10, Table 1. And further, the MISO-specific "dashboard" concludes that MISO's expected resources meet operating reserve requirements under normal peak-demand scenarios. At worst, operating mitigations "could" be necessary for above-normal summer peak load and extreme generator outage conditions:

Risk Scenario Summary

Expected resources meet operating reserve requirements under normal peak-demand scenarios. Above-normal summer peak load and extreme generator outage conditions could result in the need to employ operating mitigations (e.g., load-modifying resources and energy transfers from neighboring systems) and EEAs. Emergency declarations that can only be called upon when available generation is at maximum capability are necessary to access load-modifying resources (demand response) when operating reserve shortfalls are projected.

Id. at 16.

The Order then describes how the Campbell Plant was scheduled to cease operations on May 31, 2025, and claims that the Campbell Plant's retirement would further decrease available dispatchable generation within MISO's service territory. Ex. 1 at 1. But NERC's analysis already

factored in an assumption that the Campbell Plant would be retired and unavailable for the summer of 2025.

The Campbell Plant's retirement was well known to MISO operators and accounted for in their robust resource planning processes described in further detail below. Indeed, the Order acknowledges that the retirement was already factored into MISO's own supply forecasts. *Id*. at 2. MISO's Planning Resource Auction Results for Planning Year 2025-26 ("PRA," Exhibit 3), cited in the Order, confirm adequate margin for a reliable summer season. *Id*.

Nonetheless, the Order determined than an emergency exists, and that "additional dispatch of the Campbell Plant is necessary," Ex. 1 at 2, even though the Campbell Plant was not included in any of the MISO forecasts finding sufficient capacity. It further based its determination "on the insufficiency of dispatchable capacity and anticipated demand" even though MISO had already determined that there was sufficient capacity to meet anticipated demand (Exs. 3-4) and NERC's Summer Reliability Assessment also does not conclude otherwise. Ex. 2 at *passim*. Nonetheless, the Order concludes with several imperatives:

- That Consumers Energy must take steps to ensure that the Campbell Plant is "available to operate." And that MISO "is directed to take every step to employ economic dispatch of the Campbell Plant to minimize cost to ratepayers" Ex. 1 ¶ A.
- That MISO is directed to provide DOE a report "concerning the measures it has taken and is planning to take to ensure the operational availability and economic dispatch of the Campbell Plant consistent with the public interest." Ex. 1 ¶ D.
- That "relevant government authorities" are directed to take such action and make accommodations as may be necessary to effectuate the dispatch and operation of the Campbell Plant if the MISO current tariff provisions "are inapposite." Ex. 1 ¶ E.

- That rate recovery is available pursuant to 16 U.S.C. § 824a(c) (also referred to as section 202(c) of the Federal Power Act). Ex. 1 ¶ G.
- That the Order runs through August 20, 2025. Ex. 1 ¶ H.

DOE's Order issued in error. The Department did not have substantial evidence or engage in reasoned decision-making in declaring the existence of an emergency. It starts from the proposition that there is only a "potential" for insufficient capacity that "could" result in a need for mitigation, which does not present an actual existing or imminent emergency. Plus, section 202(c)'s plain terms limit DOE to actual emergencies—not the potential that emergencies might arise. Section 202(c) is also limited in the type of conduct it allows DOE to order, such as directing the generation, delivery, or transmission of electric energy. This Order, however, requires the Campbell Plant to be available to operate. Ex. 1 ¶ A. Nothing in section 202(c) grants DOE authority to order a plant to remain on standby in case an emergency occurs—especially absent any demonstrated need identified by the utility or grid operator. And even if an emergency did exist and DOE had the legal authority to issue an Order, directing a the Campbell Plant to participate in the bidding market using economic dispatch would not rationally the purported need (because there is no evidence the Campbell Plant can reasonably address any given future emergency need, because emergency responses do not require economic evaluation, and because the Campbell Plant takes so long to ramp up). It should be rescinded.

II. Legal Background

Under section 202(c) of the Federal Power Act, the Commission[19] has authority to issue an order:

> [d]uring the continuance of any war in which the United States is engaged, or whenever the Commission determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes. . . .

16 U.S.C. § 824(c)(1). The same subsection states that the Commission may order "temporary connections of facilities" and "generation, delivery, interchange, or transmission of electric energy" that, in the Commission's "judgment will best meet the emergency and serve the public interest." *Id*. The next subsection, 16 U.S.C. § 824(c)(2), establishes that an emergency order must be limited to only those hours necessary to meet the emergency. It states:

> With respect to an order issued under this subsection that may result in a conflict with a requirement of any Federal, State, or local environmental law or regulation, the Commission shall ensure that such order requires generation, delivery, interchange, or transmission of electric energy only during hours necessary to meet

[19] The "Commission" refers to the Federal Power Commission (FPC), whose powers were transferred in 1977 to either the Secretary of DOE or the Federal Energy Regulatory Commission (FERC). 16 U.S.C. § 796(14); Department of Energy Organization Act, Pub. L. No. 95-91, 91 Stat. 565, 565-613 (1977). This transfer gave FERC the authority over "the interconnection, under section 202(b), of such Act [16 U.S.C. 824a(b)], of facilities for the generation, transmission, and sale of electric energy (*other than emergency interconnection*)." 42 U.S.C. § 7172(a)(1)(B) (emphasis added). However, this transfer also gave DOE "the function of the Federal Power Commission, or of the members, officers, or components thereof" except as provided in subchapter IV of the act. 42 U.S.C. § 7151(b). Because 42 U.S.C. § 7172(a)(1)(B) explicitly excludes emergency interconnection from FERC's authority, the authority over emergency interconnection has historically been delegated to DOE. However, the delegation of this emergency authority to DOE has not been consistently applied. In *Richmond Power & Light v. FERC*, 574 F.2d 610 (1978), a petitioner objected to FERC's (not DOE's) failure to invoke emergency powers under 16 U.S.C. § 824a(c) and order utilities with excess capacity to supply the petitioner with energy. The court did not address whether FERC had the authority to declare an emergency to begin with. *Id*. Thus, whether FERC or DOE has the power to declare an emergency is inconclusive.

> the emergency and serve the public interest, and, to the maximum extent practicable, is consistent with any applicable Federal, State, or local environmental law or regulation and minimizes any adverse environmental impacts.

Id. at § 824(c)(2).

The applicable regulations define "emergency," as

> an unexpected inadequate supply of electric energy which may result from the unexpected outage or breakdown of facilities for the generation, transmission or distribution of electric power. Such events may be the result of weather conditions, acts of God, or unforeseen occurrences not reasonably within the power of the affected "entity" to prevent. An emergency also can result from a sudden increase in customer demand, an inability to obtain adequate amounts of the necessary fuels to generate electricity, or a regulatory action which prohibits the use of certain electric power supply facilities. Actions under this authority are envisioned *as meeting a specific inadequate power supply situation*.

10 C.F.R. § 205.371[20] (emphasis added).

III. Statement of Issues

Issue A: Did DOE have substantial evidence for its declaration of an emergency, and did it exercise reasoned decision-making in declaring that an actual emergency exists?

No. DOE relied on a NERC assessment that identified an elevated risk for potential capacity exceedance if an extreme weather event were to occur**.** Further, DOE failed to consider substantial countervailing evidence, including the MISO States' Integrated Resource Plans and MISO's PRA for the summer of 2025. The Order fails to identify any reasoned basis for concluding an actual emergency exists or is imminent.

Issue B: Section 202(c)(1) allows DOE to issue temporary emergency orders in times of actual extant or impending emergencies such as war, sudden demand for electric energy, shortage of fuel or water, or other similar conditions creating a specific inadequate power supply

[20] DOE issued 10 C.F.R. §§ 205.370-379 pursuant to the Department of Energy Organization Act's transfer of emergency responsibilities to the Secretary of Energy.

situation. Did DOE exceed this authority where its Order is based on the nonspecific possibility that such a situation might occur over a period of several months?

Yes. An actual "emergency" is a sudden occurrence requiring immediate response action or a concrete need for energy to be produced; conversely, it is not the mere potential that an emergency might occur. 16 U.S.C. § 824a(c); 10 C.F.R. § 205.371. Emergency orders must respond to "a specific inadequate power supply situation." 10 C.F.R. § 205.371. The Order does not address any sudden occurrence needing imminent response, nor does it identify any actual and specific insufficient supply situation. Thus the Order is contrary to law.

Issue C. Section 202(c)(1) allows DOE to issue emergency orders requiring the "generation, delivery, interchange, or transmission of electric energy." Did DOE exceed this authority where its Order requires the Campbell Plant to take steps to be "available" to generate electricity and requires MISO to employ economic dispatch?

Yes. DOE's emergency powers allow it to order the generation, delivery, interchange, or transmission of electric energy. Section 202(c)(1) does not give the DOE the authority to order that a plant be merely available (absent a showing of why that is needed), nor does it give the DOE authority to order MISO to engage in potential economic dispatch. 42 U.S.C. §16432(b). Because it is not confined to the types of actions allowed under section 202(c)(1), the Order is without authority and contrary to law.

Issue D. If DOE issues an order pursuant to 202(c)(1), then 202(c)(2) requires it to set limits on hours of operation and ensure that environmental impact is minimized. Did DOE exceed its authority by invoking section 202(c) to issue an Order that sets no specific hours of operation, places no limits on hours of operation, and adopts no specific requirements to minimize environmental impact?

Yes. The express statutory language requires an emergency order be limited to only those hours necessary to meet the emergency and minimize adverse environmental impacts. 16 U.S.C. § 824a(c)(2). The Order does not establish any limited hours for operation, and at the same time it allows the Campbell Plant to potentially run at any and all hours for the entire 90 days covered bye the Order. It also does not meaningfully take steps to minimize adverse environmental impacts.

Because the Order does not set any specific hours the Campbell Plant must run, allows for unlimited hours for much of the summer, and doesn't meaningfully minimize adverse environmental impacts, the Order violates the requirements of section 202(c)(2). It is without authority and contrary to law.

Issue E: The Federal Power Act reserves resource adequacy planning to the individual states. Did DOE exceed its authority where its Order directly compels a plant slated for retirement to take steps to be available to operate?

Yes. Section 201(a) of the Federal Power Act explicitly provides that federal regulation over generation and transmission is related to matters of interstate commerce and extends "only to those matters which are not subject to regulation by the States." 16 U. S. C. § 824(a). States retain jurisdiction "over facilities used for the generation of electric energy." 16 U.S.C. § 824(b)(1). Because DOE's Order exceeds its authority by contradicting Michigan's resource plans, it is contrary to law.

Issue F: The states retain primary authority for developing and establishing Integrated Resource Plans or Strategic Energy Plans that get factored into MISO's tariffs. The Order directs "relevant governmental authorities" to accommodate the Order. Does this portion of the Order violate the Tenth Amendment, exceed DOE's authority, and impose arbitrary-and-capricious requirements not based on substantial evidence?

Yes, on all fronts. This section of the Order is incomprehensible and unexplained. It violates the Tenth Amendment to the extent it directs state or local officials to carry out the Order. And Section 202(c) does not include authority to order any unit of government to take any particular action. For all of these reasons, the Order is contrary to law.

Issue G: Even if DOE were correct that an emergency exists and that it had the authority to issue the Order, will the Order's requirements rationally meet the emergency?

No. Section 202(c) contemplates emergency orders that are precisely tailored to meet the specific emergency.16 U.S.C. § 824a(c). Emergency generation is not economic dispatch. Plus, the Campbell Plant is high cost and uneconomical, it requires a long time to ramp up, and there is

no reason to think it would be used to meet any shortfall if one were to happen given other considerations such as transmission infrastructure. The Order's specific requirement for MISO to take steps to effectuate "economic dispatch" of the Campbell Plant is not rationally related to the emergency it purports to address, so the Order is without substantial evidence and lacks reasoned decision-making.

IV. Description of MISO

MISO is a regional transmission organization (RTO), an independent, non-profit, membership-based organization responsible for optimizing generation and transmission of electricity and ensuring the reliability of the electric power system within its region, consisting of nearly 3,000 generating units.[21] 18 C.F.R. § 35.34(a), (j)(1). MISO administers bulk or wholesale power markets that centrally commit and dispatch power to facilitate least-cost and reliable power production and delivery throughout the region. The wholesale markets within MISO signal and value power needs and identify the most economically efficient way—the least-cost approach where demand for energy equals the cost supplied—to meet them across the system.[22] MISO also works to coordinate generation and transmission of electricity with other RTOs, exporting power at times and at others allowing electricity to be imported to MISO.[23] MISO uses advanced

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[21] MISO, *Fact Sheet* (July 2024), available at https://www.misoenergy.org/meetmiso/media-center/2024/corporate-fact-sheet.
[22] MISO, *Electric Grid 101*, available at https://www.misoenergy.org/meet-miso/grid-operations-basics.
[23] MISO, *Interregional Coordination*, available at https://www.misoenergy.org/planning/interregional-coodination/; see also MISO, Historical Net Scheduled Interchange (NSI), at https://www.misoenergy.org/markets-and-operations/real-time--marketdata/ market-reports/ (data found under "Summary" Market Reports).

modeling and thorough research to coordinate short and long-term planning for the benefit of generating units and consumers.[24]

MISO planned for adequate capacity during the summer of 2025: "As recognized by the Order, MISO's Planning Resource Auction for the 2025-2026 Planning Year demonstrated sufficient capacity for all zones within the MISO Region." Ex. 3 at 2. It reports: "it is important to recognize existing processes have *cleared sufficient electric generating capacity across MISO for the periods of time covered by the Order*." *Id*. (emphasis added). And it goes on to describe its confidence that it has already ensured "sufficient capacity to meet anticipated demand across the MISO Region for the 2025-2026 Planning Year." *Id*.

The long-planned retirement of the Campbell Plant is not an impediment to summer reliability in the MISO region. Since 2010, MISO has experienced the retirement of 30.8 gigawatts (GW) of generation capacity, a large proportion of which (21.9 GW) was coal-fired generating units.[25] That trend is shown below in the bar graph (from MISO's 2023 Transmission Expansion Plan Report[26]), which displays the retired capacity by generation type over time:

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[24] MISO, *Transmission and Generation Planning 101*, available at https://www.misoenergy.org/meet-miso/grid_planning_basics.

[25] *See also* MISO, *Approved Generator Retirements (Public) as of June 28, 2024* ("*Approved Retirements 2024*"), https://www.oasis.oati.com/woa/docs/MISO/MISOdocs/OASIS_Posting_of_Approved_Generator_Retirements_(Public)_2024-06-28.pdf).

[26] MISO, *2023 Transmission Expansion Plan*, available at https://cdn.misoenergy.org/MTEP23%20Executive%20Summary630586.pdf.

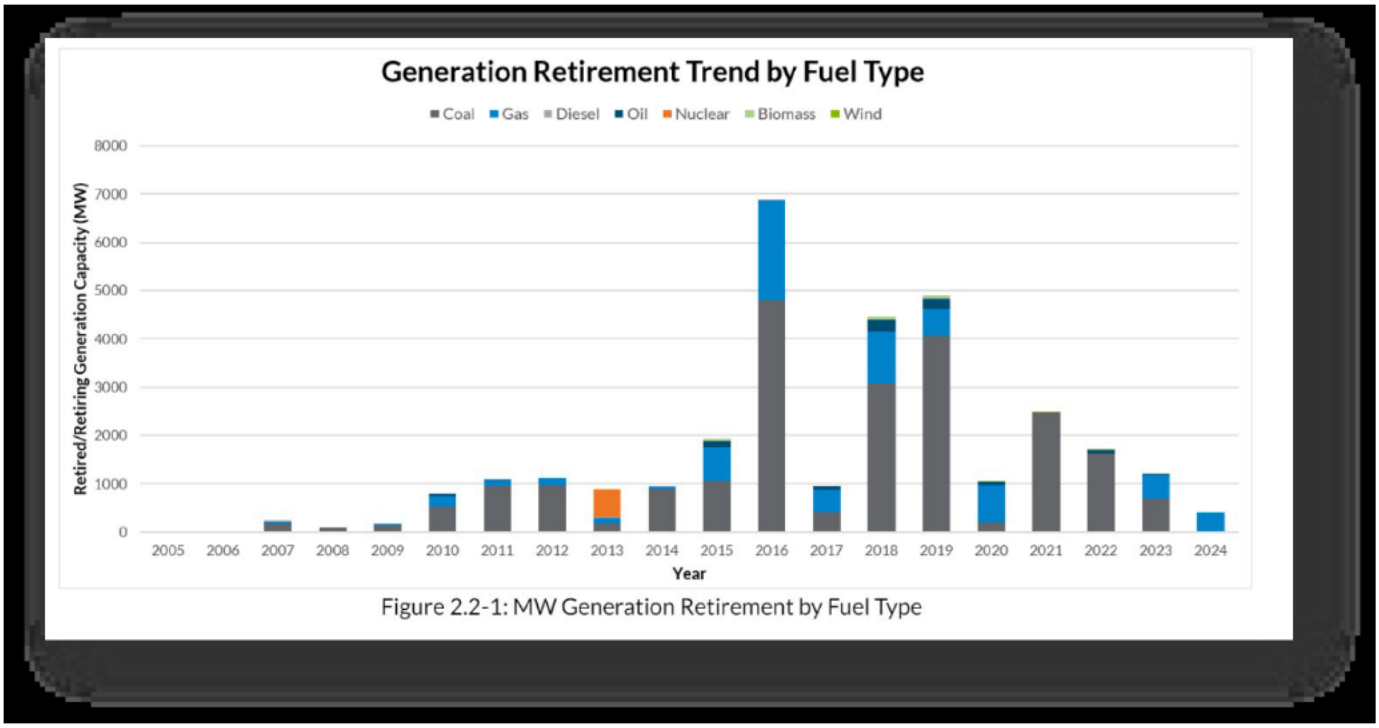

Figure 2.2-1: MW Generation Retirement by Fuel Type

Through use of generation capacity and transmission infrastructure planning, the addition of new capacity—in particular renewables, and the implementation of the other measures discussed above, MISO has been able to absorb these retirements and maintain overall system reliability. *Id*. at 34-35.

V. Argument

A. The Order lacks substantial evidence demonstrating the existence of an actual emergency and DOE failed to engage in reasoned decision-making.

The DOE failed to provide substantial evidence that an unexpected emergency presently exists, as required by 16 U.S.C. § 824a(c)(5). The relevant standard is whether the DOE's determination is supported by substantial evidence. 16 U.S.C. § 824a(c)(5) refers to the possibility of judicial review under 16 U.S.C. § 825l. After an objection has been brought before DOE, the Court may consider it with the understanding that "[t]he finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive." 16 U.S.C. § 825l. Substantial evidence means "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion." *Duke*

Energy Corp. v. FERC, 892 F.3d 416, 420 (2018). This standard implies deference to an agency's factual determinations. *See, e.g., id*.

While DOE failed to provide substantial evidence of a current and unexpected emergency, the evidence DOE provided, does prove however, that there is currently no energy emergency and will not be an "unexpected emergency" that warrants this Order. MISO is well situated to deliver reliable power throughout its area in the summer of 2025.

In declaring the contrary, DOE relied on a NERC assessment that identified an elevated risk for potential capacity exceedance if an extreme weather event were to occur**.** But the Order makes too much out of too little—the "elevated" category is hardly a call for immediate and unnecessary emergency action. As the NERC assessment points out, MISO expects to have an existing certain capacity of 142,783 MW during the summer—a figure that factored in an assumption that the Campbell Plant would be retired and unavailable for the summer of 2025 and that exceeds both expected demand and the reserve margin[27] anyway. While retirements and fewer suppliers meant that MISO would have fewer firm resources and dispatchable generation, that was no cause for alarm. To the contrary, NERC concluded that all areas were projected to have "adequate anticipated resources for normal summer peak load conditions." *Id*. And nothing in the NERC assessment determined that MISO's interconnection with other RTOs would be insufficient to cover any needs that could arise.

The "elevated risk" category is not tantamount to an emergency. Even though NERC used the term "elevated risk" for the possibility that there could be an operating reserve shortfall, NERC did not apply the "high risk" category to MISO, and did not call for any retired plants to be brought

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[27] MISO PRA, Results for Planning Year 2025-26 at 18 (Corrected May 29, 2025).

back online. Ex. 2. at 5. Moreover, the "elevated risk" designation means the probabilistic indices are low but not negligible. *Id*. at 10, Table 1. And further, the MISO-specific "dashboard" concludes that MISO's expected resources meet operating reserve requirements under normal peak-demand scenarios. At worst, operating mitigations "could" be necessary for above-normal summer peak load and extreme generator outage conditions: *Id*. at 16. The "elevated risk" designation is also far from unusual; it has never required an emergency order before, and the grid has remained stable. MISO has been designated as at "elevated" risk in every NERC Summer Reliability Assessment since NERC initiated the practice of designating regions as "high," elevated," or "normal" risk in 2021.[28] NERC has also designated MISO as "elevated" risk in every Winter Reliability Assessment since 2021. *Id*. Yet no energy shortage has occurred and DOE has never imposed an emergency declaration until now.

Such a declaration is simply unnecessary when considering the bigger picture. DOE clearly erred in its consideration of the evidence, *see Wisconsin Power & Light Co. v. FERC*, 363 F.3d 453, 461 (D.C. Cir. 2004) (an appeals court "must consider . . . 'whether there has been a clear error of judgment.'"), including the contradiction in the Order's citation of MISO's PRA for the summer of 2025 which contrary to the Order actually found sufficient capacity throughout the region. The PRA provides a strong conclusion that supply will be adequate. Ex. 3. The press release announcing the PRA, (Exhibit 4), confirms "adequate resources are available to maintain reliability during the upcoming planning year (June 2025 – May 2026)." Ex. 4. And while "the 2025 auction prices reflect a tightening supply-demand balance during the summer months, there is sufficient capacity throughout the MISO footprint." *Id*. The PRA was based on NERC's standard

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[28] *See* NERC*, Reliability Assessments,* https://www.nerc.com/pa/RAPA/ra/Pages/default.aspx (last visited June 23, 2025).

BAL-502-RF-03 (Exhibit 5), requiring assessment of "one day in ten year" loss of load expectation principles. In short, the NERC standard that MISO applied to conduct the PRA demonstrated that MISO will have sufficient capacity through the summer of 2025. Exs. 3-4. MISO's PRA results show that there will be enough capacity in the summer planning year, and MISO notes that the summer auction price provides a signal to the market to add more capacity for future auction years. DOE appears to have cherry-picked certain phrases from the PRA but does not give it full consideration.

Indeed, in MISO's Answer to the cost-recovery docket dated June 19, 2025, MISO highlights the PRA when it describes its certainty it has planned for adequate capacity: "As recognized by the Order, MISO's Planning Resource Auction for the 2025-2026 Planning Year demonstrated sufficient capacity for all zones within the MISO Region." Ex.10 at 2. It further writes, "it is important to recognize existing processes have cleared sufficient electric generating capacity across MISO for the periods of time covered by the Order." *Id*. (emphasis added). And it goes on to describe its confidence that it has already ensured "sufficient capacity to meet anticipated demand across the MISO Region for the 2025-2026 Planning Year." *Id*. This recent submission undermines DOE's conclusions in the order that MISO faces insufficient capacity.

DOE failed to consider recent comments by MISO's Independent Market Monitor to the Markets Committee of the MISO Board of Directors dispelling NERC's purported concerns. See Exhibit 11. The Independent Market Monitor is charged with ensuring adequate supply markets for the MISO region. He criticized a separate NERC long-term reliability assessment (which has

since been revised[29]) that included capacity shortfalls in 2025, noting that NERC's assessment compared the wrong numbers. In doing so, the Independent Market Monitor declared MISO capacity to be "more than adequate," and that he had "no material concerns" over MISO's resource adequacy for the upcoming summer.

DOE also failed to consider MISO's history of strong performance through several extreme weather events including Winter Storms Elliot and Uri, and did not credit MISO's proven track record of engaging in a variety of mechanisms to ensure grid reliability.

DOE further failed to acknowledge that no part of MISO is currently afflicted by any unexpected outage or extreme weather event, and the entire system is running as planned with no outages, unexpected demand, lack of fuel or water, or other such emergencies in place at the time of the order.

Given all of these countervailing considerations, DOE did not have substantial evidence supporting its emergency determination. It did not exercise reasoned decision-making in declaring that an emergency exists. Its Order is arbitrary and capricious.

B. The Order exceeds DOE's authority because it is not limited to a specific inadequate power supply situation as required by Section 202(c) and 10 C.F.R. § 205.371.

An actual "emergency" is a sudden occurrence requiring immediate responsive action; conversely, it is not the mere potential that an emergency might occur. The statute describes the temporary response needed to address a sudden event by its black-letter terms. 16 U.S.C. § 824a(c). And Department regulations define "emergency" to mean an unexpected inadequate supply of

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[29] NERC, *Statement of NERC's Long-term Reliability Assessment*, (June 17, 2025) https://www.nerc.com/news/Pages/Statement-on-NERC%E2%80%99s-2024-Long-Term-Reliability-Assessment.aspx?utm_source=substack&utm_medium=email.

electric energy which may result from the unexpected outage or breakdown of facilities for the generation, transmission or distribution of electric power. "Such events may be the result of weather conditions, acts of God, or unforeseen occurrences not reasonably within the power of the affected 'entity' to prevent." 10 C.F.R. § 205.371. Further, emergency orders must meet "a specific inadequate power supply situation," and although emergencies with extended periods of insufficient supply could qualify, the impacted entity is supposed to firm up commitments for supply "so that a continuing emergency order is not needed." *Id*

These requirements have been demonstrated by DOE's historic use of 202(c) authority to address natural disasters and specific capacity crises. The most common reason to invoke Section 202(c) authority has been to address natural disasters like hurricanes, cold weather events, and extreme heat. *See* DOE Order Nos. 202-05-1 & -2 (Sept. 28, 2005) (Hurricane Rita); DOE Order No. 20208-1 (Sept. 14, 2008) (Hurricane Ike); DOE Order No. 202-20-1 (Aug. 27, 2020) (Hurricane Laura); DOE Order No. 202-24-1 (Oct. 9, 2024) (Hurricane Milton); DOE Order No. 202-21-1 (Feb. 14, 2021) (Winter Storm Uri); DOE Order No. 202-22-3 (Dec. 23, 2022) (Winter Storm Elliot – Texas ERCOT); DOE Order No. 202-22-4 (Dec. 24, 2022) (Winter Storm Elliot – PJM); DOE Order No. 202-20-2 (Sept. 6, 2020) (extreme heat in California); DOE Order No. 202-21-2 (responding to extreme heat, wildfires and drought in California); DOE Order Nos. 20222-1 & 2 and amendments (same). Indeed, during Winter Storm Elliot, MISO exported power to neighboring regions.[30]

[30] MISO, *Overview of Winter Storm Elliott December 23, Maximum Generation Event* (Jan. 17, 2023) ("*Winter Storm Elliott Overview*") at 7, https://cdn.misoenergy.org/20230117%20RSC%20Item%2005%20Winter%20Storm%20Elliott%20Preliminary%20Report627535.pdf.

While DOE's emergency powers have occasionally been used to address retirements like the Campbell Plant, it has done so only when requested by the operator or local government and there was a specific need demonstrated for the units to operate due to an unexpected emergency. DOE Order No. 202-05-3 (Dec. 20, 2005) (Mirant to supply Washington D.C. when transmission lines were out of service); DOE Order No. 202-17-1 at 2 (Grand River Energy to operate Unit 1 due to lighting strike to Unit 2 and delay in construction for Unit 3); DOE Order No. 202-17-2 (need to operate Yorktown to avoid imminent risk of load-shedding).

A memorandum by the Congressional Research Service, Exhibit 12, confirms that DOE's use of Section 202(c) to order a plant to be generally available is novel. Ex.12 at 3 (Department engaging in "seemingly new interpretations of the emergency authority").

Courts have also likewise recognized Section 202(c)'s limitation to actual or imminent crises. For example, in *Richmond Power and Light v. FERC*, the D.C. Circuit noted that the statute "speaks of 'temporary' emergencies, epitomized by wartime disturbances, and is aimed at situations in which demand for electricity exceeds supply." 574 F.2d 610, 615 (D.C. Cir. 1978). And in *Otter Tail Power Co. v. Fed. Power Comm'n*., the Eighth Circuit noted that 202(c) provides authority to "react to a war or national disaster and order immediate interconnection. . . to maintain electrical service during such emergency." 429 F.2d 232, 234 (8th Cir. 1970). In *Otter Tail*, the Eighth Circuit distinguished between an emergency that is likely to occur and one that is actually occurring, concluding that a separate provision, section 202(b) [31] applies to the former, while section 202(c) applies to the latter:

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[31] Section 202(b) refers to 16 U.S.C. § 824a(b), which states "[w]henever the Commission, upon application of any State commission or of any person engaged in the transmission or sale of electric energy, and after notice to each State commission and public utility affected and after opportunity for hearing, finds such action necessary or appropriate in the public interest it may

> On its face, § 202(c) enables the Commission to react to a war or national disaster and order immediate interconnection of the facilities to maintain electrical service during such emergency. . . On the other hand, § 202(b) applies to a crisis which is likely to develop in the foreseeable future but which does not necessitate immediate action on the part of the Commission.

Otter Tail Power Co., 429 F.2d at 234. In that case, a power company challenged the FPC's order issued under § 202(b) of a temporary connection between the power company and a small municipally owned power producer that was "dangerously close to eroding its firm power supply" due to the proximity between the generator load capacities and the peak load demand. *Id.* It claimed that because the ordered connection was temporary, the order could only be issued under section 202(c), and only in emergency conditions. *Id.* The court disagreed that section 202(c) only applies to temporary orders but agreed that a potential crisis in the foreseeable future was not an emergency, making it "just the type of situation to fit into a § 202(b) hearing rather than § 202(c)." *Id.* The caselaw is therefore clear: for DOE to have any authority under section 202(c) the emergency must be actual and not merely a broadly asserted projected risk.

DOE exceeds its authority because the Order does not address any actual emergency or sudden occurrence needing imminent response, and because it has not identified any actual and specific insufficient supply situation. Thus the Order is without authority and contrary to law.

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by order direct a public utility" if the utility would not face an undue burden. The DOE's authority is much more limited in these situations. Further, 42 U.S.C. § 7172(a)(1)(B) vests this power in FERC, not the Secretary.

C. The Order exceeds DOE's authority because it requires actions not listed in Section 202(c)(1).

DOE's power is limited to orders that require connections or the generation, delivery, interchange, or transmission of electric energy. 16 U.S.C. § 824a(c). This authority does not cover mandating general plant availability untethered to meeting any specific need, nor does it allow for potential economic dispatch (which is not an apt solution for an actual emergency anyway—more on this in Section G below). Section 202(c)(1) does not allow for preemptive measures just in case an emergency might occur, and specifically does not allow for the Department to order availability without a specific need to be available.[32] Plus, "Economic dispatch" is not equivalent to the generation of electric energy. Economic dispatch is constrained by statute to mean only the lowest-cost option under the Energy Policy Act of 2005 Section 1234(c). 42 U.S.C. §16432(b). MISO's determination of lowest-cost sources may not result in the Campbell Plant producing *any* generation whatsoever. Thus the Order is without authority and contrary to law.

D. The Order exceeds DOE's authority because it does not set any hours of operation, limit hours of operation, or minimize environmental impact as required by Section 202(c)(3).

The order must be limited to only those hours necessary to meet the emergency. 16 U.S.C. § 824a(c)(2).

The Order addresses only the potential for an emergency, but does not identify a need for the Campbell Plant to generate electricity to meet it. By the same token, the Order does not establish any limited hours or other parameters for the Campbell Plant to follow to ensure it meets

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[32] Of the 19 times the DOE has issued a 202(c)(1) Order, only once, for Mirant in 2005, did it require a plant to supply as-needed additional capacity—but even then it was based on a specific application demonstrating a concrete and specific need. DOE Order No. 202-05-3 (Dec. 20, 2005). That is not the case here.

the purported emergency, only that it be available at all times. Thus the Order is without authority and contrary to law, and allows the Campbell Plant to generate electricity during times there are not even "elevated risks." Allowing a coal plant to generate electricity and pollute beyond the purported emergency needs would increase the environmental impacts that, by law, the Order must strive to minimize. 16 U.S.C. § 824a(c)(2). Thus the Order is without authority and contrary to law.

E. The Order exceeds DOE's authority because Section 201(b)(1) reserves decisions about plant retirements to the states.

Section 201(a) of the Federal Power Act explicitly provides that federal regulation over generation and transmission is related to matters of interstate commerce and extends "only to those matters which are not subject to regulation by the States." 16 U. S. C. § 824(a). Decisions over what plants should be constructed or retired is traditionally subject to state regulation. States retain jurisdiction "over facilities used for the generation of electric energy." 16 U.S.C. § 824(b)(1). "The states are thus authorized to regulate energy production . . . and facilities used for the generation of electric energy" *Coal. for Competitive Elec., Dynergy Inc. v. Zibelman*, 906 F.3d 41, 50 (2d Cir. 2018). What facilities to build, whether they remain feasible, and utility rates are areas governed by the states. *Pac. Gas & Elec. Co. v. State Energy Res. Conservation and Dev. Comm'n*, 461 U.S. 190, 205 (1983).

The energy market is governed by longstanding principles of cooperative federalism encouraged in Section 209(b) of the Federal Power Act—which explicitly declares that the Federal Energy Regulatory Commission may consult with states "regarding the relationship between rate structures, costs, accounts, charges, practices, classifications, and regulations of public utilities subject to the jurisdiction of such State commission and of the Commission.") 16 U.S. Code § 824h(b). Indeed, FERC has embraced these cooperative federalism principles and developed long-

standing consultation practices with the states, including through creation of a Joint Federal-State Task Force. Exhibit 8. And more recently, a Federal-State Current Issues Collaborative. Exhibit 9.

Section 103 of the Department of Energy Organization Act is also applicable; it mandates due consideration to state retirement plans and requires, where practicable, consultation with relevant state officials. 42 U.S.C. § 7113.

States are responsible for developing and approving power generation plans, typically through public commissions like the Public Utilities Commission[33] in Minnesota, the Public Service Commission.[34]. These bodies oversee the development of Integrated Resource Plans ("IRPs"), or Strategic Energy Assessments, which are the blueprints for how a utility plans to generate sufficient electric power to meet its expected demand. *E.g.*, Minn. Stat. § 216B.2422 (Minnesota's IRP statute). An IRP can consider and adopt plans with myriad inputs and considerations and impact overall electricity rates, the specific communities or areas where power plants are located, determinations of which power plants might be built or retired and the fuels that they will use, overall electric system reliability (like the likelihood of power outages and how quickly the lights come back on), and the environment.[35] Such processes can be rigorous and commissions will open a docket to publicly vet a proposed plan, receive comments, and make an informed decision that is in the best interest of the states and its ratepayers.[36]

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[33] Minnesota Public Utilities Commission, *Utility Planning*, https://mn.gov/puc/activities/economic-analysis/planning/ (last visited June 23, 2025).
[34] Wis. Stat. Ann. § 196.491 (West).
[35] *Id*.
[36] Minnesota Public Utilities Commission, *Electric Integrated Resource Planning (EILRP)*, https://mn.gov/puc/activities/economic-analysis/planning/irp/ (last visited June 23, 2025).

MISO, in turn, is one of the country's largest regional transmission organizations (RTOs), which were formed to develop transmission systems, trading markets, and attendant procedures.[37] MISO works collaboratively with its member states to ensure resource adequacy throughout its service area.[38] This means that it ensures there is sufficient generation capacity to meet future electricity demands, including forecasting demand growth, assessing existing generation assets, and planning for new generation resources.[39] MISO works with utilities during their development of submissions to state regulators for the IRPs that that the regulators ultimately approve. And MISO then accounts for the final IRPS in its planning and analyses forecasting the balance between load and capacity. MISO also operates a capacity auction where utilities and other load-serving entities can procure the necessary generation capacity to meet projected demand. This incentivizes the development and maintenance of adequate generation resources.[40] MISO works with utilities, local regulators, and other stakeholders to maintain resource adequacy, including through its annual Planning Resource Auction ("PRA"), which procures sufficient resources and allows market participants to buy and sell capacity via an auction. MISO determines the capacity requirements in its region for each season covering the June 1 to May 31 time period.[41]

The Campbell Plant's planned retirement is subject to precisely such state regulation and MISO integration. The plan to retire the plant received intense scrutiny over years before being approved and worked into MISO's projections—all under the auspices of state law including

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[37] FERC, *Energy Primer*, https://www.ferc.gov/sites/default/files/2024-01/24_Energy-Markets-Primer_0117_DIGITAL_0.pdf
[38] MISO, *System Planning*, https://www.misoenergy.org/meet-miso/about-miso/industry-foundations/grid_planning_basics/ (last visited June 23, 2025).
[39] *Id*.
[40] *Id*.
[41] MISO, *Resource Adequacy*, https://www.misoenergy.org/planning/resource-adequacy2/resource-adequacy/#t=10&p=0&s=FileName&sd=desc (last visited June 23, 2025).

Michigan's IRP processes, state regulatory proceedings, state judicial proceedings, and state participation in MISO. *See In re Application of Consumers Energy Co. for Approval of Its Integrated Res. Plan Pursuant to Mcl 460.6t & for Other Relief.*, No. U-21090, 2022 WL 2915368, at *73 (June 23, 2022). The MPSC approved of Consumers Energy's plan to replace the capacity that the Campbell Plant would have produced with the purchase of a natural gas plant and extension of two units of natural gas peaking plants. *Id*. at *33. The Michigan Court of Appeals affirmed. *Wolverine Power Supply Coop., Inc. v Michigan Public Service Commission (In re Consumers Energy)*; No. 362294, 2023 WL 2620437 (Mich. Ct. App. March 23, 2023).

MISO also reviews planned plant retirements to ensure resource adequacy and grid reliability. Section 38.2.7 of MISO's Open Access Transmission, Energy, and Operating Reserve Markets Tariff requires an operator to provide 26 weeks of advance notice of a planned retirement. MISO then performs a Reliability Study to determine whether the retirement will pose any concern for grid reliability. [42]

Consumers Energy submitted the Attachment Y form to MISO on December 14, 2021, providing notice that it planned to suspend generation at the Campbell Plant by June 1, 2025. MISO approved the Campbell Plant's retirement on March 11, 2022. In making its approval, MISO determined that "the suspension of Campbell Units 1, 2 & 3 would not result in violations of applicable reliability criteria."

DOE did not adequately consult with the state, much less account for or incorporate the findings of MISO in approving Consumer's Energy's Attachment Y submission. Michigan state regulators have primary jurisdiction over IRPs, siting, and cost recovery for utilities operating in

[42] If MISO does identify a threat to grid reliability if the resource retires, the MISO tariff provides a mechanism to retain that resource until the constraint can be alleviated.

their states including the Campbell Plant. *Zibelman*, 906 F.3d at 50. DOE's failure to consult violates the principles behind FERC and DOT policies to involve the states in light of the statutory reservation of state authority in federal-state regulatory balance, 16 U.S.C. § 824(b)(1). It avoids 209(b) of Federal Power Act regarding federal-state collaboration and upends FERC's historic practice of seeking to develop a robust dialogue between regulators. 16 U.S. Code § 824h(b). And it flouts Section 103 of the Department of Energy Organization Act which requires consultation with relevant state officials—consultation was absolutely "practicable" here given the lack of an imminent emergency and the Order did not give any consideration (much less due consideration) to Michigan's IRP. 42 U.S.C. § 7113.

The Order usurps the State of Michigan's primary rule in resource planning and development; it is contrary to law.

F. The Order impermissibly calls for state governments to assist in its execution.

As discussed in the previous subsection, states retain jurisdiction over facilities used for the generation of electric energy and play a key role in development of MISO's tariff provisions. The Order mandates that to "[t]he extent to which MISO's current Tariff provisions are inapposite to effectuate the dispatch and operation of the units for the reasons specified herein, *the relevant governmental authorities* are directed to take such action and make accommodations as may be necessary to do so." Order ¶ E. As applied to state and local authorities, this mandate is unlawful for several reasons.

First, the Order violates the Tenth Amendment by commandeering state and local officials to implement a federal program. *See, e.g.*, *Printz v. United States*, 521 U.S. 898, 933 (1997). While the Order is not specific as to the object or the nature of its direction to "government authorities," vagueness does not erase the constitutional infirmity; it exacerbates it. *Cf. Murphy v. NCAA*, 584

U.S. 453, 469 (2018). All the more so where the Order lacks specific limited hours for operation and environmental conditions as discussed in Section D above.

Second, the Order violates the plain terms of Section 202(c), which does not grant authority to issue any order directing any governmental authority to do anything. 16 U.S.C. § 824a(c)(1). Third, the Order does not explain why directing state officials to act (or refrain from acting) pursuant to the powers reserved to them by the Constitution would help achieve the Order's purposes, and DOE lacked substantial evidence to support such a conclusion.

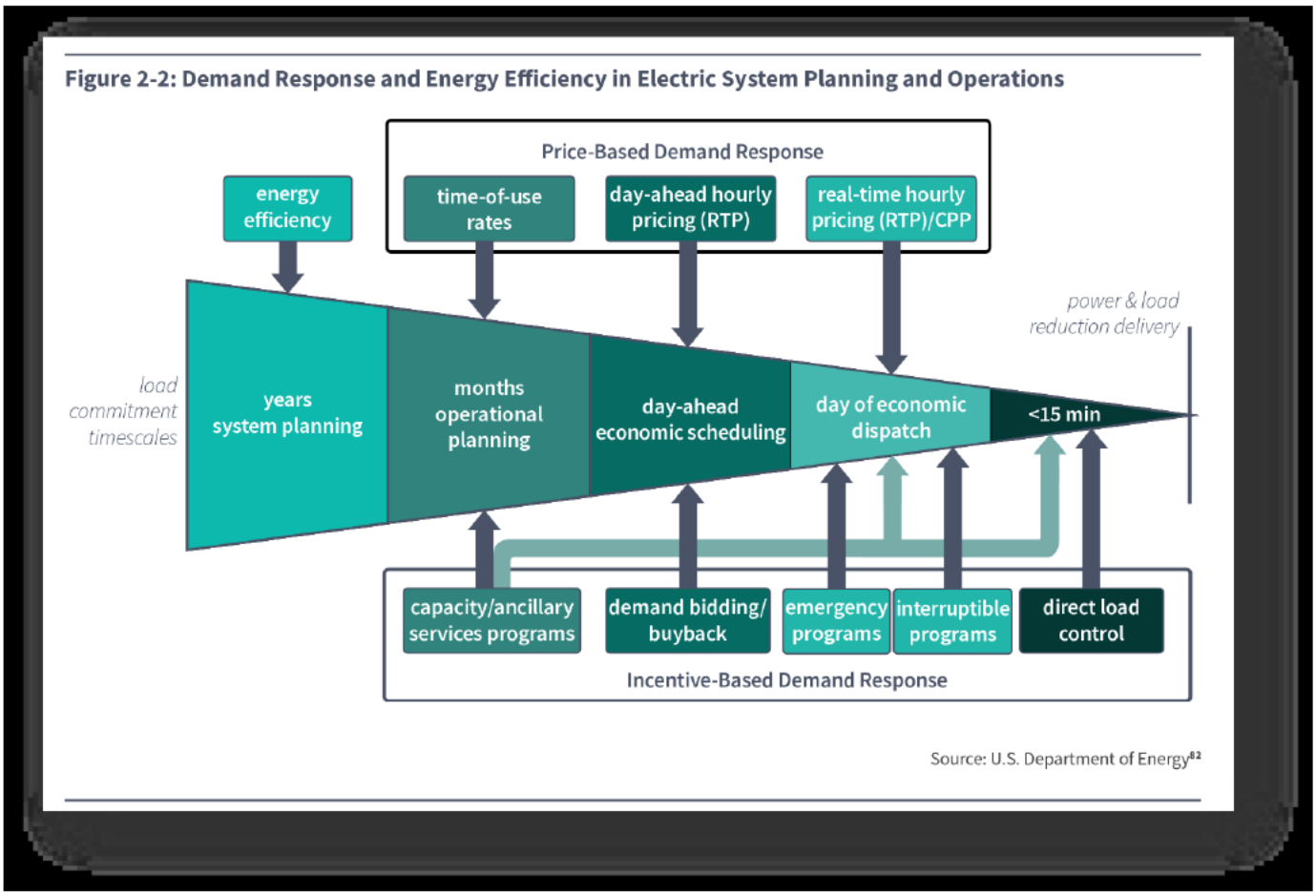
G. The Order is unreasoned, arbitrary, and capricious because the actions it mandates will not meet the purported emergency.

Section 202(c) contemplates emergency orders that are tailored to the specific emergency—they must "best meet the emergency and serve the public interest." 16 U.S.C. § 824a(c). Even if an emergency did exist and DOE had the legal authority to issue an Order, this Order is not rationally related to address the emergency that the order identifies.

The Order's specific requirement for MISO to take steps to effectuate "economic dispatch" of the Campbell Plant is noteworthy. Economic dispatch is a term of art for the procedure by which MISO selects generators to add electric energy to the grid. It is designed to ensure that the electricity generated matches the demand in its service area in the most cost-effective way. Beyond must-run units, MISO dispatches additional capacity from generators in increasing order of their respective costs, starting with the cheapest sources and moving up to more expensive ones as demand increases. MISO will also consider longer-term forecasts of generation given constraints such as forced outages and to ensure adequate margin. And then MISO monitors the grid in real time and calls upon available capacity as needed the day-ahead or day-of markets.

"Economic dispatch," by definition, is awarded to the lowest-cost option (all else being equal). Exhibit 6. That is because much of the base load planning takes place years or months

ahead of time and is comprised of the must-run units. Additional capacity is then called upon in the day-ahead or day-of markets for which additional generation is required:



FERC *Energy Primer*, *supra* n.37 at 43. As explained by DOE's 2007 Report to Congress on economic dispatch, most of the generation available to meet load in real time for economic dispatch is identified and scheduled the day before, based upon the day-ahead load forecast used in the security-constrained unit commitment process. Exhibit 6 at 6. A 2024 report from the Government Accountability Office, Exhibit 13, found that based on 2021 data the vast majority of peaking plants operated on natural gas and oil which can be dispatched in much shorter order; only 3.3 percent of all peakers nationwide burned coal.

Taken together, economic dispatch considers a variety of factors including (1) the cost of generation, (2) the standby condition of the generator, (3) ramp-up time to provide the needed capacity, and (4) whether electric energy can be transmitted to the area of need.

In the context of an emergency, however, plants are generally allowed to run without regard to lowest-cost considerations or bid-submission-and-selection processes. The Order's proposed solution for "economic dispatch" of the Campbell Plant is wholly incompatible with addressing emergency operation (likely because there is no emergency in the first place). In a true emergency, an even uneconomic plants receive cost-of-service payments when they are required to run to alleviate the emergency condition. The RTO does not require the emergency generator to bid into the market and *then* make a determination about whether it will be selected to run as with economic dispatch. Rather, the emergency generator becomes a "price taker" using MISO's "must run" classification. Thus, the order does not use "economic dispatch" in a rational way because an emergency is not addressed with economic dispatch.

Moreover, coal is an expensive fuel type in our current energy mix—indeed the inefficiency of running a coal plant makes it economic in general, and is one of the reasons why this specific Campbell plant was slated for retirement. *See In re Application of Consumers Energy*, No. U-21090, 2022 WL 2915368, at *73.

The Order also does not cite to any evidence that economically dispatching the Campbell Plant will be the appropriate solution for amorphous purported emergency—which is only that a need *might* arise in the future. If, for example, there were a need for additional electricity in North Dakota, it is not likely that there would be sufficient transmission infrastructure across the Great Lakes to deliver electricity from the Campbell Plant to meet that need. And if the need occurs in the day-of or real-time markets, the Campbell Plant will not be able to spool up in time to meet

that need, either. That is because it takes over 12 hours to reach peak load. Exhibit 14.[43] And even if there were adequate transmission and lead time, the Campbell Plant still uses an expensive fuel source. If the Campbell Plant's bid is higher than other lower-cost dispatchable alternatives (natural gas, storage, or renewables), then it would not be selected as the most economic resource to meet the need.

Section 202(c)(2) requires the emergency measures to be tailored the actual need; yet here, the Order improperly imposes measures that are not tailored to anything. All the while, the Order imposes costs on the States to maintain an idle plant, adds potentially expensive generation to the mix if it ever were to run, and would generate harmful pollution at the same time. Thus, the Order requiring the Campbell Plant to remain available and for MISO to take steps to use the Campbell Plant for economic dispatch is irrational and arbitrary where the Campbell Plant is unlikely to be a good candidate to serve either economic dispatch or emergency-need functions—especially where it is unclear what need it is supposed to meet in the first place.

Therefore, the Order is not rationally related to meeting the need of the purported emergency that it identifies.

CONCLUSION

For all of the foregoing reasons, the Department should rescind the Order.

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[43] Adapted from U.S. Energy Information Administration submissions according to Forms EIA-860 and EIA923, in which "OVER" indicates ramp-up time exceeding 12 hours. *See* https://www.eia.gov/electricity/data/eia860/; https://www.eia.gov/electricity/data/eia923/.

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UNITED STATES DEPARTMENT OF ENERGY

Midcontinent Independent System Operator	Order No. 202-25-7

MOTION TO INTERVENE AND PETITION FOR REHEARING OF THE STATES OF MINNESOTA AND ILLINOIS

Pursuant to section 202(c) of the Federal Power Act, 16 U.S.C. §§ 824a(c), 825l, the States of Minnesota and Illinois ("the States") move to intervene and petition for rehearing of the Department of Energy's ("DOE") May 23, 2025, Order No. 202-25-7 ("Renewed Order," Ex. A)[1] directing the Midcontinent Independent System Operator ("MISO") and Consumers Energy Company ("Consumers Energy") to take all measures necessary to ensure that the coal-burning J.H. Campbell Plant ("Campbell Plant") in West Olive, Michigan "is available to operate" and "to take every step to employ economic dispatch of the Campbell Plant." The Renewed Order is in effect from 00:00 Eastern Daylight Time (EDT) on August 21,2025, and expires at 00:00 EDT on November 19, 2025.

This Renewed Order is dated August 20, 2025, and continues the prior DOE Order No. 202-25-3, which directed MISO and Consumers Energy to keep the Campbell Plant available to provide economic dispatch from its planned retirement date through August 20, 2025, expiring at 00:00h on August 21, 2025 (the "Original Campbell Order)."

Pursuant to the Federal Power Act ("the Act") and Department procedures applying it to

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[1] All Exhibits are lettered and attached; to be submitted in separate serial emails to the DOE's AskCR <askcr@hq.doe.gov> account.

petitions for rehearing, the States hereby file this timely request for rehearing of DOE's Renewed Order. The Renewed Order extends the Original Order, perpetuating the Original Order's flawed analyses, faulty conclusion that an emergency exists for the MISO Regional Transmission Organization ("RTO") for the summer months of 2025, and unlawful directives. This Order exceeds DOE's legal authority in several respects. And even if an emergency did exist and DOE had the legal authority to issue an Order, this Order is not rationally related to meet the purported need. It should be rescinded.

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MOTION TO INTERVENE

The States[2] move to intervene in this proceeding and thereby to become parties for purposes of Section 313l of the Act, 16 U.S.C. § 825l. The States have an interest in and are aggrieved by the Renewed Order (Ex. A) in several ways and seek to intervene and petition for rehearing. *FDR v. R.J. Reynolds Vapor Co.*, 606 U.S. ___ (2025) (slip op., at 3–8) (defining an "adversely affected or aggrieved" party within the APA as "anyone even 'arguably within the zone of interests to be protected or regulated by the statute . . . in question.'" (quoting *Ass'n of Data Processing Svc. Orgs. v. Camp*, 397 U. S. 150, 153 (1970))).

Factual Background

The utilities regulated by the States are members of MISO, the electric grid operator for the central United States. MISO covers the largest geographical range of any independent system operator ("ISO") in the U.S. The 15 states covered by MISO are: Arkansas, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, North Dakota, South Dakota, Texas, and Wisconsin. As the ISO of the electric grid in this region, MISO manages the flow of electricity across the high-voltage, long-distance power lines. To do so, MISO develops rules so that the wholesale electricity transmission system operates reliably and safely. MISO has described this as being like the "air traffic controller" for the grid in its territory,[3] meaning that MISO seeks to resolve power congestion (traffic) issues in real-time through its control room and has processes in place to anticipate and avoid emergencies that could lead to the loss of power.

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[2] *See* Minn. Stat. § 8.01 ("The attorney general shall appear for the state in all causes in the supreme and federal courts wherein the state is directly interested; also in all civil causes of like nature in all other courts of the state whenever, in the attorney general's opinion, the interests of the state require it.).

[3] "Meet MISO," https://www.misoenergy.org/meet-miso/about-miso/industry-foundations/what-we-do/ (last visited June 23, 2025).

On May 23, 2025, the DOE issued the Original Campbell Order pursuant to section 202(c) of the Federal Power Act to MISO. *See* Ex. B; *see also* 16 U.S.C. § 824(c)(1). The Order directed MISO, in coordination with Consumers Energy, the owner of the plant, to ensure that the Campbell Plant remained available for operation during the summer season; expiring on August 20, 2025. *Id.*

This eleventh-hour Original Campbell Order disrupted a longstanding planning sequence handled by state authorities and submitted to MISO. Consumers Energy had already announced its plan to retire the Campbell Plant in 2021, and MISO approved that retirement plan three years ago, in March 2022.[4]

Minnesota and Illinois timely submitted a Petition for Rehearing of the Original Order on June 23, 2025. Ex. D. DOE did not act on that petition within 30 days; and later issued that it had been denied by operation of law given the passage of time. Ex. C. Minnesota and Illinois filed a Petition for Review in the D.C. Circuit Court of Appeals (No. 25-1162, consolidated with 25-1159 and 25-1160) on July 28, 2025.

On August 20, 2025, the DOE issued the Renewed Order requiring MISO and Consumers Energy to ensure that the Campbell Plant "is available to operate" and "to take every step to employ economic dispatch of the Campbell Plant." The Renewed Order is in effect from 00:00 Eastern Daylight Time (EDT) on August 21,2025, and expires at 00:00 EDT on November 19, 2025.

On September 8, 2025, DOE issued a document fashioned as "ORDER ADDRESSING ARGUMENTS RAISED ON REHEARING." Ex. E.

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[4] *See* Consumers Energy, "2021 Clean Energy Plan," https://www.consumersenergy.com/-/media/CE/Documents/company/IRP-2021.pdf (last accessed June 23, 2025).

Adverse Effects

The States will be adversely affected by the Renewed Order in many of the same ways that they were harmed by the Original Campbell Order. The Renewed Order prevents the planned retirement of the Campbell Plant, with consequent negative impacts on the States.

First, households and businesses in the States, and the States as consumers in their own right, will pay higher electricity bills as a result of the Renewed Order's imposition of costs and cost-recovery to the States. By ordering the Campbell Plant to take all steps necessary to be available and ordering MISO to take all steps necessary for the Campbell Plant to provide economic dispatch, costs are already being incurred and more costs will continue to be generated. Notably, the age of the units is concerning for costs, and Consumers Energy projected in 2021 that retiring Campbell in 2025 would avoid $365,008,000 in capital expenditures and major maintenance costs.[5] The Renewed Order would likely require at least a portion of capital expenditures and major maintenance costs, which will drive up costs and impact ratepayer bills. This would be in addition to the cost of rehiring operators and obtaining more coal, among other expenses.

Although the precise amount is not yet known, the Renewed Order provides that cost recovery is available to Consumers Energy through Federal Energy Regulatory Commission ("FERC") proceedings, (¶E). Consumers Energy already initiated a cost recovery complaint before FERC on the Original Campbell Order,[6] asking to allocate costs (net of market revenues) across

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[5] In the matter of the application of Consumers Energy Company for approval of its integrated resource plan pursuant to MCL 460.6t and for other relief, MPSC Case No. U-21090, Revised Direct Testimony of Norman J. Kapala on Behalf of Consumers Energy Company at 3 (Oct. 2021).

[6] FERC Docket: EL25-90.

all of MISO Zones 1 through 7 (which includes Minnesota and Illinois). Consumers Energy asked that these costs be apportioned according to load, which would assign costs to the States. MISO filed its answer indicating its general support for adjusting its tariff to account for Consumers Energy's cost recovery petition, meaning the costs will be charged to the States according to their respective share of load. FERC granted cost recovery on August 15, 2025.

The Renewed Order will have substantially the same impact, and more if additional maintenance—deferred or otherwise—needs to be performed to keep the aging (and greatly deteriorated) Campbell Plant units online.

Second, the States will suffer environmental harms as a result of the Order. The Campbell Plant is a significant source of particulate matter, nitrogen oxides, sulfur oxides, and carbon dioxide,[7] among other pollutants. By extending the operations of the Campbell Plant beyond its planned retirement date, the Order increases the amount of pollution emitted in the state of Michigan and other MISO States, causing harm to the public health and welfare.[8] The States of Minnesota and Illinois share the upper Midwest region and Great Lakes environment with Michigan. Depending on weather, air emissions in Michigan impact conditions in Minnesota and Illinois. Further, Minnesota and Illinois have an interest in the Great Lakes ecosystem into which pollutants from coal-burning power plants such as mercury are deposited. Such pollution is harmful to state economies including fisheries and recreation, human health, and the environment in general. The Campbell Plant is situated on the shores of Lake Michigan across from Illinois, including the highly populated Chicago metropolitan area. Thus Minnesota and Illinois have an

[7] See In the Matter of the Application of Consumers Energy Co. for Approval of Its Integrated Res. Plan Pursuant to Mcl 460.6t & for Other Relief., No. U-21090, 2022 WL 2915368, at *73 (June 23, 2022).
[8] *See* Cross-State Air Pollution Rule (CSAPR) and Clean Air Act § 110.

economic, public health, and ecological interest in protecting their environment and natural resources from unnecessary pollution emanating from the Campbell plant. Minnesota and Illinois are harmed because the Order results in the unnecessary consumption of fuel that generates such pollution.

Coal-fired power plants also contribute to regional, national, and global greenhouse gas emissions, which cause global climate change. Climate change directly harms the States by imposing significant additional costs for responsive actions, disaster recovery, and resiliency programs. Increased emissions threaten state climate goals and the States' ability to comply with federal and state air pollution requirements.

Minnesota, for example, is experiencing rapid changes including higher winter temperatures and larger, more frequent extreme precipitation events, extreme heat, and drought.[9] Each of Minnesota's top-ten combined warmest and wettest years on record have occurred since 1998, with 2024 standing as the warmest year on record and 2019 the wettest.[10] Minnesota is already suffering from a significant uptick in devastating, large-area extreme rain events, threatening the state with ever greater frequency and intensity.[11] These events damage streets, wastewater facilities, businesses, homes, farms, and natural resources, costing local governments, business owners, and residents millions of dollars in cleanup, repairs, and adaptation expenses.[12] Wildfires are also becoming larger and more frequent, including a rash of devastating fires in the spring of 2025 that consumed more than 32,000 acres and destroyed an estimated 150 structures.

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[9] Minnesota Climate Trends, *Minnesota Department of Natural Resources* (2023), https://www.dnr.state.mn.us/climate/climate_change_info/climate-trends.html.
[10] *Id*.
[11] *Id*.
[12] *Id*.

The spring of 2024 included heavy precipitation and extreme rainfall events, leading to extensive flooding and federal disaster declarations for large parts of the state.[13] From 1980 to 2024, the annual average for billion-dollar weather and climate disasters in Minnesota is 1.4 events per year, but the annual average from 2020 to 2024 is 4.6 events.[14] The "Lost Winter" of 2023-2024 was the warmest on record, with temperatures averaging 10.9°F above 1991-2020 averages, greatly harming Minnesota's recreational economy.[15] These impacts will continue, and emissions from the Campbell Plant contribute to them.

Climate change is affecting Illinois in a number of ways. Illinois' farming industry is vulnerable to cycles of extreme drought and extreme precipitation caused by climate change. In 2023, a severe drought dried up soil throughout the state, with extreme dryness extending down to 20 inches below the surface in some areas.[16] In other years, extreme precipitation has threatened Illinois' agriculture. For instance, January to June of 2013 was the wettest period ever recorded in Illinois, causing widespread flooding in farmland that forced farmers to delay planting and lose

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[13] "Extreme Rainfall Drenches Northeastern Minnesota," Minnesota Department of Natural Resources, https://www.dnr.state.mn.us/climate/journal/extreme-rainfall-northeast-mn-june-18-2024; "Extreme Rain and Flooding in Southern Minnesota, June 20-22," Minnesota Department of Natural Resources, (August 9, 2024), https://www.dnr.state.mn.us/climate/journal/extreme-rain-flooding-southern-minnesota-june-20-22.html; "Disaster information," Minnesota Department of Public Safety, https://dps.mn.gov/divisions/hsem/em-resources/disaster-information (last visited June 23, 2025).

[14] "Billion Dollar Weather and Climate Disasters, Minnesota Summary, *NOAA National Centers for Environmental Information*, Billion-Dollar Weather and Climate Disasters | Minnesota Summary | National Centers for Environmental Information (NCEI)," https://www.ncei.noaa.gov/access/billions/state-summary/MN.

[15] *Id*.

[16] Illinois State Climatologist, Drought Worsens in a Very Dry June (June 30, 2023), https://stateclimatologist.web.illinois.edu/2023/06/30/drought-worsens-in-a-very-dry-june/ (last visited May 23, 2025).

revenue.[17] Climate change is also intensifying catastrophic extreme weather events. In 2024, the Illinois State Climatologist recorded strong wind, hail, and tornadoes across all of Illinois' 102 counties and the state logged 142 tornadoes—a new annual record.[18] These storms included a July 15, 2024 "derecho" that produced 100 mile-per-hour winds and 48 separate tornados.[19] In the Chicago area alone, the derecho produced 32 tornados, breaking the previous records set by the July 2014 "double derecho" and a March 2023 storm.

Moreover, the States have an interest given their primary responsibility for resource planning and ensuring that there will be adequate and reliable electricity generation. The processes that States employ to ensure reliability—which takes into account planned retirements, new generation projects, transmission infrastructure, and meeting consumer demand—are both sophisticated and robust. The Renewed Order harms Minnesota and Illinois by usurping the traditional role that states play in generation planning and resource adequacy.

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[17] University of Illinois–Institute of Government & Public Affairs, Preparing for Climate Change in Illinois: An Overview of Anticipated Impacts (2015), https://indigo.uic.edu/articles/report/Preparing_for_Climate_Change_in_Illinois_An_Overview_of_Anticipated_Impacts/15078939/1 (last visited May 23, 2025). *See also* U.S. Dept. of Agriculture Climate Hubs and Great Lakes Research Integrated Science Assessment, Climate Change Impacts on Illinois Agriculture (2022), https://www.climatehubs.usda.gov/sites/default/files/2022_ClimateChangeImpactsOnIllinoisAgriculture.pdf (last visited May 23, 2025).

[18] Tony Briscoe, Lake Michigan Water Levels Rising at Near Record Rate, CHICAGO TRIBUNE (July 12, 2015), https://www.chicagotribune.com/2015/07/12/lake-michigan-water-levels-rising-at-near-record-rate/ (last visited May 23, 2025).

[19] National Weather Service, July 15, 2024, Derecho Produces Widespread Wind Damage and Numerous Tornadoes, available at https://www.weather.gov/lot/2024_07_15_Derecho#:~:text=With%2032%20tornadoes%2C%20the%20July,March%2031%2C%202023%20tornado%20outbreaks. (last visited May 25, 2025). *See also* David Struett, Tornado Record Broken with 27 Chicago Area Twisters July 15—Spawned by 'Ring of Fire', WBEZ CHICAGO, available at https://www.wbez.org/weather/2024/07/24/chicago-weather-tornado-record-derecho-july-15 (last accessed May 23, 2025)

PETITION FOR REHEARING

I. Overview and Concise Statement of Error

The challenged Renewed Order compounds the error of the Original Order in that it declares an emergency based on a shortage of electric energy generation when there is no emergency. Even if there is an emergency, the Renewed Order imposes several requirements that are inconsistent with and exceed DOE's legal authority. And even if DOE has the authority to impose the requirements, they are not directed to actions that will actually meet the purported emergency.

The challenged Renewed Order is premised on an incomplete recitation of MISO's planned capacity and reserves for the summer of 2025.

It first relies on the Original Order, which was fundamentally flawed and misstated the purported "evidence" on which it relied for all of the reasons set forth in the States' Petition for Rehearing, filed June 23, 2025. Ex. D.

The Renewed Order continues to misconstrue the source material on which it relies and still concludes only that there is a possibility of shortfalls. But it does not cite or rely on any evidence that there is any likelihood or probability that they will occur during the relevant timeframe of the Renewed Order.

The Renewed Order concludes that the evidence collected (and discussed below) supports the issuance of Order No. 202-25-3. It contends that the purported emergency will continue in the near term and is likely to continue in subsequent years. It declares—without any evidence identifying an emergency in the August 20 to November 19 timeframe—that the alleged emergency "could lead to the potential loss of power to homes and local businesses in the areas that may be affected by curtailments or outages, presenting a risk to public health and safety." Ex.

A at 7 (emphasis added). It then orders that MISO and Consumers Energy shall take "all measures necessary to ensure that the Campbell Plant is available to operate." And MISO must "take every step to employ economic dispatch of the Campbell Plant to minimize cost to ratepayers." Further, it orders that the Campbell Plant operate according to times as determined by MISO. Importantly, the Renewed Order prohibits the Campbell Plant from being considered a capacity resource.

The Renewed Order was issued in error. The DOE did not have substantial evidence or engage in reasoned decision-making in declaring the existence of an emergency in general, be it far into the future or even in the August 20 to November 19, 2025, timeframe.

It starts from the proposition that there is only a "potential" for insufficient capacity that "could" result in a need for mitigation, which does not present an actual existing or imminent emergency. Section 202(c)'s plain terms limit DOE to actual emergencies—not the potential that emergencies might arise. Section 202(c) is also limited in the type of conduct it allows DOE to order, such as directing the generation, delivery, or transmission of electric energy. This Renewed Order, however, requires the Campbell Plant to be "available to operate." Nothing in section 202(c) grants DOE authority to order a plant be available to operate without any demonstrated need identified by the states with primary resource planning authority, the utility operating the resource, or grid operator responsible for forecasting and coordinating adequate and reliable supply.

Even if an emergency did exist and DOE had the legal authority to issue the Renewed Order, directing the Campbell Plant to participate in the bidding market using economic dispatch would not rationally "best" meet the purported need (because there is no evidence the Campbell Plant can reasonably address any given future emergency need. This is because emergency responses do not require economic evaluation, and because the Campbell Plant takes so long to ramp up). The Renewed Order should be rescinded.

II. Legal Background

Under section 202(c) of the Federal Power Act, the Commission[20] has authority to issue an order:

> [d]uring the continuance of any war in which the United States is engaged, or whenever the Commission determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes. . . .

16 U.S.C. § 824(c)(1). The same subsection states that the Commission may order "temporary connections of facilities" and "generation, delivery, interchange, or transmission of electric energy" that, in the Commission's "judgment will best meet the emergency and serve the public interest." *Id*. The next subsection, 16 U.S.C. § 824(c)(2), establishes that an emergency order must be limited to only those hours necessary to meet the emergency. It states:

> With respect to an order issued under this subsection that may result in a conflict with a requirement of any Federal, State, or local environmental law or regulation, the Commission shall ensure that such order requires generation, delivery, interchange, or transmission of electric energy only during hours necessary to meet

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[20] The "Commission" refers to the Federal Power Commission (FPC), whose powers were transferred in 1977 to either the Secretary of DOE or the Federal Energy Regulatory Commission ("FERC"). 16 U.S.C. § 796(14); Department of Energy Organization Act, Pub. L. No. 95-91, 91 Stat. 565, 565-613 (1977). This transfer gave FERC the authority over "the interconnection, under section 202(b), of such Act [16 U.S.C. 824a(b)], of facilities for the generation, transmission, and sale of electric energy (*other than emergency interconnection*)." 42 U.S.C. § 7172(a)(1)(B) (emphasis added). However, this transfer also gave DOE "the function of the [FPC], or of the members, officers, or components thereof" except as provided in subchapter IV of the act. 42 U.S.C. § 7151(b). Because 42 U.S.C. § 7172(a)(1)(B) explicitly excludes emergency interconnection from FERC's authority, the authority over emergency interconnection has historically been delegated to DOE. However, the delegation of this emergency authority to DOE has not been consistently applied. In *Richmond Power & Light v. FERC*, 574 F.2d 610 (1978), a petitioner objected to FERC's (not DOE's) failure to invoke emergency powers under 16 U.S.C. § 824a(c) and order utilities with excess capacity to supply the petitioner with energy. The court did not address whether FERC had the authority to declare an emergency to begin with. *Id*. Thus, whether FERC or DOE has the power to declare an emergency is inconclusive.

> the emergency and serve the public interest, and, to the maximum extent practicable, is consistent with any applicable Federal, State, or local environmental law or regulation and minimizes any adverse environmental impacts.

Id. at § 824(c)(2).

The applicable regulations define "emergency," as

> an unexpected inadequate supply of electric energy which may result from the unexpected outage or breakdown of facilities for the generation, transmission or distribution of electric power. Such events may be the result of weather conditions, acts of God, or unforeseen occurrences not reasonably within the power of the affected "entity" to prevent. An emergency also can result from a sudden increase in customer demand, an inability to obtain adequate amounts of the necessary fuels to generate electricity, or a regulatory action which prohibits the use of certain electric power supply facilities. Actions under this authority are envisioned *as meeting a specific inadequate power supply situation*.

10 C.F.R. § 205.371[21] (emphasis added).

III. Statement of Issues

Issue A: Did DOE have substantial evidence for the Renewed Order's declaration of an emergency, and did it exercise reasoned decision-making in declaring that an actual emergency exists?

No. DOE relied on evidence that did not identify any likelihood or probability that there would be a shortfall during the relevant timeframe of the Renewed Order's requirements—August 20 to November 19, 2025. Further, DOE failed to consider substantial countervailing evidence, including the MISO States' Integrated Resource Plans and MISO's PRA for the summer of 2025. The Renewed Order fails to identify any reasoned basis for concluding an

[21] DOE issued 10 C.F.R. §§ 205.370-379 pursuant to the Department of Energy Organization Act's transfer of emergency responsibilities to the Secretary of Energy.

actual emergency exists or is imminent, much less one that will occur between August 20 and November 19.

Issue B: Section 202(c)(1) allows DOE to issue temporary emergency orders in times of actual or impending emergencies such as war, sudden demand for electric energy, shortage of fuel or water, or other similar conditions creating a specific inadequate power supply situation. Did DOE exceed this authority where its Renewed Order is based on the nonspecific possibility that such a situation might occur over a period of several months—or in the 2027-2030 timeframe, well outside of the Renewed Order's applicability?

Yes. An actual "emergency" is a sudden occurrence requiring immediate response action or a concrete need for energy to be produced; conversely, it is not the mere potential that an emergency might occur. 16 U.S.C. § 824a(c); 10 C.F.R. § 205.371. Emergency orders must respond to "a specific inadequate power supply situation." 10 C.F.R. § 205.371. The Renewed Order does not address any sudden occurrence needing imminent response, nor does it identify any actual and specific insufficient supply situation. Instead, the Renewed Order focuses on vague non-summer needs and the potential for shortfalls several years away. Because the Renewed Order is not directed to any emergency at all, much less one occurring in the August 20 to November 19 timeframe, DOE lacks authority, and the Renewed Order is contrary to law.

Issue C. Section 202(c)(1) allows DOE to issue emergency orders requiring the "generation, delivery, interchange, or transmission of electric energy." Did DOE exceed this authority where its Order requires the Campbell Plant to take steps to be "available" to generate electricity and requires MISO to employ economic dispatch?

Yes. DOE's emergency powers allow it to order the generation, delivery, interchange, or transmission of electric energy. Section 202(c)(1) does not give the DOE the authority to order that a plant be available (absent a showing of why that is needed), nor does it give the DOE authority to order MISO to engage in potential economic dispatch. 42 U.S.C. §16432(b). Because the Order does not adhere to the types of actions allowed under section 202(c)(1), DOE lacks authority, and the Renewed Order is contrary to law.

Issue D. If DOE issues an order pursuant to 202(c)(1), then 202(c)(2) requires it to set limits on hours of operation and ensure that environmental impact is minimized. Did DOE exceed its authority by invoking section 202(c) to issue a Renewed Order that sets no specific hours of operation, places no limits on hours of operation, and adopts no specific requirements to minimize environmental impact?

Yes. The statutory language requires an emergency order be limited to only those hours necessary to meet the emergency and minimize adverse environmental impacts. 16 U.S.C. § 824a(c)(2). The Renewed Order does not establish any limited hours for operation, instead deferring to MISO. The Renewed Order also does not meaningfully take steps to minimize adverse environmental impacts. Because the Renewed Order does not set any specific hours the Campbell Plant must run, and does not meaningfully minimize adverse environmental impacts, the Renewed Order violates the requirements of section 202(c)(2). The DOE is without authority, and the Renewed Order is contrary to law.

Issue E: The Federal Power Act reserves resource adequacy planning to the individual states. Did DOE exceed its authority where its Order directly compels a plant slated for retirement to take steps to be available to operate?

Yes. Section 201(a) of the Federal Power Act explicitly provides that federal regulation over generation and transmission is related to matters of interstate commerce and extends "only to those matters which are not subject to regulation by the States." 16 U. S. C. § 824(a). States retain jurisdiction "over facilities used for the generation of electric energy." 16 U.S.C. § 824(b)(1). DOE's Order exceeds its authority by contradicting Michigan's resource plans. It also exceeds DOE's authority by purporting to engage in long-term resource planning for the years 2027-2030, which is a role reserved to the states. For both reasons, the Renewed Order is contrary to law.

Issue F: Even if DOE were correct that an emergency exists and that it had the authority to issue the Order, will the Order's requirements rationally meet the emergency?

No. Section 202(c) contemplates emergency orders that are precisely tailored to "best" meet the specific emergency. 16 U.S.C. § 824a(c). The Order's specific requirement for MISO to

take steps to effectuate "economic dispatch" of the Campbell Plant is not rationally related to the emergency it purports to address. Even during the peak days in June of 2025, MISO had adequate resources to generate power without the Campbell Plant's output—with capacity to spare. The Renewed Order does not explain how keeping the Campbell Plant available to run will meet any particular need when MISO has adequate resources at its disposal without the Campbell Plant. The Renewed Order, therefore, is without substantial evidence and lacks reasoned decision-making.

Issue G: Federal law prohibits agencies from prejudging the outcome of an action. Did the Secretary of Energy and the federal administration improperly prejudge the need for the Renewed Order?

Yes. As evidenced by public statements, the purported emergency is pretext for an improperly-prejudged outcome to preserve coal as a fuel for electrical generation.

IV. MISO's Robust Capacity and Planning Projections are Adequate to Ensure Reliability.

MISO is a regional transmission organization (RTO), an independent, non-profit, membership-based organization responsible for optimizing generation and transmission of electricity and ensuring the reliability of the electric power system within its region, consisting of nearly 3,000 generating units.[22] 18 C.F.R. § 35.34(a), (j)(1). MISO administers bulk or wholesale power markets that centrally commit and dispatch power to facilitate least-cost and reliable power production and delivery throughout the region. The wholesale markets within MISO signal and value power needs and identify the most economically efficient way—the least-cost approach where demand for energy equals the cost supplied—to meet them across the system.[23] MISO also

[22] MISO, *Fact Sheet* (July 2024), available at https://www.misoenergy.org/meetmiso/media-center/2024/corporate-fact-sheet.
[23] MISO, *Electric Grid 101*, available at https://www.misoenergy.org/meet-miso/grid-operations-basics.

works to coordinate generation and transmission of electricity with other RTOs, exporting power at times and at others allowing electricity to be imported to MISO.[24] MISO uses advanced modeling and thorough research to coordinate short and long-term planning for the benefit of generating units and consumers.[25]

MISO planned for adequate capacity during the summer of 2025: "As recognized by the Renewed Order, MISO's Planning Resource Auction ["PRA"] for the 2025-2026 Planning Year demonstrated sufficient capacity for all zones within the MISO Region." Ex. F at 2. It reports: "it is important to recognize existing processes have *cleared sufficient electric generating capacity across MISO for the periods of time covered by the Order*." *Id*. (emphasis added). And it goes on to describe its confidence that it has already ensured "sufficient capacity to meet anticipated demand across the MISO Region for the 2025-2026 Planning Year." *Id*.

The long-planned retirement of the Campbell Plant is not an impediment to summer reliability in the MISO region. Since 2010, MISO has experienced the retirement of 30.8 gigawatts (GW) of generation capacity, a large proportion of which (21.9 GW) was coal-fired generating

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[24] MISO, *Interregional Coordination*, available at https://www.misoenergy.org/planning/interregional-coodination/; see also MISO, Historical Net Scheduled Interchange (NSI), at https://www.misoenergy.org/markets-and-operations/real-time--marketdata/ market-reports/ (data found under "Summary" Market Reports).

[25] MISO, *Transmission and Generation Planning 101*, available at https://www.misoenergy.org/meet-miso/grid_planning_basics.

units.[26] That trend is shown below in the bar graph (from MISO's 2023 Transmission Expansion Plan Report,[27] Ex. G at 35), which displays the retired capacity by generation type over time:

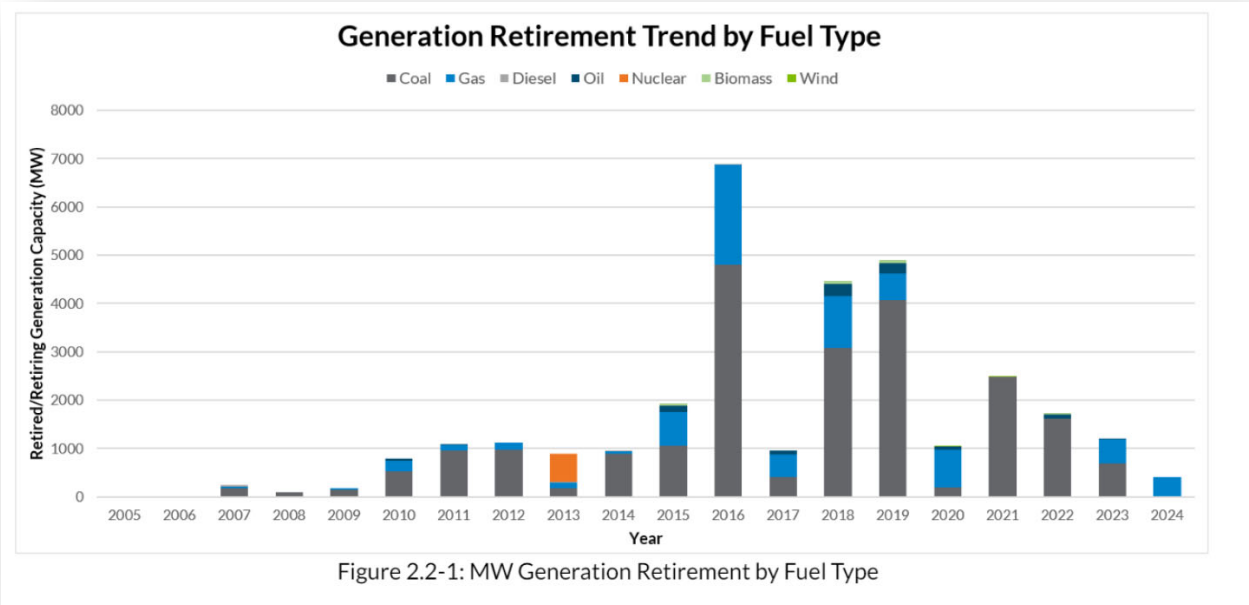

Figure 2.2-1: MW Generation Retirement by Fuel Type

Through use of generation capacity and transmission infrastructure planning, the addition of new capacity—in particular renewables, and the implementation of the other measures discussed above, MISO has been able to absorb these retirements and maintain overall system reliability. *Id*. at 34–35.

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[26] *See also* MISO, *Approved Generator Retirements (Public) as of June 28, 2024* ("*Approved Retirements 2024*"), https://www.oasis.oati.com/woa/docs/MISO/MISOdocs/OASIS_Posting_of_Approved_Generator_Retirements_(Public)_2024-06-28.pdf).

[27] MISO, *2023 Transmission Expansion Plan*, available at https://cdn.misoenergy.org/MTEP23%20Executive%20Summary630586.pdf.

V. Argument

A. The Renewed Order is not supported by substantial evidence demonstrating the existence of an actual emergency and does not demonstrate reasoned decision-making.

The DOE failed to provide substantial evidence that an unexpected emergency presently exists, as required by 16 U.S.C. § 824a(c)(5). The relevant standard is whether the DOE's determination is supported by substantial evidence. 16 U.S.C. § 824a(c)(5) refers to the possibility of judicial review under 16 U.S.C. § 825l. After an objection has been brought before DOE, the Court may consider it with the understanding that "[t]he finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive." 16 U.S.C. § 825l. Substantial evidence means "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion." *Duke Energy Corp. v. FERC*, 892 F.3d 416, 420 (2018). This standard implies deference to an agency's factual determinations. *See, e.g., id.*

DOE failed to point to substantial evidence of a current and unexpected emergency in the August 20 to November 19, 2025, timeframe during which the Renewed Order is in effect. The evidence DOE provided does, however, prove that there is currently no energy emergency and that there will not be an "unexpected emergency" that warrants this Renewed Order. MISO is well situated to deliver reliable power throughout its area in the fall of 2025.

In declaring the contrary, DOE relied on a NERC assessment that identified an elevated risk for potential capacity exceedance if an extreme weather event were to occur**.** But the Renewed Order makes too much out of too little—the "elevated" category is hardly a call for immediate and unnecessary emergency action. As the NERC assessment points out, MISO expects to have an existing certain capacity of 142,783 MW during the summer—which already factored in the assumption that the Campbell Plant would be retired and unavailable for the summer of 2025. That

projection also exceeds both expected demand and the reserve margin.[28] While retirements and fewer suppliers meant that MISO would have fewer firm resources and dispatchable generation, that was no cause for alarm. To the contrary, NERC concluded that all areas were projected to have "adequate anticipated resources for normal summer peak load conditions." *Id*. And nothing in the NERC assessment determined that MISO's interconnection with other RTOs would be insufficient to cover any needs that could arise.

The "elevated risk" category is not tantamount to an emergency. Even though NERC used the term "elevated risk" for the possibility that there could be an operating reserve shortfall, NERC did not apply the "high risk" category to MISO and did not call for any retired plants to be brought back online. Ex. H. at 5. Moreover, the "elevated risk" designation means the probabilistic indices are low but not negligible. *Id*. at 10, Table 1. And further, the MISO-specific "dashboard" concludes that MISO's expected resources meet operating reserve requirements under normal peak-demand scenarios. At worst, operating mitigations "could" be necessary for above-normal summer peak load and extreme generator outage conditions. *Id*. at 16.

Perhaps most simply, the "elevated risk" designation is far from unusual; it has never required an emergency order before, and the grid has remained stable. MISO has been designated an "elevated" risk in every NERC Summer Reliability Assessment since NERC initiated the practice of designating regions as "high," elevated," or "normal" risk in 2021.[29] NERC has also designated MISO as "elevated" risk in every Winter Reliability Assessment since 2021. *Id*. Yet no

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[28] MISO PRA, Results for Planning Year 2025-26 at 18 (Corrected May 29, 2025).
[29] *See* NERC*, Reliability Assessments,* https://www.nerc.com/pa/RAPA/ra/Pages/default.aspx (last visited June 23, 2025).

energy shortage has occurred, and DOE has never imposed an emergency declaration until now (see *infra* regarding prejudgment and pretext).

In fact, the evidence before DOE cuts against the Renewed Order. This includes MISO's PRA for the summer of 2025, which found sufficient capacity throughout the region for the summer 2025 season. The PRA provides a strong conclusion that supply will be adequate. Ex. F. The press release announcing the PRA, (Ex. I), confirms "adequate resources are available to maintain reliability during the upcoming planning year (June 2025 – May 2026)." Ex. I. And while "the 2025 auction prices reflect a tightening supply-demand balance during the summer months, there is sufficient capacity throughout the MISO footprint." *Id*. The PRA was based on NERC's standard BAL-502-RF-03 (Ex. J), requiring assessment of "one day in ten year" loss of load expectation principles. In short, the NERC standard that MISO applied to conduct the PRA demonstrated that MISO will have sufficient capacity through the summer of 2025. Exs. F, I. J. MISO's PRA results show that there will be enough capacity in the summer planning year, and MISO notes that the summer auction price provides a signal to the market to add more capacity for future auction years. DOE appears to have cherry-picked certain phrases from the PRA but does not give it full consideration.

Indeed, in MISO's Answer to the cost-recovery docket dated June 19, 2025, MISO highlights the PRA when it describes, with certainty, that it has planned for adequate capacity: In the FERC rate recovery proceeding, MISO wrote in its answer that it had sufficient capacity: "As recognized by the Order, MISO's PRA demonstrated sufficient capacity for all zones within the MISO Region." Ex. K at 2. MISO's Answer further writes, "it is important to recognize existing processes have cleared sufficient electric generating capacity across MISO for the periods of time covered by the Order." *Id*. (emphasis added). And it goes on to describe its confidence that it has

already ensured "sufficient capacity to meet anticipated demand across the MISO Region for the 2025-2026 Planning Year." *Id*. This recent submission undermines DOE's conclusions in the order that MISO faces insufficient capacity.

And beyond the lack of supporting evidence, DOE also acted arbitrarily and capriciously by ignoring well-known and readily-accessible contrary information. For example, DOE failed to consider recent comments by MISO's Independent Market Monitor to the Markets Committee of the MISO Board of Directors dispelling NERC's purported concerns—these comments were cited in the States Petition for Rehearing of the Original Campbell Order. Ex. L. The Independent Market Monitor is charged with ensuring adequate supply markets for the MISO region. He criticized a separate NERC long-term reliability assessment (which has since been revised[30]) that included capacity shortfalls in 2025, noting that NERC's assessment compared the wrong numbers. In doing so, the Independent Market Monitor declared MISO capacity to be "more than adequate," and that he had "no material concerns" over MISO's resource adequacy for the upcoming summer.

DOE also failed to consider MISO's history of strong performance through several extreme weather events including Winter Storms Elliot and Uri and did not credit MISO's proven track record of engaging in a variety of mechanisms to ensure grid reliability.

DOE further failed to acknowledge that no part of MISO is currently afflicted by any unexpected outage or extreme weather event, and the entire system is running as planned with no outages, unexpected demand, lack of fuel or water, or other such emergencies in place at the time of the Renewed Order.

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[30] NERC, *Statement of NERC's Long-term Reliability Assessment*, (June 17, 2025), available at https://www.nerc.com/news/Pages/Statement-on-NERC%E2%80%99s-2024-Long-Term-Reliability-Assessment.aspx?utm_source=substack&utm_medium=email.

1. The materials cited in the Original Order do not support the existence of an emergency.

The evidence supporting the Original Campbell Order does not support the Renewed Order. The Renewed Order continues to rely on some of the same evidence that DOE cited in the Original Campbell Order, including the North American Electric Reliability Corporation's ("NERC") 2025 Summer Reliability Assessment. Ex. H. That report does not identify any war, fuel shortage, or natural disaster. *Id*. Rather, it evaluates generation resource and transmission system adequacy as well as energy sufficiency to meet projected summer peak demands and operating reserves. Ex. H at 5. Here are NERC's main conclusions regarding MISO:

> **Midcontinent Independent System Operator (MISO):** MISO is expecting to have an existing certain capacity of 142,793 MW in the *2025 SRA*, which is a slight reduction from the 143,866 MW submitted for the *2024 SRA*. The retirement of 1,575 MW of natural gas and coal-fired generation since last summer, combined with a reduction in net firm capacity transfers due to some capacity outside the MISO market opting out of the MISO planning resource auction, is contributing to less dispatchable generation in MISO. With higher demand and less firm resources, MISO is at elevated risk of operating reserve shortfalls during periods of high demand or low resource output. MISO's most recent energy assessment reveals that the period of highest energy shortfall risk has shifted from July to August. This shift is driven by the decline in dispatchable generation and the increasing share that solar and wind resources have in meeting demand. The risk of supply shortfalls increases in late summer as solar output diminishes earlier in the day, leaving variable wind and a more limited amount of dispatchable resources to meet demand.

Id. at 5. NERC concluded that all areas were projected to have "adequate anticipated resources for normal summer peak load conditions." *Id*. Indeed, the "elevated risk" designation means the probabilistic indices are low but not negligible. *Id*. at 10, Table 1. And further, the MISO-specific "dashboard" concludes that MISO's expected resources meet operating reserve requirements under normal peak-demand scenarios. At worst, operating mitigations "could" be necessary for above-normal summer peak load and extreme generator outage conditions:

Risk Scenario Summary
Expected resources meet operating reserve requirements under normal peak-demand scenarios. Above-normal summer peak load and extreme generator outage conditions could result in the need to employ operating mitigations (e.g., load-modifying resources and energy transfers from neighboring systems) and EEAs. Emergency declarations that can only be called upon when available generation is at maximum capability are necessary to access load-modifying resources (demand response) when operating reserve shortfalls are projected.

Id. at 16.

Second, the Renewed Order describes a sequence of resource retirements without acknowledging the replacement capacity that came online (or that is/was planned to come online) to offset those retirements. Ex. A at 2. In any event, NERC's 2025 Summer Reliability Assessment analysis already factored in an assumption that included those retirements including the Campbell Plant' slated retirement for the summer of 2025. Ex. H at 5, 16.

Third, the Renewed Order cites NERC's "elevated risk" determination. But the Campbell Plant's retirement was well known to MISO operators who accounted for the retirement in their robust resource planning processes (described in further detail herein). Indeed, the Renewed Order acknowledges that the retirement was already factored into MISO's own supply forecasts. *Id*. at 2. MISO's PRA (Ex. F), cited in the Original Campbell Order, confirms adequate margin. *Id*. In fact, for the fall 2025 timeframe, the auction results exceeded MISO's Reserve Margin Requirement by 2.6%. That means MISO entered the fall with more resources than necessary to ensure grid reliability. Ex. F at 19.

And as the States' Petition for Rehearing on the Original Campbell Order explains, the "elevated risk" designation that DOE cites is relatively common and has never presented an emergency before. Ex. D at 19-20. In fact, NERC concluded that all areas were projected to have "adequate anticipated resources for normal summer peak load conditions." Ex. H at 5. And nothing in the NERC assessment determined that MISO's interconnection with other RTOs would be insufficient for additional capacity if needed. Nonetheless, the Renewed Order relies on the NERC

Summer Assessment, and that "additional dispatch of the Campbell Plant is necessary," Ex. A at 2, even though the Campbell Plant was not included in any of the MISO forecasts finding sufficient capacity.

Fourth, the Renewed Order cites the PRA by cherry-picking reference to capacity offset while simultaneously acknowledging its conclusion that the results "demonstrated sufficient capacity." Ex. A at 2. Sufficient capacity, by definition, is not an emergency.

All this evidence was improperly credited when DOE issued the Original Campbell Order, and the Renewed Order compounds that error by reasserting the same flaws and mischaracterizations. This is even more troubling since the petitions challenging the Original Order placed DOE squarely on notice of the fundamental flaws in these sources. Rather than identifying and responding to an emergency, both orders together demonstrate that DOE instead started with a desired result (keeping a coal-fired plant online) and worked backwards to justify that outcome.

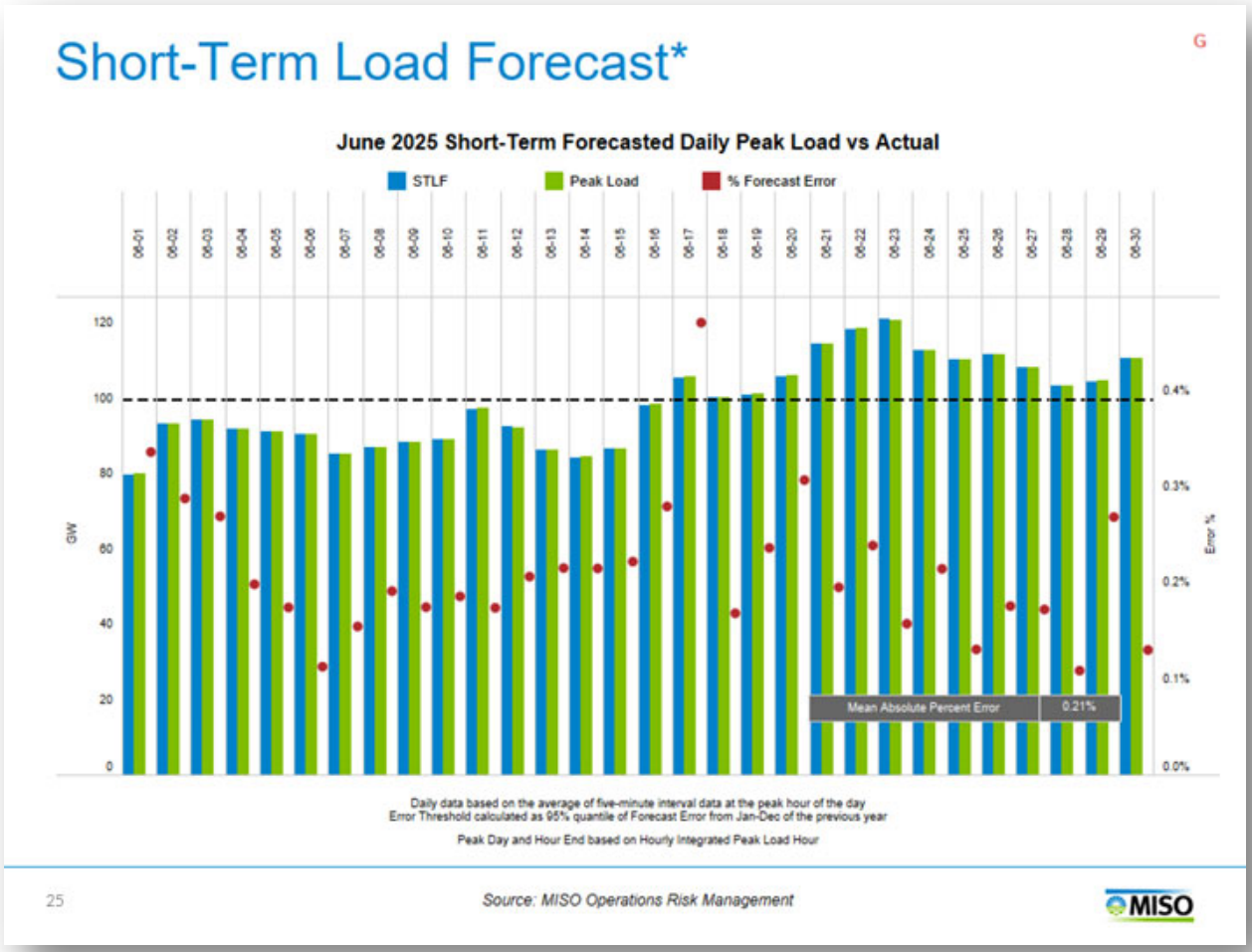
2. The additional evidence cited in the Renewed Order does not demonstrate a continuing emergency.

A continuing emergency condition does not exist, especially during the Renewed Order's applicable timeframe. After recounting the same purported evidence supplied in the Original Campbell Order, the Renewed Order then enters into a section entitled "Continuing Emergency Conditions" which presents several additional flaws, cherry-picked and out-of-context citations, and unsupported or illogical conclusions:

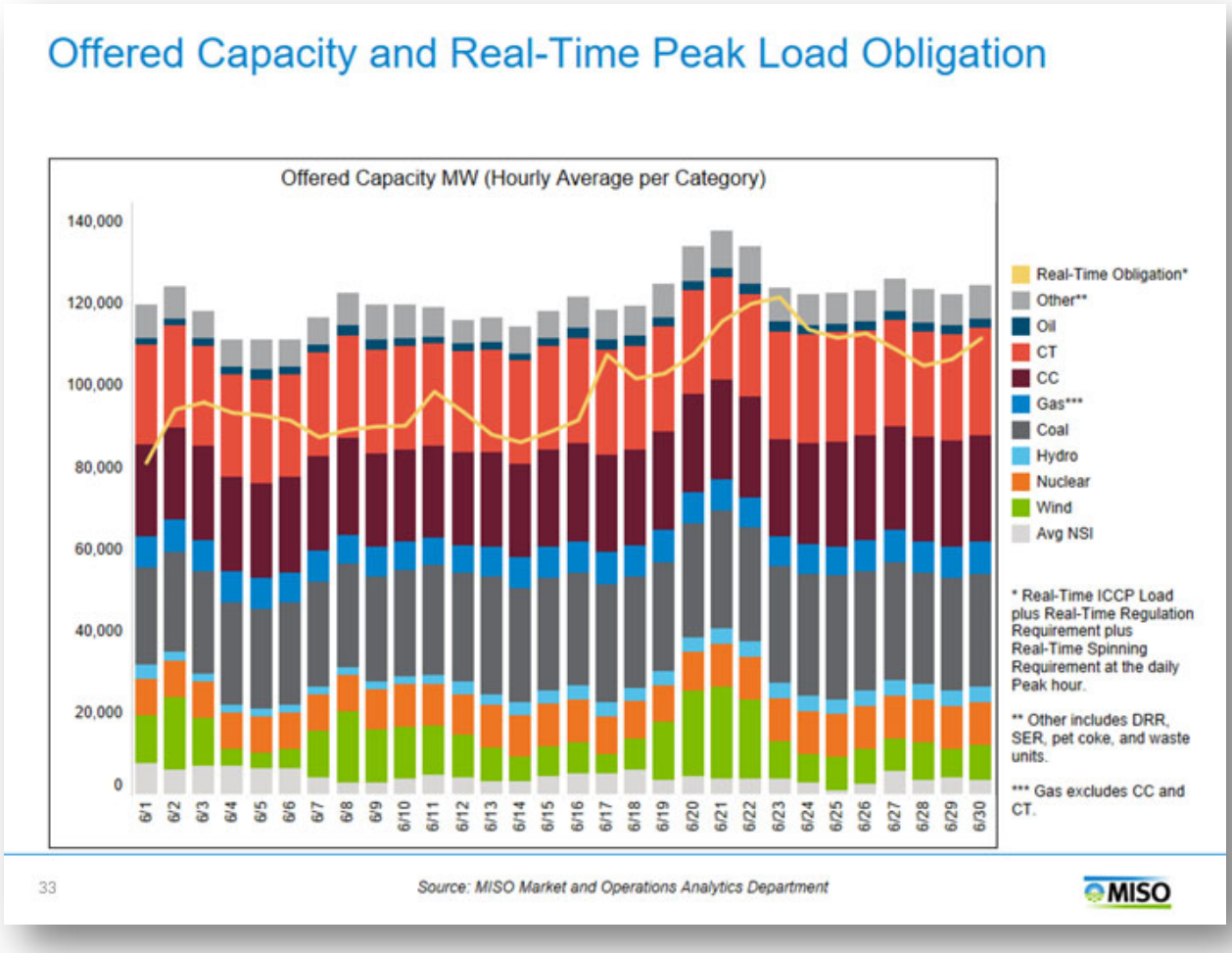
It declares that the "summer season has not yet ended" (Ex. A. at 2), but this fails to acknowledge multiple critical points. These include that peak demand is historically in June and July, not late August, that the Renewed Order was issued just days before the start of the meteorological fall, and that the Renewed Order remains in place through late November.

The Renewed Order describes how MISO called on the Campbell Plant to run in June 2025 (Ex. A at 3) without acknowledging: (1) that the Campbell Plant was only available because of the Original Order in the first place, or (2) that other resources could have supplied the capacity that the Campbell plant provided, or (3) that there was sufficient capacity within MISO even without the Campbell Plant operating, or (4) that there is no reason for DOE to conclude that the Campbell Plant's operation in June indicated any need to respond to a heat wave in September, October, or November of 2025 while the Renewed Order remains in effect.

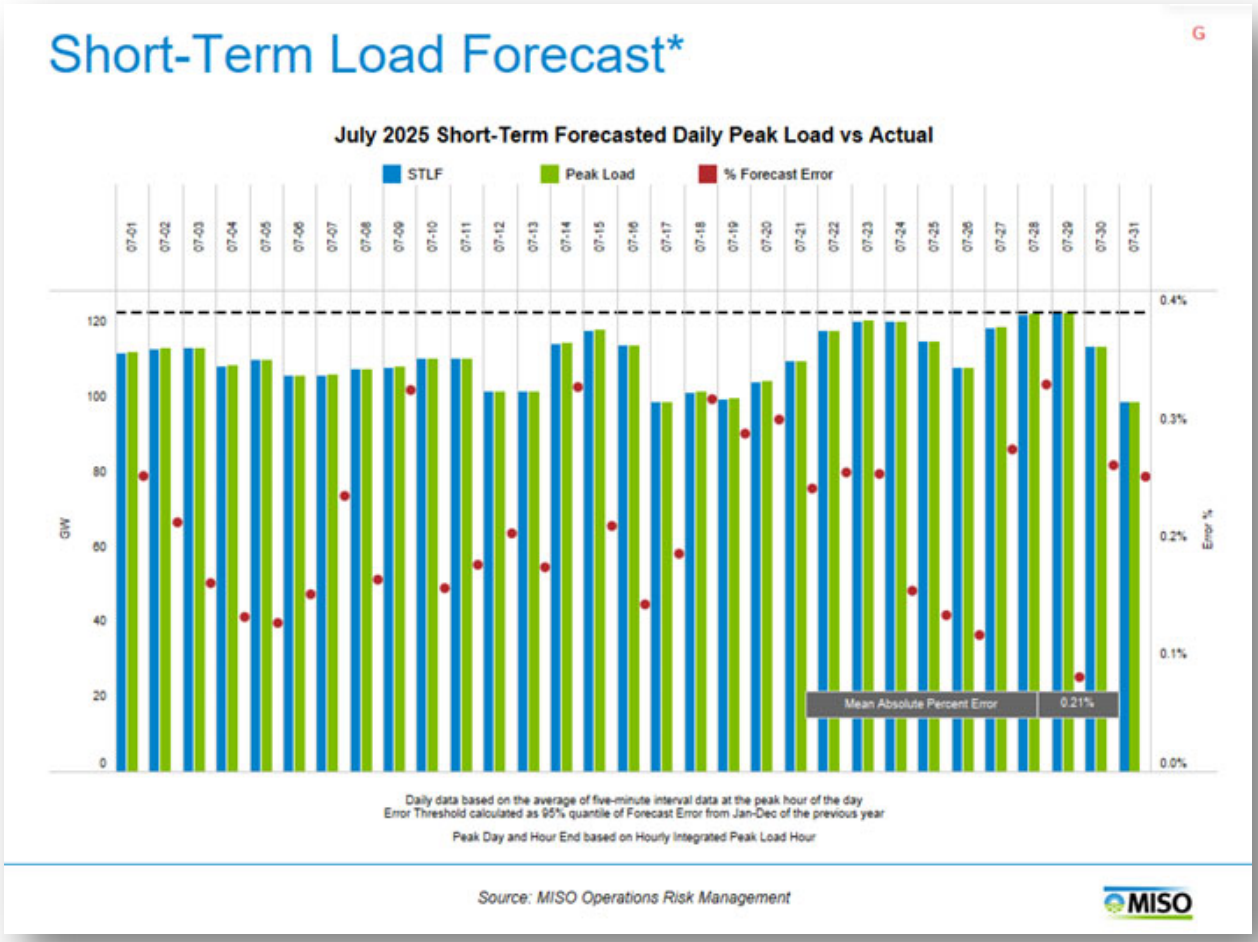
The Renewed Order attempts to justify its emergency finding by observing that MISO issued various alerts over the course of the summer (Ex. A at 3) without acknowledging: (1) that such alerts are common mechanisms for managing peak load demand every summer, and have been used for decades without any need for Section 202(c) emergency orders by DOE to keep a resource that had been slated for retirement online, or (2) that the alerts responded to summer conditions that will not be present in September, October, or November of 2025 while the Renewed Order remains in effect. Moreover, even in the peak-demand timeframe of June (Ex. M) and July (Ex. N.), when actual demand reached 120 GW on June 23, MISO had more than enough offered capacity:


Short-Term Load Forecast*
G
June 2025 Short-Term Forecasted Daily Peak Load vs Actual
STLF
Peak Load
% Forecast Error
06-01
06-02
06-03
06-04
06-05
06-06
06-07
06-08
06-09
06-10
06-11
06-12
06-13
06-14
06-15
06-16
06-17
06-18
06-19
06-20
06-21
06-22
06-23
06-24
06-25
06-26
06-27
06-28
06-29
06-30
GW
120
100
80
60
40
20
0
Error %
0.4%
0.3%
0.2%
0.1%
0.0%
Mean Absolute Percent Error
0.21%
Daily data based on the average of five-minute interval data at the peak hour of the day
Error Threshold calculated as 95% quantile of Forecast Error from Jan-Dec of the previous year
Peak Day and Hour End based on Hourly Integrated Peak Load Hour
25
Source: MISO Operations Risk Management
MISO

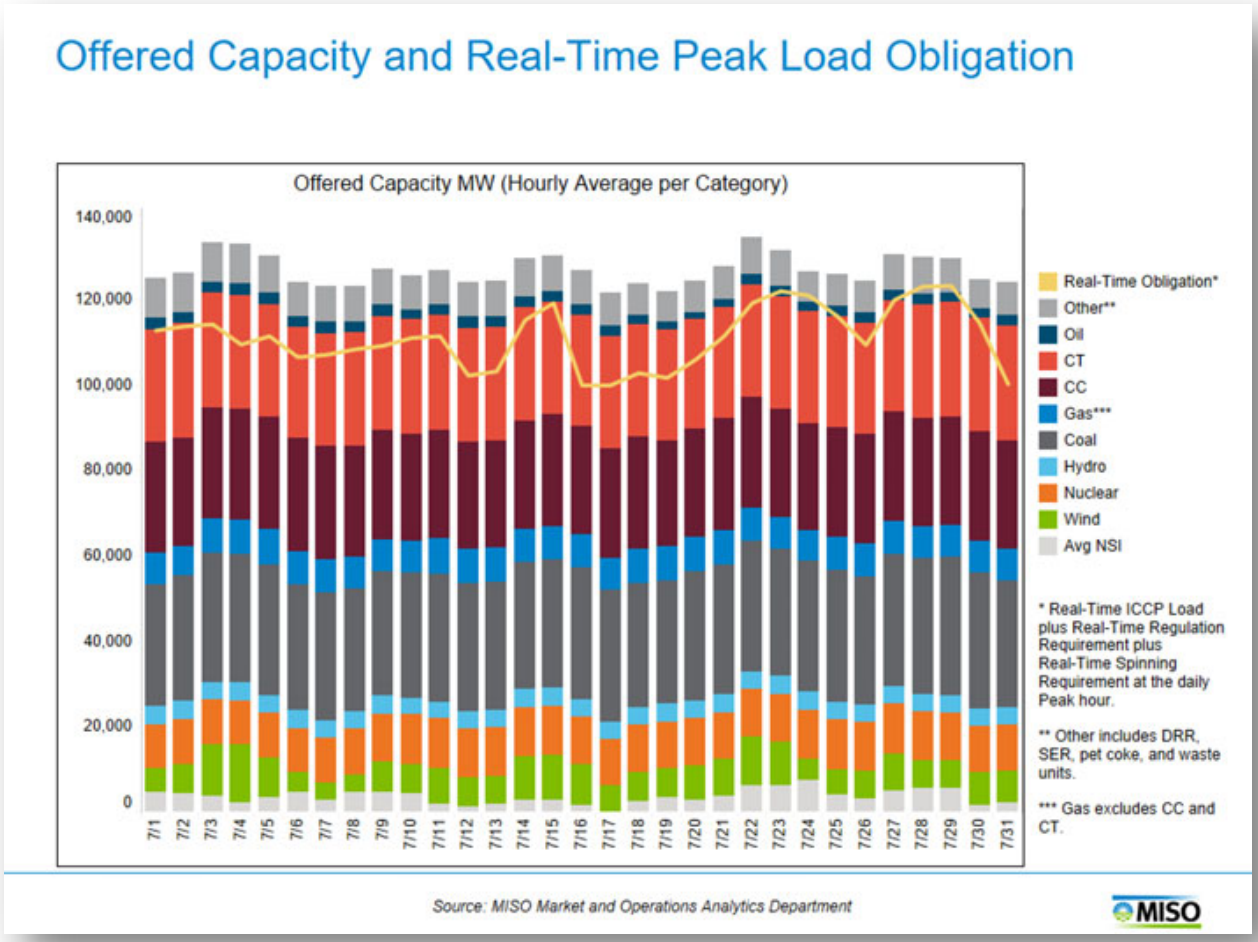
Ex. M at 25.


Offered Capacity and Real-Time Peak Load Obligation
Offered Capacity MW (Hourly Average per Category)
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
6/1 6/2 6/3 6/4 6/5 6/6 6/7 6/8 6/9 6/10 6/11 6/12 6/13 6/14 6/15 6/16 6/17 6/18 6/19 6/20 6/21 6/22 6/23 6/24 6/25 6/26 6/27 6/28 6/29 6/30
Real-Time Obligation*
Other**
Oil
CT
CC
Gas***
Coal
Hydro
Nuclear
Wind
Avg NSI
* Real-Time ICCP Load plus Real-Time Regulation Requirement plus Real-Time Spinning Requirement at the daily Peak hour.
** Other includes DRR, SER, pet coke, and waste units.
*** Gas excludes CC and CT.
33
Source: MISO Market and Operations Analytics Department
MISO

Ex. M at 33.


Short-Term Load Forecast*
July 2025 Short-Term Forecasted Daily Peak Load vs Actual
STLF
Peak Load
% Forecast Error
GW
Error %
Mean Absolute Percent Error
0.21%
Daily data based on the average of five-minute interval data at the peak hour of the day
Error Threshold calculated as 95% quantile of Forecast Error from Jan-Dec of the previous year
Peak Day and Hour End based on Hourly Integrated Peak Load Hour
Source: MISO Operations Risk Management
MISO

Ex. N at 24.



Ex. N at 32. These charts do not include more than 7000MW in headroom available to MISO beyond the offered capacity shown.[31]

The Renewed Order then cites MISO's three-year-old 2022 application to revise its resource adequacy construct to argue that the alleged "emergency" that the Renewed Order purports to address in the fall of 2025 is a year-round phenomenon. Ex. A at 3. But DOE's reliance on the application fails to acknowledge that MISO has been operating through 2025 without any

[31] *See* Public Interest Organization's Petition for Rehearing submitted to DOE on September 8, 2025, Exhibit 70 at ¶¶ 16-19.

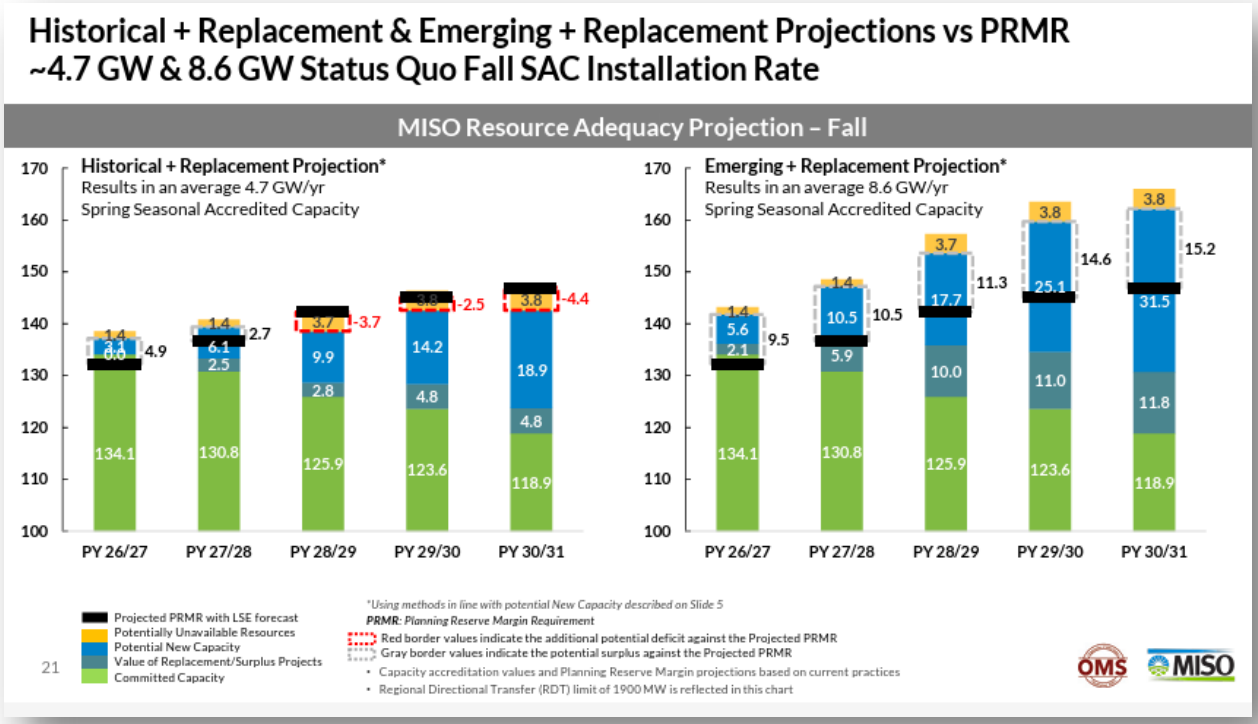
need for a Section 202(c) emergency order (other than 202-25-3) by engaging in its robust planning process that ensures adequacy and reliability.

The Renewed Order also cites MISO's 2023 Attributes Roadmap for the proposition that by the summer of 2027, there will be an equal loss of load risk in both the summer and fall seasons. The Renewed Order does not explain how a Section 202(c) order directed to the August to November 2025 timeframe will address that eventuality several years away.

The Renewed Order also cites MISO's Response to the Reliability Imperative, concluding that MISO purportedly has "resource reliability concerns" and quotes a passage acknowledging "risks in non-summer months" that were not historically of concern. Ex. A at 4. But the Renewed Order fails to identify how generalized discussion of non-summer "concerns" and potential "risks" demonstrate any particular emergency, much less a specific one that is posed for the August to November 2025 timeframe. To the contrary, the MISO Response to the Reliability Imperative describes the risks posed by non-summer operations in the context of explaining the steps it is taking to address these risks to ensure adequate capacity and overall system reliability. Ex. O at 11. It specifically describes four pillars of approaches that MISO intends to deploy, (Ex. O at 12–24), and concludes with a "Roadmap" for how it will deploy its strategy. Ex. O at Appendix A-1. Nothing in the Renewed Order contends that these measures are inadequate or that there is an emergency despite MISO's robust efforts. *Contra* Ex. A.

The Renewed Order also cites (again) the 2025-2026 PRA results, which included a statement that "new capacity additions were insufficient to offset the negative impacts of decreased accreditation, suspensions/retirements and external resources." Ex. A at 4; Ex. F at 13. Again, the actual document, in its full context, confirms adequate margin for reliability.

The Renewed Order further cites the Organization of MISO states and MISO's joint publication of a survey dated June 6, 2025. Ex. A at 4–5. But as the Renewed Order confirms, the survey confirms a surplus through the summer of 2026, well beyond the scope of the Renewed Order's timeframe. In fact, the survey shows a fall 2026 surplus using seasonally-accredited capacity against the planning reserve margin requirement:



Ex. P at 21. The Renewed Order then relies on the survey results to identify potential forecast deficits (which are not emergencies) in the 2027-2030 timeframe—but that is well outside the fall 2025 timeframe in which the Renewed Order will be in effect, and fails to account for the "Emerging + Replacement Projection" metrics throughout the document showing surpluses against the projected Planning Reserve Margin Requirement. *Id*. at 7, 9, 19–26.

The Renewed Order further cites the development of the AI industry in general, including citing the existence of 21 AI companies in Michigan. Ex. A at 6.[32] But a company's business address is not necessarily the same as where its data centers might be located, and the Renewed Order does not identify whether any of the listed companies have or intend to build data centers that would be served by the Campbell Plant's output. To the contrary, the cited article confirms that many of them have a predominance of foreign employment.[33]

The Renewed Order further cites the DOE's 2025 July 2025 Resource Adequacy Report. Ex. A at 6; Ex. Q. But that Report uses the wrong data for MISO, as the Renewal Order explicitly acknowledges. Ex. Q at 20, fn25 ("Following the initial data collection for this report, MISO issued its 2025 Summer Reliability Assessment. Based on that report, NERC revised evaluations from its 2024 LTRA and reclassified the MISO footprint from being an 'elevated risk' to 'high risk' in the 2028–2031 timeframe, depending on new resource additions/retirements. While DOE's analysis is based on the previously reported figures, DOE is committed to assessing the implications of updated data on overall resource adequacy and providing technical updates on findings, as appropriate." (emphasis added).). The Renewed Order fails to explain how data that the Report has yet to even consider can support a finding that an emergency exists in the fall of 2025.

The DOE Report also defines a shortfall, even where there is a 3%-6% operating surplus. Ex. Q at 12. And the report completely fails to apply a "perfect capacity" estimate for MISO. Ex.

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[32] Ekku Jokinen, *Top 21 Artificial Intelligence Companies in Michigan*, (last accessed Sep. 15, 2025), https://www.inven.ai/company-lists/top-21-artificial-intelligence-companies-in-michigan.
[33] These include: Soothsayer Analytics: 65% of employees in India; Netlink Software Group America Inc: 65% of employees in India; Suneratech: 82% of employees in India; Ventuit: 51% of employees in India; Verdai: 100% of employees in Italy; Communication Valley Reply: 100% of employees in Italy; Altair RapidMiner: 44% in Hungary, 29% in Germany; and LENS Corporation: 100% of employees in India

Q at 20. Instead, the Report confirms that its work was done by hand with a limited number of iterations, acknowledging an incomplete analysis that explicitly should not be relied upon. *Id.* at 19 ("As the work was done by hand with a limited number of iterations (15), this should not be considered the minimum possible capacity to accomplish these targets." (emphasis added)). Yet the Renewed Order relies upon it.

The Renewed Order further cites testimony by MISO's Senior Vice President of Planning and Operations, Jennifer Curran. Ex. A at 6. But the Renewed Order (apparently intentionally) omits a critical sentence from the passage it cites, which provides important context: "A growing reliability risk is that the rapid retirement of existing coal and gas power plants threatens to outpace the ability of new resources with the necessary operational characteristics to replace them. This can be addressed by letting local reliability requirements determine the pace of retirement of existing power plants." Ex. R at 7 (emphasis added). Further testimony undermines the very proposition for which the Renewed Order purports to rely on Ms. Curran's testimony. She also repeatedly confirmed that resource planning is the purview of individual states and utilities in the MISO region, which can be used to mitigate the risk:

- "More work remains to be done… Let reliability needs help inform the pace of retirement of existing electric generating resources, ensuring they aren't retired before adequate new electric generation is available." Ex. R. at 2.
- "The MISO region predominantly consists of vertically integrated utilities with responsibility for providing adequate electric generation to meet needed load for their area and states having jurisdiction over electric resource adequacy decisions." Ex. R at 4.

- "Two of our most important tools are the Futures Planning Scenarios, which are MISO projections capturing a range of potential system conditions over a 20-year horizon, and the annual Organization of MISO States and MISO survey, a voluntary survey of generation owners to assess available resource capacity to serve the projected load over the next five years. These regularly updated studies provide the basis for long-term transmission planning efforts and help inform the electric resource planning decisions, which are the purview of the states and utilities in the MISO region." Ex. R at 6.

In total, none of this evidence demonstrates that there is any emergency, much less one that might occur in the August 20 to November 19 timeframe. To be sure, there are normal capacity considerations including some that pose some degree of potential risk, but not one of the sources cited in the Renewed Order evidences any lack of adequate planning to address those risks, much less any likelihood of a shortfall between August 20 and November 19, 2025.

Instead, the robust and comprehensive planning processes undertaken by the prime authorities—the individual states, the utilities, and MISO—have comprehensively planned for resource adequacy and system reliability during the fall 2025 and beyond.

Given all these countervailing considerations, and the full context of the sources that DOE purports to cite, DOE did not have substantial evidence supporting its emergency determination. It did not exercise reasoned decision-making in declaring that an emergency exists. Its Renewed Order is arbitrary and capricious.

B. The Renewed Order exceeds DOE's authority because it is not limited to a specific inadequate power supply situation as required by Section 202(c) and 10 C.F.R. § 205.371.

DOE exceeds its authority because the Renewed Order does not address any actual emergency or sudden occurrence needing imminent response, and because it has not identified any

actual and specific insufficient supply situation, for the August 20 to November 19 timeframe. Thus the Renewed Order is without authority and contrary to law.

As the statutes make clear, an actual "emergency" is a sudden occurrence requiring immediate responsive action; conversely, it is not the mere potential that an emergency might occur. 16 U.S.C. § 824a(c). And Department regulations define "emergency" to mean an unexpected inadequate supply of electric energy which may result from the unexpected outage or breakdown of facilities for the generation, transmission or distribution of electric power. "Such events may be the result of weather conditions, acts of God, or unforeseen occurrences not reasonably within the power of the affected 'entity' to prevent." 10 C.F.R. § 205.371. Further, emergency orders must meet "a specific inadequate power supply situation," and although emergencies with extended periods of insufficient supply could qualify, the impacted entity is supposed to firm up commitments for supply "so that a continuing emergency order is not needed." *Id*

These requirements have been demonstrated by DOE's historic use of 202(c) authority to address natural disasters and specific capacity crises. The most common reason to invoke Section 202(c) authority has been to address natural disasters like hurricanes, cold weather events, and extreme heat. *See* DOE Order Nos. 202-05-1 & -2 (Sept. 28, 2005) (Hurricane Rita); DOE Order No. 20208-1 (Sept. 14, 2008) (Hurricane Ike); DOE Order No. 202-20-1 (Aug. 27, 2020) (Hurricane Laura); DOE Order No. 202-24-1 (Oct. 9, 2024) (Hurricane Milton); DOE Order No. 202-21-1 (Feb. 14, 2021) (Winter Storm Uri); DOE Order No. 202-22-3 (Dec. 23, 2022) (Winter Storm Elliot – Texas ERCOT); DOE Order No. 202-22-4 (Dec. 24, 2022) (Winter Storm Elliot – PJM); DOE Order No. 202-20-2 (Sept. 6, 2020) (extreme heat in California); DOE Order No. 202-21-2 (responding to extreme heat, wildfires and drought in California); DOE Order Nos. 20222-1

& 2 and amendments (same). Indeed, during Winter Storm Elliot, MISO exported power to neighboring regions.[34]

Past practice further confirms the impropriety of the Renewed Order. While DOE's emergency powers have occasionally been used to address retirements like the Campbell Plant, it has done so only when requested by the operator or local government and there was a specific need demonstrated for the units to operate due to an unexpected emergency. DOE Order No. 202-05-3 (Dec. 20, 2005) (Mirant to supply Washington D.C. when transmission lines were out of service); DOE Order No. 202-17-1 at 2 (Grand River Energy to operate Unit 1 due to lighting strike to Unit 2 and delay in construction for Unit 3); DOE Order No. 202-17-2 (need to operate Yorktown to avoid imminent risk of load-shedding).

A memorandum by the Congressional Research Service, Ex. S, confirms that DOE's use of Section 202(c) to order a plant to be generally available is novel. Ex. S at 3 (Department engaging in "seemingly new interpretations of the emergency authority").

Indeed, the statutory structure of the Federal Power Act confirms the short-term nature of emergency approaches. That is because long-term planning authority appears in an entirely different Section of the Federal Power Act – Section 215—which indicates that the emergency authority of Section 202(c) is a different authority altogether. 16 U.S.C. § 824o. Given all the procedures attendant to resource planning, this statutory structure confirms that emergency orders are not the proper mechanism to engage in resource planning five years into the future. *See FDA v. Brown & Williamson Tobacco Corp*., 529 U.S. 120, 142, 149 (2000); s*ee also Cal.*

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[34] MISO, *Overview of Winter Storm Elliott December 23, Maximum Generation Event* (Jan. 17, 2023) ("*Winter Storm Elliott Overview*") at 7, available at https://cdn.misoenergy.org/20230117%20RSC%20Item%2005%20Winter%20Storm%20Elliott%20Preliminary%20Report627535.pdf.

Indep. Sys. Operator Corp. v. FERC, 372 F.3d 395, 401–02 (D.C. Cir. 2004) (DOE's authority in one Section of the Federal Power Act "is strong evidence" that a separate Section does not confer the same authority on the agency).

Courts have also recognized Section 202(c)'s limitation to actual or imminent crises. For example, in *Richmond Power and Light v. FERC*, the D.C. Circuit noted that the statute "speaks of 'temporary' emergencies, epitomized by wartime disturbances, and is aimed at situations in which demand for electricity exceeds supply." 574 F.2d 610, 615 (D.C. Cir. 1978). And in *Otter Tail Power Co. v. Fed. Power Comm'n*., the Eighth Circuit noted that 202(c) provides authority to "react to a war or national disaster and order immediate interconnection. . . to maintain electrical service during such emergency." 429 F.2d 232, 234 (8th Cir. 1970). In *Otter Tail*, the Eighth Circuit distinguished between an emergency that is likely to occur and one that is actually occurring, concluding that a separate provision, section 202(b) [35] applies to the former, while section 202(c) applies to the latter:

> On its face, § 202(c) enables the Commission to react to a war or national disaster and order immediate interconnection of the facilities to maintain electrical service during such emergency. . . On the other hand, § 202(b) applies to a crisis which is likely to develop in the foreseeable future but which does not necessitate immediate action on the part of the Commission.

[35] Section 202(b) refers to 16 U.S.C. § 824a(b), which states "[w]henever the Commission, upon application of any State commission or of any person engaged in the transmission or sale of electric energy, and after notice to each State commission and public utility affected and after opportunity for hearing, finds such action necessary or appropriate in the public interest it may by order direct a public utility" if the utility would not face an undue burden. The DOE's authority is much more limited in these situations. Further, 42 U.S.C. § 7172(a)(1)(B) vests this power in FERC, not the Secretary.

Id. at 234. In that case, a power company challenged the FPC's order issued under § 202(b) of a temporary connection between the power company and a small municipally owned power producer that was "dangerously close to eroding its firm power supply" due to the proximity between the generator load capacities and the peak load demand. *Id.* It claimed that because the ordered connection was temporary, the order could only be issued under section 202(c), and only in emergency conditions. *Id.* The court disagreed that section 202(c) only applies to temporary orders but agreed that a potential crisis in the foreseeable future was not an emergency, making it "just the type of situation to fit into a § 202(b) hearing rather than § 202(c)." *Id.* The caselaw is therefore clear: for DOE to have any authority under section 202(c) the emergency must be actual and not merely a broadly asserted projected risk.

Statutory text and structure, past practice, and caselaw are therefore all clear: for DOE to have any authority under section 202(c), the emergency must be actual and not merely a broadly asserted projected risk. With no such actual or even imminent emergency, the Renewed Order is unlawful.

C. The Renewed Order exceeds DOE's authority because it requires actions not listed in Section 202(c)(1).

The Renewed Order also is unlawful because it purports to require actions not within DOE's statutory authority.

DOE's authority is limited to issuing orders that require connections or the generation, delivery, interchange, or transmission of electric energy. 16 U.S.C. § 824a(c). This authority does not cover mandating general plant <u>availability</u> untethered to meeting any specific need, nor does it allow for <u>potential</u> economic dispatch (which is not an apt solution for an actual emergency anyway—more on this in Section G below). Section 202(c)(1) does not allow for preemptive measures just in case an emergency might occur and specifically does not allow for the Department

to order availability without a specific need to be available.[36] Plus, "economic dispatch" is not equivalent to the generation of electric energy. Economic dispatch is constrained by statute to mean only the lowest-cost option under the Energy Policy Act of 2005 Section 1234(c). 42 U.S.C. §16432(b). MISO's determination of lowest-cost sources may not result in the Campbell Plant producing *any* generation whatsoever during the fall of 2025. (Or if it does, it could be as a result of the Original Campbell Order or the Renewed Order being in place rather than an external need.) Thus, the DOE is without authority, and the Renewed Order is contrary to law.

D. The Renewed Order exceeds DOE's authority because it does not set hours of operation, limit hours of operation, or minimize environmental impact as required by Section 202(c)(3).

The order must be limited to only those hours necessary to meet the emergency. 16 U.S.C. § 824a(c)(2).

The Renewed Order addresses only the potential for an emergency, but it does not identify a need for the Campbell Plant to generate electricity to meet it. By the same token, the Renewed Order does not establish any limited hours or other parameters for the Campbell Plant to follow to ensure it meets the purported emergency, only that it always be available. Thus, the DOE is without authority, and the Renewed Order is contrary to law, because it allows the Campbell Plant to generate electricity during times there are not even "elevated risks." Allowing a coal plant to generate electricity and pollute beyond the purported emergency needs would increase the

[36] Before the Original Campbell Order, of the 19 times the DOE has issued a 202(c)(1) Order, only once, for Mirant in 2005, did it require a plant to supply as-needed additional capacity—but even then, it was based on a specific application demonstrating a concrete and specific need. DOE Order No. 202-05-3 (Dec. 20, 2005). That is not the case here.

environmental impacts that, by law, the Renewed Order must strive to minimize. 16 U.S.C. § 824a(c)(2). Thus, the DOE is without authority, and THE Renewed Order is contrary to law.

E. The Renewed Order exceeds DOE's authority because Section 201(b)(1) reserves decisions about plant retirements to the states.

Section 201(a) of the Federal Power Act explicitly provides that federal regulation over generation and transmission is related to matters of interstate commerce and extends "only to those matters which are not subject to regulation by the States." 16 U. S. C. § 824(a). Decisions over what plants should be constructed or retired are traditionally subject to state regulation. States retain jurisdiction "over facilities used for the generation of electric energy." 16 U.S.C. § 824(b)(1). "The states are thus authorized to regulate energy production . . . and facilities used for the generation of electric energy" *Coal. for Competitive Elec., Dynergy Inc. v. Zibelman*, 906 F.3d 41, 50 (2d Cir. 2018). What facilities to build, whether they remain feasible, and utility rates are areas governed by the states. *Pac. Gas & Elec. Co. v. State Energy Res. Conservation and Dev. Comm'n*, 461 U.S. 190, 205 (1983).

The energy market is governed by longstanding principles of cooperative federalism encouraged in Section 209(b) of the Federal Power Act—which explicitly declares that FERC may consult with states "regarding the relationship between rate structures, costs, accounts, charges, practices, classifications, and regulations of public utilities subject to the jurisdiction of such State commission and of the Commission." 16 U.S.C. § 824h(b). Indeed, FERC has embraced these cooperative federalism principles and developed long-standing consultation practices with the states, including through creation of a Joint Federal-State Task Force. Ex. T. And more recently, a Federal-State Current Issues Collaborative. Ex. U.

Section 103 of the Department of Energy Organization Act, also applicable, mandates due consideration to state retirement plans and requires, where practicable, consultation with relevant state officials. 42 U.S.C. § 7113.

States are responsible for developing and approving power generation plans, typically through public commissions like the Minnesota Public Utilities Commission[37] and the Wisconsin Public Service Commission.[38] These bodies oversee the development of Integrated Resource Plans ("IRPs"), or Strategic Energy Assessments, which are the blueprints for how a utility plans to generate sufficient electric power to meet its expected demand. *E.g.*, Minn. Stat. § 216B.2422 (Minnesota's IRP statute). An IRP can consider and adopt plans with myriad inputs and considerations and impact overall electricity rates, the specific communities or areas where power plants are located, determinations of which power plants might be built or retired and the fuels that they will use, overall electric system reliability (like the likelihood of power outages and how quickly the lights come back on), and the environment.[39] Such processes can be rigorous and commissions will open a docket to publicly vet a proposed plan, receive comments, and make an informed decision that is in the best interest of the states and its ratepayers.[40]

MISO, in turn, is one of the country's largest RTO, which was formed to develop transmission systems, trading markets, and attendant procedures.[41] MISO works collaboratively

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[37] Minnesota Public Utilities Commission, *Utility Planning*, https://mn.gov/puc/activities/economic-analysis/planning/ (last visited June 23, 2025).
[38] Wis. Stat. Ann. § 196.491 (West).
[39] *Id*.
[40] Minnesota Public Utilities Commission, *Electric Integrated Resource Planning (EILRP)*, https://mn.gov/puc/activities/economic-analysis/planning/irp/ (last visited June 23, 2025).
[41] FERC, *Energy Primer*, https://www.ferc.gov/sites/default/files/2024-01/24_Energy-Markets-Primer_0117_DIGITAL_0.pdf

with its member states to ensure resource adequacy throughout its service area.[42] This means that it ensures there is sufficient generation capacity to meet future electricity demands, including forecasting demand growth, assessing existing generation assets, and planning for new generation resources.[43] MISO works with utilities during their development of submissions to state regulators for the IRPs that that the regulators ultimately approve. And MISO then accounts for the final IRPs in its planning and analyses forecasting the balance between load and capacity. MISO also operates a capacity auction where utilities and other load-serving entities can procure the necessary generation capacity to meet projected demand. This incentivizes the development and maintenance of adequate generation resources.[44] MISO works with utilities, local regulators, and other stakeholders to maintain resource adequacy, including through its annual PRA, which procures sufficient resources and allows market participants to buy and sell capacity via an auction. MISO determines the capacity requirements in its region for each season covering the June 1 to May 31 time period.[45]

The Campbell Plant's planned retirement is subject to precisely such state regulation and MISO integration. The plan to retire the plant received intense scrutiny over years before being approved and worked into MISO's projections—all under the auspices of state law including Michigan's IRP processes, state regulatory proceedings, state judicial proceedings, and state participation in MISO. *See In re Application of Consumers Energy Co. for Approval of Its Integrated Res. Plan Pursuant to MCL 460.6t & for Other Relief.*, No. U-21090, 2022 WL

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[42] MISO, *System Planning*, https://www.misoenergy.org/meet-miso/about-miso/industry-foundations/grid_planning_basics/ (last visited June 23, 2025).
[43] *Id*.
[44] *Id*.
[45] MISO, *Resource Adequacy*, https://www.misoenergy.org/planning/resource-adequacy2/resource-adequacy/#t=10&p=0&s=FileName&sd=desc (last visited June 23, 2025).

2915368, at *73 (June 23, 2022). The Michigan Public Services Commission approved Consumers Energy's plan to replace the capacity that the Campbell Plant would have produced with the purchase of a natural gas plant and extension of two units of natural gas peaking plants. *Id*. at *33. The Michigan Court of Appeals affirmed. *Wolverine Power Supply Coop., Inc. v. Mich. Pub. Surv. Comm'n (In re Consumers Energy)*; No. 362294, 2023 WL 2620437 (Mich. Ct. App. March 23, 2023).

MISO also reviews planned plant retirements to ensure resource adequacy and grid reliability. Section 38.2.7 of MISO's Open Access Transmission, Energy, and Operating Reserve Markets Tariff requires an operator to provide 26 weeks of advance notice of a planned retirement. MISO then performs a Reliability Study to determine whether retirement will pose any concern for grid reliability. [46]

Consumers Energy submitted Attachment Y form to MISO on December 14, 2021, providing notice that it planned to suspend generation at the Campbell Plant by June 1, 2025. MISO approved the Campbell Plant's retirement on March 11, 2022. In making its approval, MISO determined that "the suspension of Campbell Units 1, 2 & 3 would not result in violations of applicable reliability criteria."

DOE did not adequately consult with the state, much less account for or incorporate the findings of MISO when it approved Consumer's Energy's Attachment Y submission. Michigan state regulators have primary jurisdiction over IRPs, siting, and cost recovery for utilities operating in their states including the Campbell Plant. *Zibelman*, 906 F.3d at 50. DOE's failure to consult violates the principles behind FERC and DOT policies to involve the states in light of the statutory

[46] If MISO does identify a threat to grid reliability if the resource retires, the MISO tariff provides a mechanism to retain that resource until the constraint can be alleviated.

reservation of state authority in federal-state regulatory balance, 16 U.S.C. § 824(b)(1). It avoids 209(b) of the Federal Power Act regarding federal-state collaboration and upends FERC's historic practice of seeking to develop a robust dialogue between regulators. 16 U.S. Code § 824h(b). And it flouts Section 103 of the Department of Energy Organization Act which requires consultation with relevant state officials—consultation was absolutely "practicable" here given the lack of an imminent emergency. The Renewed Order did not give any consideration (much less due consideration) to Michigan's IRP, in violation of law. 42 U.S.C. § 7113.

In the Renewed Order's focus on longer-term risks, including the growth of data centers and the projections out into the 2027-2030 timeframe, DOE is improperly inserting itself into long-term resource planning, usurping a role belonging to the respective states. The DOE cannot use short-term emergency orders to serve a purpose for which DOE's emergency authority was not designed: to supplant the states' primary authority in the long-term resource planning arena.

The Order usurps the State of Michigan's primary rule in resource planning and development; it is contrary to law.

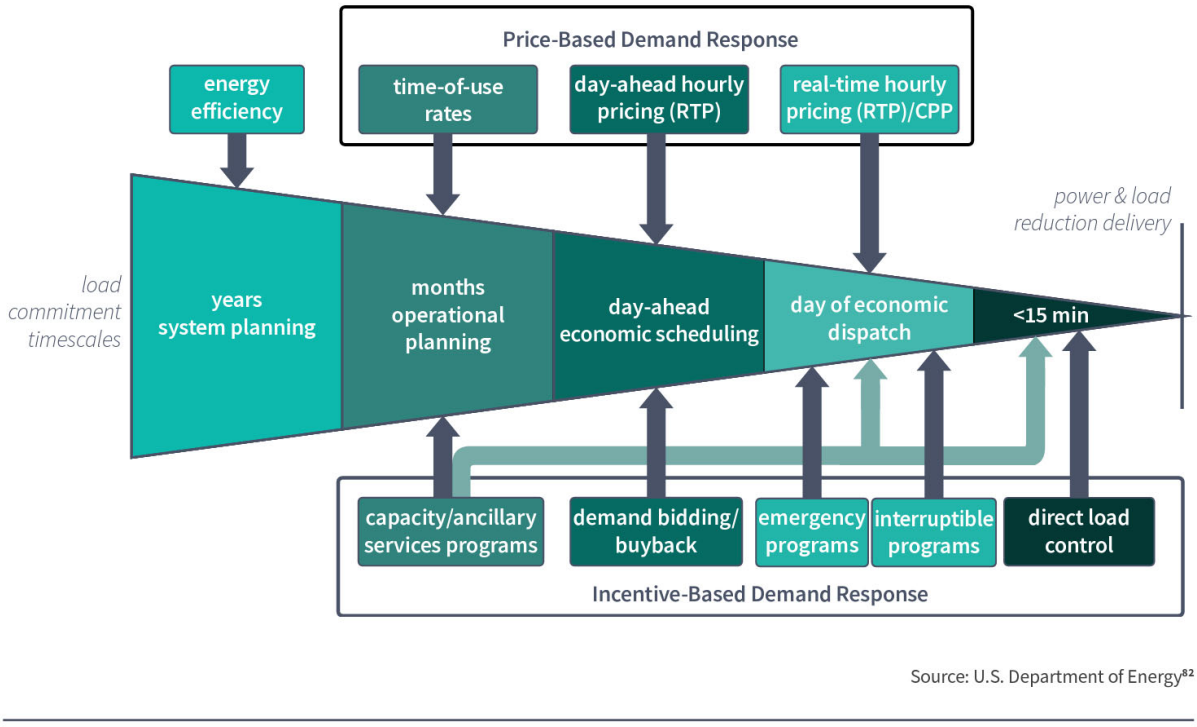
F. The Renewed Order is unreasoned, arbitrary, and capricious because its directive for "economic dispatch" is inherently contradictory with the needs to meet an actual emergency.

Section 202(c) contemplates emergency orders that are tailored to the specific emergency—they must "best meet the emergency and serve the public interest." 16 U.S.C. § 824a(c). Even if an emergency did exist and DOE had the legal authority to issue an order, this Renewed Order is not rationally related to addressing the emergency that the order identifies.

The Order's specific requirement for MISO to take steps to effectuate "economic dispatch" of the Campbell Plant undermines its determination that an emergency exists and cannot "best meet" the purported emergency. Economic dispatch is a term of art for the procedure by which

MISO selects generators to add electric energy to the grid. It is designed to ensure that the electricity generated matches the demand in its service area in the most cost-effective way. "Economic dispatch," by definition, is awarded to the lowest-cost option (all else being equal). Ex. V. That is because much of the base load planning takes place years or months ahead of time and is comprised of the must-run units. Additional capacity is then called upon in the day-ahead or day-of markets for which additional generation is required:

Figure 2-2: Demand Response and Energy Efficiency in Electric System Planning and Operations



Source: U.S. Department of Energy[82]

Ex. V at 43. Most of the generation available to meet load in real time for economic dispatch is identified and scheduled the day before, based upon the day-ahead load forecast used in the security-constrained unit commitment process. Ex. W at 6–7, 13, 51. As recently as 2021, the vast

majority of peaking plants operated on natural gas and oil which can be dispatched in much shorter order; only 3.3 percent of all peakers nationwide burned coal. See Ex. X at 2.

Taken together, economic dispatch considers a variety of factors including (1) the cost of generation, (2) the standby condition of the generator, (3) ramp-up time to provide the needed capacity, and (4) whether electric energy can be transmitted to the area of need.

The Renewed Order's proposed solution for "economic dispatch" of the Campbell Plant is thus inherently incompatible with addressing emergency operation (likely because there is no emergency in the first place). In a true emergency, even uneconomic plants receive cost-of-service payments when they are required to run to alleviate the emergency condition. The RTO does not require the emergency generator to bid into the market and *then* make a determination about whether it will be selected to run as with economic dispatch. Rather, the emergency generator becomes a "price taker" using MISO's "must run" classification. Thus, the Order's directive to use "economic dispatch" is irrational: actual emergencies are not addressed with economic dispatch, and economic dispatch is a necessarily ineffective method to address an actual emergency.[47]

Moreover, the Renewed Order's requirement that the Campbell Plant be "available to operate" does not accord with 202(c)(1)'s requirement that DOE select the temporary measure that will "best meet the emergency and serve the public interest." Section 202(c)(1)'s use of the term "best" shows that the Commission cannot require temporary power generation from the Campbell Plant when better means are available to meet the alleged emergency and serve the public interest.

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[47] Campbell's situation illustrates this inefficiency. Coal is an expensive fuel type in our current energy mix. The inefficiency of running a coal plant makes it uneconomic in general, which is one of the reasons why this specific Campbell plant was slated for retirement. *See In re Application of Consumers Energy*, No. U-21090, 2022 WL 2915368, at *73.

Entergy Corp. v. Riverkeeper, Inc., 556 U.S. 208, 218 (2009) ("Best" means what is "most advantageous." (Quoting Webster's New International Dictionary 258 (2d ed.1953))). DOE's decision to require the Campbell Plant to be available disregarded its obligation to consider alternatives and select the best one.

Although DOE need not consider every conceivable alternative, it must consider those that are obvious and viable. *See Dep't of Homeland Sec. v. Regents of the Univ. of Calif.*, 591 U.S. 1, 30 (2020); *Motor Vehicle Manufs. Ass'n of the U.S. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 51 (1983); *Nat'l Shooting Sports Found., Inc. v. Jones*, 716 F.3d 200, 215 (D.C. Cir. 2013). Intervenors and the public may also introduce information that requires the Department to evaluate alternatives and reconsider its decision to impose or maintain a requirement. *See, e.g.*, *Chamber of Com. of the U.S. v. Secs. & Exch. Comm'n*, 412 F.3d 133, 144 (D.C. Cir. 2005) (evaluating agency failure to consider alternative raised by dissenting Commissioners and introduced by commenters); *cf.* 10 C.F.R. § 205.370 (stating ability to cancel, modify, or otherwise change an order). Indeed, DOE's regulations specify information it shall consider when deciding to issue an order under section 202(c). 10 C.F.R. § 205.373. The specified information includes "conservation or load reduction actions," "efforts . . . to obtain additional power through voluntary means," and "available imports, demand response, and identified behind-the-meter generation resources selected to minimize an increase in emissions." *Id*. § 205.373(g)–(h); Ex. Y at 4 (DOE Order No. 202-22-4). DOE has not explained why ordering the Campbell Plant to remain "available" meets any of these criteria, especially considering alternatives such as power pooling and utility coordination.

DOE has not explained why its Renewed Order "best" meets the emergency, because it does not. Again, the Renewed Order alleges only that the Campbell Plant should remain available

because a need *might* arise in the future (and even then, most likely years from now, not in the August to November timeframe). Given the speculative nature of the alleged emergency, it is incorrect as a matter of fact that ordering the Campbell Plant to remain available is the best means of addressing it. DOE's failure to consider alternatives other than the inefficient and incapable Campbell Plant does not meet section 202(c) requirement for DOE to use its judgment to choose the best temporary source of emergency energy.

First, if an emergency need occurs in the day-of or real-time markets, the Campbell Plant will not be able to spool up in time to meet that need. That is because it takes over 12 hours to reach peak load. Ex. Z.[48]

Second, even if there was adequate notice for the Campbell Plant to deliver energy in an emergency, its age and unreliability make it a poor choice to rely on for emergency services.[49] The Campbell Plant's unreliability was one of the reasons it was slated for retirement. In 2023 and 2024, Campbell experienced long, recurring outages that demonstrated it should not be relied on as an emergency power source. For example, in 2023, Unit 2 experienced four outages totaling 3,445 hours—nearly 40 percent of the year—due to a pump failure, and in 2024, Unit 3 experienced an outage totaling 1,104 hours due to a failure in one of the turbine's gears.[50] Even during the June 23, 2025, peak load event during the heat wave, Campbell did not run two of its three units. *Id*.

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[48] Adapted from U.S. Energy Information Administration submissions according to Forms EIA-860 and EIA923, in which "OVER" indicates ramp-up time exceeding 12 hours. *See* https://www.eia.gov/electricity/data/eia860/; https://www.eia.gov/electricity/data/eia923/.
[49] *See* Public Interest Organization's Petition for Rehearing submitted to DOE on September 8, 2025, Exhibits 103-104.
[50] *Id*. Exhibit 3.

Even if there was adequate transmission and lead time, the Campbell Plant's expensive fuel source means that its bid to provide electricity would be higher than other lower-cost dispatchable alternatives (natural gas, storage, or renewables), which would prevent it from being selected as the most economic resource to meet the need. Again, even during the peak load in June of 2025, only one of the Campbell Plant's units was online, and it produced only 761MW of power. Ex. AA.[51] That represents a small fraction of the remaining margin that MISO had available and demonstrates that the Campbell Plant is not an efficient means of meeting an emergency energy demand.

Finally, if, for example, there was a need for additional electricity in North Dakota in October of 2025, it is unlikely that there would be sufficient transmission infrastructure across the Great Lakes to deliver electricity from the Campbell Plant to meet that need.

Rather than ordering the Campbell Plant to remain available, DOE was required to consider obvious alternatives that MISO has available and uses as part of its role as a regional transmission grid operator. The Department has long recognized that power pools and utility coordination "are a basic element in resolving electric energy shortages." *Emergency Interconnection of Elec. Facilities and the Transfer of Elec. to Alleviate an Emergency Shortage of Elec. Power,* 46 Fed. Reg. 39,984, 39,985–86 (Aug. 6, 1981). And recent history bears out the important role of transmission connectivity along with imports and exports.[52] The fact that DOE has intruded on

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[51] *Sourced from* https://campd.epa.gov/data/custom-data-download.

[52] *See, e.g.*, Public Interest Organization's Petition for Rehearing submitted to DOE on September 8, 2025, Exhibit 43 at § III.A.3.b (Winter Storm Elliott System Operations Inquiry) ("Despite tightening conditions on the MISO system . . . MISO maintained steadily increasing exports to TVA throughout the day."); Exhibit 44 at 43 (PJM Elliott Report) (describing PJM exports of between 8 and 11 GW to TVA and other neighboring regions), 83–84 (describing PJM power exports to MISO and graphically depicting those exports over time); Exhibit 36 at 6 (MISO Elliott Max. Gen. Event Overview) ("MISO consistently exported power to southern

MISO's role of planning for and meeting fluctuations in demand without considering these viable and obvious alternatives shows that it did not comply with section 202(c).

Section 202(c)(2) requires the emergency measures to be tailored the actual need; yet here, the Renewed Order improperly imposes measures that are not tailored to anything. All the while, the Order imposes costs on the States to bring the Campbell Plant to operational status beyond its planned retirement, adds potentially expensive generation to the mix if it were to run in the August 20-November 19 timeframe, and generates harmful pollution at the same time. Thus, the Renewed Order requiring the Campbell Plant to remain available and for MISO to take steps to use the Campbell Plant for economic dispatch is irrational and arbitrary where the Campbell Plant is unlikely to be a good candidate to serve either economic dispatch or emergency-need functions—especially where it is unclear what need it is supposed to meet in the first place.

Therefore, the Renewed Order is not rationally related to meeting the need of the purported emergency that it identifies.

G. The purported emergency is pretext for a prejudged outcome.

The Renewed Order is not a good faith effort to carry out DOE's duties under the Federal Power Act. Rather, the materials supporting the Renewed Order demonstrate a pretextual effort to further the administration's policy support for fossil fuels, and in particular coal electricity generation.

Where the conduct of the agency shows an "unalterably closed mind on matters critical to the disposition of th[is] proceeding," it requires either disqualification of the administrator or

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neighbors with a maximum value of nearly 5 GW."); *and* Exhibit 7 at 1 (DOE Order No. 202-02-1) (providing for usage of interregional transmission).

withdrawal of the proposal. *Ass'n of Nat'l Advertisers v. FTC*, 627 F.2d 1151, 1170 (D.C. Cir. 1979); *Nehemiah Corp. of Am. v. Jackson*, 546 F.Supp. 2d 830, 847 (E.D. Cal. 2008) (describing the appropriate remedies when an agency official has prejudged the outcome of a particular matter). A preexisting internal directive to reach a particular result is strong evidence that the official is not "free, both in theory and in reality, to change his mind" in the agency proceedings. *Nat'l Advertisers*, 627 F.2d at 1172; *see Int'l Snowmobile Mfrs. Ass'n v. Norton*, 340 F. Supp. 2d 1249, 1260 (D. Wyo. 2004).

The Renewed Order cites a bevy of Executive Orders declaring an energy emergency. Even if these Executive Orders are taken at face value, they are incoherent with the President's other actions to reduce capacity of new energy generation, such as from ongoing and nearly-completed wind projects. *Temporary Withdrawal of All Areas on the Outer Continental Shelf From Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind Projects* 90 Fed. Reg. 8,363 (Jan. 20, 2025); *Ending Market Distorting Subsidies for Unreliable, Foreign-Controlled Energy Sources*, 90 Fed. Reg. 30,821 (Jul. 10, 2025).

Further, the administration has declared a preference for coal energy. *Executive Order 14261: Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241*, 90 Fed. Reg. 15,517 (Apr. 8, 2025). The express mandate of Executive Order 14261 declared it to be the national policy "to support the domestic coal industry by removing Federal regulatory barriers that undermine coal production, encouraging the utilization of coal to meet growing domestic energy demands, increasing American coal exports, and ensuring that Federal policy does not discriminate against coal production or coal-fired electricity generation."

But this was not a simple policy preference—the administration had already predetermined that it would resort to emergency authority to reopen or forestall closure of coal plants before it

ever issued the Original Campbell Order or the Renewed Order. On April 8, 2025, President Trump gave remarks during the signing ceremony for Executive Order 14261. In those remarks, he noted that the administration would take action to reopen coal plants.[53] Also on April 8, 2025, the Department of Energy announced several initiatives directed to increasing coal production.[54]

During a Bloomberg TV interview in February 2025, Secretary Wright declared that the United States should stop the closure of coal power plants, and asserted that DOE had the authority to do so.[55]

On July 7, 2025, Secretary Wright was quoted as saying, "I think our biggest impact by far is going to be — there are like 40 coal plants that are supposed to close this year — and our biggest impact is going to be to stop the closure of most of those."[56]

On July 11, 2025, the DOE posted a video Secretary Wright to the department's social media accounts with the chyron, "BIG BEAUTIFUL CLEAN COAL. This is the largest source of global electricity and third largest source of electricity in the U.S."[57]

The DOE's social media feeds are full of clips from Secretary Wright media appearances extoling coal plants, promising to increase the use of coal for energy production, and asserting that DOE had the authority to forestall closures.

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[53] https://www.presidency.ucsb.edu/documents/remarks-domestic-coal-production ("And all those plants that have been closed are going to be opened if they're modern enough." And "From now on, we'll ensure that our Nation's critically needed coal plants, as an example, remain online and fully operational. They're always going to be operational.")
[54] https://www.energy.gov/articles/energy-department-acts-unleash-american-coal-strengthening-coal-technology-and-securing
[55] https://www.bloomberg.com/news/articles/2025-02-11/us-should-stop-closure-of-coal-fired-power-plants-wright-says.
[56] https://www.wvnews.com/statejournal/news/top_story/energy-secretary-chris-wright-future-of-u-s-coal-is-long-and-bright/article_4ffcdad0-9030-4e6f-8ca7-0816e1786cbc.html
[57] *E.g.*, https://www.facebook.com/energy/videos/big-beautiful-clean-coal-this-is-the-largest-source-of-global-electricity-and-th/1468968367585884/.

The administration, and DOE in particular, engaged in prejudgment of the Renewed Order. Knowing that it needed to effectuate the administration's policy preference to keep coal plants open, DOE worked backwards from that preferred result and justified it using post-hoc rationalizations. Secretary Wright demonstrated an "unalterably closed mind on matters critical to the disposition" of the use of emergency authority, requiring the Renewed Order to be set aside. *Nat'l Advertisers*, 627 F.2d at 1170; *Nehemiah Corp.*, 546 F. Supp. 2d at 847.

CONCLUSION

For all of the foregoing reasons, the Department should rescind the Renewed Order.

KEITH ELLISON
ATTORNEY GENERAL
OF MINNESOTA

/s/ Peter Surdo
Peter Surdo
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Dated: September 19, 2025

KWAME RAOUL
ATTORNEY GENERAL OF
THE STATE OF ILLINOIS

/s/ *Samuel C. Lukens*
Samuel C. Lukens, Assistant Attorney General
Susan L. Satter, Chief, Public Utilities Bureau
Jason E. James, Assistant Attorney General
Office of the Illinois Attorney General
115 South LaSalle, 25th Floor
Chicago, Illinois 60603

Dated: September 19, 2025

J.H. Campbell Tab Rises to $80M on DOE's Stay Open Orders

Listen to this story

Consumers Energy's J.H. Campbell coal plant | *Consumers Energy*

Oct 30, 2025 | Amanda Durish Cook

The J.H. Campbell coal plant in Michigan has racked up $80 million in net costs since late May to stay online per emergency orders from the Department of Energy.

The J.H. Campbell coal plant in Michigan has racked up $80 million in net costs since late May to stay online, per emergency orders from the U.S. Department of Energy.

The Bottom Line

Consumers Energy's latest filing to the U.S. Securities and Exchange Commission shows the coal plant cost $164 million to run in a little more than four months and made $84 million selling its output to MISO. That leaves an $80 million bill for ratepayers across MISO Midwest.

Plant owner Consumers Energy reported in an Oct. 30 *filing* to the U.S. Securities and Exchange Commission that from May 23 through Sept. 30, the costs of keeping the 1,420-MW plant online were about $164 million, with the utility offsetting $84 million with revenue from selling the plant's output in the *MISO* markets.

J.H. Campell now costs more than $615,000 per day to operate since DOE issued its first emergency order to prevent the plant's retirement as scheduled May 31. The plant

now is operating under a second emergency order that expires Nov. 19. (See *DOE Orders Mich. Coal Plant to Remain Available Another 90 Days*.)

Consumers Energy divided the costs of running the plant into the two timespans of the emergency orders. From May 20 to Aug. 20, costs swelled to $120 million, with $67 million in revenues, leaving $53 million to be paid. From Aug. 21 through Sept. 30, costs reached $44 million, with power sales covering $17 million, leaving $27 million unpaid.

Consumers Energy will detail the remaining costs associated with the second DOE order in its next quarterly filing, due to the SEC in late January 2026.

Earthjustice senior attorney Michael Lenoff said DOE's orders that the Campbell plant remain accessible are "extremely expensive."

Earthjustice, the Sierra Club, Michigan Attorney General Dana Nessel and others are suing DOE, arguing separately that ratepayers are unfairly expected to pay for the plant's expenses. (See *Opponents Take DOE to Court over J.H. Campbell Retirement Delay*.)

"Forcing this unnecessary coal plant to keep operating is bilking consumers for the benefit of the coal industry. Earthjustice is in court now to stop the administration from harming consumers, trampling markets and unlawfully usurping the authority of states and regulators to make decisions in the public interest," Lenoff said in a statement.

Numbers from EPA's Clean Air Markets Program Data show that J.H. Campbell's three units were not consistently generating from July to September, when Unit 1 did not produce power on 25 of the 92 days; Unit 2 was dormant 74 of 92 days; and Unit 3 did not produce power 29 of 92 days.

Several organizations continue to argue that DOE's pair of orders remain unnecessary.

In a September rehearing request challenging the second DOE order, Earthjustice and several other public interest groups argued that even on June 23, MISO's tightest reserve margin day of the summer, the RTO had 3.3 GW of offers above what it needed to meet its 119-GW peak demand, with an additional 7 GW of emergency headroom from resources on standby. The groups argued that the "primary actors in the electric industry already protect resource adequacy without intrusion" from DOE (*202-25-7*).

The cost of operating the plant is set to be paid by ratepayers across MISO Midwest. (See *FERC Rules Costs of Mich. Coal Plant Extension Can be Split Among 11 States*.)

Minnesota Public Utilities Commissioner Joseph Sullivan said DOE is infringing on state jurisdiction by ordering the plant to be kept online in rolling, 90-day increments. Sullivan told the MISO Board of Directors Sept. 18 that Consumers Energy, the state of Michigan,

MISO and the Independent Market Monitor all agree that J.H. Campbell was “properly planned for retirement and not needed for reliability.”

DOE claims it’s directing not states but MISO and *FERC* to keep the plant open. Sullivan said DOE relied on MISO’s previous warnings that resource adequacy was in peril despite the 2025/26 capacity auction clearing sufficient resources.

“We need to be careful with our narrative,” Sullivan said. He warned MISO against assuming retiring generation won’t be replaced or presuming that new load would be brought onto the system without the resources to support it.

The Michigan Public Service Commission in late August accepted annual capacity demonstrations from Michigan’s electric utilities, indicating that each has enough capacity to meet customer needs four years into the future (*U-21775*).

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____to_____

Commission File No.	Registrant; State of Incorporation; Address; and Telephone Number	IRS Employer Identification No.
1-9513	**CMS ENERGY CORPORATION** (A Michigan Corporation) One Energy Plaza, Jackson, Michigan 49201 (517) 788-0550	38-2726431
1-5611	**CONSUMERS ENERGY COMPANY** (A Michigan Corporation) One Energy Plaza, Jackson, Michigan 49201 (517) 788-0550	38-0442310

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
CMS Energy Corporation Common Stock, $0.01 par value	CMS	New York Stock Exchange
CMS Energy Corporation 5.625% Junior Subordinated Notes due 2078	CMSA	New York Stock Exchange
CMS Energy Corporation 5.875% Junior Subordinated Notes due 2078	CMSC	New York Stock Exchange
CMS Energy Corporation 5.875% Junior Subordinated Notes due 2079	CMSD	New York Stock Exchange
CMS Energy Corporation Depositary Shares, each representing a 1/1,000th interest in a share of 4.200% Cumulative Redeemable Perpetual Preferred Stock, Series C	CMS PRC	New York Stock Exchange
Consumers Energy Company Cumulative Preferred Stock, $100 par value: $4.50 Series	CMS-PB	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

CMS Energy Corporation: Yes ☒ No ☐ **Consumers Energy Company:** Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

CMS Energy Corporation: Yes ☒ No ☐ **Consumers Energy Company:** Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

CMS Energy Corporation:		**Consumers Energy Company:**	
Large accelerated filer	☒	Large accelerated filer	☐
Non-accelerated filer	☐	Non-accelerated filer	☒
Accelerated filer	☐	Accelerated filer	☐
Smaller reporting company	☐	Smaller reporting company	☐
Emerging growth company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

CMS Energy Corporation: ☐ **Consumers Energy Company:** ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

CMS Energy Corporation: Yes ☐ No ☒ **Consumers Energy Company:** Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock at October 13, 2025:

CMS Energy Corporation:	
CMS Energy Corporation Common Stock, $0.01 par value	304,319,765
Consumers Energy Company:	
Consumers Common Stock, $10 par value, privately held by CMS Energy Corporation	84,108,789

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CMS Energy Corporation
Consumers Energy Company
Quarterly Reports on Form 10-Q to the Securities and Exchange Commission for the Period Ended September 30, 2025

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Glossary

Certain terms used in the text and financial statements are defined below.

2024 Form 10-K
Each of CMS Energy's and Consumers' Annual Report on Form 10-K for the year ended December 31, 2024

2023 Energy Law
Michigan's Public Acts 229, 230, 231, 233, 234, and 235 of 2023

ABATE
Association of Businesses Advocating Tariff Equity

ASP
Appliance Service Plan

Aviator Wind
Aviator Wind Holdings, LLC, a VIE in which Aviator Wind Equity Holdings holds a Class B membership interest

Aviator Wind Equity Holdings
Aviator Wind Equity Holdings, LLC, a VIE in which Grand River Wind, LLC, a wholly owned subsidiary of NorthStar Clean Energy, has a 51-percent interest

Bay Harbor
A residential/commercial real estate area located near Petoskey, Michigan, in which CMS Energy sold its interest in 2002

Bcf
Billion cubic feet

CCR
Coal combustion residual

CEO
Chief Executive Officer

CERCLA
Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended

CFO
Chief Financial Officer

Clean Air Act
Federal Clean Air Act of 1963, as amended

Clean Energy Plan
Consumers' long-term strategy for delivering clean, reliable, resilient, and affordable energy to its customers; this plan was originally outlined and approved in Consumers' 2018 integrated resource plan and subsequently updated and approved through its 2021 integrated resource plan

Clean Water Act
Federal Water Pollution Control Act of 1972, as amended

CMS Energy
CMS Energy Corporation and its consolidated subsidiaries, unless otherwise noted; the parent of Consumers and NorthStar Clean Energy

CMS Land
CMS Land Company, a wholly owned subsidiary of CMS Capital, L.L.C., a wholly owned subsidiary of CMS Energy

Consumers
Consumers Energy Company and its consolidated subsidiaries, unless otherwise noted; a wholly owned subsidiary of CMS Energy

Consumers 2014 Securitization Funding
Consumers 2014 Securitization Funding LLC, a wholly owned consolidated bankruptcy-remote subsidiary of Consumers and special-purpose entity organized for the sole purpose of purchasing and owning securitization property, issuing securitization bonds, and pledging its interest in securitization property to a trustee to collateralize the securitization bonds

Consumers 2023 Securitization Funding
Consumers 2023 Securitization Funding LLC, a wholly owned consolidated bankruptcy-remote subsidiary of Consumers and special-purpose entity organized for the sole purpose of purchasing and owning securitization property, issuing securitization bonds, and pledging its interest in securitization property to a trustee to collateralize the securitization bonds

Covert Generating Station
A 1,200-MW natural gas-fueled generation station that was acquired by Consumers in 2023 from New Covert Generating Company, LLC, a non-affiliated company

Craven
Craven County Wood Energy Limited Partnership, a VIE in which HYDRA-CO Enterprises, Inc., a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent interest

CSAPR
Cross-State Air Pollution Rule of 2011, as amended

DB Pension Plans
Defined benefit pension plans of CMS Energy and Consumers, including certain present and former affiliates and subsidiaries

DB SERP
Defined Benefit Supplemental Executive Retirement Plan

Delta Solar Equity Holdings
Delta Solar Equity Holdings, LLC, a VIE in which Grand River Solar, LLC, a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent interest

DIG
Dearborn Industrial Generation, L.L.C., a wholly owned subsidiary of Dearborn Industrial Energy, L.L.C., a wholly owned subsidiary of NorthStar Clean Energy

Dodd-Frank Act
Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

DTE Electric
DTE Electric Company, a non-affiliated company

EGLE
Michigan Department of Environment, Great Lakes, and Energy

Endangered Species Act
Federal Endangered Species Act of 1973, as amended

energy waste reduction
The reduction of energy consumption through energy efficiency and demand-side energy conservation, as established under Michigan law

EPA
U.S. Environmental Protection Agency

EPS
Earnings per share

ERP
Enterprise Resource Planning software

Exchange Act
Securities Exchange Act of 1934

Federal Power Act
Federal Power Act of 1920

FERC
Federal Energy Regulatory Commission

FTR
Financial transmission right

GAAP
U.S. Generally Accepted Accounting Principles

Genesee
Genesee Power Station Limited Partnership, a VIE in which HYDRA-CO Enterprises, Inc., a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent interest

Good Neighbor Plan
A plan issued by the EPA which secures significant reductions in ozone-forming emissions of NOx from power plants and industrial facilities

Grayling
Grayling Generating Station Limited Partnership, a VIE in which HYDRA-CO Enterprises, Inc., a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent interest

GW
Gigawatt, a unit of energy equal to one billion watts

IRS
Internal Revenue Service

IT
Information technology

J.H. Campbell
J.H. Campbell Generating Complex, a three-unit coal-fueled electric generating facility comprised of Units 1 and 2, which are wholly owned by Consumers, and Unit 3, which Consumers jointly owns with the Michigan Public Power Agency, holding a 4.80-percent interest, and Wolverine Power Supply Cooperative, Inc., holding a 1.89-percent interest, each a non-affiliated company

kWh
Kilowatt-hour, a unit of energy equal to one thousand watt-hours

Ludington
Ludington pumped-storage plant, jointly owned by Consumers and DTE Electric

MATS
Mercury and Air Toxics Standards, which limit mercury, acid gases, and other toxic pollution from coal-fueled and oil-fueled power plants

MCV Facility
A 1,647-MW natural gas-fueled, combined-cycle cogeneration facility operated by the MCV Partnership

MCV Partnership
Midland Cogeneration Venture Limited Partnership, a non-affiliated company

MD&A
Management's Discussion and Analysis of Financial Condition and Results of Operations

METC
Michigan Electric Transmission Company, LLC, a non-affiliated company

MGP
Manufactured gas plant

Migratory Bird Treaty Act
Migratory Bird Treaty Act of 1918, as amended

MISO
Midcontinent Independent System Operator, Inc.

MISO Tariff
MISO Open Access Transmission, Energy, and Operating Reserve Markets Tariff

mothball
To place a generating unit into a state of extended reserve shutdown in which the unit is inactive and unavailable for service for a specified period, during which the unit can be brought back into service after receiving appropriate notification and completing any necessary maintenance or other work; generation owners in MISO must request approval to mothball a unit, and MISO then evaluates the request for reliability impacts

MPSC
Michigan Public Service Commission

MW
Megawatt, a unit of power equal to one million watts

NAAQS
National Ambient Air Quality Standards

Natural Gas Act
Natural Gas Act of 1938

Newport Solar Holdings
Newport Solar Holdings III, LLC, a VIE in which Newport Solar Equity Holdings LLC, a wholly owned subsidiary of Grand River Solar, LLC, a wholly owned subsidiary of NorthStar Clean Energy, holds a Class B membership interest

NorthStar Clean Energy
NorthStar Clean Energy Company, a wholly owned subsidiary of CMS Energy, formerly known as CMS Enterprises Company

NOx
Nitrogen oxides

NPDES
National Pollutant Discharge Elimination System, a permit system for regulating point sources of pollution under the Clean Water Act

NREPA
Part 201 of Michigan's Natural Resources and Environmental Protection Act of 1994, as amended

NWO Holdco
NWO Holdco, L.L.C., a VIE in which NWO Holdco I, LLC, a wholly owned subsidiary of NWO Wind Equity Holdings, LLC, holds a Class B membership interest

NWO Wind Equity Holdings
NWO Wind Equity Holdings, LLC, a VIE in which Grand River Wind, LLC, a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent interest

OBBBA
Federal One Big Beautiful Bill Act of 2025

OPEB
Other post-employment benefits

OPEB Plan
Postretirement health care and life insurance plans of CMS Energy and Consumers, including certain present and former affiliates and subsidiaries

PCB
Polychlorinated biphenyl

PPA
Power purchase agreement

PSCR
Power supply cost recovery

RCRA
Federal Resource Conservation and Recovery Act of 1976

Reliability Roadmap
Consumers' five-year strategy to improve its electric distribution system and the reliability of the grid; this plan was filed with the MPSC in 2023, and is an update to Consumers' previous Electric Distribution Infrastructure Investment Plan filed in 2021

ROA
Retail Open Access, which allows electric generation customers to choose alternative electric suppliers pursuant to Michigan's Public Acts 141 and 142 of 2000, as amended

SEC
U.S. Securities and Exchange Commission

securitization
A financing method authorized by statute and approved by the MPSC which allows a utility to sell its right to receive a portion of the rate payments received from its customers for the repayment of securitization bonds issued by a special-purpose entity affiliated with such utility

SOFR
Secured overnight financing rate calculated and published by the Federal Reserve Bank of New York

TAES
Toshiba America Energy Systems Corporation, a non-affiliated company

TBJH
TBJH Inc., a non-affiliated company

TCJA

Tax Cuts and Jobs Act of 2017

Term SOFR

The rate per annum that is a forward-looking term rate based on SOFR

T.E.S. Filer City

T.E.S. Filer City Station Limited Partnership, a VIE in which HYDRA-CO Enterprises, Inc., a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent interest

Toshiba

Toshiba Corporation, a non-affiliated company

Toshiba International

Toshiba International Corporation, a non-affiliated company

UWUA

Utility Workers Union of America, AFL-CIO

VIE

Variable interest entity

Filing Format

This combined Form 10-Q is separately filed by CMS Energy and Consumers. Information in this combined Form 10-Q relating to each individual registrant is filed by such registrant on its own behalf. Consumers makes no representation regarding information relating to any other companies affiliated with CMS Energy other than its own subsidiaries.

CMS Energy is the parent holding company of several subsidiaries, including Consumers and NorthStar Clean Energy. None of CMS Energy, NorthStar Clean Energy, nor any of CMS Energy's other subsidiaries (other than Consumers) has any obligation in respect of Consumers' debt securities or preferred stock and holders of such securities should not consider the financial resources or results of operations of CMS Energy, NorthStar Clean Energy, nor any of CMS Energy's other subsidiaries (other than Consumers and its own subsidiaries (in relevant circumstances)) in making a decision with respect to Consumers' debt securities or preferred stock. Similarly, neither Consumers nor any other subsidiary of CMS Energy has any obligation in respect of securities of CMS Energy.

This report should be read in its entirety. No one section of this report deals with all aspects of the subject matter of this report. This report should be read in conjunction with the consolidated financial statements and related notes and with MD&A included in the 2024 Form 10-K.

Available Information

CMS Energy's internet address is www.cmsenergy.com. CMS Energy routinely posts important information on its website and considers the Investor Relations section, www.cmsenergy.com/investor-relations, a channel of distribution for material information. Information contained on CMS Energy's website is not incorporated herein.

Forward-looking Statements and Information

This Form 10-Q and other CMS Energy and Consumers disclosures may contain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. The use of "anticipates," "assumes," "believes," "could," "estimates," "expects," "forecasts," "goals," "guidance," "intends," "may," "might," "objectives," "plans," "possible," "potential," "predicts," "projects," "seeks," "should," "targets," "will," and other similar words is intended to identify forward-looking statements that involve risk and uncertainty. This discussion of potential risks and uncertainties is designed to highlight important factors that may impact CMS Energy's and Consumers' businesses and financial outlook. CMS Energy and Consumers have no obligation to update or revise forward-looking statements regardless of whether new information, future events, or any other factors affect the information contained in the statements. These forward-looking statements are subject to various factors that could cause CMS Energy's and Consumers' actual results to differ materially from the results anticipated in these statements. These factors include, but are not limited to, the following, all of which are potentially significant:

- the impact and effect of recent events, such as worsening trade relations, geopolitical tensions, war, acts of terrorism, and the responses to these events, and related economic disruptions including, but not limited to, inflation, energy price volatility, tariffs, and supply chain disruptions
- the impact of new or modified regulation by the MPSC, FERC, and other applicable governmental proceedings and regulations, including any associated impact on electric or gas rates or rate structures

- potentially adverse regulatory treatment, effects of a failure to receive timely regulatory orders that are or could come before the MPSC, FERC, or other governmental authorities, or effects of a government shutdown
- changes in the performance of or regulations applicable to MISO, METC, pipelines, railroads, vessels, or other service providers that CMS Energy, Consumers, or any of their affiliates rely on to serve their customers
- federal or executive actions, the adoption of or challenges to federal or state laws or regulations or changes in applicable laws, rules, regulations, principles, or practices, or in their interpretation, such as those related to energy policy, ROA, the Public Utility Regulatory Policies Act of 1978, infrastructure integrity or security, cybersecurity, gas pipeline safety, gas pipeline capacity, energy waste reduction, the financial compensation mechanism, the environment, regulation or deregulation, reliability, health care reforms, taxes, tax credits, accounting matters, tariffs, climate change, air emissions, renewable energy, the Dodd-Frank Act, and other business issues that could have an impact on CMS Energy's, Consumers', or any of their affiliates' businesses or financial results
- factors affecting, disrupting, interrupting, or otherwise impacting CMS Energy's or Consumers' facilities, utility infrastructure, operations, or backup systems, such as costs and availability of personnel, equipment, and materials; weather and climate, including catastrophic weather-related damage and extreme temperatures; natural disasters; fires; smoke; scheduled or unscheduled equipment outages; maintenance or repairs; contractor performance; environmental incidents; failures of equipment or materials; electric transmission and distribution or gas pipeline system constraints; interconnection requirements; political and social unrest; general strikes; the government and/or paramilitary response to political or social events; changes in trade policies, regulations, or tariffs; accidents; explosions; physical disasters; global pandemics; cyber incidents; physical or cyber attacks; vandalism; war or terrorism; and the ability to obtain or maintain insurance coverage for these events
- the ability of CMS Energy and Consumers to execute cost-reduction strategies and/or convert economic development opportunities
- potentially adverse regulatory or legal interpretations or decisions regarding environmental matters, or delayed regulatory treatment or permitting decisions that are or could come before agencies such as EGLE, the EPA, FERC, and/or the U.S. Army Corps of Engineers, and potential environmental remediation costs associated with these interpretations or decisions, including those that may affect Consumers' coal ash management or routine maintenance, repair, and replacement classification under New Source Review, a construction-permitting program under the Clean Air Act
- changes in energy markets, including availability, price, and seasonality of electric capacity and energy and the timing and extent of changes in commodity prices and availability and deliverability of coal, natural gas, natural gas liquids, electricity, oil, gasoline, diesel fuel, and certain related products
- the price of CMS Energy common stock, the credit ratings of CMS Energy and Consumers, capital and financial market conditions, and the effect of these market conditions on CMS Energy's and Consumers' interest costs and access to the capital markets, including availability of financing to CMS Energy, Consumers, or any of their affiliates

- the ability of CMS Energy and Consumers to execute their financing strategies
- the investment performance of the assets of CMS Energy's and Consumers' pension and benefit plans, the discount rates, mortality assumptions, and future medical costs used in calculating the plans' obligations, and the resulting impact on future funding requirements
- the impact of the economy, particularly in Michigan, and potential future volatility in the financial and credit markets on CMS Energy's, Consumers', or any of their affiliates' revenues, ability to collect accounts receivable from customers, or cost and availability of capital
- changes in the economic and financial viability of CMS Energy's and Consumers' suppliers, customers, and other counterparties and the continued ability of these third parties, including those in bankruptcy, to meet their obligations to CMS Energy and Consumers
- population changes in the geographic areas where CMS Energy and Consumers conduct business
- national, regional, and local economic, competitive, and regulatory policies, conditions, and developments
- loss of customer demand for electric generation supply to alternative electric suppliers, the creation of municipal utilities, increased use of self-generation including distributed generation, energy waste reduction, or energy storage
- loss of customer demand for natural gas due to alternative technologies or fuels or electrification
- the ability of Consumers to meet increased renewable energy demand due to customers seeking to meet their own sustainability goals in a timely and cost-efficient manner
- the reputational or other impact on CMS Energy and Consumers of the failure to meet the renewable or clean energy standards required by the 2023 Energy Law or to achieve or make timely progress on their greenhouse gas reduction goals related to reducing their impact on climate change
- adverse consequences of employee, director, or third-party fraud or non-compliance with codes of conduct or with laws or regulations
- federal regulation of electric sales, including periodic re-examination by federal regulators of CMS Energy's and Consumers' market-based sales authorizations
- any event, change, development, occurrence, or circumstance that could impact the implementation of the Clean Energy Plan, including any action by a regulatory authority or other third party to prohibit, delay, or impair the implementation of the Clean Energy Plan
- the ability to meet increases in electric demand associated with data centers, or alternatively, the risk that anticipated demand growth from data center expansion may not materialize as expected
- the availability, cost, coverage, and terms of insurance, the stability of insurance providers, and the ability of Consumers to recover the costs of any insurance from customers
- the effectiveness of CMS Energy's and Consumers' risk management policies, procedures, and strategies, including strategies to hedge risk related to interest rates and future prices of electricity, natural gas, and other energy-related commodities
- factors affecting development of electric generation projects, gas transmission, and gas and electric distribution infrastructure replacement, conversion, and expansion projects, including

factors related to project site identification, construction material availability, quality, and pricing, tariffs, embargoes on equipment, supply chain disruptions, schedule delays, interconnection delays, availability of qualified construction personnel, permitting, acquisition of property rights, community opposition, environmental regulations, performance of contractors and counterparties, and government actions

- changes or disruption in fuel supply, including but not limited to supplier bankruptcy and delivery disruptions
- potential costs, lost revenues, reputational harm, or other consequences resulting from misappropriation of assets or sensitive information, corruption of data, or operational disruption in connection with a cyberattack or other cyber incident
- potential disruption to, interruption or failure of, or other impacts on IT backup or disaster recovery systems
- technological developments in energy production, storage, delivery, usage, and metering
- the ability to implement and integrate technology successfully, including artificial intelligence
- the impact of CMS Energy's and Consumers' integrated business software system and its effects on their operations, including utility customer billing and collections
- adverse consequences resulting from any past, present, or future assertion of indemnity or warranty claims associated with assets and businesses previously owned by CMS Energy or Consumers, including claims resulting from attempts by foreign or domestic governments to assess taxes on or to impose environmental liability associated with past operations or transactions
- the outcome, cost, and other effects of any legal or administrative claims, proceedings, investigations, or settlements
- the reputational impact on CMS Energy and Consumers of operational incidents, violations of corporate policies, regulatory violations, inappropriate use of social media, and other events
- restrictions imposed by various financing arrangements and regulatory requirements on the ability of Consumers and other subsidiaries of CMS Energy to transfer funds to CMS Energy in the form of cash dividends, loans, or advances
- earnings volatility resulting from the application of fair value accounting to certain energy commodity contracts or interest rate contracts
- changes in financial or regulatory accounting principles or policies or interpretation of principles or policies
- other matters that may be disclosed from time to time in CMS Energy's and Consumers' SEC filings, or in other public documents

All forward-looking statements should be considered in the context of the risk and other factors described above and as detailed from time to time in CMS Energy's and Consumers' SEC filings. For additional details regarding these and other uncertainties, see Part I—Item 1. Financial Statements—MD&A—Outlook and Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments; and Part I—Item 1A. Risk Factors in the 2024 Form 10-K.

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Part I—Financial Information

Item 1. Financial Statements

Index to Financial Statements

CMS Energy Corporation
Consumers Energy Company
Management's Discussion and Analysis of Financial Condition and Results of Operations

This MD&A is a combined report of CMS Energy and Consumers.

Executive Overview

CMS Energy is an energy company operating primarily in Michigan. It is the parent holding company of several subsidiaries, including Consumers, an electric and gas utility, and NorthStar Clean Energy, primarily a domestic independent power producer and marketer. Consumers' electric utility operations include the generation, purchase, distribution, and sale of electricity, and Consumers' gas utility operations include the purchase, transmission, storage, distribution, and sale of natural gas. Consumers' customer base consists of a mix of primarily residential, commercial, and diversified industrial customers. NorthStar Clean Energy, through its subsidiaries and equity investments, is engaged in domestic independent power production, including the development and operation of renewable generation, and the marketing of independent power production.

CMS Energy and Consumers manage their businesses by the nature of services each provides. CMS Energy operates principally in three business segments: electric utility; gas utility; and NorthStar Clean Energy, its non-utility operations and investments. Consumers operates principally in two business segments: electric utility and gas utility. CMS Energy's and Consumers' businesses are affected primarily by:

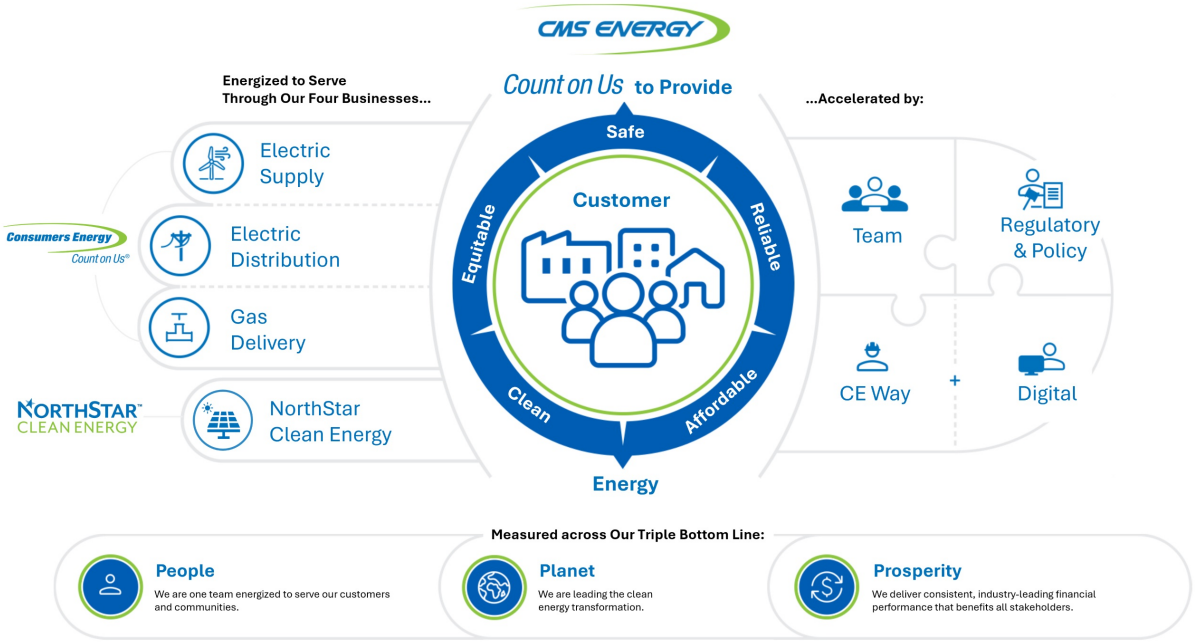
- regulation and regulatory matters
- state and federal legislation
- economic conditions
- weather
- energy commodity prices
- interest rates
- their securities' credit ratings

The Triple Bottom Line

CMS Energy's and Consumers' purpose is to provide safe, reliable, affordable, clean, and equitable energy in service of their customers. In support of this purpose, CMS Energy and Consumers couple digital transformation with the "CE Way," a lean operating system designed to improve safety, quality, cost, delivery, and employee morale.

CMS Energy and Consumers measure their progress toward the purpose by considering their impact on the "triple bottom line" of people, planet, and prosperity; this consideration takes into account not only the economic value that CMS Energy and Consumers create for customers and investors, but also their responsibility to social and environmental goals. The triple bottom line balances the interests of employees, customers, suppliers, regulators, creditors, Michigan's residents, the investment community,

and other stakeholders, and it reflects the broader societal impacts of CMS Energy's and Consumers' activities.



CMS Energy's Sustainability Report, which is available to the public, describes CMS Energy's and Consumers' progress toward world class performance measured in the areas of people, planet, and prosperity.

People: The people element of the triple bottom line represents CMS Energy's and Consumers' commitment to their employees, their customers, the residents of local communities in which they do business, and other stakeholders.

The safety of co-workers, customers, and the general public is a priority of CMS Energy and Consumers. Accordingly, CMS Energy and Consumers have worked to integrate a set of safety principles into their business operations and culture. These principles include complying with applicable safety, health, and security regulations and implementing programs and processes aimed at continually improving safety and security conditions.

CMS Energy and Consumers also place a high priority on customer value and on providing reliable, affordable, and equitable energy in service of their customers. Consumers' customer-driven investment program is aimed at improving safety and increasing electric and gas reliability.

In the electric rate case it filed with the MPSC in June 2025, Consumers updated its Reliability Roadmap, a five-year strategy to improve Consumers' electric distribution system and the reliability of the grid. The plan proposes spending through 2029 for projects designed to reduce the number and duration of power outages to customers through investment in infrastructure upgrades, vegetation management, and grid

modernization. Consumers has requested rate recovery of the investments needed to achieve the Reliability Roadmap's key objectives in its electric rate cases.

Central to Consumers' commitment to its customers are the initiatives it has undertaken to keep electricity and natural gas affordable, including:

- replacement of coal-fueled generation and PPAs with a cost-efficient and reliable mix of renewable energy, less-costly dispatchable generation sources, and energy waste reduction and demand response programs
- targeted infrastructure investment to reduce maintenance costs and improve reliability and safety
- supply chain optimization
- economic development to increase sales and reduce overall rates
- information and control system efficiencies
- employee and retiree health care cost sharing
- tax planning
- cost-effective financing
- workforce productivity enhancements

While inflationary pressures and tariffs could impact supply chain availability and pricing, CMS Energy and Consumers are taking steps to help mitigate the impact on their ability to provide safe, reliable, affordable, clean, and equitable energy in service of their customers.

Planet: The planet element of the triple bottom line represents CMS Energy's and Consumers' commitment to protect the environment. This commitment extends beyond compliance with various state and federal environmental, health, and safety laws and regulations. Management considers climate change and other environmental risks in strategy development, business planning, and enterprise risk management processes.

CMS Energy and Consumers continue to focus on opportunities to protect the environment and reduce their carbon footprint from owned generation. CMS Energy, including Consumers, has decreased its combined percentage of electric supply (self-generated and purchased) from coal by 23 percentage points since 2015. Additionally, as a result of actions already taken through 2024, Consumers has:

- reduced carbon dioxide emissions from owned generation by more than 30 percent since 2005
- reduced methane emissions by nearly 30 percent since 2012
- reduced the volume of water used to generate electricity by more than 50 percent since 2012
- reduced landfill waste disposal by more than two million tons since 1992
- enhanced, restored, or protected more than 11,700 acres of land since 2017
- reduced sulfur dioxide and particulate matter emissions by nearly 95 percent since 2005
- reduced NOx emissions by more than 86 percent since 2005
- reduced mercury emissions by more than 92 percent since 2007

In 2023, Michigan enacted the 2023 Energy Law, which among other things:

- raised the renewable energy standard from the present 15-percent requirement to 50 percent by 2030 and 60 percent by 2035; renewable energy generated anywhere within MISO can be applied to meeting this standard, with certain limitations
- set a clean energy standard of 80 percent by 2035 and 100 percent by 2040; low- or zero-carbon emitting resources, such as nuclear generation and natural gas generation coupled with carbon capture, are considered clean energy sources under this standard

- enhanced existing incentives for energy efficiency programs and returns earned on new clean or renewable PPAs
- created a new energy storage standard that requires electric utilities to file plans by 2029 to obtain new energy storage that will contribute to a Michigan target of 2,500 MW based on their pro rata share
- expanded the statutory cap on distributed generation resources to 10 percent of utility sales

Consumers' updates to its renewable energy plan, which were approved by the MPSC in September 2025, and planned updates to its Clean Energy Plan in 2026 will serve as a blueprint to meeting the requirements of the 2023 Energy Law by focusing on increasing the generation of renewable energy, deploying energy storage, helping customers use less energy, and offering demand response programs to reduce demand during critical peak times.

Consumers' Clean Energy Plan details its strategy to meet customers' long-term energy needs and was most recently revised and approved by the MPSC in 2022 under Michigan's integrated resource planning process. The Clean Energy Plan outlines Consumers' long-term strategy for delivering safe, reliable, affordable, clean, and equitable energy to its customers. This strategy includes:

- ending the use of coal in owned generation in 2025, 15 years sooner than initially planned
- purchasing the Covert Generating Station, a natural gas-fueled generating facility with 1,200 MW of nameplate capacity, allowing Consumers to continue to provide controllable sources of electricity to customers; this purchase was completed in 2023
- soliciting capacity from sources able to deliver to Michigan's Lower Peninsula, including battery storage facilities

In May 2025, before the planned closure of J.H. Campbell, the U.S. Secretary of Energy issued an emergency order under section 202(c) of the Federal Power Act requiring J.H. Campbell to continue operating for 90 days, through August 20, 2025. The order stated that continued operation of J.H. Campbell was required to meet an energy emergency across MISO's North and Central regions. Consistent with the Federal Power Act and the U.S. Department of Energy regulations, the order authorizes Consumers to obtain cost recovery at FERC. As directed, Consumers continued to make J.H. Campbell available in the MISO market and filed a complaint at FERC seeking a modification of the MISO Tariff to establish a mechanism for recovery and allocation of the cost to comply with this order. In August 2025, FERC issued an order granting Consumers' requested relief and ordered MISO to file a revised tariff, which MISO filed in September 2025 and is pending at FERC.

On August 20, 2025, the U.S. Secretary of Energy issued a second emergency order requiring J.H. Campbell to continue operating for another 90 days, through November 19, 2025. Consumers is complying with the August 2025 emergency order and will seek recovery of its compliance costs at a later date, consistent with rate recovery sought for the May 2025 emergency order. The U.S. Department of Energy may issue more orders to require the continued operation of J.H. Campbell. Consumers cannot predict the long-term impact of these orders, litigation surrounding the orders, or additional orders or similar governmental actions, on the Clean Energy Plan.

Consumers' updates to its renewable energy plan include up to 9,000 MW of both purchased and owned solar energy resources and the addition of up to 2,800 MW of new, competitively bid wind energy resources. Coupled with updates to the Clean Energy Plan, these actions will enable Consumers to achieve 60-percent renewable energy by 2035 and 100-percent clean energy by 2040, and will also contribute to Consumers' achievement of the net-zero emissions goals discussed below.

Net-zero methane emissions from natural gas delivery system by 2030: Under its Methane Reduction Plan, Consumers plans to reduce methane emissions from its system by about 80 percent, from 2012

baseline levels, by accelerating the replacement of aging pipe, rehabilitating or retiring outdated infrastructure, and adopting new technologies and practices. The remaining emissions will likely be offset through clean fuel alternatives or nature-based carbon removal pathways. To date, Consumers has reduced methane emissions by nearly 30 percent.

Net-zero greenhouse gas emissions target for the entire business by 2050: This goal incorporates greenhouse gas emissions from Consumers' natural gas delivery system, including suppliers and customers, and has an interim goal of reducing customer emissions by 25 percent by 2035. Consumers expects to meet this goal through carbon offset measures, renewable natural gas, energy efficiency and demand response programs, and the adoption of cost-effective emerging technologies once proven and commercially available.

Additionally, to advance its environmental stewardship in Michigan and to minimize the impact of future regulations, Consumers set the following goals for the five-year period 2023 through 2027:

- to enhance, restore, or protect 6,500 acres of land through 2027; Consumers had enhanced, restored, or protected more than 5,000 acres of land towards this goal through 2024
- to reduce water usage by 1.7 billion gallons through 2027; Consumers had reduced water usage by more than 1.3 billion gallons towards this goal through 2024
- to annually divert a minimum of 90 percent of waste from landfills (through waste reduction, recycling, and reuse); during 2024, Consumers' rate of waste diverted from landfills was 92 percent

CMS Energy and Consumers are monitoring numerous legislative, policy, and regulatory initiatives, including those related to regulation and reporting of greenhouse gases, and related litigation. While CMS Energy and Consumers cannot predict the outcome of these matters, which could affect them materially, they intend to continue to move forward with a triple-bottom-line approach that focuses on people, planet, and prosperity.

Prosperity: The prosperity element of the triple bottom line represents CMS Energy's and Consumers' commitment to meeting their financial objectives and providing economic development opportunities and benefits in the communities in which they do business. CMS Energy's and Consumers' financial strength allows them to maintain solid investment-grade credit ratings and thereby reduce funding costs for the benefit of customers and investors, to attract and retain talent, and to reinvest in the communities they serve.

For the nine months ended September 30, 2025, CMS Energy's net income available to common stockholders was $775 million, and diluted EPS were $2.59. This compares with net income available to common stockholders of $731 million and diluted EPS of $2.45 for the nine months ended September 30, 2024. In 2025, higher gas sales due primarily to favorable weather and electric and gas rate increases were offset partially by lower earnings at NorthStar Clean Energy and increased depreciation and property taxes, reflecting higher capital spending. A more detailed discussion of the factors affecting CMS Energy's and Consumers' performance can be found in the Results of Operations section that follows this Executive Overview.

Over the next five years, Consumers expects weather-normalized electric deliveries to increase compared to 2024. This outlook reflects strong growth in electric demand, offset partially by the effects of energy waste reduction programs. Weather-normalized gas deliveries are expected to remain stable relative to 2024, reflecting modest growth in gas demand, offset by the effects of energy waste reduction programs.

Performance: Impacting the Triple Bottom Line

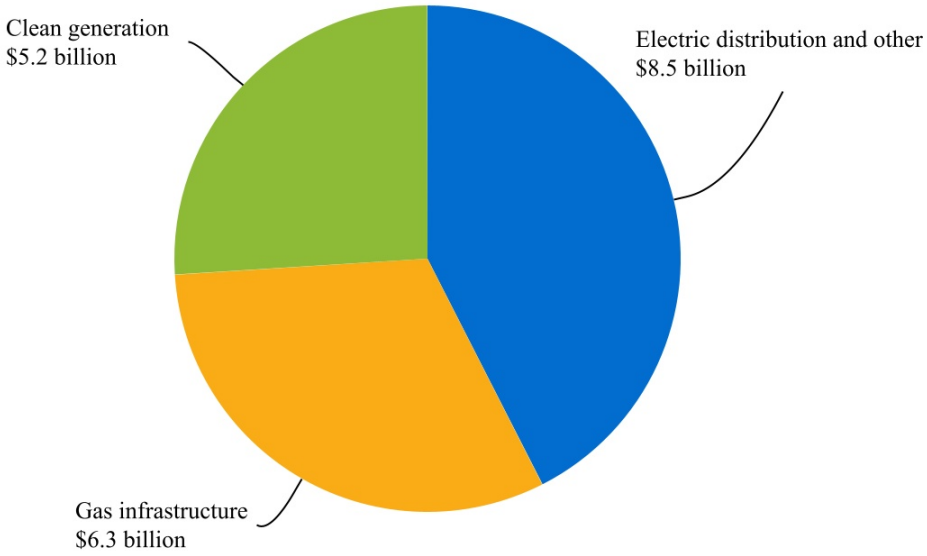
CMS Energy and Consumers remain committed to delivering safe, reliable, affordable, clean, and equitable energy in service of their customers and positively impacting the triple bottom line of people, planet, and prosperity. During 2025, CMS Energy and Consumers:

- reached an agreement with a new data center expected to add up to 1 GW of incremental load growth in our service territory, supporting long-term sales growth and delivering economic benefits for Michigan
- expanded the use of drone technology enabling faster, safer inspections of 400 miles of hard-to-reach power lines and infrastructure resulting in reduced average outage time per customer and improved storm recovery capabilities
- announced the launch of “Green Giving,” a program enabling the general public to contribute to renewable energy while offering financial benefits to low-income customers, along with a new Residential Renewable Energy Program, which allows customers of all income levels to subscribe and match their energy usage with renewable energy sources, supporting clean energy initiatives
- moved forward with an aggressive plan to enhance grid reliability for nearly two million homes and businesses by clearing trees along 8,000 miles of power lines and creating a modern, stronger, and more resilient power grid through infrastructure upgrades and technology investments
- announced deployment of eight state-of-the-art vehicles that will survey the company’s nearly 30,000-mile gas distribution system to find methane emissions, enhancing safety and reliability for Consumers’ natural gas customers
- experienced success with the underground power line pilot program in early 2025, with pilot areas seeing 100-percent reduction in storm-related outages and improved customer satisfaction

CMS Energy and Consumers will continue to utilize the CE Way to enable them to achieve world class performance and positively impact the triple bottom line. Consumers’ investment plan and the regulatory environment in which it operates also drive its ability to impact the triple bottom line.

Investment Plan: Over the next five years, Consumers expects to make significant expenditures on infrastructure upgrades, replacements, and clean generation. While it has a large number of potential investment opportunities that would add customer value, Consumers has prioritized its spending based on the criteria of enhancing public safety, increasing reliability, maintaining affordability for its customers, and advancing its environmental stewardship. Consumers’ investment program, which is subject to approval through general rate case and other MPSC proceedings, is expected to result in annual rate-base growth of more than 8 percent. This rate-base growth, together with cost-control measures, should allow Consumers to maintain affordable customer prices.

Presented in the following illustration are Consumers' planned capital expenditures through 2029 of $20.0 billion:



Of this amount, Consumers plans to spend $14.8 billion over the next five years primarily to maintain and upgrade its electric distribution systems and gas infrastructure in order to enhance safety and reliability, improve customer satisfaction, reduce energy waste on those systems, and facilitate its clean energy transformation. Electric distribution and other projects comprise $8.5 billion primarily to strengthen circuits and substations, replace poles, and interconnect clean energy resources. The gas infrastructure projects comprise $6.3 billion to sustain deliverability, enhance pipeline integrity and safety, and reduce methane emissions. Consumers also expects to spend $5.2 billion on clean generation, which includes investments in wind, solar, and hydroelectric generation resources.

Regulation: Regulatory matters are a key aspect of Consumers' business, particularly rate cases and regulatory proceedings before the MPSC, which permit recovery of new investments while helping to ensure that customer rates are fair and affordable. Important regulatory events and developments not already discussed are summarized below.

2024 Electric Rate Case: In March 2025, the MPSC issued an order authorizing an annual rate increase of $176 million, which is inclusive of a $22 million surcharge for the recovery of distribution investments made in 2023 that exceeded the rate amounts authorized in accordance with previous electric rate orders. The approved rate increase is based on a 9.90-percent authorized return on equity. The new rates became effective in April 2025.

2025 Electric Rate Case: In June 2025, Consumers filed an application with the MPSC seeking a rate increase of $460 million, made up of two components. First, Consumers requested a $436 million annual rate increase, based on a 10.25-percent authorized return on equity for the projected 12-month period ending April 30, 2027. The filing requested authority to recover costs related to new infrastructure investment primarily in distribution system reliability. Second, Consumers requested approval of a $24 million surcharge for the recovery of distribution investments made during the 12 months ended February 28, 2025 that exceeded the rate amounts authorized in accordance with previous electric rate

orders. In October 2025, Consumers revised its requested increase to $447 million. The MPSC must issue a final order in this case before or in April 2026.

2024 Gas Rate Case: In December 2024, Consumers filed an application with the MPSC seeking an annual rate increase of $248 million based on a 10.25-percent authorized return on equity for the projected 12-month period ending October 31, 2026. In July 2025, Consumers revised its requested increase to $217 million.In September 2025, the MPSC issued an order authorizing an annual rate increase of $157.5 million, based on a 9.80-percent authorized return on equity. The new rates become effective in November 2025.

Looking Forward

CMS Energy and Consumers will continue to consider the impact on the triple bottom line of people, planet, and prosperity in their daily operations as well as in their long-term strategic decisions. Consumers will continue to seek fair and timely regulatory treatment that will support its customer-driven investment plan, while pursuing cost-control measures that will allow it to maintain sustainable customer base rates. The CE Way is an important means of realizing CMS Energy's and Consumers' purpose of providing safe, reliable, affordable, clean, and equitable energy in service of their customers.

Results of Operations

CMS Energy Consolidated Results of Operations

In Millions, Except Per Share Amounts

	Three Months Ended			Nine Months Ended		
September 30	2025	2024	Change	2025	2024	Change
Net Income Available to Common Stockholders	$ 275	$ 251	$ 24	$ 775	$ 731	$ 44
Basic Earnings Per Average Common Share	$ 0.92	$ 0.84	$ 0.08	$ 2.59	$ 2.45	$ 0.14
Diluted Earnings Per Average Common Share	$ 0.92	$ 0.84	$ 0.08	$ 2.59	$ 2.45	$ 0.14

In Millions

	Three Months Ended			Nine Months Ended		
September 30	2025	2024	Change	2025	2024	Change
Electric utility	$ 326	$ 273	$ 53	$ 617	$ 540	$ 77
Gas utility	—	11	(11)	238	195	43
NorthStar Clean Energy	11	6	5	15	53	(38)
Corporate interest and other	(62)	(39)	(23)	(95)	(57)	(38)
Net Income Available to Common Stockholders	$ 275	$ 251	$ 24	$ 775	$ 731	$ 44

Presented in the following table is a summary of changes to net income available to common stockholders for the three and nine months ended September 30, 2025 versus 2024:

In Millions

	Three Months Ended		Nine Months Ended	
September 30, 2024		$ 251		$ 731
Reasons for the change				
Consumers electric utility and gas utility				
Electric sales	$ 26		$ 41	
Gas sales	7		87	
Electric rate increase	99		179	
Gas rate increase, including gain amortization in lieu of rate relief	10		45	
Lower service restoration costs, net of 2025 deferred storm expense[1]	7		30	
Higher income tax expense	(45)		(83)	
Higher depreciation and amortization	(13)		(48)	
Higher interest charges	(14)		(30)	
Higher other maintenance and operating expenses	(13)		(26)	
Higher property taxes, reflecting higher capital spending	(9)		(23)	
Higher IT expenses, including early-phase ERP implementation costs	(7)		(17)	
Higher vegetation management cost	(2)		(15)	
Lower other income, net of expenses	(4)		(14)	
Absence of ASP revenue, net of expense, due to sale in 2024	—		(6)	
		$ 42		$ 120
NorthStar Clean Energy (see below for additional detail)		5		(38)
Corporate interest and other		(23)		(38)
September 30, 2025		$ 275		$ 775

[1] See Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters.

Consumers Electric Utility Results of Operations

Presented in the following table are the detailed changes to the electric utility's net income available to common stockholders for the three and nine months ended September 30, 2025 versus 2024:

In Millions

	Three Months Ended		Nine Months Ended	
September 30, 2024		$ 273		$ 540
Reasons for the change				
Electric deliveries[1] and rate increases				
Rate increase, including return on higher renewable capital spending	$ 99		$ 179	
Higher revenue due primarily to higher sales volume	19		19	
Higher (lower) energy waste reduction program revenues	(3)		12	
Higher other revenues	7		22	
		$ 122		$ 232
Maintenance and other operating expenses				
Lower service restoration costs, net of 2025 deferred storm expense[2]	7		30	
Higher vegetation management cost	(2)		(15)	
Lower (higher) energy waste reduction program costs	3		(12)	
Higher IT expenses, including early-phase ERP implementation costs	(5)		(12)	
Higher other maintenance and operating expenses	(6)		(16)	
		(3)		(25)
Depreciation and amortization				
Increased plant in service, reflecting higher capital spending		(10)		(31)
General taxes				
Higher property taxes, reflecting higher capital spending		(6)		(13)
Other income, net of expenses		(1)		(8)
Interest charges		(10)		(21)
Income taxes				
Higher electric utility pre-tax earnings	(24)		(36)	
Absence of 2024 deferred tax liability reversals	(11)		(11)	
State deferred tax remeasurement[3]	—		(8)	
Higher other income taxes	(4)		(2)	
		(39)		(57)
September 30, 2025		$ 326		$ 617

[1] For the three months ended September 30, deliveries to end-use customers were 10.4 billion kWh in 2025 and 10.1 billion kWh in 2024. For the nine months ended September 30, deliveries to end-use customers were 28.4 billion kWh in 2025 and 28.0 billion kWh in 2024.

[2] See Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters.

[3] See Notes to the Unaudited Consolidated Financial Statements—Note 7, Income Taxes.

Consumers Gas Utility Results of Operations

Presented in the following table are the detailed changes to the gas utility's net income available to common stockholders for the three and nine months ended September 30, 2025 versus 2024:

In Millions

	Three Months Ended		Nine Months Ended	
September 30, 2024		$ 11		$ 195
Reasons for the change				
Gas deliveries[1] and rate increases				
Rate increase	$ 8		$ 26	
Higher revenue due primarily to the absence of 2024 unfavorable weather	6		88	
Higher energy waste reduction program revenues	—		12	
Absence of ASP business revenue[2]	—		(19)	
ASP gain customer bill credit[2]	(2)		(20)	
		$ 12		$ 87
Maintenance and other operating expenses				
Amortization of ASP gain[2]	5		38	
Absence of 2024 ASP business expense[2]	—		13	
Higher IT expenses, including early-phase ERP implementation costs	(2)		(5)	
Higher energy waste reduction program costs	—		(12)	
Higher maintenance and other operating expenses	(7)		(10)	
		(4)		24
Depreciation and amortization				
Increased plant in service, reflecting higher capital spending		(3)		(17)
General taxes				
Higher property taxes, reflecting higher capital spending		(3)		(10)
Other income, net of expenses		(3)		(6)
Interest charges		(4)		(9)
Income taxes				
Lower (higher) gas utility pre-tax earnings	1		(18)	
Absence of 2024 deferred tax liability reversals	(5)		(5)	
State deferred tax remeasurement[3]	—		(4)	
Lower (higher) other income taxes	(2)		1	
		(6)		(26)
September 30, 2025		$ —		$ 238

1 For the three months ended September 30, deliveries to end-use customers were 30 Bcf in 2025 and 28 Bcf in 2024. For the nine months ended September 30, deliveries to end-use customers were 213 Bcf in 2025 and 186 Bcf in 2024.

2 In April 2024, Consumers sold its unregulated ASP business to a non-affiliated company, resulting in a $110 million gain. In July 2024, the MPSC approved the utilization of $27.5 million, or one-fourth, of the gain on the sale as an offset to the revenue deficiency in lieu of additional rate relief during the 12-month period beginning October 1, 2024, with the remaining three-fourths of the gain, or $82.5 million, to be credited to customers as a bill credit over a three-year period beginning October 1, 2024.

3 See Notes to the Unaudited Consolidated Financial Statements—Note 7, Income Taxes.

NorthStar Clean Energy Results of Operations

Presented in the following table are the detailed changes to NorthStar Clean Energy's net income available to common stockholders for the three and nine months ended September 30, 2025 versus 2024:

In Millions

	Three Months Ended		Nine Months Ended	
September 30, 2024	$	6	$	53
Reason for the change				
Higher (lower) earnings from renewable projects[1]	$	3	$	(24)
Higher (lower) operating earning[2]		7		(16)
Lower (higher) other expense		2		(1)
Lower (higher) tax expense		(7)		3
September 30, 2025	$	11	$	15

[1] Reflects timing of achieving commercial operation during the nine months ended September 30, 2025 versus 2024.

[2] Reflects planned major outage at DIG during the nine months ended September 30, 2025 versus 2024.

Corporate Interest and Other Results of Operations

Presented in the following table are the detailed changes to corporate interest and other results for the three and nine months ended September 30, 2025 versus 2024:

In Millions

	Three Months Ended		Nine Months Ended	
September 30, 2024	$	(39)	$	(57)
Reasons for the change				
Higher interest charges	$	(16)	$	(44)
Lower gains on extinguishment of debt		(20)		(18)
Lower other expense		5		14
Lower tax expense		8		10
September 30, 2025	$	(62)	$	(95)

Cash Position, Investing, and Financing

At September 30, 2025, CMS Energy had $432 million of consolidated cash and cash equivalents, which included $70 million of restricted cash and cash equivalents. At September 30, 2025, Consumers had $311 million of consolidated cash and cash equivalents, which included $69 million of restricted cash and cash equivalents.

Operating Activities

Presented in the following table are specific components of net cash provided by operating activities for the nine months ended September 30, 2025 versus 2024:

		In Millions
CMS Energy, including Consumers		
Nine Months Ended September 30, 2024	$	1,967
Reasons for the change		
Higher net income	$	68
Non-cash transactions[1]		89
Unfavorable impact of changes in core working capital,[2] due primarily to fluctuations in gas prices and higher undercollections of PSCR		(277)
Unfavorable impact of changes in other assets and liabilities, due primarily to higher service restoration expenditures[3]		(90)
Nine Months Ended September 30, 2025	$	1,757
Consumers		
Nine Months Ended September 30, 2024	$	2,014
Reasons for the change		
Higher net income	$	122
Non-cash transactions[1]		(42)
Unfavorable impact of changes in core working capital,[2] due primarily to fluctuations in gas prices and higher undercollections of PSCR		(271)
Unfavorable impact of changes in other assets and liabilities, due primarily to higher service restoration expenditures[3]		(49)
Nine Months Ended September 30, 2025	$	1,774

1 Non-cash transactions comprise depreciation and amortization, changes in deferred income taxes and investment tax credits, and other non-cash operating activities and reconciling adjustments.

2 Core working capital comprises accounts receivable, accrued revenue, inventories, accounts payable, and accrued rate refunds.

3 See Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters.

Investing Activities

Presented in the following table are specific components of net cash used in investing activities for the nine months ended September 30, 2025 versus 2024:

		In Millions
CMS Energy, including Consumers		
Nine Months Ended September 30, 2024	$	(2,101)
Reasons for the change		
Higher capital expenditures	$	(650)
Absence of proceeds from sale of ASP business in 2024		(124)
Other investing activities, primarily higher cost to retire property		(51)
Nine Months Ended September 30, 2025	$	(2,926)
Consumers		
Nine Months Ended September 30, 2024	$	(1,994)
Reasons for the change		
Higher capital expenditures	$	(390)
Absence of proceeds from sale of ASP business in 2024		(124)
Other investing activities, primarily higher cost to retire property		(61)
Nine Months Ended September 30, 2025	$	(2,569)

Financing Activities

Presented in the following table are specific components of net cash provided by financing activities for the nine months ended September 30, 2025 versus 2024:

		In Millions
CMS Energy, including Consumers		
Nine Months Ended September 30, 2024	$	353
Reasons for the change		
Higher debt issuances	$	1,064
Higher debt retirements		(95)
Lower repayments of notes payable		28
Higher issuances of common stock		90
Higher payments of dividends on common stock		(26)
Proceeds from sale of membership interests in VIEs		44
Other financing activities, primarily higher debt issuance costs		(35)
Nine Months Ended September 30, 2025	$	1,423
Consumers		
Nine Months Ended September 30, 2024	$	327
Reasons for the change		
Lower debt issuances	$	(174)
Lower debt retirements		222
Lower repayments of notes payable		28
Higher stockholder contribution from CMS Energy		375
Absence of return of stockholder contribution to CMS Energy in 2024		320
Higher payments of dividends on common stock		(105)
Other financing activities		(6)
Nine Months Ended September 30, 2025	$	987

Capital Resources and Liquidity

CMS Energy and Consumers expect to have sufficient liquidity to fund their present and future commitments. CMS Energy uses dividends and tax-sharing payments from its subsidiaries and external financing and capital transactions to invest in its utility and non-utility businesses, retire debt, pay dividends, and fund its other obligations. The ability of CMS Energy's subsidiaries, including Consumers, to pay dividends to CMS Energy depends upon each subsidiary's revenues, earnings, cash needs, and other factors. In addition, Consumers' ability to pay dividends is restricted by certain terms included in its articles of incorporation and potentially by FERC requirements and provisions under the Federal Power Act and the Natural Gas Act. For additional details on Consumers' dividend restrictions, see Notes to the Unaudited Consolidated Financial Statements—Note 3, Financings and Capitalization—Dividend Restrictions. During the nine months ended September 30, 2025, Consumers paid $649 million in dividends on its common stock to CMS Energy.

Consumers uses cash flows generated from operations, external financing transactions, and the monetization of tax credits, along with stockholder contributions from CMS Energy, to fund capital expenditures, retire debt, pay dividends, and fund its other obligations. Consumers also uses these sources of funding to contribute to its employee benefit plans.

Financing and Capital Resources: CMS Energy and Consumers rely on the capital markets to fund their robust capital plan. Barring any sustained market dislocations or disruptions, CMS Energy and Consumers expect to continue to have ready access to the financial and capital markets and will continue to explore possibilities to take advantage of market opportunities as they arise with respect to future funding needs. If access to these markets were to diminish or otherwise become restricted, CMS Energy and Consumers would implement contingency plans to address debt maturities, which could include reduced capital spending.

In 2023, CMS Energy entered into an equity offering program under which it may sell shares of its common stock having an aggregate sales price of up to $1 billion in privately negotiated transactions, in "at the market" offerings, or through forward sales transactions. During the nine months ended September 30, 2025, CMS Energy settled forward sale contracts issued under this program, resulting in net proceeds of $349 million. An additional settlement in October 2025 resulted in net proceeds of $147 million. Following these settlements, CMS Energy has $8 million in outstanding forward contracts under the program, maturing through November 30, 2026.

CMS Energy, NorthStar Clean Energy, and Consumers use revolving credit facilities for general working capital purposes and to issue letters of credit. At September 30, 2025, CMS Energy had $515 million of its revolving credit facility available, NorthStar Clean Energy had $62 million available under its revolving credit facility, and Consumers had $1.2 billion available under its revolving credit facilities.

An additional source of liquidity is Consumers' commercial paper program, which allows Consumers to issue, in one or more placements, up to $500 million in aggregate principal amount of commercial paper notes with maturities of up to 365 days at market interest rates. These issuances are supported by Consumers' revolving credit facilities. While the amount of outstanding commercial paper does not reduce the available capacity of the revolving credit facilities, Consumers does not intend to issue commercial paper in an amount exceeding the available capacity of the facilities. At September 30, 2025, there were no commercial paper notes outstanding under this program.

For additional details about these programs and facilities, see Notes to the Unaudited Consolidated Financial Statements—Note 3, Financings and Capitalization.

Certain of CMS Energy's, NorthStar Clean Energy's, and Consumers' credit agreements contain covenants that require each entity to maintain certain financial ratios, as defined therein. At September 30, 2025, no default had occurred with respect to any of the financial covenants contained in these credit agreements. Each of the entities was in compliance with the covenants contained in their respective credit agreements as of September 30, 2025, as presented in the following table:

	Limit	Actual
CMS Energy, parent only		
Debt to capital[1]	≤ 0.70 to 1.0	0.55 to 1.0
NorthStar Clean Energy, including subsidiaries		
Debt to capital[2]	≤ 0.50 to 1.0	0.13 to 1.0
Debt service coverage[2]	≥ 2.00 to 1.0	3.41 to 1.0
Pledged equity interests to aggregate commitment[2,3]	≥ 2.00 to 1.0	2.06 to 1.0
Consumers		
Debt to capital[4]	≤ 0.65 to 1.0	0.51 to 1.0

1 Applies to CMS Energy's revolving credit agreement and letter of credit reimbursement agreement.

2 Applies to NorthStar Clean Energy's revolving credit agreement.

3 The aggregate book value of the pledged equity interests under the revolving credit agreement was at least two-times the aggregate commitment under the revolving credit agreement at September 30, 2025.

4 Applies to Consumers' revolving credit agreements and letter of credit reimbursement agreement.

Outlook

Several business trends and uncertainties may affect CMS Energy's and Consumers' financial condition and results of operations. These trends and uncertainties could have a material impact on CMS Energy's and Consumers' consolidated income, cash flows, or financial position.

During 2025, the federal government has taken numerous executive actions related to tariffs and trade, alleviating regulatory burdens, and environmental regulations and enforcement, among other areas of potential impact. Many of these actions require further implementation by federal agencies and departments, and some of these actions will likely be subject to further judicial review. CMS Energy and Consumers continue to monitor these executive actions and will continue taking steps to deliver consistently on the triple bottom line.

For additional details regarding these and other uncertainties, see Forward-looking Statements and Information; Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments; and Item 1A. Risk Factors in the 2024 Form 10-K.

Consumers Electric Utility Outlook and Uncertainties

Energy Transformation: Consumers' Clean Energy Plan details its long-term strategy for delivering safe, reliable, affordable, clean, and equitable energy to its customers. Coupled with Consumers' renewable energy plan, the Clean Energy Plan will be Consumers' blueprint to meeting the requirements of the 2023 Energy Law. Among other things, this law:

- raised the renewable energy standard from the present 15-percent requirement to 50 percent by 2030 and 60 percent by 2035
- set a clean energy standard of 80 percent by 2035 and 100 percent by 2040; low- or zero-carbon emitting resources, such as nuclear generation and natural gas generation coupled with carbon capture, are considered clean energy sources under this standard
- created a new energy storage standard that requires electric utilities to file plans by 2029 to obtain new energy storage that will contribute to a Michigan target of 2,500 MW based on their pro rata share

While Consumers' existing Clean Energy Plan, established under Michigan's integrated resource planning process, provides a path towards meeting these requirements, Consumers will file updates to the plan in 2026 to expand and solidify that path. Additionally, Consumers filed updates to its renewable energy plan to achieve the increased renewable energy standard; the MPSC approved updates in September 2025. Together, these plans will enable Consumers to achieve 60-percent renewable energy by 2035 and 100-percent clean energy by 2040. Also through its Clean Energy Plan, Consumers continues to make progress on expanding its customer programs, namely its demand response, energy efficiency, and conservation voltage reduction programs, as well as increasing its renewable energy generation.

The strategy outlined in Consumers' Clean Energy Plan includes ending the use of coal in owned generation in 2025. In 2023, Consumers retired the D.E. Karn coal-fueled generating units, totaling 515 MW of nameplate capacity, and as authorized by the MPSC, issued securitization bonds to finance the recovery of and return on those units. Additionally, Consumers had planned to retire J.H. Campbell, totaling 1,407 MW of nameplate capacity, in May 2025. The MPSC authorized regulatory asset treatment for Consumers to recover the remaining book value of these units, as well as a 9.0-percent return on equity, commencing upon their planned retirement.

In May 2025, before the planned closure of J.H. Campbell, the U.S. Secretary of Energy issued an emergency order under section 202(c) of the Federal Power Act requiring J.H. Campbell to continue operating for 90 days, through August 20, 2025. The order stated that continued operation of J.H. Campbell was required to meet an energy emergency across MISO's North and Central regions. Consistent with the Federal Power Act and the U.S. Department of Energy regulations, the order authorizes Consumers to obtain cost recovery at FERC. As directed, Consumers continued to make J.H. Campbell available in the MISO market and filed a complaint at FERC seeking a modification of the MISO Tariff to establish a mechanism for recovery and allocation of the cost to comply with this order. In August 2025, FERC issued an order granting Consumers' requested relief and ordered MISO to file a revised tariff, which MISO filed in September 2025 and is pending at FERC. For additional discussion of this FERC proceeding, see Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters.

On August 20, 2025, the U.S. Secretary of Energy issued a second emergency order requiring J.H. Campbell to continue operating for another 90 days, through November 19, 2025. Consumers is complying with the August 2025 emergency order and will seek recovery of its compliance costs at a later date, consistent with rate recovery sought for the May 2025 emergency order.

Following the May 2025 emergency order, several third-party stakeholders, including the Michigan Attorney General, the Organization of MISO States, and a group of environmental and public interest groups, asked the U.S. Department of Energy to reconsider the May 2025 emergency order. In July 2025, after the U.S. Department of Energy took no action on those requests, several parties filed petitions for review of the May 2025 emergency order in federal court. The requests for rehearing were subsequently denied, and similar challenges to the August 2025 order are underway. The U.S. Department of Energy may issue more orders to require the continued operation of J.H. Campbell. While the timing and content of future orders and the outcome of third-party legal challenges are not yet known, Consumers is committed to pursuing cost recovery as provided for under applicable laws, orders, and proceedings.

In order to continue providing controllable sources of electricity to customers while expanding its investment in renewable energy, Consumers purchased the Covert Generating Station, a natural gas-fueled generating facility with 1,200 MW of nameplate capacity, in 2023.

In September 2025, Consumers entered into a PPA with the MCV Partnership for the purchase of up to 1,240 MW of capacity and associated energy from the MCV Facility. The agreement is effective from June 1, 2030 through May 31, 2040. Under the terms of the agreement, Consumers will pay a monthly capacity charge of $5.00 per MWh of available capacity. Energy payments include a fixed component designed to recover non-fuel operating costs and a variable component based on the MCV Partnership's cost of production for energy delivered to Consumers. The agreement, which is subject to MPSC approval, supports Consumers' ongoing resource adequacy and energy supply planning efforts.

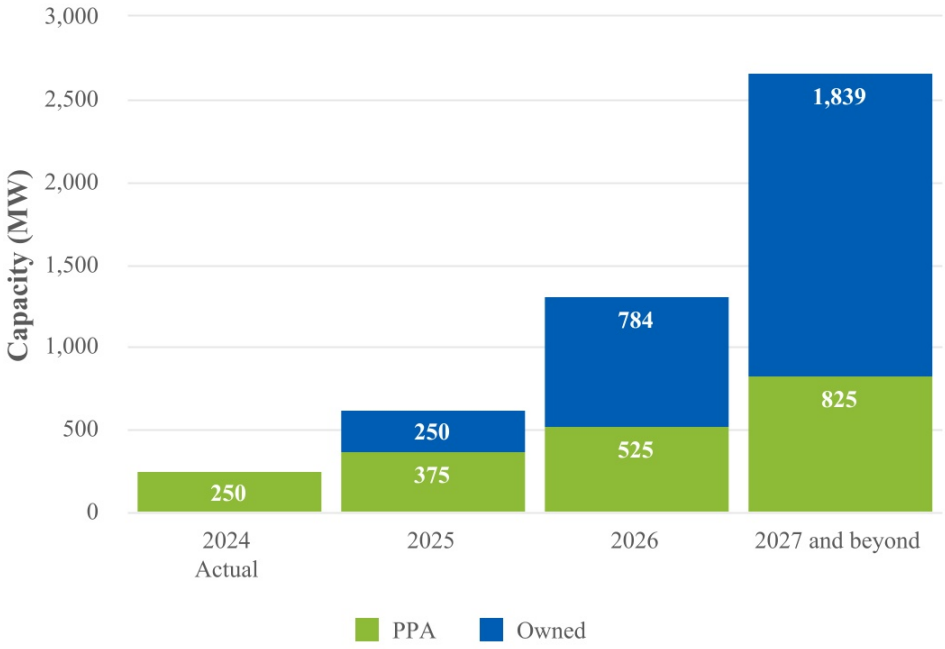
Consumers has also contracted to purchase 700 MW of capacity from battery storage facilities, which will be located in Michigan's Lower Peninsula and are expected to be operational by 2028. In an April 2025 report, the MPSC Staff indicated that Consumers' share of the 2,500-MW statewide energy storage target established by the 2023 Energy Law is 817 MW.

Under its Clean Energy Plan, Consumers bids new capacity and energy competitively and the actual composition of Consumers' future portfolio will reflect the results of that competitive bid process. Consumers earns a return equal to its pre-tax weighted-average cost of capital on permanent capital structure on payments made under new clean, renewable, or energy storage PPAs with non-affiliated entities.

Currently, over 15 percent of the electricity Consumers supplies to customers comes from renewable energy sources. Under its renewable energy plan, Consumers has acquired three wind generation projects, totaling 517 MW of nameplate capacity, since 2020; the last of these projects became operational in 2023. The MPSC authorized Consumers to earn a 10.7-percent return on equity on these projects. The MPSC also approved the execution of a 20-year PPA under which Consumers will purchase 100 MW of renewable capacity, energy, and renewable energy credits from a solar generating facility that began operations in October 2024.

Consumers' updates to its renewable energy plan, which were approved by the MPSC in September 2025, include up to 2,800 MW of new, competitively bid wind energy resources and up to 9,000 MW of both purchased and owned solar energy resources. Of the proposed solar energy resources, 1,060 MW will support Consumers' voluntary green pricing program that provides full-service electric customers with the opportunity to advance the development of renewable energy beyond present state requirements.

Presented in the following illustration is the aggregate renewable capacity that Consumers expects to add to its portfolio through PPAs and owned generation proposed in its existing Clean Energy Plan and the updates to its renewable energy plan:



Consumers continues to evaluate the acquisition of additional capacity from intermittent resources and dispatchable, non-intermittent clean capacity resources (including battery storage resources). Any resulting contracts are subject to MPSC approval.

Electric Customer Deliveries and Revenue: Consumers' electric customer deliveries are seasonal and largely dependent on Michigan's economy. The consumption of electric energy typically increases in the summer months, due primarily to the use of air conditioners and other cooling equipment. In addition, Consumers' electric rates, which follow a seasonal rate design, are higher in the summer months than in the remaining months of the year. Each year in June, electric residential customers transition to a summer peak time-of-use rate that allows them to take advantage of lower-cost energy during off-peak times during the summer months. Thus, customers can reduce their electric bills by shifting their consumption from on-peak to off-peak times.

Over the next five years, Consumers expects weather-normalized electric deliveries to increase compared to 2024. This outlook reflects strong growth in electric demand, offset partially by the effects of energy waste reduction programs. Actual delivery levels will depend on:

- energy conservation measures and results of energy waste reduction programs
- weather fluctuations
- Michigan's economic conditions, including data center expansion; utilization, expansion, or contraction of large commercial and industrial facilities; economic development; population trends; electric vehicle adoption; and housing activity

Electric ROA: Michigan law allows electric customers in Consumers' service territory to buy electric generation service from alternative electric suppliers in an aggregate amount capped at 10 percent of

Consumers' sales, with certain exceptions. At September 30, 2025, electric deliveries under the ROA program were at the 10-percent limit. Fewer than 300 of Consumers' electric customers purchased electric generation service under the ROA program.

In 2016, Michigan law established a path to ensure that forward capacity is secured for all electric customers in Michigan, including customers served by alternative electric suppliers under ROA. The law also authorized the MPSC to ensure that alternative electric suppliers have procured enough capacity to cover their anticipated capacity requirements for the four-year forward period. In 2017, the MPSC issued an order establishing a state reliability mechanism for Consumers. Under this mechanism, if an alternative electric supplier does not demonstrate that it has procured its capacity requirements for the four-year forward period, its customers will pay a set charge to the utility for capacity that is not provided by the alternative electric supplier.

During 2017, the MPSC issued orders finding that it has statutory authority to determine and implement a local clearing requirement, which requires all electric suppliers to demonstrate that a portion of the capacity used to serve customers is located in the MISO footprint in Michigan's Lower Peninsula. In 2020, the Michigan Supreme Court affirmed the MPSC's statutory authority to implement a local clearing requirement on individual electric providers.

In 2020, ABATE and another intervenor filed a complaint against the MPSC in the U.S. District Court for the Eastern District of Michigan challenging the constitutionality of a local clearing requirement. The complaint requests the federal court to issue a permanent injunction prohibiting the MPSC from implementing a local clearing requirement on individual electric providers. In 2023, the U.S. District Court for the Eastern District of Michigan dismissed the complaint. ABATE and the other intervenor filed a claim of appeal of the Eastern District Court's decision with the U.S. Court of Appeals for the Sixth Circuit.

In January 2025, the Sixth Circuit Court of Appeals issued an opinion finding that the MPSC's imposition of a local clearing requirement on individual electric suppliers would discriminate against interstate commerce. The Court of Appeals remanded to the District Court for a determination of whether the local clearing requirement discriminated against interstate commerce and whether the MPSC's regulation survives a strict scrutiny standard, which depends on a determination of whether the local clearing requirement is the only means of achieving the state's goal of securing reliable energy supply. In January 2025, Consumers filed a petition for rehearing and en banc review with the Sixth Circuit Court of Appeals, requesting the Court to reconsider and reverse the panel's opinion. In February 2025, the Sixth Circuit Court of Appeals issued an order denying Consumers' petition for rehearing and en banc review. The case has therefore been remanded to the District Court for the Eastern District of Michigan for consideration of whether the MPSC's local clearing requirement meets the strict scrutiny standard pursuant to the Court of Appeals' decision. The remanded proceeding has begun at the Eastern District Court; there is no deadline for decision.

Sale of Hydroelectric Facilities: In September 2025, Consumers signed an agreement to sell its 13 river hydroelectric dams, which are located throughout Michigan, to a non-affiliated company. Additionally, Consumers signed an agreement to purchase power generated by the facilities for 30 years, at a price that reflects the counterparty's acceptance of the risks and rewards of ownership of the facilities, including FERC licensing obligations. The agreements are contingent upon MPSC and FERC approval, which must be filed within 60 days of signing. Timing of the regulatory review process is uncertain and could extend 12 to 18 months or longer. In Consumers' most recent electric rate case, the MPSC approved deferred accounting treatment for costs of owning and operating the hydroelectric dams pending and until completion of the transaction. At September 30, 2025, the net book value of the hydroelectric facilities was immaterial.

To ensure necessary staffing at the hydroelectric facilities through the anticipated sale, Consumers has provided current employees at the facilities with a retention incentive program. Subsequently, to ensure continued safe operation of the facilities after the sale, the buyer will offer employment to the current hydroelectric employees for a period of at least a year. The retention incentive benefits are contingent upon MPSC and FERC approval of the sale transaction.

Electric Rate Matters: Rate matters are critical to Consumers' electric utility business. For additional details on rate matters, see Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments.

MPSC Distribution System Audit: In 2022, the MPSC ordered the state's two largest electric utilities, including Consumers, to report on their compliance with regulations and past MPSC orders governing the utilities' response to outages and downed lines. Consumers responded to the MPSC's order as directed.

Additionally, as directed by the MPSC, the MPSC Staff engaged a third-party auditor to review all equipment and operations of the two utilities' distribution systems. In September 2024, the MPSC Staff released the third-party auditor's final report on its audit of Consumers' distribution system. The report included several recommendations to improve Consumers' distribution system and associated processes and procedures. Consumers filed a response to the audit report in November 2024. In June 2025, the MPSC issued an order adopting the audit's findings and recommendations. Consumers is committed to working with the MPSC to continue improving electric reliability and safety in Michigan.

Performance-based Financial Incentives/Disincentives Mechanism: In February 2025, the MPSC issued an order establishing a mechanism through which the state's largest electric utilities, including Consumers, could realize up to $10 million each in incentives or penalties annually for meeting or failing to meet reliability benchmarks, beginning in 2026. As directed, Consumers filed proposed company-specific baseline metrics for the performance mechanism in April 2025.

2025 Electric Rate Case: In June 2025, Consumers filed an application with the MPSC seeking a rate increase of $460 million, made up of two components. First, Consumers requested a $436 million annual rate increase, based on a 10.25-percent authorized return on equity for the projected 12-month period ending April 30, 2027. The filing requested authority to recover costs related to new infrastructure investment primarily in distribution system reliability. Second, Consumers requested approval of a $24 million surcharge for the recovery of distribution investments made during the 12 months ended February 28, 2025 that exceeded the rate amounts authorized in accordance with previous electric rate orders.

In October 2025, Consumers revised its requested increase to $447 million. Presented in the following table are the components of the revised requested increase in revenue:

In Millions

Projected 12-Month Period Ending April 30		2027
Investment in rate base	$	192
Operating and maintenance costs		157
Cost of capital		67
Sales and other revenue		7
Subtotal	$	423
Surcharge		24
Total	$	447

The MPSC must issue a final order in this case before or in April 2026.

Retention Incentive Program: Under its Clean Energy Plan, Consumers had planned to retire J.H. Campbell in 2025. In order to ensure necessary staffing at J.H. Campbell through the planned retirement, Consumers implemented a retention incentive program. The terms of and Consumers' obligations under this program have not been modified as a result of the U.S. Secretary of Energy's emergency orders requiring the continued operation of J.H. Campbell. Consumers will make final payments due under this retention plan in November 2025. The aggregate cost of the J.H. Campbell program is estimated to be $48 million; Consumers expects to recognize $5 million of retention benefit costs in 2025. The MPSC has approved deferred accounting treatment for these costs; these expenses are deferred as a regulatory asset. Should the U.S. Department of Energy issue additional emergency orders that require the continued operation of J.H. Campbell beyond November 2025, Consumers is prepared to implement additional retention measures to ensure appropriate staffing levels. For additional details on this program, see Notes to the Unaudited Consolidated Financial Statements—Note 12, Exit Activities and Asset Sales. For additional details on the emergency orders, see Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters.

Electric Environmental Outlook: Consumers' electric operations are subject to various federal, state, and local environmental laws and regulations. Consumers estimates that it will incur capital expenditures of $240 million from 2025 through 2029 to continue to comply with RCRA, the Clean Air Act, and numerous other environmental regulations. Consumers expects to recover these costs in customer rates, but cannot guarantee this result. Multiple environmental laws and regulations are subject to litigation. Consumers' primary environmental compliance focus includes, but is not limited to, the following matters.

Air Quality: Multiple air quality regulations apply, or may apply, to Consumers' electric utility.

MATS, emission standards for electric generating units published by the EPA based on Section 112 of the Clean Air Act, continue to apply to Consumers. In June 2025, the EPA issued a proposed rule to repeal changes made to the MATS rule in 2024. The company has complied, and continues to comply, with the MATS regulation and both the 2024 and proposed 2025 versions of MATS have minimal impacts on Consumers' electric generating units. Consumers does not expect MATS to materially impact its environmental strategy.

CSAPR requires Michigan and many other states to improve air quality by reducing power plant emissions that, according to EPA modeling, contribute to ground-level ozone in other downwind states. Since its 2015 effective date, CSAPR has been revised several times. In 2023, the EPA published the Good Neighbor Plan, a revision to CSAPR. This regulation tightens emission allowance budgets for electric generating units in Michigan between 2023 and 2029 and changes the mechanism for allocating such allowances on a year-over-year basis beginning in 2026. In June 2024, the U.S. Supreme Court stayed the Good Neighbor Plan pending judicial review and, as a result, the allowance requirements for Michigan reverted back to the prior effective CSAPR ozone season rule. Regardless of the outcome of this litigation and which version of the rule applies, Consumers expects this regulation will have minimal financial and operational impact in the near and/or long term.

In 2015, the EPA lowered the NAAQS for ozone and made it more difficult to construct or modify power plants and other emission sources in areas of the country that do not meet the ozone standard. As of 2023, three counties in western Michigan have been designated as not meeting the ozone standard. Based on recent data, the EPA reclassified these counties from "moderate" to "serious" nonattainment. None of Consumers' fossil-fuel-fired generating units are located in these areas.

In March 2024, the EPA published a lower fine particulate matter NAAQS, which will likely result in newly designated nonattainment areas in Michigan starting in 2026. EGLE has proposed nonattainment areas for Kalamazoo and Wayne counties. Consumers does not have any fossil-fuel-fired generating

assets in these counties and therefore does not expect this rule to have significant impacts on its existing assets or its clean energy strategy. Consumers will continue to monitor NAAQS rulemakings and litigation to evaluate potential impacts to its generating assets.

In December 2024, the EPA published a proposal to amend new source performance standards for new, modified, and reconstructed stationary combustion turbines to lower emission limits for NOx. This may impact future gas-fueled, simple-cycle turbine projects. Consumers, in conjunction with industry stakeholder groups, submitted comments on the proposed rule and will continue monitoring this rulemaking.

Consumers continues to evaluate these rules in conjunction with other EPA and EGLE rulemakings, litigation, executive orders, treaties, and congressional actions. This evaluation could result in:

- a change in Consumers' fuel mix
- changes in the types of generating units Consumers may purchase or build in the future
- changes in how certain units are operated, including the installation of additional emission control equipment
- the retirement, mothballing, extended operation, or repowering with an alternative fuel of some of Consumers' generating units
- changes in Consumers' environmental compliance costs
- the purchase or sale of emission allowances

Greenhouse Gases: There have been numerous legislative, executive, and regulatory initiatives at the state, regional, national, and international levels that involve the potential regulation and reporting of greenhouse gases. Consumers continues to monitor and comment on these initiatives, as appropriate.

In September 2025, the EPA proposed a rule to reconsider the Greenhouse Gas Reporting Program by eliminating the reporting obligations from numerous emission sources, including Consumers' electric generation sites and distribution equipment. Reporting of carbon dioxide to the EPA, however, will continue for sources subject to the Clean Air Act Acid Rain Program, which includes Consumers' fossil-fuel-fired electric generation. This change could result in inconsistent approaches in greenhouse gas accounting for industrial sources.

In April 2024, the EPA finalized its rule under Section 111 of the Clean Air Act to address greenhouse gas emissions from new combustion turbine electric generating units and existing coal-, gas-, and oil-fueled steam electric generating units. These rules do not address existing combustion turbine electric generating units. In June 2025, the EPA issued a proposed rule containing two different pathways to rescind these requirements. Consumers does not expect these proposed changes will have a significant impact on its existing gas- and oil-fueled steam electric generating assets. Consumers will continue to follow the EPA rules that address greenhouse gas emissions and will continue to evaluate potential impacts to its operations.

In 2020, Michigan's Governor signed an executive order creating the Michigan Healthy Climate Plan, which outlines goals for Michigan to achieve economy-wide net-zero greenhouse gas emissions and to be carbon neutral by 2050. The executive order aims for a 28-percent reduction below 2005 levels of greenhouse gas emissions by 2025. Consumers has already surpassed the 28-percent reduction milestone for its owned electric generation. The 2023 Energy Law codifies much of the Governor's goals. For additional details on the 2023 Energy Law, see the Planet section of the Executive Overview.

Increased frequency or intensity of severe or extreme weather events, including those due to climate change, could materially impact Consumers' facilities, energy sales, and results of operations. Consumers is unable to predict these events; however, Consumers evaluates the potential physical impacts of climate

change on its operations, including increased frequency or intensity of storm activity; increased precipitation; increased temperature; and changes in lake and river levels. Consumers released a report addressing the physical risks of climate change on its infrastructure in 2022. Consumers is taking steps to mitigate these risks as appropriate.

While Consumers cannot predict the outcome of changes in U.S. policy or of other legislative, executive, or regulatory initiatives involving the potential regulation or reporting of greenhouse gases, it intends to move forward with its Clean Energy Plan, its present net-zero goals, and its emphasis on reliable and resilient electric supply. Litigation, international treaties, executive orders, federal laws and regulations (including regulations by the EPA), and state laws and regulations, if enacted or ratified, could ultimately impact Consumers. Consumers may be required to:

- replace equipment
- install additional emission control equipment
- purchase emission allowances or credits (including potential greenhouse gas offset credits)
- curtail operations or modify existing facility retirement schedules
- arrange for alternative sources of supply
- purchase or build facilities that generate fewer emissions
- mothball, sell, or retire facilities that generate certain emissions
- pursue energy efficiency or demand response measures more swiftly
- take other steps to manage, sequester, or lower the emission of greenhouse gases

Although associated capital or operating costs relating to greenhouse gas regulation or legislation could be material and cost recovery cannot be assured, Consumers expects to recover these costs in rates consistent with the recovery of other reasonable costs of complying with environmental laws and regulations.

CCRs: In 2015, the EPA published a rule regulating CCRs under RCRA. This rule adopts minimum standards for the disposal of non-hazardous CCRs in CCR landfills and surface impoundments and criteria for the beneficial use of CCRs. The rule also sets out conditions under which some CCR units would be forced to cease receiving CCRs and related process water and to initiate closure. Due to continued litigation, many aspects of the rule have been remanded to the EPA, resulting in more proposed and final rules.

In May 2024, the EPA finalized a rule regulating legacy CCR surface impoundments and CCR management units in response to litigation that exempted inactive impoundments at inactive facilities from the 2015 CCR rule. The new rule adopts minimum standards for impoundments at electric generating facilities that became inactive before the 2015 CCR rule's effective date. During 2024, owners and operators were required to assess whether an inactive facility contains a legacy surface impoundment and then, for identified locations, proceed with the compliance schedule. Additionally, the EPA established groundwater monitoring, corrective action, closure, and post-closure care requirements for CCR surface impoundments and landfills closed prior to the effective date of the 2015 CCR rule, but that do not meet the closure technical and performance standards of the May 2024 rule. These include inactive CCR landfills that were previously exempted from regulation but that are now considered CCR management units. Owners are required to conduct an evaluation at active facilities or any inactive facilities with at least one legacy impoundment to identify CCR management units and determine an appropriate course of action (closure, groundwater treatment, etc.) for each identified unit according to established compliance milestone schedules. A direct final rule extending the compliance milestone schedule was issued and then withdrawn by the EPA; the rule has since been republished for notice and comment. This extension does not have a material impact on Consumers' compliance strategy.

Separately, Congress passed legislation in 2016 allowing participating states to develop permitting programs for CCRs under RCRA Subtitle D. The EPA was granted authority to review these permitting programs to determine if permits issued under the proposed program would be as protective as the federal rule. Once approved, permits issued from an authorized state would serve as the basis for compliance, replacing the requirement to self-certify each aspect of the 2015 CCR rule.

Consumers, with agreement from EGLE, completed the work necessary to initiate closure by excavating CCRs or placing a final cover over each of its relevant CCR units prior to the closure initiation deadline set forth in the 2015 CCR rule. Consumers has historically been authorized to recover in electric rates costs related to coal ash disposal sites that supported power generation. Consumers completed an assessment of inactive facilities as required by the 2024 CCR rule, and did not identify any legacy impoundments. Consumers is continuing evaluations related to CCR management units and 2024 CCR rule impacts on the state permit program.

Water: Multiple water-related regulations apply, or may apply, to Consumers.

The EPA regulates cooling water intake systems of existing electric generating plants under Section 316(b) of the Clean Water Act. The rules seek to reduce alleged harmful impacts on aquatic organisms, such as fish. In 2018, Consumers submitted to EGLE studies and recommended plans to comply with Section 316(b) for its coal-fueled units but has not yet received final approval.

The EPA also regulates the discharge of wastewater through its effluent limitation guidelines for steam electric generating plants. In 2020, the EPA revised previous guidelines related to the discharge of certain wastewater, but allowed for extension of the compliance deadline from the end of 2023 to the end of 2025, upon approval by EGLE through the NPDES permitting process. Consumers received such an extension for J.H. Campbell. In April 2024, the EPA released a final rule updating its effluent limitation guidelines for existing coal-fueled units. This rule regulates additional wastewater streams previously not regulated, including combustion residual leachate and legacy wastewater. Consumers has submitted timely NPDES permit applications and will be working with EGLE to incorporate applicable provisions during the permit renewal process.

Many of Consumers' facilities maintain NPDES permits, which are vital to the facilities' operations. Consumers applies for renewal of these permits every five years. Failure of EGLE to renew any NPDES permit, a successful appeal against a permit, a change in the interpretation or scope of NPDES permitting, or onerous terms contained in a permit could have a significant detrimental effect on the operations of a facility.

Protected Wildlife: Multiple regulations apply, or may apply, to Consumers relating to protected species and habitats.

Statutes like the federal Endangered Species Act, the Migratory Bird Treaty Act, and the Bald and Golden Eagle Protection Act of 1940 and changes to permitting may impact operations at Consumers' facilities. In February 2024, the U.S. Fish and Wildlife Service published a final rule providing for bald eagle general permits for qualifying wind farms and electric distribution systems. Consumers has received, or is pursuing, bald eagle general permits for all its wind farms. While any resulting permitting and monitoring fees and/or restrictions on operations could impact Consumers' existing and future operations, Consumers does not expect any material changes to its environmental strategy or Clean Energy Plan as a result of this rule.

Additionally, Consumers regularly monitors proposed changes to the listing status of several species within its operational area. A change in species listed under the Endangered Species Act, or under

Michigan's equivalent law, may impact Consumers' costs to mitigate its impact on protected species and habitats at certain existing facilities as well as siting choices for new facilities.

Other Matters: Other electric environmental matters could have a material impact on Consumers' outlook. For additional details on other electric environmental matters, see Notes to the Unaudited Consolidated Financial Statements—Note 2, Contingencies and Commitments—Consumers Electric Utility Contingencies—Electric Environmental Matters.

Consumers Gas Utility Outlook and Uncertainties

Gas Deliveries: Consumers' gas customer deliveries are seasonal. The peak demand for natural gas occurs in the winter due to colder temperatures and the resulting use of natural gas as heating fuel.

Over the next five years, Consumers expects weather-normalized gas deliveries to remain stable relative to 2024. This outlook reflects modest growth in gas demand, offset by the effects of energy waste reduction programs. Actual delivery levels will depend on:

- weather fluctuations
- use by power producers
- availability and development of renewable energy sources
- gas price changes
- Michigan's economic conditions, including population trends and housing activity
- the price or demand of competing energy sources or fuels
- energy efficiency and conservation impacts

Gas Rate Matters: Rate matters are critical to Consumers' gas utility business. For additional details on rate matters, see Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments.

2024 Gas Rate Case: In December 2024, Consumers filed an application with the MPSC seeking an annual rate increase of $248 million based on a 10.25-percent authorized return on equity for the projected 12-month period ending October 31, 2026. In July 2025, Consumers revised its requested increase to $217 million. In September 2025, the MPSC issued an order authorizing an annual rate increase of $157.5 million, based on a 9.80-percent authorized return on equity. The new rates become effective in November 2025.

Gas Pipeline and Storage Integrity and Safety: Consumers' gas operations are governed by federal and state pipeline safety rules, and there are robust processes and procedures in place to maintain compliance with these regulations. The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration has published various rules that revise federal safety standards for gas transmission pipelines and underground storage facilities. Consumers has implemented measures to achieve compliance with the revised rules. There are also proposed rules expanding requirements for gas distribution systems and leak detection and repair, although these rules are subject to reconsideration by the current administration. Under the proposed rules, Consumers will incur increased capital and increased operating and maintenance costs to install and remediate pipelines and to expand inspections, maintenance, and monitoring of existing pipelines and storage facilities.

Although associated capital or operating and maintenance costs relating to these regulations could be material and cost recovery cannot be assured, Consumers expects to recover such costs in rates consistent with the recovery of other reasonable costs of complying with laws and regulations.

Gas Environmental Outlook: Consumers expects to incur response activity costs at a number of sites, including 23 former MGP sites. For additional details, see Notes to the Unaudited Consolidated Financial Statements—Note 2, Contingencies and Commitments—Consumers Gas Utility Contingencies.

Consumers' gas operations are subject to various federal, state, and local environmental laws and regulations. Multiple environmental laws and regulations are subject to litigation. Consumers' primary environmental compliance focus includes, but is not limited to, the following matters.

Air Quality: Multiple air quality regulations apply, or may apply, to Consumers' gas utility.

In 2015, the EPA lowered the NAAQS for ozone and made it more difficult to construct or modify natural gas compressor stations and other emission sources in areas of the country that do not meet the ozone standard. As of 2023, three counties in western Michigan have been designated as not meeting the ozone standard. Based on recent data, the EPA reclassified these counties from "moderate" to "serious" nonattainment, which has more stringent requirements. One of Consumers' compressor stations is in a serious ozone nonattainment area. Consequently, Consumers has initiated plans to retrofit equipment at this compressor station to lower NOx emissions. Consumers will continue to monitor NAAQS rulemakings and evaluate potential impacts to its compressor stations and other applicable natural gas storage and delivery assets.

In March 2024, the EPA published a lower fine particulate matter NAAQS, which will likely result in newly designated nonattainment areas in Michigan starting in 2026. EGLE has proposed nonattainment areas for Kalamazoo and Wayne counties. Consumers has one compressor station located in Wayne County and will continue to monitor NAAQS rulemakings and litigation to evaluate potential impacts to the natural gas compressor station assets.

Greenhouse Gases: Some interest exists at the various levels of government in regulating greenhouse gases or their sources. Future regulations, if adopted, may involve requirements to reduce methane emissions from Consumers' gas utility operations and carbon dioxide emissions from customer use of natural gas. Consumers will continue to monitor such potential rules for impacts.

In September 2025, the EPA proposed a rule to reconsider the Greenhouse Gas Reporting Program by removing the natural gas distribution segment from the reporting obligations under the petroleum and natural gas source category, and proposed to delay the reporting obligations until 2034 for the remaining sources in this category. This change could result in inconsistent approaches in greenhouse gas accounting for industrial sources.

In 2020, Michigan's Governor signed an executive order creating the Michigan Healthy Climate Plan, which outlines goals for Michigan to achieve economy-wide net-zero greenhouse gas emissions and to be carbon neutral by 2050. The executive order aims for a 28-percent reduction below 2005 levels of greenhouse gas emissions by 2025. For additional details on the executive order, see Consumers Electric Utility Outlook and Uncertainties—Electric Environmental Outlook.

Consumers is making voluntary efforts to reduce its gas utility's methane emissions. Under its Methane Reduction Plan, Consumers has set a goal of net-zero methane emissions from its natural gas delivery system by 2030. Consumers plans to reduce methane emissions from its system by about 80 percent, from 2012 baseline levels, by accelerating the replacement of aging pipe, rehabilitating or retiring outdated infrastructure, and adopting new technologies and practices. The remaining emissions will likely be offset through clean fuel alternatives or nature-based carbon removal pathways. To date, Consumers has reduced methane emissions by nearly 30 percent.

In 2022, Consumers also announced a net-zero greenhouse gas emissions target for its entire natural gas system by 2050. This includes suppliers and customers, and has an interim goal of reducing customer emissions by 25 percent by 2035. Consumers' Natural Gas Delivery Plan, a rolling ten-year investment plan to deliver safe, reliable, clean, and affordable natural gas to customers, outlines ways in which Consumers can make early progress toward these goals in a cost-effective manner, including energy waste reduction, carbon offsets, and renewable natural gas supply.

Consumers has already initiated work in these key areas by continuing to expand its energy waste reduction targets and by offering gas customers the ability to offset their carbon footprint associated with natural gas use by purchasing renewable natural gas and/or carbon credits associated with Michigan forest preservation. Consumers has two renewable natural gas facilities under construction scheduled for commercial operation in 2026 and is monitoring regulatory developments and market conditions closely as part of its ongoing evaluation of the projects. Consumers is evaluating and monitoring newer technologies to determine their role in achieving Consumers' interim and long-term net-zero goals, including biofuels, geothermal, synthetic methane, carbon capture sequestration systems, and other innovative technologies.

NorthStar Clean Energy Outlook and Uncertainties

CMS Energy's primary focus with respect to its NorthStar Clean Energy businesses is to maximize the value of generating assets representing 1,655 MW of capacity, and to pursue opportunities for the development of renewable generation projects.

Trends, uncertainties, and other matters related to NorthStar Clean Energy that could have a material impact on CMS Energy's consolidated income, cash flows, or financial position include:

- investment in and financial benefits received from renewable energy and energy storage projects, including changes to tax and trade policy
- delays or difficulties in financing, constructing, and developing projects, including those arising from the performance of contractors, suppliers, or other counterparties
- changes in energy, capacity, and other commodity prices
- severe weather events and climate change associated with increasing levels of greenhouse gases
- changes in various environmental laws, regulations, principles, or practices, or in their interpretation
- indemnity obligations assumed in connection with ownership interests in facilities that involve tax equity financing
- representations, warranties, and indemnities provided in connection with sales of assets
- delays or difficulties in obtaining environmental permits

For additional details regarding NorthStar Clean Energy's uncertainties, see Notes to the Unaudited Consolidated Financial Statements—Note 2, Contingencies and Commitments—Guarantees.

NorthStar Clean Energy Environmental Outlook: NorthStar Clean Energy's operations are subject to various federal, state, and local environmental laws and regulations. Multiple environmental laws and regulations are subject to litigation. NorthStar Clean Energy's primary environmental compliance focus includes, but is not limited to, the following matters.

CSAPR requires Michigan and many other states to improve air quality by reducing power plant emissions that, according to EPA modeling, contribute to ground-level ozone in other downwind states. Since its 2015 effective date, CSAPR has been revised several times. In 2023, the EPA published the Good Neighbor Plan, a revision to CSAPR. This regulation tightens emission allowance budgets for electric generating units in Michigan between 2023 and 2029 and changes the mechanism for allocating

such allowances on a year-over-year basis beginning in 2026. In June 2024, the U.S. Supreme Court stayed the Good Neighbor Plan pending judicial review and, as a result, the allowance requirements for Michigan reverted back to the prior effective CSAPR ozone season rule. Under the 2023 revision, NorthStar Clean Energy could incur increased costs to purchase allowances or retrofit equipment.

In March 2024, the EPA published a lower fine particulate matter NAAQS, which will likely result in newly designated nonattainment areas in Michigan starting in 2026. EGLE has proposed nonattainment areas for Kalamazoo and Wayne counties. NorthStar Clean Energy has two fossil-fuel-fired generating units in these counties and therefore will continue to monitor NAAQS rulemaking and litigation to evaluate potential impacts to its generating assets.

In December 2024, the EPA published a proposal to amend new source performance standards for new, modified, and reconstructed stationary combustion turbines to lower emission limits for NOx. This may impact future gas-fueled, simple-cycle turbine projects. NorthStar Clean Energy will monitor this rulemaking.

For additional details regarding the ozone NAAQS, see Consumers Electric Utility Outlook and Uncertainties—Electric Environmental Outlook.

In September 2025, the EPA proposed a rule to reconsider the Greenhouse Gas Reporting Program by eliminating the reporting obligations from numerous emission sources. Reporting of carbon dioxide to the EPA, however, will continue for sources subject to the Clean Air Act Acid Rain Program. This change could result in inconsistent approaches in greenhouse gas accounting for industrial sources.

In April 2024, the EPA finalized its rule under Section 111 of the Clean Air Act to address greenhouse gas emissions from new combustion turbine electric generating units and existing coal-, gas-, and oil-fueled steam electric generating units. These rules do not address existing combustion turbine electric generating units. In June 2025, the EPA issued a proposed rule containing two different pathways to rescind these requirements. Neither pathway impacts NorthStar Clean Energy's existing facilities. NorthStar Clean Energy will continue to follow the EPA rules that address greenhouse gas emissions and will continue to evaluate potential impacts to its operations.

Many of NorthStar Clean Energy's facilities maintain NPDES permits, which are vital to the facilities' operations. NorthStar Clean Energy applies for renewal of these permits every five years. Failure of EGLE to renew any NPDES permit, a successful appeal against a permit, a change in the interpretation or scope of NPDES permitting, or onerous terms contained in a permit could have a significant detrimental effect on the operations of a facility.

Other Outlook and Uncertainties

Union Contract: The UWUA represents Consumers' operating, maintenance, construction, and customer contact center employees. In May 2025, Consumers and the UWUA ratified a new five-year contract for its operating, maintenance, and construction bargaining unit. In July 2025, Consumers and the UWUA ratified a new five-year contract with customer contact center employees. In September 2025, Consumers and the United Steelworkers labor union ratified a new five-year contract for its Zeeland plant bargaining unit.

Tax Legislation: CMS Energy and Consumers are subject to changing tax laws. In July 2025, President Trump signed into law the OBBBA. The legislation allows for the immediate expensing of domestic research and development costs and includes changes to clean energy tax credits enacted by the Inflation Reduction Act of 2022. While the OBBBA restores, and makes permanent, the 100-percent bonus depreciation deduction, it also retains a provision that allows utilities to take a full deduction of

interest expense in lieu of 100-percent bonus depreciation. Based on guidance available to date, CMS Energy and Consumers evaluated the provisions of the OBBBA and concluded that the legislation is not expected to have a material impact on their respective financial statements. This conclusion is subject to change as additional guidance or interpretations become available.

Litigation: CMS Energy, Consumers, and certain of their subsidiaries are named as parties in various litigation matters, as well as in administrative proceedings before various courts and governmental agencies, arising in the ordinary course of business. For additional details regarding certain legal matters, see Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments.

New Accounting Standards

There are no new accounting standards issued but not yet effective that are expected to have a material impact on CMS Energy's or Consumers' consolidated financial statements.

CMS Energy Corporation
Consolidated Statements of Income (Unaudited)

In Millions, Except Per Share Amounts

	Three Months Ended		Nine Months Ended	
September 30	2025	2024	2025	2024
Operating Revenue	$ 2,021	$ 1,743	$ 6,306	$ 5,526
Operating Expenses				
Fuel for electric generation	153	179	504	449
Purchased and interchange power	513	362	1,332	1,025
Purchased power – related parties	21	19	69	53
Cost of gas sold	42	32	549	449
Maintenance and other operating expenses	416	412	1,218	1,218
Depreciation and amortization	288	273	964	914
General taxes	107	99	378	356
Total operating expenses	1,540	1,376	5,014	4,464
Operating Income	481	367	1,292	1,062
Other Income (Expense)				
Non-operating retirement benefits, net	48	42	137	127
Other income	19	46	128	167
Other expense	(5)	(4)	(16)	(11)
Total other income	62	84	249	283
Interest Charges				
Interest on long-term debt	204	176	590	519
Interest expense – related parties	2	3	8	9
Other interest expense	—	4	(1)	11
Allowance for borrowed funds used during construction	(3)	(5)	(9)	(11)
Total interest charges	203	178	588	528
Income Before Income Taxes	340	273	953	817
Income Tax Expense	68	26	193	125
Net Income	272	247	760	692
Loss Attributable to Noncontrolling Interests	(5)	(6)	(22)	(46)
Net Income Attributable to CMS Energy	277	253	782	738
Preferred Stock Dividends	2	2	7	7
Net Income Available to Common Stockholders	$ 275	$ 251	$ 775	$ 731
Basic Earnings Per Average Common Share	$ 0.92	$ 0.84	$ 2.59	$ 2.45
Diluted Earnings Per Average Common Share	$ 0.92	$ 0.84	$ 2.59	$ 2.45

The accompanying notes are an integral part of these statements.

CMS Energy Corporation

Consolidated Statements of Comprehensive Income (Unaudited)

In Millions

	Three Months Ended		Nine Months Ended	
September 30	2025	2024	2025	2024
Net Income	$ 272	$ 247	$ 760	$ 692
Retirement Benefits Liability				
Amortization of net actuarial loss, net of tax of $—, $1, $—, and $1	1	—	1	1
Amortization of prior service credit, net of tax of $— for all periods	(1)	—	(1)	—
Other Comprehensive Income	—	—	—	1
Comprehensive Income	272	247	760	693
Comprehensive Loss Attributable to Noncontrolling Interests	(5)	(6)	(22)	(46)
Comprehensive Income Attributable to CMS Energy	$ 277	$ 253	$ 782	$ 739

The accompanying notes are an integral part of these statements.

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CMS Energy Corporation
Consolidated Statements of Cash Flows (Unaudited)

In Millions

Nine Months Ended September 30	2025	2024
Cash Flows from Operating Activities		
Net income	$ 760	$ 692
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	964	914
Deferred income taxes and investment tax credits	171	103
Other non-cash operating activities and reconciling adjustments	(181)	(152)
Changes in assets and liabilities		
Accounts receivable and accrued revenue	114	185
Inventories	(134)	51
Accounts payable and accrued rate refunds	(6)	15
Other current assets and liabilities	103	(3)
Other non-current assets and liabilities	(34)	162
Net cash provided by operating activities	1,757	1,967
Cash Flows from Investing Activities		
Capital expenditures (excludes assets placed under finance lease)	(2,750)	(2,100)
Proceeds from sale of ASP business	—	124
Cost to retire property and other investing activities	(176)	(125)
Net cash used in investing activities	(2,926)	(2,101)
Cash Flows from Financing Activities		
Proceeds from issuance of debt	2,511	1,447
Retirement of debt	(884)	(789)
Decrease in notes payable	(65)	(93)
Issuance of common stock	373	283
Payment of dividends on common and preferred stock	(496)	(470)
Proceeds from the sale of membership interests in VIEs	44	—
Other financing costs	(60)	(25)
Net cash provided by financing activities	1,423	353
Net Increase in Cash and Cash Equivalents, Including Restricted Amounts	254	219
Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period	178	248
Cash and Cash Equivalents, Including Restricted Amounts, End of Period	$ 432	$ 467
Other Non-cash Investing and Financing Activities		
Non-cash transactions		
Capital expenditures not paid	$ 586	$ 387

The accompanying notes are an integral part of these statements.

CMS Energy Corporation
Consolidated Balance Sheets (Unaudited)

ASSETS

In Millions

	September 30 2025	December 31 2024
Current Assets		
Cash and cash equivalents	$ 362	$ 103
Restricted cash and cash equivalents	70	75
Accounts receivable and accrued revenue, less allowance of $28 in 2025 and $23 in 2024	922	1,049
Accounts receivable – related parties	12	14
Inventories at average cost		
Gas in underground storage	566	435
Materials and supplies	307	299
Generating plant fuel stock	30	35
Deferred property taxes	294	448
Regulatory assets	84	229
Prepayments and other current assets	98	103
Total current assets	2,745	2,790
Plant, Property, and Equipment		
Plant, property, and equipment, gross	36,583	34,932
Less accumulated depreciation and amortization	10,051	9,569
Plant, property, and equipment, net	26,532	25,363
Construction work in progress	3,158	2,098
Total plant, property, and equipment	29,690	27,461
Other Non-current Assets		
Regulatory assets	3,545	3,569
Accounts receivable	18	20
Investments	64	69
Postretirement benefits	1,744	1,627
Other	202	384
Total other non-current assets	5,573	5,669
Total Assets	$ 38,008	$ 35,920

LIABILITIES AND EQUITY

In Millions

	September 30 2025	December 31 2024
Current Liabilities		
Current portion of long-term debt and finance leases	$ 1,162	$ 1,195
Notes payable	—	65
Accounts payable	1,141	1,085
Accounts payable – related parties	8	8
Accrued rate refunds	9	38
Accrued interest	204	156
Accrued taxes	200	654
Regulatory liabilities	89	111
Other current liabilities	239	209
Total current liabilities	3,052	3,521
Non-current Liabilities		
Long-term debt	16,774	15,194
Non-current portion of finance leases	137	112
Regulatory liabilities	4,104	4,067
Postretirement benefits	92	96
Asset retirement obligations	731	728
Deferred investment tax credit	119	122
Deferred income taxes	3,172	2,925
Other non-current liabilities	396	407
Total non-current liabilities	25,525	23,651
Commitments and Contingencies (Notes 1 and 2)		
Equity		
Common stockholders' equity		
Common stock, authorized 350.0 shares in both periods; outstanding 304.3 shares in 2025 and 298.8 shares in 2024	3	3
Other paid-in capital	6,355	6,009
Accumulated other comprehensive loss	(41)	(41)
Retained earnings	2,323	2,035
Total common stockholders' equity	8,640	8,006
Cumulative redeemable perpetual preferred stock, Series C, authorized 9.2 depositary shares; outstanding 9.2 depositary shares in both periods	224	224
Total stockholders' equity	8,864	8,230
Noncontrolling interests	567	518
Total equity	9,431	8,748
Total Liabilities and Equity	$ 38,008	$ 35,920

The accompanying notes are an integral part of these statements.

CMS Energy Corporation
Consolidated Statements of Changes in Equity (Unaudited)

In Millions, Except Per Share Amounts

	Three Months Ended		Nine Months Ended	
September 30	2025	2024	2025	2024
Total Equity at Beginning of Period	$ 8,971	$ 8,541	$ 8,748	$ 8,125
Common Stock				
At beginning and end of period	3	3	3	3
Other Paid-in Capital				
At beginning of period	5,998	5,991	6,009	5,705
Common stock issued	358	10	393	307
Common stock repurchased	(1)	—	(13)	(11)
Adjustment for sale of membership interests in VIEs	—	—	(34)	—
At end of period	6,355	6,001	6,355	6,001
Accumulated Other Comprehensive Loss				
Retirement benefits liability				
At beginning of period	(41)	(45)	(41)	(46)
Amortization of net actuarial loss	1	—	1	1
Amortization of prior service credit	(1)	—	(1)	—
At end of period	(41)	(45)	(41)	(45)
Retained Earnings				
At beginning of period	2,210	1,830	2,035	1,658
Net income attributable to CMS Energy	277	253	782	738
Dividends declared on common stock	(162)	(153)	(487)	(461)
Dividends declared on preferred stock	(2)	(2)	(7)	(7)
At end of period	2,323	1,928	2,323	1,928
Cumulative Redeemable Perpetual Preferred Stock, Series C				
At beginning and end of period	224	224	224	224
Noncontrolling Interests				
At beginning of period	577	538	518	581
Sale of membership interests in VIEs	—	—	78	—
Loss attributable to noncontrolling interests	(5)	(6)	(22)	(46)
Other changes in noncontrolling interests	(5)	(2)	(7)	(5)
At end of period	567	530	567	530
Total Equity at End of Period	$ 9,431	$ 8,641	$ 9,431	$ 8,641
Dividends declared per common share	$ 0.5425	$ 0.5150	$ 1.6275	$ 1.5450
Dividends declared per preferred stock Series C depositary share	$ 0.2625	$ 0.2625	$ 0.7875	$ 0.7875

The accompanying notes are an integral part of these statements.

Consumers Energy Company
Consolidated Statements of Income (Unaudited)

In Millions

	Three Months Ended		Nine Months Ended	
September 30	2025	2024	2025	2024
Operating Revenue	$ 1,913	$ 1,661	$ 6,007	$ 5,291
Operating Expenses				
Fuel for electric generation	113	150	419	366
Purchased and interchange power	490	346	1,219	989
Purchased power – related parties	21	19	69	53
Cost of gas sold	40	31	545	447
Maintenance and other operating expenses	388	381	1,137	1,136
Depreciation and amortization	274	261	925	878
General taxes	104	95	369	346
Total operating expenses	1,430	1,283	4,683	4,215
Operating Income	483	378	1,324	1,076
Other Income (Expense)				
Non-operating retirement benefits, net	44	39	128	118
Other income	15	24	44	67
Other expense	(4)	(3)	(11)	(10)
Total other income	55	60	161	175
Interest Charges				
Interest on long-term debt	135	123	388	364
Interest expense – related parties	10	9	30	22
Other interest expense	3	3	6	8
Allowance for borrowed funds used during construction	(3)	(4)	(8)	(8)
Total interest charges	145	131	416	386
Income Before Income Taxes	393	307	1,069	865
Income Tax Expense	79	34	221	139
Net Income	314	273	848	726
Preferred Stock Dividends	—	—	1	1
Net Income Available to Common Stockholder	$ 314	$ 273	$ 847	$ 725

The accompanying notes are an integral part of these statements.

Consumers Energy Company

Consolidated Statements of Comprehensive Income (Unaudited)

In Millions

	Three Months Ended		Nine Months Ended	
September 30	2025	2024	2025	2024
Net Income	$ 314	$ 273	$ 848	$ 726
Retirement Benefits Liability				
Amortization of net actuarial loss, net of tax of $— for all periods	—	1	—	1
Other Comprehensive Income	—	1	—	1
Comprehensive Income	$ 314	$ 274	$ 848	$ 727

The accompanying notes are an integral part of these statements.

Consumers Energy Company
Consolidated Statements of Cash Flows (Unaudited)

In Millions

Nine Months Ended September 30	2025	2024
Cash Flows from Operating Activities		
Net income	$ 848	$ 726
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	925	878
Deferred income taxes and investment tax credits	57	99
Other non-cash operating activities and reconciling adjustments	(111)	(64)
Changes in assets and liabilities		
Accounts and notes receivable and accrued revenue	124	184
Inventories	(137)	50
Accounts payable and accrued rate refunds	1	25
Other current assets and liabilities	121	(29)
Other non-current assets and liabilities	(54)	145
Net cash provided by operating activities	1,774	2,014
Cash Flows from Investing Activities		
Capital expenditures (excludes assets placed under finance lease)	(2,389)	(1,999)
Proceeds from sale of ASP business	—	124
Cost to retire property and other investing activities	(180)	(119)
Net cash used in investing activities	(2,569)	(1,994)
Cash Flows from Financing Activities		
Proceeds from issuance of debt	1,123	1,297
Retirement of debt	(100)	(322)
Decrease in notes payable	(65)	(93)
Stockholder contribution	695	320
Return of stockholder contribution	—	(320)
Payment of dividends on common and preferred stock	(650)	(545)
Other financing costs	(16)	(10)
Net cash provided by financing activities	987	327
Net Increase in Cash and Cash Equivalents, Including Restricted Amounts	192	347
Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period	119	56
Cash and Cash Equivalents, Including Restricted Amounts, End of Period	$ 311	$ 403
Other Non-cash Investing and Financing Activities		
Non-cash transactions		
Capital expenditures not paid	$ 453	$ 382

The accompanying notes are an integral part of these statements.

Consumers Energy Company
Consolidated Balance Sheets (Unaudited)

ASSETS

In Millions

	September 30 2025	December 31 2024
Current Assets		
Cash and cash equivalents	$ 242	$ 44
Restricted cash and cash equivalents	69	75
Accounts receivable and accrued revenue, less allowance of $28 in 2025 and $23 in 2024	890	1,019
Accounts and notes receivable – related parties	10	17
Inventories at average cost		
Gas in underground storage	566	435
Materials and supplies	299	291
Generating plant fuel stock	28	30
Deferred property taxes	294	448
Regulatory assets	84	229
Prepayments and other current assets	90	86
Total current assets	2,572	2,674
Plant, Property, and Equipment		
Plant, property, and equipment, gross	35,021	33,434
Less accumulated depreciation and amortization	9,772	9,310
Plant, property, and equipment, net	25,249	24,124
Construction work in progress	2,532	1,766
Total plant, property, and equipment	27,781	25,890
Other Non-current Assets		
Regulatory assets	3,545	3,569
Accounts receivable	24	26
Accounts and notes receivable – related parties	88	92
Postretirement benefits	1,622	1,514
Other	148	323
Total other non-current assets	5,427	5,524
Total Assets	$ 35,780	$ 34,088

LIABILITIES AND EQUITY

In Millions

	September 30 2025	December 31 2024
Current Liabilities		
Current portion of long-term debt and finance leases	$ 579	$ 456
Notes payable	—	65
Accounts payable	984	917
Accounts payable – related parties	15	12
Accrued rate refunds	9	38
Accrued interest	147	130
Accrued taxes	290	678
Regulatory liabilities	89	111
Other current liabilities	204	185
Total current liabilities	2,317	2,592
Non-current Liabilities		
Long-term debt	11,537	10,818
Long-term debt – related parties	1,005	823
Non-current portion of finance leases	84	69
Regulatory liabilities	4,104	4,067
Postretirement benefits	67	70
Asset retirement obligations	696	694
Deferred investment tax credit	119	122
Deferred income taxes	3,185	3,053
Other non-current liabilities	342	349
Total non-current liabilities	21,139	20,065
Commitments and Contingencies (Notes 1 and 2)		
Equity		
Common stockholder's equity		
Common stock, authorized 125.0 shares; outstanding 84.1 shares in both periods	841	841
Other paid-in capital	8,869	8,174
Accumulated other comprehensive loss	(11)	(11)
Retained earnings	2,588	2,390
Total common stockholder's equity	12,287	11,394
Cumulative preferred stock, $4.50 series, authorized 7.5 shares; outstanding 0.4 shares in both periods	37	37
Total equity	12,324	11,431
Total Liabilities and Equity	$ 35,780	$ 34,088

The accompanying notes are an integral part of these statements.

Consumers Energy Company
Consolidated Statements of Changes in Equity (Unaudited)

In Millions

	Three Months Ended		Nine Months Ended	
September 30	2025	2024	2025	2024
Total Equity at Beginning of Period	$ 11,698	$ 10,893	$ 11,431	$ 10,800
Common Stock				
At beginning and end of period	841	841	841	841
Other Paid-in Capital				
At beginning of period	8,324	7,759	8,174	7,759
Stockholder contribution	545	—	695	320
Return of stockholder contribution	—	—	—	(320)
At end of period	8,869	7,759	8,869	7,759
Accumulated Other Comprehensive Loss				
Retirement benefits liability				
At beginning of period	(11)	(15)	(11)	(15)
Amortization of net actuarial loss	—	1	—	1
At end of period	(11)	(14)	(11)	(14)
Retained Earnings				
At beginning of period	2,507	2,271	2,390	2,178
Net income	314	273	848	726
Dividends declared on common stock	(233)	(185)	(649)	(544)
Dividends declared on preferred stock	—	—	(1)	(1)
At end of period	2,588	2,359	2,588	2,359
Cumulative Preferred Stock				
At beginning and end of period	37	37	37	37
Total Equity at End of Period	$ 12,324	$ 10,982	$ 12,324	$ 10,982

The accompanying notes are an integral part of these statements.

CMS Energy Corporation
Consumers Energy Company
Notes to the Unaudited Consolidated Financial Statements

These interim consolidated financial statements have been prepared by CMS Energy and Consumers in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. As a result, CMS Energy and Consumers have condensed or omitted certain information and note disclosures normally included in consolidated financial statements prepared in accordance with GAAP. CMS Energy and Consumers have reclassified certain prior period amounts to conform to the presentation in the present period.

CMS Energy and Consumers are required to make estimates using assumptions that may affect reported amounts and disclosures; actual results could differ from these estimates. In management's opinion, the unaudited information contained in this report reflects all adjustments of a normal recurring nature necessary to ensure that CMS Energy's and Consumers' financial position, results of operations, and cash flows for the periods presented are fairly stated. The notes to the unaudited consolidated financial statements and the related unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in the 2024 Form 10-K. Due to the seasonal nature of CMS Energy's and Consumers' operations, the results presented for this interim period are not necessarily indicative of results to be achieved for the fiscal year.

1: Regulatory Matters

Regulatory matters are critical to Consumers. The Michigan Attorney General, ABATE, the MPSC Staff, residential customer advocacy groups, environmental organizations, and certain other parties typically participate in MPSC proceedings concerning Consumers, such as Consumers' rate cases and power supply cost recovery and gas cost recovery processes. Intervenors also participate in certain FERC matters, including FERC's regulation of certain wholesale rates that affect Consumers' power supply costs. These parties often challenge various aspects of those proceedings, including the prudence of Consumers' policies and practices, and seek cost disallowances and other relief. The parties also have appealed significant MPSC orders. Depending upon the specific issues, the outcomes of rate cases and proceedings, including judicial proceedings challenging MPSC and FERC orders or other actions, could negatively affect CMS Energy's and Consumers' liquidity, financial condition, and results of operations. Consumers cannot predict the outcome of these proceedings.

2024 Electric Rate Case: In May 2024, Consumers filed an application with the MPSC seeking a rate increase of $325 million, made up of two components. First, Consumers requested a $303 million annual rate increase, based on a 10.25-percent authorized return on equity for the projected 12-month period ending February 28, 2026. The filing requested authority to recover costs related to new infrastructure investment primarily in distribution system reliability and cleaner energy resources. Second, Consumers requested approval of a $22 million surcharge for the recovery of distribution investments made in 2023 that exceeded the rates authorized in accordance with previous electric rate orders.

In October 2024, Consumers revised its requested increase to $277 million, primarily to reflect the removal of projected capital investments associated with certain solar facilities that Consumers incorporated into its amended renewable energy plan.

In March 2025, the MPSC issued an order authorizing an annual rate increase of $176 million, which is inclusive of a $22 million surcharge for the recovery of distribution investments made in 2023 that exceeded the rate amounts authorized in accordance with previous electric rate orders. The approved rate increase is based on a 9.90-percent authorized return on equity. The new rates became effective in April 2025.

J.H. Campbell Emergency Order: In May 2025, before the planned closure of J.H. Campbell, the U.S. Secretary of Energy issued an emergency order under section 202(c) of the Federal Power Act requiring J.H. Campbell to continue operating for 90 days, through August 20, 2025. The order stated that continued operation of J.H. Campbell was required to meet an energy emergency across MISO's North and Central regions. Consistent with the Federal Power Act and the U.S. Department of Energy regulations, the order authorizes Consumers to obtain cost recovery at FERC.

In June 2025, Consumers filed a complaint at FERC seeking a modification of the MISO Tariff that would enable Consumers to recover the costs of complying with the emergency order. Consumers' complaint seeks a mechanism in the MISO Tariff that would allow allocation of those compliance costs across the MISO North and Central regions, consistent with the nature of the energy emergency declared in the U.S. Department of Energy order.

On August 20, 2025, the U.S. Secretary of Energy issued a second emergency order requiring J.H. Campbell to continue operating for another 90 days, through November 19, 2025. Consumers is complying with the August 2025 emergency order. Also in August 2025, FERC granted Consumers' complaint seeking modification of the MISO Tariff and ordered MISO to revise its tariff accordingly. MISO submitted a compliance filing with FERC in September 2025, and FERC approval of the compliance filing remains pending. During the initial emergency order period, the net financial impact of compliance was $53 million after applying MISO revenues of $67 million. For the second emergency order period through September 30, 2025, the net financial impact of compliance was $27 million after applying MISO revenues of $17 million. Upon FERC approval of the requested tariff modification, Consumers intends to file for recovery and allocation of costs to comply with the emergency orders across the region specified by the emergency orders. The ultimate financial impact remains subject to the outcome of the FERC proceeding and any future guidance or interpretation.

Service Restoration Cost Deferral Application: As a result of catastrophic storms in Consumers' electric service territory, Consumers incurred significant service restoration costs during March and April 2025. In April 2025, Consumers filed with the MPSC an ex parte application requesting approval to defer, as a regulatory asset, operating and maintenance expenses associated with the storms. In June 2025, the MPSC approved the application, authorizing the deferral of these expenses for accounting purposes. At September 30, 2025, Consumers had a $54 million regulatory asset recorded associated with these costs, recovery for which will be requested in a future case.

2: Contingencies and Commitments

CMS Energy and Consumers are involved in various matters that give rise to contingent liabilities. Depending on the specific issues, the resolution of these contingencies could negatively affect CMS Energy's and Consumers' liquidity, financial condition, and results of operations. In their disclosures of these matters, CMS Energy and Consumers provide an estimate of the possible loss or range of loss when such an estimate can be made. Disclosures stating that CMS Energy or Consumers cannot predict the outcome of a matter indicate that they are unable to estimate a possible loss or range of loss for the matter.

CMS Energy Contingencies

CMS Land retained environmental remediation obligations for the collection and treatment of leachate at Bay Harbor after selling its interests in the development in 2002. Leachate is produced when water enters into cement kiln dust piles left over from former cement plant operations at the site. In 2012, CMS Land and EGLE finalized an agreement establishing the final remedies and the future water quality criteria at the site. CMS Land completed all construction necessary to implement the remedies required by the agreement and will continue to maintain and operate a system to discharge treated leachate into Little Traverse Bay under an NPDES permit, which is valid through 2025. CMS Land submitted a renewal request in March 2025, and will continue to operate under the existing permit until a renewal is issued.

At September 30, 2025, CMS Energy had a recorded liability of $47 million for its remaining obligations for environmental remediation. CMS Energy calculated this liability based on discounted projected costs, using a discount rate of 4.34 percent and an inflation rate of 1 percent on annual operating and maintenance costs. The undiscounted amount of the remaining obligation is $59 million. CMS Energy expects to pay the following amounts for long-term leachate disposal and operating and maintenance costs during the remainder of 2025 and in each of the next five years:

In Millions

	2025	2026	2027	2028	2029	2030
Long-term leachate disposal and operating and maintenance costs	$ 1	$ 4	$ 4	$ 4	$ 4	$ 4

CMS Energy's estimate of response activity costs and the timing of expenditures could change if there are changes in circumstances or assumptions used in calculating the liability. Although a liability for its present estimate of remaining response activity costs has been recorded, CMS Energy cannot predict the ultimate financial impact or outcome of this matter.

Consumers Electric Utility Contingencies

Electric Environmental Matters: Consumers' operations are subject to environmental laws and regulations. Historically, Consumers has generally been able to recover, in customer rates, the costs to operate its facilities in compliance with these laws and regulations.

Cleanup and Solid Waste: Consumers expects to incur remediation and other response activity costs at a number of sites under NREPA. Consumers believes that these costs should be recoverable in rates, but cannot guarantee that outcome. Consumers estimates its liability for NREPA sites for which it can estimate a range of loss to be between $4 million and $5 million. At September 30, 2025, Consumers had a recorded liability of $4 million, the minimum amount in the range of its estimated probable NREPA liability, as no amount in the range was considered a better estimate than any other amount.

Consumers is a potentially responsible party at a number of contaminated sites administered under CERCLA. CERCLA liability is joint and several. In 2010, Consumers received official notification from the EPA that identified Consumers as a potentially responsible party for cleanup of PCBs at the Kalamazoo River CERCLA site. The notification claimed that the EPA had reason to believe that Consumers disposed of PCBs and arranged for the disposal and treatment of PCB-containing materials at portions of the site. In 2011, Consumers received a follow-up letter from the EPA requesting that Consumers agree to participate in a removal action plan along with several other companies for an area of lower Portage Creek, which is connected to the Kalamazoo River. All parties asked to participate in the removal action plan, including Consumers, declined to accept liability. Until further information is received from the EPA, Consumers is unable to estimate a range of potential liability for cleanup of the river.

Based on its experience, Consumers estimates its share of the total liability for known CERCLA sites to be between $3 million and $8 million. Various factors, including the number and creditworthiness of potentially responsible parties involved with each site, affect Consumers' share of the total liability. At September 30, 2025, Consumers had a recorded liability of $3 million for its share of the total liability at these sites, the minimum amount in the range of its estimated probable CERCLA liability, as no amount in the range was considered a better estimate than any other amount.

The timing of payments related to Consumers' remediation and other response activities at its CERCLA and NREPA sites is uncertain. Consumers periodically reviews these cost estimates. A change in the underlying assumptions, such as an increase in the number of sites, different remediation techniques, the nature and extent of contamination, and legal and regulatory requirements, could affect its estimates of NREPA and CERCLA liability.

Ludington Overhaul Contract Dispute: Consumers and DTE Electric, co-owners of Ludington, entered into a 2010 engineering, procurement, and construction agreement with Toshiba International, under which Toshiba International contracted to perform a major overhaul and upgrade of Ludington. Toshiba International later assigned the contract and all of its obligations to TAES. TAES' work under the contract was incomplete, defective, and non-conforming. Consumers and DTE Electric repeatedly documented TAES' failure to perform under the contract and demanded that TAES provide a comprehensive plan to resolve those matters, including adherence to its warranty commitments and other contractual obligations. Consumers and DTE Electric engaged in extensive efforts to resolve these issues with TAES, including a formal demand to TAES' parent, Toshiba, under a parent guaranty it provided. TAES did not provide a comprehensive plan or otherwise meet its performance obligations. As a result of TAES' defaults, Consumers and DTE Electric terminated the contract.

In order to enforce their rights under the contract and parent guaranty, and to pursue appropriate damages, Consumers and DTE Electric filed a complaint against TAES and Toshiba in the U.S. District Court for the Eastern District of Michigan in 2022. TAES and Toshiba filed a motion to dismiss the complaint, along with an answer and counterclaims seeking approximately $15 million in damages related to payments allegedly owed under the parties' contract. As a co-owner of Ludington, Consumers would be liable for 51 percent of any such damages, if liability and damages were proven. The court denied the motion to dismiss filed by TAES and Toshiba. The trial is scheduled to begin in the fourth quarter of 2025. Consumers believes the counterclaims filed by TAES and Toshiba are without merit, but cannot predict the financial impact or outcome of this matter. An unfavorable outcome could have a material adverse effect on CMS Energy's and Consumers' financial condition, results of operations, or liquidity.

In 2023, Toshiba announced that TBJH became the majority shareholder and new parent company of Toshiba through a common stock purchase. TBJH is a subsidiary of a Japanese private equity firm. Consumers and DTE Electric continue to monitor this development, but do not believe that this affects their rights under the parent guaranty provided by Toshiba.

In 2023, the MPSC approved Consumers' and DTE Electric's jointly-filed request for authority to defer as a regulatory asset the costs associated with repairing or replacing the defective work performed by TAES while the litigation with TAES and Toshiba moves forward. Although litigation is ongoing, Consumers currently estimates that its share of repair, replacement, and other damages resulting from TAES' defective work is approximately $350 million, which may be offset in part or entirely by any potential future litigation proceeds received from TAES or Toshiba. Consumers and DTE Electric will have the opportunity to seek appropriate recovery and ratemaking treatment for amounts recorded as a regulatory asset following resolution of the litigation, including any amounts not recovered from TAES or Toshiba. Consumers cannot predict the financial impact or outcome of such proceedings.

Consumers Gas Utility Contingencies

Consumers expects to incur remediation and other response activity costs at a number of sites under NREPA. These sites include 23 former MGP facilities. Consumers operated the facilities on these sites for some part of their operating lives. For some of these sites, Consumers has no present ownership interest or may own only a portion of the original site.

At September 30, 2025, Consumers had a recorded liability of $60 million for its remaining obligations for these sites. Consumers expects to pay the following amounts for remediation and other response activity costs during the remainder of 2025 and in each of the next five years:

In Millions

	2025	2026	2027	2028	2029	2030
Remediation and other response activity costs	$ —	$ 3	$ 8	$ 25	$ 11	$ 3

Consumers periodically reviews these cost estimates. Any significant change in the underlying assumptions, such as an increase in the number of sites, changes in remediation techniques, or legal and regulatory requirements, could affect Consumers' estimates of annual response activity costs and the MGP liability.

Pursuant to orders issued by the MPSC, Consumers defers its MGP-related remediation costs and recovers them from its customers over a ten-year period. At September 30, 2025, Consumers had a regulatory asset of $85 million related to the MGP sites.

Guarantees

Presented in the following table are CMS Energy's and Consumers' guarantees at September 30, 2025:

In Millions

Guarantee Description	Issue Date	Expiration Date	Maximum Obligation	Carrying Amount
CMS Energy, including Consumers				
Indemnity obligations from sale of membership interests in VIEs[1]	various	various	$ 229	$ —
Indemnity obligations from stock and asset sale agreements[2]	various	indefinite	152	—
Guarantee[3]	2011	indefinite	30	—
Consumers				
Guarantee[3]	2011	indefinite	$ 30	$ —

1 These obligations arose from the sale of membership interests in Aviator Wind, Newport Solar Holdings, and NWO Holdco to tax equity investors. NorthStar Clean Energy provided certain indemnity obligations that protect the tax equity investors against losses incurred as a result of breaches of representations and warranties under the associated limited liability company agreements. These obligations are generally capped at an amount equal to the tax equity investor's capital contributions plus a specified return, less any distributions and tax benefits it receives, in connection with its membership interest. For any indemnity obligations related to Aviator Wind, NorthStar Clean Energy would recover 49 percent of any amounts paid to the tax equity investor from the other owner of Aviator Wind Equity Holdings. Additionally, Aviator Wind holds insurance coverage that would partially protect against losses incurred as a result of certain failures to qualify for production tax credits. For further details on NorthStar Clean Energy's ownership interest in Aviator Wind, Newport Solar Holdings, and NWO Holdco, see Note 11, Variable Interest Entities.

2 These obligations arose from stock and asset sale agreements under which CMS Energy or a subsidiary of CMS Energy indemnified the purchaser for losses resulting from various matters, including claims related to taxes. The maximum obligation amount is mostly related to an Equatorial Guinea tax claim.

3 This obligation comprises a guarantee provided by Consumers to the U.S. Department of Energy in connection with a settlement agreement regarding damages resulting from the department's failure to accept spent nuclear fuel from nuclear power plants formerly owned by Consumers.

Additionally, in the normal course of business, CMS Energy, Consumers, and certain other subsidiaries of CMS Energy have entered into various agreements containing tax and other indemnity provisions for which they are unable to estimate the maximum potential obligation. CMS Energy and Consumers consider the likelihood that they would be required to perform or incur substantial losses related to these indemnities and those disclosed in the table to be remote.

Other Contingencies

In addition to the matters disclosed in this Note and Note 1, Regulatory Matters, there are certain other lawsuits and administrative proceedings before various courts and governmental agencies, as well as unasserted claims that may result in such proceedings, arising in the ordinary course of business to which CMS Energy, Consumers, and certain other subsidiaries of CMS Energy are parties. These other lawsuits, proceedings, and unasserted claims may involve personal injury, property damage, contracts, environmental matters, federal and state taxes, rates, licensing, employment, and other matters. Certain of these matters, while potentially substantial, are covered by insurance and the insurer or insurers are

involved in the relevant proceedings. Further, CMS Energy and Consumers occasionally self-report certain regulatory non-compliance matters that may or may not eventually result in administrative proceedings. CMS Energy and Consumers believe that the outcome of any one of these proceedings and potential claims will not have a material negative effect on their consolidated results of operations, financial condition, or liquidity.

3: Financings and Capitalization

Financings: Presented in the following table is a summary of major long-term debt issuances during the nine months ended September 30, 2025:

		Principal (In Millions)	Interest Rate (%)	Issuance Date	Maturity Date
CMS Energy, parent only					
Junior subordinated notes[1]	$	1,000	6.500	February 2025	June 2055
Term loan credit agreement		110	variable	February 2025	December 2025
Total CMS Energy, parent only	$	1,110			
NorthStar Clean Energy, including subsidiaries					
Construction financing agreement[2]	$	179	variable	February 2025	Five years after conversion date[2]
Total NorthStar Clean Energy, including subsidiaries	$	179			
Consumers					
First mortgage bonds	$	500	4.500	May 2025	January 2031
First mortgage bonds		625	5.050	May 2025	May 2035
Total Consumers	$	1,125			
Total CMS Energy	$	2,414			

1 These unsecured obligations rank subordinate and junior in right of payment to all of CMS Energy's existing and future senior indebtedness. On June 1, 2035, and every five years thereafter, the notes will reset to an interest rate equal to the five-year treasury rate plus 1.961 percent.

2 At completion of project construction, scheduled for the first half of 2026, these financings will convert into a term loan that will mature five years after the conversion date.

Retirements: Presented in the following table is a summary of major long-term debt retirements during the nine months ended September 30, 2025:

		Principal (In Millions)	Interest Rate (%)	Retirement Date	Maturity Date
CMS Energy, parent only					
Term loan credit agreement	$	400	variable	February 2025	September 2025
Term loan credit agreement		200	variable	February 2025	December 2025
Total CMS Energy, parent only	$	600			
Total CMS Energy	$	600			

CMS Energy's Purchase of Consumers' First Mortgage Bonds: CMS Energy purchased Consumers' first mortgage bonds with a principal balance of $184 million during the nine months ended September 30, 2025 in exchange for cash of $109 million. On a consolidated basis, CMS Energy's

repurchase of Consumers' first mortgage bonds was accounted for as a debt extinguishment and resulted in a pre-tax gain of $72 million during the nine months ended September 30, 2025, which was recorded in other income on CMS Energy's consolidated statements of income. Interest expense related to the repurchased bonds was $8 million for the three months ended September 30, 2025 and $21 million for the nine months ended September 30, 2025, which was recorded in interest expense - related parties on Consumers' consolidated statements of income.

CMS Energy purchased Consumers' first mortgage bonds with a principal balance of $69 million during the three months ended September 30, 2024 and $311 million during the nine months ended September 30, 2024, in exchange for cash of $49 million and $218 million, respectively. On a consolidated basis, CMS Energy's repurchase of Consumers' first mortgage bonds was accounted for as a debt extinguishment and resulted in a pre-tax gain of $20 million for the three months ended September 30, 2024 and a pre-tax gain of $90 million for the nine months ended September 30, 2024, which was recorded in other income on its consolidated statements of income. Interest expense related to the repurchased bonds was $5 million for the three months ended September 30, 2024 and $13 million for the nine months ended September 30, 2024, which was recorded in interest expense - related parties on Consumers' consolidated statements of income.

Credit Facilities: The following credit facilities with banks were available at September 30, 2025:

In Millions

Expiration Date	Amount of Facility	Amount Borrowed	Letters of Credit Outstanding	Amount Available
CMS Energy, parent only				
December 14, 2027[1]	$ 550	$ —	$ 35	$ 515
September 30, 2026	50	—	50	—
NorthStar Clean Energy, including subsidiaries				
May 30, 2028[2]	$ 250	$ 180	$ 8	$ 62
December 25, 2025[3]	37	—	37	—
Upon completion of construction project[4]	19	—	12	7
Consumers				
December 14, 2027[5]	$ 1,100	$ —	$ 10	$ 1,090
November 18, 2025[5]	250	—	112	138
March 31, 2028	50	—	42	8

1 There were no borrowings under this facility during the nine months ended September 30, 2025.

2 Obligations under this facility are secured by certain pledged equity interests in subsidiaries of NorthStar Clean Energy; under the terms of this facility, the interests may not be sold by NorthStar Clean Energy unless there is an agreed-upon substitution for the pledged equity interests. At September 30, 2025, the net book value of the pledged equity interests was $515 million. Also under the terms of this facility, NorthStar Clean Energy may be restricted from remitting cash dividends to CMS Energy in the event of default.

3 This letter of credit facility is available to Aviator Wind Equity Holdings. For more information regarding Aviator Wind Equity Holdings, see Note 11, Variable Interest Entities.

4 The letter of credit facility is available to certain subsidiaries of NorthStar Clean Energy. The letter of credit facility will expire upon completion of project construction scheduled for the first half of 2026.

5 Obligations under these facilities are secured by first mortgage bonds of Consumers. There were no borrowings under these facilities during the nine months ended September 30, 2025.

Regulatory Authorization for Financings: Consumers is required to maintain FERC authorization for financings. Any long-term issuances during the authorization period are exempt from FERC's competitive bidding and negotiated placement requirements. Its short-term authorization ends on May 2, 2026. In February 2025, FERC approved Consumers' application for authority to issue long-term debt securities. The authorization is effective February 21, 2025 through February 20, 2027.

Short-term Borrowings: Under Consumers' commercial paper program, Consumers may issue, in one or more placements, investment-grade commercial paper notes with maturities of up to 365 days at market interest rates. These issuances are supported by Consumers' revolving credit facilities and may have an aggregate principal amount outstanding of up to $500 million. While the amount of outstanding commercial paper does not reduce the available capacity of the revolving credit facilities, Consumers does not intend to issue commercial paper in an amount exceeding the available capacity of the facilities. At September 30, 2025, there were no commercial paper notes outstanding under this program.

In December 2024, Consumers renewed a short-term credit agreement with CMS Energy, permitting Consumers to borrow up to $500 million at an interest rate of the prior month's average one-month Term SOFR minus 0.100 percent. At September 30, 2025, there were no outstanding borrowings under the agreement.

NorthStar Clean Energy's Supplier Financing Program: Under a supplier financing program, NorthStar Clean Energy agrees to pay a bank that is acting as its payment agent the stated amount of confirmed invoices from participating suppliers on the original maturity dates of the invoices. The bank is required to pay the supplier invoices that have been confirmed as valid under the program in full within 135 days of the invoice date. NorthStar Clean Energy does not provide collateral or a guarantee to the bank in support of its payment obligations under the agreement, nor does it pay a fee for the service. NorthStar Clean Energy or the bank may terminate the supplier financing program agreement upon 30 days prior written notice to the other party. At September 30, 2025, obligations under this program accounted for as accounts payable on CMS Energy's consolidated balance sheets were $79 million.

Dividend Restrictions: At September 30, 2025, payment of dividends by CMS Energy on its common stock was limited to $8.6 billion under provisions of the Michigan Business Corporation Act of 1972.

Under the provisions of its articles of incorporation, at September 30, 2025, Consumers had $2.5 billion of unrestricted retained earnings available to pay dividends on its common stock to CMS Energy. Provisions of the Federal Power Act and the Natural Gas Act appear to restrict dividends payable by Consumers to the amount of Consumers' retained earnings. Several decisions from FERC suggest that, under a variety of circumstances, dividends from Consumers on its common stock would not be limited to amounts in Consumers' retained earnings. Any decision by Consumers to pay dividends on its common stock in excess of retained earnings would be based on specific facts and circumstances and would be subject to a formal regulatory filing process.

During the nine months ended September 30, 2025, Consumers paid $649 million in dividends on its common stock to CMS Energy.

Issuance of Common Stock: In 2023, CMS Energy entered into an equity offering program under which it may sell shares of its common stock having an aggregate sales price of up to $1 billion in privately negotiated transactions, in "at the market" offerings, or through forward sales transactions.

Under the forward sales transactions, CMS Energy may either settle physically by issuing shares of its common stock at the then-applicable forward sale price specified by the agreement or settle net by delivering or receiving cash or shares. CMS Energy may settle the contracts at any time through their

maturity dates, and presently intends to physically settle the contracts by delivering shares of its common stock.

During the three months ended September 30, 2025, CMS Energy entered into forward sale agreements for approximately 2.1 million shares at a weighted average initial forward price of $72.42 per share. During the same period, CMS Energy settled forward sale contracts under this program by issuing approximately 5.0 million shares at a weighted average price of $70.52 per share, resulting in net proceeds of $349 million.

In October 2025, CMS Energy completed an additional settlement issuing approximately 2.0 million shares at a weighted average price of $72.73, resulting in net proceeds of $147 million. Following these transactions, outstanding forward contracts under the program have an aggregate sales price of $8 million, maturing through November 30, 2026.

The initial forward price in the forward equity sale contracts includes a deduction for commissions and will be adjusted on a daily basis over the term based on an interest rate factor and decreased on certain dates by certain predetermined amounts to reflect expected dividend payments. No amounts are recorded on CMS Energy's consolidated balance sheets until settlements of the forward equity sale contracts occur. If CMS Energy had elected to net share settle or net cash settle the contracts as of September 30, 2025, it would have been required to deliver 21,313 shares or pay $2 million in cash.

4: Fair Value Measurements

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. When measuring fair value, CMS Energy and Consumers are required to incorporate all assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. A fair value hierarchy prioritizes inputs used to measure fair value according to their observability in the market. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are observable, market-based inputs, other than Level 1 prices. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets, quoted prices in inactive markets, and inputs derived from or corroborated by observable market data.
- Level 3 inputs are unobservable inputs that reflect CMS Energy's or Consumers' own assumptions about how market participants would value their assets and liabilities.

CMS Energy and Consumers classify fair value measurements within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement in its entirety.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Presented in the following table are CMS Energy's and Consumers' assets and liabilities recorded at fair value on a recurring basis:

In Millions

	CMS Energy, including Consumers		Consumers	
	September 30 2025	December 31 2024	September 30 2025	December 31 2024
Assets[1]				
Cash equivalents	$ 75	$ 27	$ —	$ —
Restricted cash equivalents	70	75	69	75
Nonqualified deferred compensation plan assets	35	34	27	25
Derivative instruments	3	2	3	2
Total assets	$ 183	$ 138	$ 99	$ 102
Liabilities[1]				
Nonqualified deferred compensation plan liabilities	$ 35	$ 34	$ 27	$ 25
Derivative instruments	4	—	—	—
Total liabilities	$ 39	$ 34	$ 27	$ 25

[1] All assets and liabilities were classified as Level 1 with the exception of derivative contracts, which were classified as Level 2 and 3.

Cash Equivalents: Cash equivalents and restricted cash equivalents consist of money market funds with daily liquidity.

Nonqualified Deferred Compensation Plan Assets and Liabilities: The nonqualified deferred compensation plan assets consist of mutual funds, which are bought and sold only at the discretion of plan participants. The assets are valued using the daily quoted net asset values. CMS Energy and Consumers value their nonqualified deferred compensation plan liabilities based on the fair values of the plan assets, as they reflect the amount owed to the plan participants in accordance with their investment elections. CMS Energy and Consumers report the assets in other non-current assets and the liabilities in other non-current liabilities on their consolidated balance sheets.

Derivative Instruments: CMS Energy and Consumers value their derivative instruments using either a market approach that incorporates information from market transactions, or an income approach that discounts future expected cash flows to a present value amount. CMS Energy's and Consumers' derivatives are classified as Level 2 and 3.

The derivatives classified as Level 2 are interest rate swaps at NorthStar Clean Energy, which are valued using market-based inputs.

In February 2025, a subsidiary of NorthStar Clean Energy entered into floating-to-fixed interest rate swaps to reduce the impact of interest rate fluctuations associated with interest payments on certain future long-term variable-rate debt. The interest rate swaps economically hedge the future variability of interest payments on debt with a notional amount of $109 million. Gains or losses on these swaps are reported in other expense on CMS Energy's consolidated statements of income. The amount recorded in other expense was less than $1 million for the three months ended September 30, 2025 and $4 million for the

nine months ended September 30, 2025. The fair value of these swaps recorded in other non-current liabilities on CMS Energy's consolidated balance sheets totaled $4 million at September 30, 2025.

The majority of derivatives classified as Level 3 are FTRs held by Consumers. Due to the lack of quoted pricing information, Consumers determines the fair value of its FTRs based on Consumers' average historical settlements. Consumers reports derivatives associated with FTRs in other current assets on its consolidated balance sheets.There was no material activity within the Level 3 category of derivatives during the periods presented.

5: Financial Instruments

Presented in the following table are the carrying amounts and fair values, by level within the fair value hierarchy, of CMS Energy's and Consumers' financial instruments that are not recorded at fair value. The table excludes cash, cash equivalents, short-term financial instruments, and trade accounts receivable and payable whose carrying amounts approximate their fair values. For information about assets and liabilities recorded at fair value and for additional details regarding the fair value hierarchy, see Note 4, Fair Value Measurements.

In Millions

	September 30, 2025					December 31, 2024				
		Fair Value					Fair Value			
			Level					Level		
	Carrying Amount	Total	1	2	3	Carrying Amount	Total	1	2	3
CMS Energy, including Consumers										
Assets										
Long-term receivables[1]	$ 7	$ 6	$ —	$ —	$ 6	$ 9	$ 8	$ —	$ —	$ 8
Liabilities										
Long-term debt[2]	17,930	16,993	2,111	12,932	1,950	16,386	14,876	1,018	11,952	1,906
Long-term payables[3]	8	8	—	—	8	9	9	—	—	9
Consumers										
Assets										
Long-term receivables[1]	$ 7	$ 6	$ —	$ —	$ 6	$ 9	$ 8	$ —	$ —	$ 8
Notes receivable – related party[4]	91	91	—	—	91	94	94	—	—	94
Liabilities										
Long-term debt[5]	12,109	11,132	—	9,182	1,950	11,270	9,940	—	8,034	1,906
Long-term debt – related party[6]	1,005	674	—	674	—	823	549	—	549	—
Long-term payables	2	2	—	—	2	4	4	—	—	4

1 Includes current portion of long-term accounts receivable and notes receivable of $3 million at September 30, 2025 and $4 million at December 31, 2024.

2 Includes current portion of long-term debt of $1.2 billion at September 30, 2025 and December 31, 2024.

3 Includes current portion of long-term payables of $1 million at September 30, 2025 and $2 million at December 31, 2024.

4 Includes current portion of notes receivable – related party of $7 million at September 30, 2025 and December 31, 2024.

[5] Includes current portion of long-term debt of $572 million at September 30, 2025 and $452 million at December 31, 2024.

[6] For more information on CMS Energy's repurchases of Consumers' first mortgage bonds, see Note 3, Financings and Capitalization—CMS Energy's Purchase of Consumers' First Mortgage Bonds.

Notes receivable – related party represents Consumers' portion of the DB SERP demand note payable issued by CMS Energy to the DB SERP rabbi trust. The demand note bears interest at an annual rate of 4.10 percent and has a maturity date of 2028.

6: Retirement Benefits

CMS Energy and Consumers provide pension, OPEB, and other retirement benefits to eligible employees under a number of different plans.

Costs: Presented in the following table are the costs (credits) and other changes in plan assets and benefit obligations incurred in CMS Energy's and Consumers' retirement benefit plans:

In Millions

	DB Pension Plans				OPEB Plan			
	Three Months Ended		Nine Months Ended		Three Months Ended		Nine Months Ended	
September 30	2025	2024	2025	2024	2025	2024	2025	2024
CMS Energy, including Consumers								
Net periodic credit								
Service cost	$ 6	$ 7	$ 19	$ 21	$ 2	$ 2	$ 6	$ 8
Interest cost	27	26	81	78	10	10	32	32
Expected return on plan assets	(57)	(58)	(171)	(176)	(27)	(28)	(83)	(86)
Amortization of:								
Net loss	3	3	8	9	—	1	2	3
Prior service cost (credit)	1	1	3	3	(8)	(7)	(25)	(23)
Settlement loss	3	3	8	8	—	—	—	—
Net periodic credit	$ (17)	$ (18)	$ (52)	$ (57)	$ (23)	$ (22)	$ (68)	$ (66)
Consumers								
Net periodic credit								
Service cost	$ 6	$ 7	$ 18	$ 20	$ 2	$ 2	$ 6	$ 8
Interest cost	26	25	77	74	11	11	32	31
Expected return on plan assets	(54)	(56)	(162)	(166)	(26)	(26)	(78)	(80)
Amortization of:								
Net loss	2	3	7	8	—	1	2	3
Prior service cost (credit)	1	1	3	3	(8)	(8)	(25)	(23)
Settlement loss	3	3	8	8	—	—	—	—
Net periodic credit	$ (16)	$ (17)	$ (49)	$ (53)	$ (21)	$ (20)	$ (63)	$ (61)

In Consumers' electric and gas rate cases, the MPSC approved a mechanism allowing Consumers to defer for future recovery or refund pension and OPEB expenses above or below the amounts used to set existing rates. Amounts deferred will be collected from or refunded to customers over ten years. At September 30, 2025, CMS Energy, including Consumers, had deferred $1 million of pension costs and

$7 million of OPEB credits under this mechanism related to 2025 expense. At September 30, 2024, CMS Energy, including Consumers, had deferred $12 million of pension credits and $8 million of OPEB credits under this mechanism related to 2024 expense.

7: Income Taxes

Presented in the following table is a reconciliation of the statutory U.S. federal income tax rate to the effective income tax rate from continuing operations:

Nine Months Ended September 30	2025	2024
CMS Energy, including Consumers		
U.S. federal income tax rate	21.0 %	21.0 %
Increase (decrease) in income taxes from:		
State and local income taxes, net of federal effect[1]	7.2	5.4
Renewable energy tax credits	(5.7)	(6.3)
TCJA excess deferred taxes	(3.5)	(3.8)
Deferred tax adjustment[2]	—	(1.9)
Taxes attributable to noncontrolling interests	1.2	1.1
Other, net	0.1	(0.2)
Effective tax rate	20.3 %	15.3 %
Consumers		
U.S. federal income tax rate	21.0 %	21.0 %
Increase (decrease) in income taxes from:		
State and local income taxes, net of federal effect[1]	6.5	5.0
Renewable energy tax credits	(3.6)	(4.4)
TCJA excess deferred taxes	(3.0)	(3.5)
Deferred tax adjustment[2]	—	(1.8)
Other, net	(0.2)	(0.2)
Effective tax rate	20.7 %	16.1 %

1 In June 2025, state deferred tax balances were increased by $12 million to reflect a change in Illinois tax policy that establishes nexus for Consumers. The policy change is effective for tax years beginning January 1, 2026.

2 In September 2024, Consumers recognized a $16 million tax benefit resulting from the expiration of the statute of limitations associated with audit points for the 2018 and 2019 tax years.

State Income Tax Claim: In February 2025, CMS Energy received an adverse ruling from the Michigan Tax Tribunal in regards to the methodology of state apportionment for Consumers' electricity sales to MISO. In March 2025, CMS Energy filed an appeal with the Michigan Court of Appeals and a final decision is not expected until 2026. CMS Energy and Consumers have evaluated and concluded their uncertain tax positions associated with this matter to be sufficient as of September 30, 2025. While CMS Energy and Consumers expect the appeal to prevail, if it were to fail, the companies would be required to revise the estimated value of their state deferred tax liabilities, which could result in a material impact to their results of operations.

Tax Legislation: CMS Energy and Consumers are subject to changing tax laws. In July 2025, President Trump signed into law the OBBBA. The legislation allows for the immediate expensing of domestic research and development costs and includes changes to clean energy tax credits enacted by the

Inflation Reduction Act of 2022. While the OBBBA restores, and makes permanent, the 100-percent bonus depreciation deduction, it also retains a provision that allows utilities to take a full deduction of interest expense in lieu of 100-percent bonus depreciation. Based on guidance available to date, CMS Energy and Consumers evaluated the provisions of the OBBBA and concluded that the legislation is not expected to have a material impact on their respective financial statements. This conclusion is subject to change as additional guidance or interpretations become available.

8: Earnings Per Share—CMS Energy

Presented in the following table are CMS Energy's basic and diluted EPS computations based on income from continuing operations:

In Millions, Except Per Share Amounts

	Three Months Ended		Nine Months Ended	
September 30	2025	2024	2025	2024
Income available to common stockholders				
Income from continuing operations	$ 272	$ 247	$ 760	$ 692
Less loss attributable to noncontrolling interests	(5)	(6)	(22)	(46)
Less preferred stock dividends	2	2	7	7
Income from continuing operations available to common stockholders – basic and diluted	$ 275	$ 251	$ 775	$ 731
Average common shares outstanding				
Weighted-average shares – basic	299.7	298.0	298.8	297.5
Add dilutive nonvested stock awards	0.6	0.8	0.6	0.7
Add dilutive forward equity sale contracts	0.1	—	—	—
Weighted-average shares – diluted	300.4	298.8	299.4	298.2
Income from continuing operations per average common share available to common stockholders				
Basic	$ 0.92	$ 0.84	$ 2.59	$ 2.45
Diluted	0.92	0.84	2.59	2.45

Nonvested Stock Awards

CMS Energy's nonvested stock awards are composed of participating and non-participating securities. The participating securities accrue cash dividends when common stockholders receive dividends. Since the recipient is not required to return the dividends to CMS Energy if the recipient forfeits the award, the nonvested stock awards are considered participating securities. As such, the participating nonvested stock awards were included in the computation of basic EPS. The non-participating securities accrue stock dividends that vest concurrently with the stock award. If the recipient forfeits the award, the stock dividends accrued on the non-participating securities are also forfeited. Accordingly, the non-participating awards and stock dividends were included in the computation of diluted EPS, but not in the computation of basic EPS.

Forward Equity Sale Contracts

CMS Energy has entered into forward equity sale contracts. These forward equity sale contracts are non-participating securities. While the forward sale price in the forward equity sale contract is decreased on certain dates by certain predetermined amounts to reflect expected dividend payments, these price

adjustments were set upon inception of the agreement and the forward contract does not give the owner the right to participate in undistributed earnings. Accordingly, the forward equity sale contracts were included in the computation of diluted EPS, but not in the computation of basic EPS.

The potentially dilutive impact from these forward equity sale contracts is reflected in diluted EPS using the treasury stock method. There will be a dilutive effect on EPS when the average market price of common stock shares is above the applicable adjusted forward sale price. Additionally, any physical settlement or net share settlement of the agreements would dilute EPS. For further details on the forward equity sale contracts, see Note 3, Financings and Capitalization.

Convertible Securities

In 2023, CMS Energy issued convertible senior notes. Potentially dilutive common shares issuable upon conversion of the convertible senior notes are determined using the if-converted method for calculating diluted EPS. Upon conversion, the convertible senior notes are required to be paid in cash with only amounts exceeding the principal permitted to be settled in shares. Accordingly, the convertible senior notes were included in the computation of diluted EPS, but not in the computation of basic EPS. The impact to diluted EPS was de minimis.

9: Revenue

Presented in the following tables are the components of operating revenue:

In Millions

Three Months Ended September 30, 2025	Electric Utility	Gas Utility	NorthStar Clean Energy[1]	Consolidated
CMS Energy, including Consumers				
Consumers utility revenue	$ 1,675	$ 233	$ —	$ 1,908
Other	—	—	67	67
Revenue recognized from contracts with customers	$ 1,675	$ 233	$ 67	$ 1,975
Leasing income	—	—	41	41
Financing income	2	1	—	3
Consumers alternative-revenue programs	2	—	—	2
Total operating revenue – CMS Energy	$ 1,679	$ 234	$ 108	$ 2,021
Consumers				
Consumers utility revenue				
Residential	$ 842	$ 139		$ 981
Commercial	577	45		622
Industrial	204	6		210
Other	52	43		95
Revenue recognized from contracts with customers	$ 1,675	$ 233		$ 1,908
Financing income	2	1		3
Alternative-revenue programs	2	—		2
Total operating revenue – Consumers	$ 1,679	$ 234		$ 1,913

[1] Amounts represent NorthStar Clean Energy's operating revenue from independent power production and its sales of energy commodities. Certain of NorthStar Clean Energy's power sales agreements are accounted for as operating leases. In addition to fixed payments, these agreements have variable payments based on energy delivered. NorthStar Clean Energy's leasing income included variable lease payments of $28 million for the three months ended September 30, 2025.

In Millions

Three Months Ended September 30, 2024	Electric Utility	Gas Utility	NorthStar Clean Energy[1]	Consolidated
CMS Energy, including Consumers				
Consumers utility revenue	$ 1,443	$ 212	$ —	$ 1,655
Other	—	—	56	56
Revenue recognized from contracts with customers	$ 1,443	$ 212	$ 56	$ 1,711
Leasing income	—	—	26	26
Financing income	4	1	—	5
Consumers alternative-revenue programs	1	—	—	1
Total operating revenue – CMS Energy	$ 1,448	$ 213	$ 82	$ 1,743
Consumers				
Consumers utility revenue				
Residential	$ 707	$ 127		$ 834
Commercial	486	40		526
Industrial	169	5		174
Other	81	40		121
Revenue recognized from contracts with customers	$ 1,443	$ 212		$ 1,655
Financing income	4	1		5
Alternative-revenue programs	1	—		1
Total operating revenue – Consumers	$ 1,448	$ 213		$ 1,661

[1] Amounts represent NorthStar Clean Energy's operating revenue from independent power production and its sales of energy commodities. Certain of NorthStar Clean Energy's power sales agreements are accounted for as operating leases. In addition to fixed payments, these agreements have variable payments based on energy delivered. NorthStar Clean Energy's leasing income included variable lease payments of $15 million for the three months ended September 30, 2024.

In Millions

Nine Months Ended September 30, 2025	Electric Utility	Gas Utility	NorthStar Clean Energy[1]	Consolidated
CMS Energy, including Consumers				
Consumers utility revenue	$ 4,324	$ 1,665	$ —	$ 5,989
Other	—	—	182	182
Revenue recognized from contracts with customers	$ 4,324	$ 1,665	$ 182	$ 6,171
Leasing income	—	—	117	117
Financing income	7	5	—	12
Consumers alternative-revenue programs	6	—	—	6
Total operating revenue – CMS Energy	$ 4,337	$ 1,670	$ 299	$ 6,306
Consumers				
Consumers utility revenue				
Residential	$ 2,055	$ 1,146		$ 3,201
Commercial	1,468	374		1,842
Industrial	576	46		622
Other	225	99		324
Revenue recognized from contracts with customers	$ 4,324	$ 1,665		$ 5,989
Financing income	7	5		12
Alternative-revenue programs	6	—		6
Total operating revenue – Consumers	$ 4,337	$ 1,670		$ 6,007

[1] Amounts represent NorthStar Clean Energy's operating revenue from independent power production and its sales of energy commodities. Certain of NorthStar Clean Energy's power sales agreements are accounted for as operating leases. In addition to fixed payments, these agreements have variable payments based on energy delivered. NorthStar Clean Energy's leasing income included variable lease payments of $82 million for the nine months ended September 30, 2025.

In Millions

Nine Months Ended September 30, 2024	Electric Utility	Gas Utility	NorthStar Clean Energy[1]	Consolidated
CMS Energy, including Consumers				
Consumers utility revenue	$ 3,793	$ 1,480	$ —	$ 5,273
Other	—	—	158	158
Revenue recognized from contracts with customers	$ 3,793	$ 1,480	$ 158	$ 5,431
Leasing income	—	—	77	77
Financing income	8	5	—	13
Consumers alternative-revenue programs	5	—	—	5
Total operating revenue – CMS Energy	$ 3,806	$ 1,485	$ 235	$ 5,526
Consumers				
Consumers utility revenue				
Residential	$ 1,779	$ 998		$ 2,777
Commercial	1,279	311		1,590
Industrial	499	37		536
Other	236	134		370
Revenue recognized from contracts with customers	$ 3,793	$ 1,480		$ 5,273
Financing income	8	5		13
Alternative-revenue programs	5	—		5
Total operating revenue – Consumers	$ 3,806	$ 1,485		$ 5,291

[1] Amounts represent NorthStar Clean Energy's operating revenue from independent power production and its sales of energy commodities. Certain of NorthStar Clean Energy's power sales agreements are accounted for as operating leases. In addition to fixed payments, these agreements have variable payments based on energy delivered. NorthStar Clean Energy's leasing income included variable lease payments of $44 million for the nine months ended September 30, 2024.

Electric and Gas Utilities

Consumers Utility Revenue: Consumers recognizes revenue primarily from the sale of electric and gas utility services at tariff-based rates regulated by the MPSC. Consumers' customer base consists of a mix of residential, commercial, and diversified industrial customers. Consumers' tariff-based sales performance obligations are described below.

- Consumers has performance obligations for the service of standing ready to deliver electricity or natural gas to customers, and it satisfies these performance obligations over time. Consumers recognizes revenue at a fixed rate as it provides these services. These arrangements generally do not have fixed terms and remain in effect as long as the customer consumes the utility service. The rates are set by the MPSC through the rate-making process and represent the stand-alone selling price of Consumers' service to stand ready to deliver.

- Consumers has performance obligations for the service of delivering the commodity of electricity or natural gas to customers, and it satisfies these performance obligations upon delivery. Consumers recognizes revenue at a price per unit of electricity or natural gas delivered, based on the tariffs established by the MPSC. These arrangements generally do not have fixed terms and remain in effect as long as the customer consumes the utility service. The rates are set by the MPSC through the rate-making process and represent the stand-alone selling price of a bundled

product comprising the commodity, electricity or natural gas, and the service of delivering such commodity.

In some instances, Consumers has specific fixed-term contracts with large commercial and industrial customers to provide electricity or gas at certain tariff rates or to provide gas transportation services at contracted rates. The amount of electricity and gas to be delivered under these contracts and the associated future revenue to be received are generally dependent on the customers' needs. Accordingly, Consumers recognizes revenues at the tariff or contracted rate as electricity or gas is delivered to the customer. Consumers also has other miscellaneous contracts with customers related to pole and other property rentals and utility contract work. Generally, these contracts are short term or evergreen in nature.

Accounts Receivable and Unbilled Revenues: Accounts receivable comprise trade receivables and unbilled receivables. CMS Energy and Consumers record their accounts receivable at cost less an allowance for uncollectible accounts. The allowance is increased for uncollectible accounts expense and decreased for account write-offs net of recoveries. CMS Energy and Consumers establish the allowance based on historical losses, management's assessment of existing economic conditions, customer payment trends, and reasonable and supported forecast information. CMS Energy and Consumers assess late payment fees on trade receivables based on contractual past-due terms established with customers. Accounts are written off when deemed uncollectible, which is generally when they become six months past due.

CMS Energy and Consumers recorded uncollectible accounts expense of $10 million for the three months ended September 30, 2025 and $7 million for the three months ended September 30, 2024. CMS Energy and Consumers recorded uncollectible accounts expense of $30 million for the nine months ended September 30, 2025 and $24 million for the nine months ended September 30, 2024.

Consumers' customers are billed monthly in cycles having billing dates that do not generally coincide with the end of a calendar month. This results in customers having received electricity or natural gas that they have not been billed for as of the month-end. Consumers estimates its unbilled revenues by applying an average billed rate to total unbilled deliveries for each customer class. Unbilled revenues, which are recorded as accounts receivable and accrued revenue on CMS Energy's and Consumers' consolidated balance sheets, were $381 million at September 30, 2025 and $584 million at December 31, 2024.

Alternative-revenue Program: Under a demand response incentive mechanism, Consumers earns a financial incentive when it meets demand response targets set by the MPSC. Consumers recognizes revenue related to this program once demand response incentive objectives are complete, the incentive amount is calculable, and the incentive revenue will be collected within a 24-month period.

Consumers also accounts for its financial compensation mechanism as an alternative-revenue program. Consumers recognizes revenue related to the financial compensation mechanism as payments are made on MPSC-approved PPAs.

Consumers does not reclassify revenue from its alternative-revenue program to revenue from contracts with customers at the time the amounts are collected from customers.

10: Reportable Segments

Reportable segments consist of business units defined by the products and services they offer. CMS Energy's and Consumers' chief operating decision-maker is the CEO. The chief operating decision-maker evaluates segment performance and profitability using net income available to CMS Energy's common stockholders. This metric provides a clear, consistent basis for analyzing the financial results of each segment and supports decision-making regarding the allocation of resources.

Resource allocation to CMS Energy's and Consumers' segments begins with the annual budgeting process, which establishes initial funding and resource levels for each segment. The budget incorporates key financial and operational inputs, including anticipated revenues, expenses, and capital requirements, aligning with CMS Energy's and Consumers' strategic objectives and regulatory obligations. The chief operating decision-maker reviews budget-to-actual variances on a monthly basis and makes interim decisions to reallocate resources among segments as needed, ensuring a timely and effective response to changing conditions. For the electric utility and gas utility segments, the chief operating decision-maker uses this assessment to determine whether the segments are achieving their regulatory authorized return on equity.

CMS Energy

The segments reported for CMS Energy are:

- electric utility, consisting of regulated activities associated with the generation, purchase, distribution, and sale of electricity in Michigan
- gas utility, consisting of regulated activities associated with the purchase, transmission, storage, distribution, and sale of natural gas in Michigan
- NorthStar Clean Energy, consisting of various subsidiaries engaging in domestic independent power production, including the development and operation of renewable generation, and the marketing of independent power production

CMS Energy presents corporate interest and other expenses, discontinued operations, and Consumers' other consolidated entities within other reconciling items.

Consumers

The segments reported for Consumers are:

- electric utility, consisting of regulated activities associated with the generation, purchase, distribution, and sale of electricity in Michigan
- gas utility, consisting of regulated activities associated with the purchase, transmission, storage, distribution, and sale of natural gas in Michigan

Consumers' other consolidated entities are presented within other reconciling items.

In Millions

Three Months Ended September 30, 2025	Electric Utility	Gas Utility	NorthStar Clean Energy	Segments Total	Other Reconciling Items	Consolidated
CMS Energy, including Consumers						
Operating revenue	$ 1,679	$ 234	$ 108	$ 2,021	$ —	$ 2,021
Operating expenses						
Power supply cost[1]	624	—	63	687	—	687
Cost of gas sold	—	40	2	42	—	42
Maintenance and other operating expenses	285	103	25	413	3	416
Depreciation and amortization	239	35	14	288	—	288
General taxes	81	23	3	107	—	107
Total operating expenses	1,229	201	107	1,537	3	1,540
Operating Income (Loss)	450	33	1	484	(3)	481
Other income	34	22	4	60	2	62
Interest charges	92	53	(1)	144	59	203
Income (Loss) Before Income Taxes	392	2	6	400	(60)	340
Income tax expense	66	2	—	68	—	68
Income (Loss) From Continuing Operations	326	—	6	332	(60)	272
Other segment items[2]	—	—	5	5	(2)	3
Net Income (Loss) Available to Common Stockholders	$ 326	$ —	$ 11	$ 337	$ (62)	$ 275
Property, plant, and equipment, gross	$ 21,095 [3]	$ 13,890 [3]	$ 1,568	$ 36,553	$ 30	$ 36,583
Total assets	21,917 [3]	13,720 [3]	2,229	37,866	142	38,008

[1] Power supply costs comprise of fuel for electric generation, purchased and interchange power, and purchased power – related parties.

[2] Other segment items comprise of loss attributable to noncontrolling interests and preferred stock dividends.

[3] Amounts include a portion of Consumers' other common assets attributable to both the electric and gas utility businesses.

In Millions

Three Months Ended September 30, 2025	Electric Utility	Gas Utility	Segments Total	Other Reconciling Items	Consolidated
Consumers					
Operating revenue	$ 1,679	$ 234	$ 1,913	$ —	$ 1,913
Operating expenses					
Power supply cost[1]	624	—	624	—	624
Cost of gas sold	—	40	40	—	40
Maintenance and other operating expenses	285	103	388	—	388
Depreciation and amortization	239	35	274	—	274
General taxes	81	23	104	—	104
Total operating expenses	1,229	201	1,430	—	1,430
Operating Income	450	33	483	—	483
Other income	34	22	56	(1)	55
Interest charges	92	53	145	—	145
Income (Loss) Before Income Taxes	392	2	394	(1)	393
Income tax expense	66	2	68	11	79
Net Income (Loss) Available to Common Stockholder	$ 326	$ —	$ 326	$ (12)	$ 314
Property, plant, and equipment, gross	$ 21,095 [2]	$ 13,890 [2]	$ 34,985	$ 36	$ 35,021
Total assets	21,972 [2]	13,762 [2]	35,734	46	35,780

[1] Power supply costs comprise of fuel for electric generation, purchased and interchange power, and purchased power – related parties.

[2] Amounts include a portion of Consumers' other common assets attributable to both the electric and gas utility businesses.

In Millions

Three Months Ended September 30, 2024	Electric Utility	Gas Utility	NorthStar Clean Energy	Segments Total	Other Reconciling Items	Consolidated
CMS Energy, including Consumers						
Operating revenue	$ 1,448	$ 213	$ 82	$ 1,743	$ —	$ 1,743
Operating expenses						
Power supply cost[1]	515	—	45	560	—	560
Cost of gas sold	—	31	1	32	—	32
Maintenance and other operating expenses	282	99	27	408	4	412
Depreciation and amortization	229	32	12	273	—	273
General taxes	75	20	4	99	—	99
Total operating expenses	1,101	182	89	1,372	4	1,376
Operating Income (Loss)	347	31	(7)	371	(4)	367
Other income	35	25	3	63	21	84
Interest charges	82	49	2	133	45	178
Income (Loss) Before Income Taxes	300	7	(6)	301	(28)	273
Income tax expense (benefit)	27	(4)	(6)	17	9	26
Income (Loss) From Continuing Operations	273	11	—	284	(37)	247
Other segment items[2]	—	—	6	6	(2)	4
Net Income (Loss) Available to Common Stockholders	$ 273	$ 11	$ 6	$ 290	$ (39)	$ 251
Property, plant, and equipment, gross	$ 19,826 [3]	$ 12,840 [3]	$ 1,469	$ 34,135	$ 21	$ 34,156
Total assets	20,222 [3]	12,809 [3]	1,711	34,742	75	34,817

[1] Power supply costs comprise of fuel for electric generation, purchased and interchange power, and purchased power – related parties.

[2] Other segment items comprise of income from discontinued operations, net of tax, loss attributable to noncontrolling interests, and preferred stock dividends.

[3] Amounts include a portion of Consumers' other common assets attributable to both the electric and gas utility businesses.

In Millions

Three Months Ended September 30, 2024	Electric Utility	Gas Utility	Segments Total	Other Reconciling Items	Consolidated
Consumers					
Operating revenue	$ 1,448	$ 213	$ 1,661	$ —	$ 1,661
Operating expenses					
Power supply cost[1]	515	—	515	—	515
Cost of gas sold	—	31	31	—	31
Maintenance and other operating expenses	282	99	381	—	381
Depreciation and amortization	229	32	261	—	261
General taxes	75	20	95	—	95
Total operating expenses	1,101	182	1,283	—	1,283
Operating Income	347	31	378	—	378
Other income	35	25	60	—	60
Interest charges	82	49	131	—	131
Income Before Income Taxes	300	7	307	—	307
Income tax expense (benefit)	27	(4)	23	11	34
Net Income (Loss) Available to Common Stockholder	$ 273	$ 11	$ 284	$ (11)	$ 273
Property, plant, and equipment, gross	$ 19,826 [2]	$ 12,840 [2]	$ 32,666	$ 29	$ 32,695
Total assets	20,279 [2]	12,852 [2]	33,131	29	33,160

[1] Power supply costs comprise of fuel for electric generation, purchased and interchange power, and purchased power – related parties.

[2] Amounts include a portion of Consumers' other common assets attributable to both the electric and gas utility businesses.

Presented in the following tables is financial information by segment:

In Millions

Nine Months Ended September 30, 2025	Electric Utility	Gas Utility	NorthStar Clean Energy	Segments Total	Other Reconciling Items	Consolidated
CMS Energy, including Consumers						
Operating revenue	$ 4,337	$ 1,670	$ 299	$ 6,306	$ —	$ 6,306
Operating expenses						
Power supply cost[1]	1,707	—	198	1,905	—	1,905
Cost of gas sold	—	545	4	549	—	549
Maintenance and other operating expenses	806	331	73	1,210	8	1,218
Depreciation and amortization	682	243	39	964	—	964
General taxes	227	142	9	378	—	378
Total operating expenses	3,422	1,261	323	5,006	8	5,014
Operating Income (Loss)	915	409	(24)	1,300	(8)	1,292
Other income	97	64	7	168	81	249
Interest charges	263	152	(2)	413	175	588
Income (Loss) Before Income Taxes	749	321	(15)	1,055	(102)	953
Income tax expense (benefit)	131	83	(7)	207	(14)	193
Income (Loss) From Continuing Operations	618	238	(8)	848	(88)	760
Other segment items[2]	(1)	—	23	22	(7)	15
Net Income (Loss) Available to Common Stockholders	$ 617	$ 238	$ 15	$ 870	$ (95)	$ 775

[1] Power supply costs comprise of fuel for electric generation, purchased and interchange power, and purchased power – related parties.

[2] Other segment items comprise of loss attributable to noncontrolling interests and preferred stock dividends.

In Millions

Nine Months Ended September 30, 2025	Electric Utility	Gas Utility	Segments Total	Other Reconciling Items	Consolidated
Consumers					
Operating revenue	$ 4,337	$ 1,670	$ 6,007	$ —	$ 6,007
Operating expenses					
Power supply cost[1]	1,707	—	1,707	—	1,707
Cost of gas sold	—	545	545	—	545
Maintenance and other operating expenses	806	331	1,137	—	1,137
Depreciation and amortization	682	243	925	—	925
General taxes	227	142	369	—	369
Total operating expenses	3,422	1,261	4,683	—	4,683
Operating Income	915	409	1,324	—	1,324
Other income	97	64	161	—	161
Interest charges	263	152	415	1	416
Income (Loss) Before Income Taxes	749	321	1,070	(1)	1,069
Income tax expense	131	83	214	7	221
Net Income (Loss)	618	238	856	(8)	848
Other segment items[2]	(1)	—	(1)	—	(1)
Net Income (Loss) Available to Common Stockholder	$ 617	$ 238	$ 855	$ (8)	$ 847

[1] Power supply costs comprise of fuel for electric generation, purchased and interchange power, and purchased power – related parties.

[2] Other segment items comprise of preferred stock dividends.

In Millions

Nine Months Ended September 30, 2024	Electric Utility	Gas Utility	NorthStar Clean Energy	Segments Total	Other Reconciling Items	Consolidated
CMS Energy, including Consumers						
Operating revenue	$ 3,806	$ 1,485	$ 235	$ 5,526	$ —	$ 5,526
Operating expenses						
Power supply cost[1]	1,408	—	119	1,527	—	1,527
Cost of gas sold	—	447	2	449	—	449
Maintenance and other operating expenses	781	355	73	1,209	9	1,218
Depreciation and amortization	651	226	36	913	1	914
General taxes	214	132	10	356	—	356
Total operating expenses	3,054	1,160	240	4,454	10	4,464
Operating Income (Loss)	752	325	(5)	1,072	(10)	1,062
Other income	105	70	11	186	97	283
Interest charges	242	143	3	388	140	528
Income (Loss) Before Income Taxes	615	252	3	870	(53)	817
Income tax expense (benefit)	74	57	(3)	128	(3)	125
Income (Loss) From Continuing Operations	541	195	6	742	(50)	692
Other segment items[2]	(1)	—	47	46	(7)	39
Net Income (Loss) Available to Common Stockholders	$ 540	$ 195	$ 53	$ 788	$ (57)	$ 731

[1] Power supply costs comprise of fuel for electric generation, purchased and interchange power, and purchased power – related parties.

[2] Other segment items comprise of loss attributable to noncontrolling interests and preferred stock dividends.

In Millions

Nine Months Ended September 30, 2024	Electric Utility	Gas Utility	Segments Total	Other Reconciling Items	Consolidated
Consumers					
Operating revenue	$ 3,806	$ 1,485	$ 5,291	$ —	$ 5,291
Operating expenses					
Power supply cost[1]	1,408	—	1,408	—	1,408
Cost of gas sold	—	447	447	—	447
Maintenance and other operating expenses	781	355	1,136	—	1,136
Depreciation and amortization	651	226	877	1	878
General taxes	214	132	346	—	346
Total operating expenses	3,054	1,160	4,214	1	4,215
Operating Income (Loss)	752	325	1,077	(1)	1,076
Other income	105	70	175	—	175
Interest charges	242	143	385	1	386
Income (Loss) Before Income Taxes	615	252	867	(2)	865
Income tax expense	74	57	131	8	139
Net Income (Loss)	541	195	736	(10)	726
Other segment items[2]	(1)	—	(1)	—	(1)
Net Income (Loss) Available to Common Stockholder	$ 540	$ 195	$ 735	$ (10)	$ 725

[1] Power supply costs comprise of fuel for electric generation, purchased and interchange power, and purchased power – related parties.

[2] Other segment items comprise of preferred stock dividends.

11: Variable Interest Entities

Consolidated VIEs: In March 2025, NorthStar Clean Energy sold a 50-percent interest in NWO Wind Equity Holdings for net proceeds of $36 million. NWO Wind Equity Holdings holds the Class B membership interest in NWO Holdco, the holding company of a 100-MW wind project located in Paulding County, Ohio. Additionally in March 2025, NorthStar Clean Energy sold a 50-percent interest in Delta Solar Equity Holdings for net proceeds of $8 million. Delta Solar Equity Holdings is the holding company of a 24-MW solar project located in Delta Township, Michigan.

NorthStar Clean Energy consolidates these and other entities that it does not wholly own, but for which it manages and controls the entities' operating activities. NorthStar Clean Energy is the primary beneficiary of these entities because it has the power to direct the activities that most significantly impact the economic performance of the companies, as well as the obligation to absorb losses or the right to receive

benefits from the companies. Presented in the following table is information about the VIEs NorthStar Clean Energy consolidates:

Consolidated VIE	NorthStar Clean Energy's ownership interest	Description of VIE
Aviator Wind Equity Holdings	51-percent ownership interest[1]	Holds a Class B membership interest in Aviator Wind
Aviator Wind	Class B membership interest[2]	Holding company of a 525-MW wind generation project in Coke County, Texas
Delta Solar Equity Holdings	50-percent ownership interest[1]	Holding company of a 24-MW solar generation project in Delta Township, Michigan
Newport Solar Holdings	Class B membership interest[2]	Holding company of a 180-MW solar generation project in Jackson County, Arkansas
NWO Wind Equity Holdings	50-percent ownership interest[1]	Holds a Class B membership interest in NWO Holdco
NWO Holdco	Class B membership interest[2]	Holding company of a 100-MW wind generation project in Paulding County, Ohio

[1] The remaining ownership interest is presented as noncontrolling interest on CMS Energy's consolidated balance sheets.

[2] The Class A membership interest in the entity is held by a tax equity investor and is presented as noncontrolling interest on CMS Energy's consolidated balance sheets. Under the associated limited liability company agreement, the tax equity investor is guaranteed preferred returns from the entity.

Earnings, tax attributes, and cash flows generated by the entities in which NorthStar Clean Energy holds a Class B membership are allocated among and distributed to the membership classes in accordance with the ratios specified in the associated limited liability company agreements; these ratios change over time and are not representative of the ownership interest percentages of each membership class. Since these entities' income and cash flows are not distributed among their investors based on ownership interest percentages, NorthStar Clean Energy allocates the entities' income (loss) among the investors by applying the hypothetical liquidation at book value method. This method calculates each investor's earnings based on a hypothetical liquidation of the entities at the net book value of underlying assets as of the balance sheet date. The liquidation tax gain (loss) is allocated to each investor's capital account, resulting in income (loss) equal to the period change in the investor's capital account balance.

Presented in the following table are the carrying values of the VIEs' assets and liabilities included on CMS Energy's consolidated balance sheets:

In Millions

	September 30, 2025	December 31, 2024
Current		
Cash and cash equivalents	$ 19	$ 18
Accounts receivable	3	4
Prepayments and other current assets	3	3
Non-current		
Plant, property, and equipment, net	1,028	1,024
Other non-current assets	6	3
Total assets[1]	$ 1,059	$ 1,052
Current		
Accounts payable	$ 9	$ 8
Accrued taxes	1	—
Non-current		
Non-current portion of finance leases	24	23
Asset retirement obligations	35	33
Other non-current liabilities	3	—
Total liabilities	$ 72	$ 64

[1] Assets may be used only to meet VIEs' obligations and commitments.

NorthStar Clean Energy is obligated under certain indemnities that protect the tax equity investors against losses incurred as a result of breaches of representations and warranties under the associated limited liability company agreements. For additional details on these indemnity obligations, see Note 2, Contingencies and Commitments—Guarantees.

Consumers' wholly-owned subsidiaries, Consumers 2014 Securitization Funding and Consumers 2023 Securitization Funding, are VIEs designed to collateralize Consumers' securitization bonds. These entities are considered VIEs primarily because their equity capitalization is insufficient to support their operations. Consumers is the primary beneficiary of and consolidates these VIEs, as it has the power to direct the activities that most significantly impact the economic performance of the companies, as well as the obligation to absorb losses or the right to receive benefits from the companies. The VIEs' primary assets and liabilities comprise non-current regulatory assets and long-term debt. The carrying value of the regulatory assets on Consumers' consolidated balance sheets was $580 million at September 30, 2025 and $666 million at December 31, 2024. The carrying value of securitization bonds on Consumers' consolidated balance sheets was $600 million at September 30, 2025 and $700 million at December 31, 2024.

Non-consolidated VIEs: NorthStar Clean Energy has variable interests in T.E.S. Filer City, Grayling, Genesee, and Craven. While NorthStar Clean Energy owns 50 percent of each partnership, it is not the primary beneficiary of any of these partnerships because decision making is shared among unrelated parties, and no one party has the ability to direct the activities that most significantly impact the entities' economic performance, such as operations and maintenance, plant dispatch, and fuel strategy. The partners must agree on all major decisions for each of the partnerships.

Presented in the following table is information about these partnerships:

Name	Nature of the Entity	Nature of NorthStar Clean Energy's Involvement
T.E.S. Filer City	Coal-fueled power generator	Long-term PPA between partnership and Consumers Employee assignment agreement
Grayling	Wood waste-fueled power generator	Long-term PPA between partnership and Consumers Reduced dispatch agreement with Consumers[1] Operating and management contract
Genesee	Wood waste-fueled power generator	Long-term PPA between partnership and Consumers Reduced dispatch agreement with Consumers[1] Operating and management contract
Craven	Wood waste-fueled power generator	Operating and management contract

[1] Reduced dispatch agreements allow the facilities to be dispatched based on the market price of power compared with the cost of production of the plants. This results in fuel cost savings that each partnership shares with Consumers' customers.

The creditors of these partnerships do not have recourse to the general credit of CMS Energy, NorthStar Clean Energy, or Consumers. NorthStar Clean Energy's maximum risk exposure to these partnerships is generally limited to its investment in the partnerships, which is included in investments on CMS Energy's consolidated balance sheets in the amount of $59 million at September 30, 2025 and $64 million at December 31, 2024.

12: Exit Activities and Asset Sales

J.H. Campbell Retirement: Under its Clean Energy Plan, Consumers had planned to retire J.H. Campbell in 2025. In order to ensure necessary staffing at J.H. Campbell through the planned retirement, Consumers implemented a retention incentive program. The terms of and Consumers' obligations under this program have not been modified as a result of the U.S. Secretary of Energy's emergency orders requiring the continued operation of J.H. Campbell. Consumers will make final payments due under this retention plan in November 2025. Should the U.S. Department of Energy issue additional emergency orders that require the continued operation of J.H. Campbell beyond November 2025, Consumers is prepared to implement additional retention measures to ensure appropriate staffing levels. For additional information on the emergency orders associated with J.H. Campbell, see Note 1, Regulatory Matters.

The aggregate cost of the J.H. Campbell program is estimated to be $48 million. The MPSC has approved deferred accounting treatment for these costs; these expenses are deferred as a regulatory asset. As of September 30, 2025, the cumulative cost incurred and deferred as a regulatory asset related to the J.H. Campbell retention incentive program was $47 million. Amounts deferred under the program are subsequently collected from customers over three years.

Presented in the following table is a reconciliation of the retention benefit liability recorded in other liabilities on Consumers' consolidated balance sheets:

In Millions

Nine Months Ended September 30		2025		2024
Retention benefit liability at beginning of period	$	14	$	16
Costs deferred as a regulatory asset[1]		4		6
Retention benefit liability at the end of the period[2]	$	18	$	22

1 Includes $1 million for the three months ended September 30, 2025 and $3 million for the three months ended September 30, 2024.

2 Includes current portion of other liabilities of $18 million at September 30, 2025 and $9 million at September 30, 2024.

Sale of Hydroelectric Facilities: In September 2025, Consumers signed an agreement to sell its 13 river hydroelectric dams, which are located throughout Michigan, to a non-affiliated company. Additionally, Consumers signed an agreement to purchase power generated by the facilities for 30 years, at a price that reflects the counterparty's acceptance of the risks and rewards of ownership of the facilities, including FERC licensing obligations. The agreements are contingent upon MPSC and FERC approval, which must be filed within 60 days of signing. Timing of the regulatory review process is uncertain and could extend 12 to 18 months or longer. In Consumers' most recent electric rate case, the MPSC approved deferred accounting treatment for costs of owning and operating the hydroelectric dams pending and until completion of the transaction. At September 30, 2025, the net book value of the hydroelectric facilities was immaterial.

To ensure necessary staffing at the hydroelectric facilities through the anticipated sale, Consumers has provided current employees at the facilities with a retention incentive program. Subsequently, to ensure continued safe operation of the facilities after the sale, the buyer will offer employment to the current hydroelectric employees for a period of at least a year. The retention incentive benefits are contingent upon MPSC and FERC approval of the sale transaction.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of financial condition and results of operations for CMS Energy and Consumers is contained in Part I—Item 1. Financial Statements—MD&A, which is incorporated by reference herein.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to market risk as previously disclosed in Part II—Item 7A. Quantitative and Qualitative Disclosures About Market Risk, in the 2024 Form 10-K.

Item 4. Controls and Procedures

CMS Energy

Disclosure Controls and Procedures: CMS Energy's management, with the participation of its CEO and CFO, has evaluated the effectiveness of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, CMS Energy's CEO and CFO have concluded that, as of the end of such period, its disclosure controls and procedures are effective.

Internal Control Over Financial Reporting: There have not been any changes in CMS Energy's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the last fiscal quarter that have materially affected, or are reasonably likely to affect materially, its internal control over financial reporting.

Consumers

Disclosure Controls and Procedures: Consumers' management, with the participation of its CEO and CFO, has evaluated the effectiveness of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, Consumers' CEO and CFO have concluded that, as of the end of such period, its disclosure controls and procedures are effective.

Internal Control Over Financial Reporting: There have not been any changes in Consumers' internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the last fiscal quarter that have materially affected, or are reasonably likely to affect materially, its internal control over financial reporting.

Part II—Other Information

Item 1. Legal Proceedings

CMS Energy, Consumers, and certain of their affiliates are parties to various lawsuits and regulatory matters in the ordinary course of business. For information regarding material legal proceedings, including updates to information reported under Part I—Item 3. Legal Proceedings of the 2024 Form 10-K, see Part I—Item 1. Financial Statements—Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments.

Item 1A. Risk Factors

There have been no material changes to the Risk Factors as previously disclosed in Part I—Item 1A. Risk Factors in the 2024 Form 10-K, which Risk Factors are incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Issuer Repurchases of Equity Securities

Presented in the following table are CMS Energy's repurchases of common stock for the three months ended September 30, 2025:

Period	Total Number of Shares Purchased[1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under Publicly Announced Plans or Programs
July 1, 2025 to July 31, 2025	313	$ 69.41	—	—
August 1, 2025 to August 31, 2025	—	—	—	—
September 1, 2025 to September 30, 2025	2,862	70.23	—	—
Total	3,175	$ 70.15	—	—

[1] All of the common shares were repurchased to satisfy the minimum statutory income tax withholding obligation for common shares that have vested under the Performance Incentive Stock Plan. The value of shares repurchased is based on the market price on the vesting date.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

CMS Energy's and Consumers' Exhibit Index

The agreements included as exhibits to this Form 10-Q filing are included solely to provide information regarding the terms of the agreements and are not intended to provide any other factual or disclosure information about CMS Energy, Consumers, or other parties to the agreements. The agreements may contain representations and warranties made by each of the parties to each of the agreements that were made exclusively for the benefit of the parties involved in each of the agreements and should not be treated as statements of fact. The representations and warranties were made as a way to allocate risk if one or more of those statements prove to be incorrect. The statements were qualified by disclosures of the parties to each of the agreements that may not be reflected in each of the agreements. The agreements may apply standards of materiality that are different than standards applied to other investors. Additionally, the statements were made as of the date of the agreements or as specified in the agreements and have not been updated. The representations and warranties may not describe the actual state of affairs of the parties to each agreement.

Additional information about CMS Energy and Consumers may be found in this filing, at www.cmsenergy.com, at www.consumersenergy.com, and through the SEC's website at www.sec.gov.

Exhibits		Description
31.1	—	CMS Energy's certification of the CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	—	CMS Energy's certification of the CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3	—	Consumers' certification of the CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.4	—	Consumers' certification of the CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	—	CMS Energy's certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	—	Consumers' certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	—	Inline XBRL Instance Document
101.SCH	—	Inline XBRL Taxonomy Extension Schema
101.CAL	—	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	—	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	—	Inline XBRL Taxonomy Extension Labels Linkbase
101.PRE	—	Inline XBRL Taxonomy Extension Presentation Linkbase
104	—	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiary.

CMS ENERGY CORPORATION

Dated: October 30, 2025 By: /s/ Rejji P. Hayes

Rejji P. Hayes
Executive Vice President and Chief Financial Officer

CONSUMERS ENERGY COMPANY

Dated: October 30, 2025 By: /s/ Rejji P. Hayes

Rejji P. Hayes
Executive Vice President and Chief Financial Officer

Certification of Garrick J. Rochow

I, Garrick J. Rochow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CMS Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 30, 2025

By: /s/ Garrick J. Rochow

Garrick J. Rochow
President and Chief Executive Officer

Certification of Rejji P. Hayes

I, Rejji P. Hayes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CMS Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 30, 2025

By: /s/ Rejji P. Hayes

Rejji P. Hayes

Executive Vice President and Chief Financial Officer

Certification of Garrick J. Rochow

I, Garrick J. Rochow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Consumers Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 30, 2025

By: /s/ Garrick J. Rochow

Garrick J. Rochow
President and Chief Executive Officer

Certification of Rejji P. Hayes

I, Rejji P. Hayes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Consumers Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 30, 2025

By: /s/ Rejji P. Hayes

Rejji P. Hayes

Executive Vice President and Chief Financial Officer

Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of CMS Energy Corporation (the "Company") for the quarterly period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Garrick J. Rochow, as President and Chief Executive Officer of the Company, and Rejji P. Hayes, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Garrick J. Rochow

Name: Garrick J. Rochow
Title: President and Chief Executive Officer
Date: October 30, 2025

/s/ Rejji P. Hayes

Name: Rejji P. Hayes
Title: Executive Vice President and Chief Financial Officer
Date: October 30, 2025

Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Consumers Energy Company (the "Company") for the quarterly period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Garrick J. Rochow, as President and Chief Executive Officer of the Company, and Rejji P. Hayes, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Garrick J. Rochow

Name: Garrick J. Rochow
Title: President and Chief Executive Officer
Date: October 30, 2025

/s/ Rejji P. Hayes

Name: Rejji P. Hayes
Title: Executive Vice President and Chief Financial Officer
Date: October 30, 2025