

**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 **March 31, 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:	Large accelerated filer <input checked="" type="checkbox"/>	Consumers Energy Company:	Large accelerated filer <input type="checkbox"/>
	Non-accelerated filer <input type="checkbox"/>		Non-accelerated filer <input checked="" type="checkbox"/>
	Accelerated filer <input type="checkbox"/>		Accelerated filer <input type="checkbox"/>
	Smaller reporting company <input type="checkbox"/>		Smaller reporting company <input type="checkbox"/>
	Emerging growth company <input type="checkbox"/>		Emerging growth company <input type="checkbox"/>

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 April 7, 2025:

CMS Energy Corporation:	
CMS Energy Corporation Common Stock, \$0.01 par value	299,123,745
Consumers Energy Company:	
Consumers Common Stock, \$10 par value, privately held by CMS Energy Corporation	84,108,789

CMS Energy Corporation

Consumers Energy Company

Quarterly Reports on Form 10-Q to the Securities and Exchange Commission for the Period Ended March 31, 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

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

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 NO_x 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

IRS

Internal Revenue Service

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

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.

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

NO_x

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

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

RCRA

Federal Resource Conservation and Recovery Act of 1976

REC

Renewable energy credit

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

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 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 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, 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
- 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, 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 information technology 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.

Part I—Financial Information

Item 1. Financial Statements

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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:

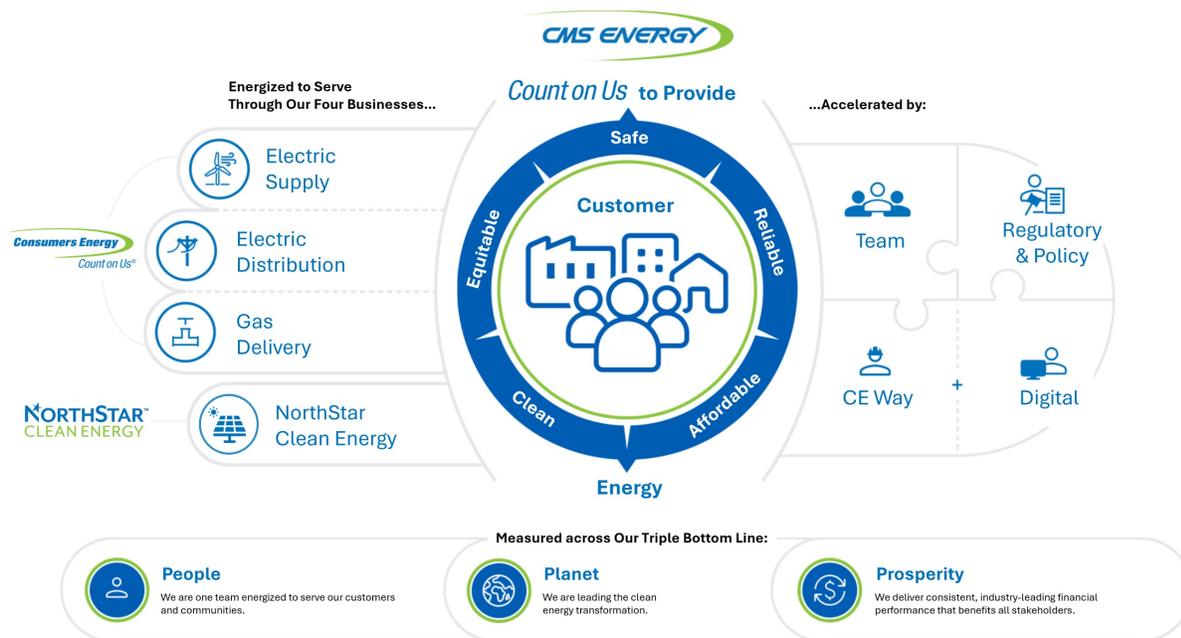
- regulation and regulatory matters
- state and federal legislation
- economic conditions
- weather
- energy commodity prices
- interest rates
- their securities' credit ratings

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 2023, Consumers filed its Reliability Roadmap, an update to its previous Electric Distribution Infrastructure Investment Plan filed in 2021, with the MPSC. The Reliability Roadmap outlines a five-year strategy to improve Consumers' electric distribution system and the reliability of the grid. The plan proposes the following spending for projects designed to reduce the number and duration of power outages to customers through investment in infrastructure upgrades, vegetation management, and grid modernization:

- capital expenditures of \$7 billion through 2028; this amount is \$3 billion higher than proposed in the previous plan

- maintenance and operating spending of \$1.7 billion through 2028, reflecting an increase of \$300 million over the previous plan

In its 2024 electric rate case, Consumers outlined its proposal to implement the Reliability Roadmap and began requesting rate recovery of the investments needed to support the plan's key objectives.

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 ten percent

Consumers filed updates to its renewable energy plan in November 2024 and plans to file updates to its Clean Energy Plan in 2026. Together, these updated plans will serve as Consumers' 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

Consumers' proposed updates to its renewable energy plan include:

- up to 9,000 MW of both purchased and owned solar energy resources
- the addition of up to 2,800 MW of new, competitively bid wind energy resources
- the co-location of battery energy storage with its renewable energy assets to optimize those assets

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 by purchasing and/or producing renewable natural gas. 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 has enhanced, restored, or protected more than 5,000 acres of land towards this goal
- to reduce water usage by 1.7 billion gallons through 2027; Consumers has reduced water usage by more than 1.3 billion gallons towards this goal
- 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 to regulate and report 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 three months ended March 31, 2025, CMS Energy's net income available to common stockholders was \$302 million, and diluted EPS were \$1.01. This compares with net income available to common stockholders of \$285 million and diluted EPS of \$0.96 for the three months ended March 31, 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

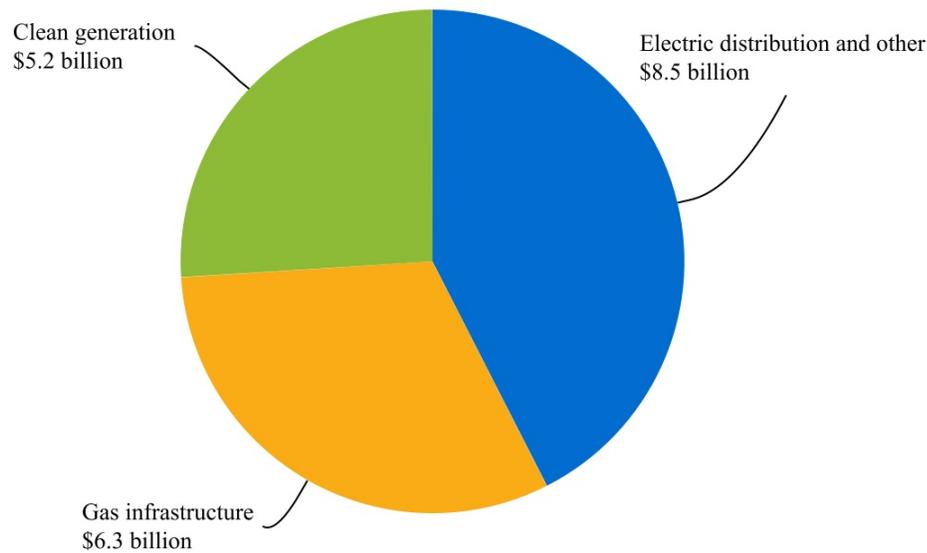
CMS Energy and Consumers remain committed to delivering safe, reliable, affordable, clean, and equitable energy in service of their customers and positively impacting the triple bottom line of people, planet, and prosperity. During 2024, CMS Energy and Consumers:

- created a Clean Energy Workforce Development Program for people employed in the building trades to receive training and certifications in the areas of advanced energy efficiency, lead abatement, and other work
- buried power lines in multiple Michigan communities under a targeted undergrounding pilot program in efforts to improve electric service for Consumers' electric customers
- began installation of nearly 3,000 line sensors, 100 automatic transfer reclosers, and 1,200 iron utility poles to improve electric reliability and help prevent power outages
- expanded Consumers' MI Clean Air program to include several renewable natural gas projects being developed and constructed across Michigan, increasing options for customers to offset emissions associated with their natural gas use
- collaborated with the Muskegon County Resource Recovery Center to develop a 250-MW solar energy center, Consumers' first large-scale, self-developed solar project, that is expected to power 40,000 homes by 2026
- updated Consumers' Transportation Electrification Plan, aiming to power over 1,500 new fast charging locations and serve one million electric vehicles in Michigan by 2030
- launched a new workplace electric vehicle charging program, offering rebates to businesses that install chargers, with a goal of equipping over 500 workplaces by 2030
- completed the final phase of the Mid-Michigan Pipeline project, replacing and upgrading 55 miles of natural gas transmission pipeline in five Michigan counties, ensuring safe and reliable gas flow to homes and businesses prior to the winter season

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 eight 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 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 rates 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.

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

	<i>In Millions, Except Per Share Amounts</i>		
Three Months Ended March 31	2025	2024	Change
Net Income Available to Common Stockholders	\$ 302	\$ 285	\$ 17
Basic Earnings Per Average Common Share	\$ 1.01	\$ 0.96	\$ 0.05
Diluted Earnings Per Average Common Share	\$ 1.01	\$ 0.96	\$ 0.05

	<i>In Millions</i>		
Three Months Ended March 31	2025	2024	Change
Electric utility	\$ 124	\$ 97	\$ 27
Gas utility	213	169	44
NorthStar Clean Energy	(18)	31	(49)
Corporate interest and other	(17)	(12)	(5)
Net Income Available to Common Stockholders	\$ 302	\$ 285	\$ 17

Presented in the following table is a summary of changes to net income available to common stockholders for the three months ended March 31, 2025 versus 2024:

	<i>In Millions</i>	
Three Months Ended March 31, 2024		\$ 285
<i>Reasons for the change</i>		
<i>Consumers electric utility and gas utility</i>		
Electric sales	\$	18
Gas sales		60
Electric rate increase		45
Gas rate increase, including gain amortization in lieu of rate relief		22
Higher depreciation and amortization		(19)
Higher income tax expense		(19)
Lower other income, net of expenses		(10)
Higher vegetation management cost, consistent with the Reliability Roadmap		(9)
Higher property taxes, reflecting higher capital spending, and other		(7)
Absence of ASP revenue, net of expense, due to sale in 2024		(5)
Higher other maintenance and operating expenses		(4)
Higher interest charges		(1)
	\$	71
NorthStar Clean Energy (see below for additional detail)		(49)
Corporate interest and other		(5)
Three Months Ended March 31, 2025		\$ 302

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 months ended March 31, 2025 versus 2024:

	<i>In Millions</i>	
Three Months Ended March 31, 2024	\$	97
<i>Reasons for the change</i>		
<i>Electric deliveries¹ and rate increases</i>		
Rate increase, including return on higher renewable capital spending	\$	45
Higher revenue due primarily to increased deliveries and sales mix		15
Higher energy waste reduction program revenues		7
Higher other revenues		3
		<u>70</u>
<i>Maintenance and other operating expenses</i>		
Higher vegetation management cost, consistent with the Reliability Roadmap		(9)
Higher energy waste reduction program costs		(7)
Higher other maintenance and operating expenses		(3)
		<u>(19)</u>
<i>Depreciation and amortization</i>		
Increased plant in service, reflecting higher capital spending		(8)
<i>General taxes</i>		
Higher property taxes, reflecting higher capital spending		(2)
<i>Other income, net of expenses</i>		
		(7)
<i>Interest charges</i>		
		(1)
<i>Income taxes</i>		
Higher electric utility pre-tax earnings		(9)
Lower other income taxes		3
		<u>(6)</u>
Three Months Ended March 31, 2025	\$	124

¹ Deliveries to end-use customers were 9.0 billion kWh in 2025 and 8.9 billion kWh in 2024.

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 months ended March 31, 2025 versus 2024:

	<i>In Millions</i>
Three Months Ended March 31, 2024	\$ 169
<i>Reasons for the change</i>	
<i>Gas deliveries¹ and rate increases</i>	
Rate increase	\$ 10
Higher revenue due primarily to the absence of 2024 unfavorable weather	61
Higher energy waste reduction program revenues	10
Absence of ASP business revenue ²	(16)
ASP gain customer bill credit ²	(14)
Higher other revenues	1
	<u>\$ 52</u>
<i>Maintenance and other operating expenses</i>	
Amortization of ASP gain ²	24
Absence of 2024 ASP business expense ²	11
Higher energy waste reduction program costs	(10)
Higher maintenance and other operating expenses	(1)
	<u>24</u>
<i>Depreciation and amortization</i>	
Increased plant in service, reflecting higher capital spending	(11)
<i>General taxes</i>	
Higher property taxes, reflecting higher capital spending	(5)
<i>Other income, net of expenses</i>	
	(3)
<i>Interest charges</i>	
	—
<i>Income taxes</i>	
Higher gas utility pre-tax earnings	(14)
Lower other income taxes	1
	<u>(13)</u>
Three Months Ended March 31, 2025	\$ 213

¹ Deliveries to end-use customers were 135 Bcf in 2025 and 117 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.

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 months ended March 31, 2025 versus 2024:

	<i>In Millions</i>
Three Months Ended March 31, 2024	\$ 31
<i>Reason for the change</i>	
Lower earnings from renewable projects, reflecting timing of achieving commercial operation	\$ (18)
Lower operating earnings, primarily due to a two-month planned major outage at DIG	(16)
Higher tax expense	(10)
Higher other expense	(5)
Three Months Ended March 31, 2025	\$ (18)

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 months ended March 31, 2025 versus 2024:

	<i>In Millions</i>
Three Months Ended March 31, 2024	\$ (12)
<i>Reasons for the change</i>	
Absence of 2024 gain on extinguishment of debt	\$ (22)
Higher interest charges	(11)
Lower tax expense	24
Lower other expense	4
Three Months Ended March 31, 2025	\$ (17)

Cash Position, Investing, and Financing

At March 31, 2025, CMS Energy had \$526 million of consolidated cash and cash equivalents, which included \$61 million of restricted cash and cash equivalents. At March 31, 2025, Consumers had \$121 million of consolidated cash and cash equivalents, which included \$60 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 three months ended March 31, 2025 versus 2024:

	<i>In Millions</i>
CMS Energy, including Consumers	
Three Months Ended March 31, 2024	\$ 956
<i>Reasons for the change</i>	
Higher net income	\$ 32
Non-cash transactions ¹	19
Unfavorable impact of changes in core working capital ²	(19)
Favorable impact of changes in other assets and liabilities	12
Three Months Ended March 31, 2025	\$ 1,000
Consumers	
Three Months Ended March 31, 2024	\$ 979
<i>Reasons for the change</i>	
Higher net income	\$ 71
Non-cash transactions ¹	1
Unfavorable impact of changes in core working capital ²	2
Unfavorable impact of changes in other assets and liabilities	(22)
Three Months Ended March 31, 2025	\$ 1,031

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.

Investing Activities

Presented in the following table are specific components of net cash used in investing activities for the three months ended March 31, 2025 versus 2024:

	<i>In Millions</i>
CMS Energy, including Consumers	
Three Months Ended March 31, 2024	\$ (637)
<i>Reasons for the change</i>	
Higher capital expenditures	\$ (275)
Other investing activities	(6)
Three Months Ended March 31, 2025	\$ (918)
Consumers	
Three Months Ended March 31, 2024	\$ (607)
<i>Reasons for the change</i>	
Higher capital expenditures	\$ (185)
Other investing activities	(8)
Three Months Ended March 31, 2025	\$ (800)

Financing Activities

Presented in the following table are specific components of net cash provided by (used in) financing activities for the three months ended March 31, 2025 versus 2024:

	<i>In Millions</i>
CMS Energy, including Consumers	
Three Months Ended March 31, 2024	\$ 294
<i>Reasons for the change</i>	
Higher debt issuances	\$ 601
Higher debt retirements	(398)
Lower repayments of notes payable	28
Lower issuances of common stock	(269)
Higher payments of dividends on common stock	(10)
Proceeds from sale of membership interests in VIEs	44
Other financing activities, primarily higher debt issuance costs	(24)
Three Months Ended March 31, 2025	\$ 266
Consumers	
Three Months Ended March 31, 2024	\$ 238
<i>Reasons for the change</i>	
Lower debt issuances	\$ (599)
Higher debt retirements	(42)
Lower repayments of notes payable	28
Lower stockholder contribution from CMS Energy	(170)
Absence of return of stockholder contribution to CMS Energy	320
Higher payments of dividends on common stock	(6)
Other financing activities	2
Three Months Ended March 31, 2025	\$ (229)

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 three months ended March 31, 2025, Consumers paid \$271 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. As of March 31, 2025, these contracts had an aggregate sales price of \$121 million, maturing through June 2026.

CMS Energy, NorthStar Clean Energy, and Consumers use revolving credit facilities for general working capital purposes and to issue letters of credit. At March 31, 2025, CMS Energy had \$513 million of its revolving credit facility available, NorthStar Clean Energy had \$75 million available under its revolving credit facility, and Consumers had \$1.3 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 March 31, 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 March 31, 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 March 31, 2025, as presented in the following table:

	Limit	Actual
CMS Energy, parent only		
Debt to capital ¹	≤ 0.70 to 1.0	0.54 to 1.0
NorthStar Clean Energy, including subsidiaries		
Debt to capital ²	≤ 0.50 to 1.0	0.09 to 1.0
Debt service coverage ²	≥ 2.00 to 1.0	3.58 to 1.0
Pledged equity interests to aggregate commitment ^{2,3}	≥ 2.00 to 1.0	2.84 to 1.0
Consumers		
Debt to capital ⁴	≤ 0.65 to 1.0	0.50 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 March 31, 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, but cannot at this time predict specific material impacts of the actions.

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 in November 2024 to propose plans to meet the increased renewable energy standard. Together, these plans will enable Consumers to achieve 60 percent renewable energy by 2035 and 100 percent clean energy by 2040. Additionally, 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.

Under its Clean Energy Plan, Consumers will eliminate the use of coal in owned generation in 2025. Specifically, Consumers retired the D.E. Karn coal-fueled generating units, totaling 515 MW of nameplate capacity, in 2023 and plans to retire the J.H. Campbell coal-fueled generating units, totaling 1,407 MW of nameplate capacity, in 2025. The MPSC authorized Consumers to issue securitization bonds to finance the recovery of and return on the D.E. Karn coal-fueled generating units; Consumers issued these bonds in 2023. Additionally, the MPSC has authorized regulatory asset treatment for Consumers to recover the remaining book value of the J.H. Campbell coal-fueled generating units, as well as a 9.0-percent return on equity, commencing in 2025.

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. Consumers has also contracted to purchase 400 MW of capacity from battery storage facilities, which will be located in Michigan's Lower Peninsula and are expected to be operational by 2027. In its current form, the Clean Energy Plan forecasts additional capacity of 75 MW of battery storage by 2027 and 475 MW by 2040.

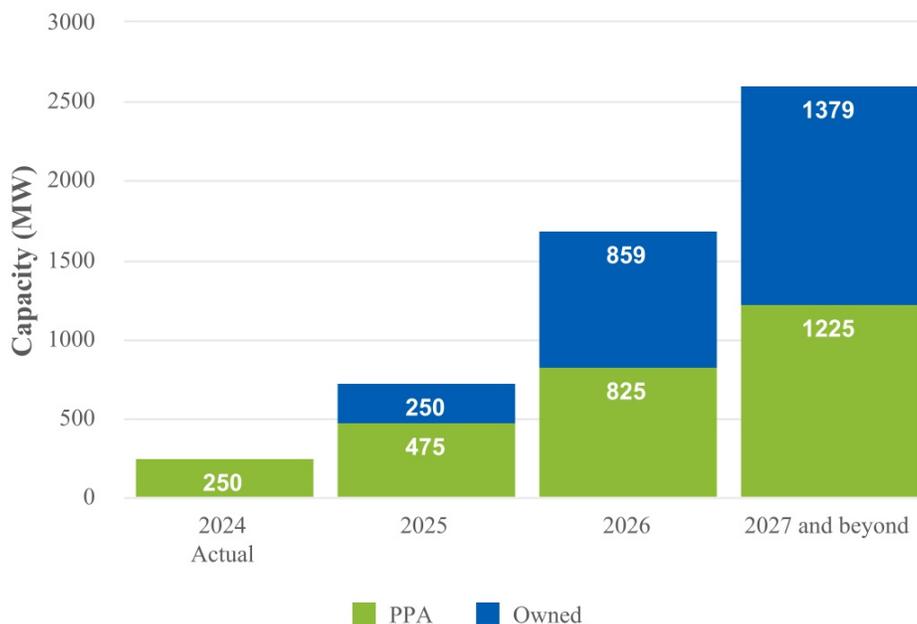
Under its Clean Energy Plan, Consumers bids new capacity and energy competitively and proposed to own and operate all new wind capacity and approximately 50 percent of new solar capacity, with the remainder being built and owned by third parties. The actual composition of Consumers' future portfolio will reflect the results of the competitive bid process. Additionally, 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.

Under Consumers' existing renewable energy plan, most recently amended and approved by the MPSC in August 2024, 15 percent of the electricity supplied to customers comes from renewable energy sources. In accordance with this 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 RECs from a solar generating facility that began operations in October 2024.

In November 2024, Consumers filed updates to its renewable energy plan, proposing up to 9,000 MW of both purchased and owned solar energy resources. Of this amount, 1,060 MW of projects would support Consumers' voluntary green program that provides full-service electric customers with the opportunity to advance the development of renewable energy beyond the present 15-percent requirement. Under this program, Consumers competitively solicits additional renewable energy assets based on customer applications.

In the updates to its renewable energy plan, Consumers also proposed the addition of up to 2,800 MW of new, competitively bid wind energy resources and the co-location of battery energy storage with its renewable energy assets to optimize those assets.

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 ten percent of Consumers’ sales, with certain exceptions. At March 31, 2025, electric deliveries under the ROA program were at the ten-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.

Hydroelectric Facilities: In February 2024, Consumers issued a request for proposals to explore the possibility of selling its 13 river hydroelectric dams located throughout Michigan. Consumers has solicited community feedback on the dams' futures, as federal operating licenses for the dams begin to expire in 2034. Consumers continues to evaluate each dam's future, options for which include, but are not limited to, renewing operating licenses, transferring ownership, or removing the facilities. In Consumers' most recent electric rate case, the MPSC approved deferred accounting treatment for costs associated with the hydroelectric dams pending resolution of this evaluation.

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. 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.

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 rates 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.

Service Restoration Cost Deferral Application: As a result of severe 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, estimated to be nearly \$100 million. Consumers would have the opportunity to seek appropriate recovery and ratemaking treatment for amounts recorded as a regulatory asset in a future rate case or other proceeding.

Retention Incentive Program: Under its Clean Energy Plan, Consumers will retire the J.H. Campbell coal-fueled generating units in 2025. In order to ensure necessary staffing at J.H. Campbell through retirement, Consumers has implemented a retention incentive program. The aggregate cost of the J.H. Campbell program through 2025 is estimated to be less than \$50 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. For additional details on this program, see Notes to the Unaudited Consolidated Financial Statements—Note 12, Exit Activities.

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. The company has complied, and continues to comply, with the MATS regulation and 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 revert 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 will work with industry stakeholder groups to comment on the proposed rule and will monitor the 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, or repowering with an alternative fuel of some of Consumers' generating units
- changes in Consumers' environmental compliance costs
- the purchase or sale of 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 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. Notably, these rules do not address existing combustion turbine electric generating units. Under its Clean Energy Plan, Consumers will eliminate the use of coal in owned generation in 2025 and does not expect this rule will have a significant impact on its gas- and oil-fueled steam electric generating assets or its Clean Energy Plan. 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

- 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 and 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.

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 has completed an assessment of inactive facilities as required by the 2024 CCR rule, and did not identify any legacy impoundments. Consumers is continuing with 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 its J.H. Campbell coal-fueled generating units, which it plans to retire in 2025. 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, effective April 2024, 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.

Presented in the following table are the components of the requested increase in revenue:

	<i>In Millions</i>
Projected 12-Month Period Ending October 31	2026
Investment in rate base	\$ 135
Operating and maintenance costs	42
Cost of capital	44
ASP gain previously used to offset revenue requirement	27
Total	\$ 248

The MPSC must issue a final order in this case before or in October 2025.

Gas Pipeline and Storage Integrity and Safety: The U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration has published various rules that expand federal safety standards for gas transmission pipelines and underground storage facilities. Consumers has implemented measures to achieve compliance with the expanded 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 an 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 thus 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. In 2024, the EPA finalized a new fee for emitting certain waste from petroleum and natural gas systems, as directed under the Inflation Reduction Act of 2022. The fees could apply to methane emissions from transmission pipeline, compression, or underground storage that exceed annual thresholds; however, initial analysis indicates Consumers would not be subject to fees under its routine operations. In March 2025, Congress passed legislation under the Congressional Review Act of 1996 disapproving of this rule. 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 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 Outlook—Consumers Electric Utility Outlook and Uncertainties.

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 by purchasing and/or producing renewable natural gas. 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 late 2025, and is planning to develop two additional facilities. 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
- 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 revert 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 stations 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 will monitor this rulemaking.

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

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. Notably, these rules do not address existing combustion turbine electric generating units. Due to the anticipated replacement of coal as a fuel at its one remaining coal-fueled steam electric generating facility, these regulations will not apply to NorthStar Clean Energy's 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 present UWUA agreement for operating, maintenance, and construction employees expires in June 2025. In April 2025, Consumers reached a tentative agreement with the UWUA on a new five-year contract for these UWUA members. The new contract is up for ratification in May 2025.

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.

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CMS Energy Corporation

Consolidated Statements of Income (Unaudited)

	<i>In Millions, Except Per Share Amounts</i>	
Three Months Ended March 31	2025	2024
Operating Revenue	\$ 2,447	\$ 2,176
Operating Expenses		
Fuel for electric generation	217	156
Purchased and interchange power	380	314
Purchased power – related parties	18	18
Cost of gas sold	383	351
Maintenance and other operating expenses	405	402
Depreciation and amortization	388	368
General taxes	162	155
Total operating expenses	1,953	1,764
Operating Income	494	412
Other Income (Expense)		
Non-operating retirement benefits, net	42	44
Other income	14	44
Other expense	(6)	(2)
Total other income	50	86
Interest Charges		
Interest on long-term debt	187	172
Interest expense – related parties	3	3
Other interest expense	(1)	2
Allowance for borrowed funds used during construction	(3)	—
Total interest charges	186	177
Income Before Income Taxes	358	321
Income Tax Expense	63	58
Net Income	295	263
Loss Attributable to Noncontrolling Interests	(9)	(24)
Net Income Attributable to CMS Energy	304	287
Preferred Stock Dividends	2	2
Net Income Available to Common Stockholders	\$ 302	\$ 285
Basic Earnings Per Average Common Share	\$ 1.01	\$ 0.96
Diluted Earnings Per Average Common Share	\$ 1.01	\$ 0.96

The accompanying notes are an integral part of these statements.

CMS Energy Corporation

Consolidated Statements of Comprehensive Income (Unaudited)

	<i>In Millions</i>	
Three Months Ended March 31	2025	2024
Net Income	\$ 295	\$ 263
Retirement Benefits Liability		
Amortization of net actuarial loss, net of tax of \$— for both periods	—	1
Other Comprehensive Income	—	1
Comprehensive Income	295	264
Comprehensive Loss Attributable to Noncontrolling Interests	(9)	(24)
Comprehensive Income Attributable to CMS Energy	\$ 304	\$ 288

The accompanying notes are an integral part of these statements.

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CMS Energy Corporation

Consolidated Statements of Cash Flows (Unaudited)

	<i>In Millions</i>	
Three Months Ended March 31	2025	2024
Cash Flows from Operating Activities		
Net income	\$ 295	\$ 263
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
Depreciation and amortization	388	368
Deferred income taxes and investment tax credits	60	51
Other non-cash operating activities and reconciling adjustments	(46)	(36)
<i>Changes in assets and liabilities</i>		
Accounts receivable and accrued revenue	(5)	27
Inventories	190	259
Accounts payable and accrued rate refunds	13	(69)
Other current assets and liabilities	41	(1)
Other non-current assets and liabilities	64	94
Net cash provided by operating activities	1,000	956
Cash Flows from Investing Activities		
Capital expenditures (excludes assets placed under finance lease)	(888)	(613)
Cost to retire property and other investing activities	(30)	(24)
Net cash used in investing activities	(918)	(637)
Cash Flows from Financing Activities		
Proceeds from issuance of debt	1,200	599
Retirement of debt	(717)	(319)
Decrease in notes payable	(65)	(93)
Issuance of common stock	3	272
Payment of dividends on common and preferred stock	(166)	(156)
Proceeds from the sale of membership interests in VIEs	44	—
Other financing costs	(33)	(9)
Net cash provided by financing activities	266	294
Net Increase in Cash and Cash Equivalents, Including Restricted Amounts	348	613
Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period	178	248
Cash and Cash Equivalents, Including Restricted Amounts, End of Period	\$ 526	\$ 861
Other Cash Flow Activities and Non-cash Investing and Financing Activities		
<i>Non-cash transactions</i>		
Capital expenditures not paid	\$ 315	\$ 156

The accompanying notes are an integral part of these statements.

CMS Energy Corporation

Consolidated Balance Sheets (Unaudited)

ASSETS

	<i>In Millions</i>	
	March 31 2025	December 31 2024
Current Assets		
Cash and cash equivalents	\$ 465	\$ 103
Restricted cash and cash equivalents	61	75
Accounts receivable and accrued revenue, less allowance of \$29 in 2025 and \$23 in 2024	1,016	1,049
Accounts receivable – related parties	12	14
<i>Inventories at average cost</i>		
Gas in underground storage	247	435
Materials and supplies	310	299
Generating plant fuel stock	23	35
Deferred property taxes	360	448
Regulatory assets	173	229
Prepayments and other current assets	115	103
Total current assets	2,782	2,790
Plant, Property, and Equipment		
Plant, property, and equipment, gross	35,281	34,932
Less accumulated depreciation and amortization	9,798	9,569
Plant, property, and equipment, net	25,483	25,363
Construction work in progress	2,420	2,098
Total plant, property, and equipment	27,903	27,461
Other Non-current Assets		
Regulatory assets	3,543	3,569
Accounts receivable	20	20
Investments	71	69
Postretirement benefits	1,666	1,627
Other	310	384
Total other non-current assets	5,610	5,669
Total Assets	\$ 36,295	\$ 35,920

LIABILITIES AND EQUITY

	<i>In Millions</i>	
	March 31 2025	December 31 2024
Current Liabilities		
Current portion of long-term debt and finance leases	\$ 707	\$ 1,195
Notes payable	—	65
Accounts payable	943	1,085
Accounts payable – related parties	8	8
Accrued rate refunds	2	38
Accrued interest	168	156
Accrued taxes	474	654
Regulatory liabilities	99	111
Other current liabilities	226	209
Total current liabilities	2,627	3,521
Non-current Liabilities		
Long-term debt	16,148	15,194
Non-current portion of finance leases	111	112
Regulatory liabilities	4,173	4,067
Postretirement benefits	95	96
Asset retirement obligations	725	728
Deferred investment tax credit	121	122
Deferred income taxes	3,002	2,925
Other non-current liabilities	370	407
Total non-current liabilities	24,745	23,651
Commitments and Contingencies (Notes 1 and 2)		
Equity		
<i>Common stockholders' equity</i>		
Common stock, authorized 350.0 shares in both periods; outstanding 299.1 shares in 2025 and 298.8 shares in 2024	3	3
Other paid-in capital	5,975	6,009
Accumulated other comprehensive loss	(41)	(41)
Retained earnings	2,174	2,035
Total common stockholders' equity	8,111	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	8,335	8,230
Noncontrolling interests	588	518
Total equity	8,923	8,748
Total Liabilities and Equity	\$ 36,295	\$ 35,920

The accompanying notes are an integral part of these statements.

CMS Energy Corporation

Consolidated Statements of Changes in Equity (Unaudited)

	<i>In Millions, Except Per Share Amounts</i>	
Three Months Ended March 31	2025	2024
Total Equity at Beginning of Period	\$ 8,748	\$ 8,125
Common Stock		
At beginning and end of period	3	3
Other Paid-in Capital		
At beginning of period	6,009	5,705
Common stock issued	12	281
Common stock repurchased	(12)	(11)
Adjustment for sale of membership interests in VIEs	(34)	—
At end of period	5,975	5,975
Accumulated Other Comprehensive Income (Loss)		
<i>Retirement benefits liability</i>		
At beginning of period	(41)	(46)
Amortization of net actuarial loss	—	1
At end of period	(41)	(45)
Retained Earnings		
At beginning of period	2,035	1,658
Net income attributable to CMS Energy	304	287
Dividends declared on common stock	(163)	(154)
Dividends declared on preferred stock	(2)	(2)
At end of period	2,174	1,789
Cumulative Redeemable Perpetual Preferred Stock, Series C		
At beginning and end of period	224	224
Noncontrolling Interests		
At beginning of period	518	581
Sale of membership interests in VIEs	78	—
Loss attributable to noncontrolling interests	(9)	(24)
Other changes in noncontrolling interests	1	3
At end of period	588	560
Total Equity at End of Period	\$ 8,923	\$ 8,506
Dividends declared per common share	\$ 0.5425	\$ 0.5150
Dividends declared per preferred stock Series C depositary share	\$ 0.2625	\$ 0.2625

The accompanying notes are an integral part of these statements.

Consumers Energy Company

Consolidated Statements of Income (Unaudited)

	<i>In Millions</i>	
Three Months Ended March 31	2025	2024
Operating Revenue	\$ 2,348	\$ 2,097
Operating Expenses		
Fuel for electric generation	193	125
Purchased and interchange power	335	306
Purchased power – related parties	18	18
Cost of gas sold	382	350
Maintenance and other operating expenses	373	378
Depreciation and amortization	375	356
General taxes	159	152
Total operating expenses	1,835	1,685
Operating Income	513	412
Other Income (Expense)		
Non-operating retirement benefits, net	39	41
Other income	10	17
Other expense	(3)	(2)
Total other income	46	56
Interest Charges		
Interest on long-term debt	122	121
Interest expense – related parties	10	6
Other interest expense	—	2
Allowance for borrowed funds used during construction	(2)	—
Total interest charges	130	129
Income Before Income Taxes	429	339
Income Tax Expense	83	64
Net Income Available to Common Stockholder	\$ 346	\$ 275

The accompanying notes are an integral part of these statements.

Consumers Energy Company

Consolidated Statements of Comprehensive Income (Unaudited)

	<i>In Millions</i>	
Three Months Ended March 31	2025	2024
Net Income	\$ 346	\$ 275
Other Comprehensive Income	—	—
Comprehensive Income	\$ 346	\$ 275

The accompanying notes are an integral part of these statements.

Consumers Energy Company

Consolidated Statements of Cash Flows (Unaudited)

	<i>In Millions</i>	
Three Months Ended March 31	2025	2024
Cash Flows from Operating Activities		
Net income	\$ 346	\$ 275
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
Depreciation and amortization	375	356
Deferred income taxes and investment tax credits	61	52
Other non-cash operating activities and reconciling adjustments	(43)	(16)
<i>Changes in assets and liabilities</i>		
Accounts and notes receivable and accrued revenue	5	28
Inventories	187	258
Accounts payable and accrued rate refunds	39	(57)
Other current assets and liabilities	9	(6)
Other non-current assets and liabilities	52	89
Net cash provided by operating activities	1,031	979
Cash Flows from Investing Activities		
Capital expenditures (excludes assets placed under finance lease)	(769)	(584)
Cost to retire property and other investing activities	(31)	(23)
Net cash used in investing activities	(800)	(607)
Cash Flows from Financing Activities		
Proceeds from issuance of debt	—	599
Retirement of debt	(42)	—
Decrease in notes payable	(65)	(93)
Stockholder contribution	150	320
Return of stockholder contribution	—	(320)
Payment of dividends on common stock	(271)	(265)
Other financing costs	(1)	(3)
Net cash provided by (used in) financing activities	(229)	238
Net Increase in Cash and Cash Equivalents, Including Restricted Amounts	2	610
Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period	119	56
Cash and Cash Equivalents, Including Restricted Amounts, End of Period	\$ 121	\$ 666
Other Cash Flow Activities and Non-cash Investing and Financing Activities		
<i>Non-cash transactions</i>		
Capital expenditures not paid	\$ 249	\$ 152

The accompanying notes are an integral part of these statements.

Consumers Energy Company

Consolidated Balance Sheets (Unaudited)

ASSETS

In Millions

	March 31 2025	December 31 2024
Current Assets		
Cash and cash equivalents	\$ 61	\$ 44
Restricted cash and cash equivalents	60	75
Accounts receivable and accrued revenue, less allowance of \$29 in 2025 and \$23 in 2024	982	1,019
Accounts and notes receivable – related parties	10	17
<i>Inventories at average cost</i>		
Gas in underground storage	247	435
Materials and supplies	302	291
Generating plant fuel stock	21	30
Deferred property taxes	360	448
Regulatory assets	173	229
Prepayments and other current assets	94	86
Total current assets	2,310	2,674
Plant, Property, and Equipment		
Plant, property, and equipment, gross	33,782	33,434
Less accumulated depreciation and amortization	9,525	9,310
Plant, property, and equipment, net	24,257	24,124
Construction work in progress	1,990	1,766
Total plant, property, and equipment	26,247	25,890
Other Non-current Assets		
Regulatory assets	3,543	3,569
Accounts receivable	26	26
Accounts and notes receivable – related parties	91	92
Postretirement benefits	1,550	1,514
Other	262	323
Total other non-current assets	5,472	5,524
Total Assets	\$ 34,029	\$ 34,088

LIABILITIES AND EQUITY*In Millions*

	March 31 2025	December 31 2024
Current Liabilities		
Current portion of long-term debt and finance leases	\$ 458	\$ 456
Notes payable	—	65
Accounts payable	832	917
Accounts payable – related parties	16	12
Accrued rate refunds	2	38
Accrued interest	125	130
Accrued taxes	515	678
Regulatory liabilities	99	111
Other current liabilities	162	185
Total current liabilities	2,209	2,592
Non-current Liabilities		
Long-term debt	10,776	10,818
Long-term debt – related parties	823	823
Non-current portion of finance leases	68	69
Regulatory liabilities	4,173	4,067
Postretirement benefits	69	70
Asset retirement obligations	691	694
Deferred investment tax credit	121	122
Deferred income taxes	3,130	3,053
Other non-current liabilities	313	349
Total non-current liabilities	20,164	20,065
Commitments and Contingencies (Notes 1 and 2)		
Equity		
<i>Common stockholder's equity</i>		
Common stock, authorized 125.0 shares; outstanding 84.1 shares in both periods	841	841
Other paid-in capital	8,324	8,174
Accumulated other comprehensive loss	(11)	(11)
Retained earnings	2,465	2,390
Total common stockholder's equity	11,619	11,394
Cumulative preferred stock, \$4.50 series, authorized 7.5 shares; outstanding 0.4 shares in both periods	37	37
Total equity	11,656	11,431
Total Liabilities and Equity	\$ 34,029	\$ 34,088

The accompanying notes are an integral part of these statements.

Consumers Energy Company

Consolidated Statements of Changes in Equity (Unaudited)

	<i>In Millions</i>	
Three Months Ended March 31	2025	2024
Total Equity at Beginning of Period	\$ 11,431	\$ 10,800
Common Stock		
At beginning and end of period	841	841
Other Paid-in Capital		
At beginning of period	8,174	7,759
Stockholder contribution	150	320
Return of stockholder contribution	—	(320)
At end of period	8,324	7,759
Accumulated Other Comprehensive Loss		
Retirement benefits liability		
At beginning and end of period	(11)	(15)
Retained Earnings		
At beginning of period	2,390	2,178
Net income	346	275
Dividends declared on common stock	(271)	(265)
At end of period	2,465	2,188
Cumulative Preferred Stock		
At beginning and end of period	37	37
Total Equity at End of Period	\$ 11,656	\$ 10,810

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.

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

Bay Harbor: 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 March 31, 2025, CMS Energy had a recorded liability of \$48 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 one percent on annual operating and maintenance costs. The undiscounted amount of the remaining obligation is \$60 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:

	<i>In Millions</i>					
	2025	2026	2027	2028	2029	2030
Long-term leachate disposal and operating and maintenance costs	\$ 4	\$ 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 March 31, 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 March 31, 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 Corporation, under which Toshiba International Corporation contracted to perform a major overhaul and upgrade of Ludington. Toshiba International Corporation 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 parties are engaged in ongoing litigation pursuant to a court-ordered schedule. 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, but 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 March 31, 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:

	<i>In Millions</i>					
	2025	2026	2027	2028	2029	2030
Remediation and other response activity costs	\$ 3	\$ 7	\$ 9	\$ 24	\$ 7	\$ 1

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 March 31, 2025, Consumers had a regulatory asset of \$88 million related to the MGP sites.

Guarantees

Presented in the following table are CMS Energy's and Consumers' guarantees at March 31, 2025:

					<i>In Millions</i>
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	\$ 251	\$	—
Indemnity obligations from stock and asset sale agreements ²	various	indefinite	153		1
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. 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 three months ended March 31, 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	\$ 90	variable	February 2025	Five years after conversion date ²
Total NorthStar Clean Energy, including subsidiaries	\$ 90			
Total CMS Energy	\$ 1,200			

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 three months ended March 31, 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			

Credit Facilities: The following credit facilities with banks were available at March 31, 2025:

						<i>In Millions</i>
Expiration Date	Amount of Facility	Amount Borrowed	Letters of Credit Outstanding	Amount Available		
CMS Energy, parent only						
December 14, 2027 ¹	\$ 550	\$ —	\$ 37	\$ 513		
September 30, 2025	50	—	50	—		
NorthStar Clean Energy, including subsidiaries						
May 7, 2027 ²	\$ 150	\$ 75	\$ —	\$ 75		
September 25, 2025 ³	37	—	37	—		
Upon completion of construction project ⁴	19	—	12	7		
Consumers⁵						
December 14, 2027	\$ 1,100	\$ —	\$ 25	\$ 1,075		
November 18, 2025	250	—	72	178		
March 31, 2028	50	—	—	50		

¹ There were no borrowings under this facility during the three months ended March 31, 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 March 31, 2025, the net book value of the pledged equity interests was \$426 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 three months ended March 31, 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 current 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 March 31, 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 March 31, 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 March 31, 2025, obligations under this program accounted for as accounts payable on CMS Energy’s consolidated balance sheets were \$27 million.

Dividend Restrictions: At March 31, 2025, payment of dividends by CMS Energy on its common stock was limited to \$8.1 billion under provisions of the Michigan Business Corporation Act of 1972.

Under the provisions of its articles of incorporation, at March 31, 2025, Consumers had \$2.4 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 three months ended March 31, 2025, Consumers paid \$271 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.

Presented in the following table are details of CMS Energy’s forward sales contracts under its current equity offering program at March 31, 2025:

Contract Date	Maturity Date	Number of Shares	Forward Price Per Share	
			Initial	March 31, 2025
December 16, 2024	November 27, 2025	400,581	\$ 69.43	\$ 69.64
February 25, 2025	May 11, 2026	757,686	70.11	70.26
March 14, 2025	June 15, 2026	551,166	72.99	73.10

Under these contracts, 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.

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 March 31, 2025, it would have been required to deliver 92,864 shares or pay \$7 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:

	CMS Energy, including Consumers		Consumers	
	March 31 2025	December 31 2024	March 31 2025	December 31 2024
<i>Assets</i> ¹				
Cash equivalents	\$ 269	\$ 27	\$ —	\$ —
Restricted cash equivalents	61	75	60	75
Nonqualified deferred compensation plan assets	33	34	24	25
Derivative instruments	1	2	1	2
Total assets	\$ 364	\$ 138	\$ 85	\$ 102
<i>Liabilities</i> ¹				
Nonqualified deferred compensation plan liabilities	\$ 33	\$ 34	\$ 24	\$ 25
Derivative instruments	3	—	—	—
Total liabilities	\$ 36	\$ 34	\$ 24	\$ 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 \$3 million for the three months ended March 31, 2025. The fair value of these swaps recorded in other non-current liabilities on CMS Energy's consolidated balance sheets totaled \$3 million at March 31, 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

	March 31, 2025					December 31, 2024				
	Carrying Amount	Fair Value				Carrying Amount	Fair Value			
		Total	Level				Total	Level		
			1	2	3			1	2	3
CMS Energy, including Consumers										
<i>Assets</i>										
Long-term receivables ¹	\$ 8	\$ 7	\$ —	\$ —	\$ 7	\$ 9	\$ 8	\$ —	\$ —	\$ 8
<i>Liabilities</i>										
Long-term debt ²	16,852	15,493	1,971	11,598	1,924	16,386	14,876	1,018	11,952	1,906
Long-term payables ³	8	8	—	—	8	9	9	—	—	9
Consumers										
<i>Assets</i>										
Long-term receivables ¹	\$ 8	\$ 7	\$ —	\$ —	\$ 7	\$ 9	\$ 8	\$ —	\$ —	\$ 8
Notes receivable – related party ⁴	93	93	—	—	93	94	94	—	—	94
<i>Liabilities</i>										
Long-term debt ⁵	11,230	10,007	—	8,083	1,924	11,270	9,940	—	8,034	1,906
Long-term debt – related party	823	550	—	550	—	823	549	—	549	—
Long-term payables	3	3	—	—	3	4	4	—	—	4

¹ Includes current portion of long-term accounts receivable and notes receivable of \$3 million at March 31, 2025 and \$4 million at December 31, 2024.

² Includes current portion of long-term debt of \$704 million at March 31, 2025 and \$1.2 billion at December 31, 2024.

³ Includes current portion of long-term payables of \$1 million at March 31, 2025.

⁴ Includes current portion of notes receivable – related party of \$7 million at March 31, 2025 and December 31, 2024.

⁵ Includes current portion of long-term debt of \$454 million at March 31, 2025 and \$452 million at December 31, 2024.

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:

Three Months Ended March 31	<i>In Millions</i>			
	DB Pension Plans		OPEB Plan	
	2025	2024	2025	2024
CMS Energy, including Consumers				
<i>Net periodic credit</i>				
Service cost	\$ 6	\$ 7	\$ 2	\$ 3
Interest cost	27	26	11	11
Expected return on plan assets	(57)	(59)	(28)	(29)
<i>Amortization of:</i>				
Net loss	3	3	1	1
Prior service cost (credit)	1	1	(9)	(8)
Settlement loss	3	3	—	—
Net periodic credit	\$ (17)	\$ (19)	\$ (23)	\$ (22)
Consumers				
<i>Net periodic credit</i>				
Service cost	\$ 6	\$ 7	\$ 2	\$ 3
Interest cost	26	24	10	10
Expected return on plan assets	(54)	(55)	(26)	(27)
<i>Amortization of:</i>				
Net loss	2	3	1	1
Prior service cost (credit)	1	1	(8)	(7)
Settlement loss	3	3	—	—
Net periodic credit	\$ (16)	\$ (17)	\$ (21)	\$ (20)

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 March 31, 2025, CMS Energy, including Consumers, had deferred \$1 million of pension credits and \$4 million of OPEB credits under this mechanism related to 2025 expense. At March 31, 2024, CMS Energy, including Consumers, had deferred \$5 million of pension credits and less than \$1 million of OPEB costs 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:

Three Months Ended March 31	2025	2024
CMS Energy, including Consumers		
U.S. federal income tax rate	21.0 %	21.0 %
<i>Increase (decrease) in income taxes from:</i>		
State and local income taxes, net of federal effect	5.3	5.5
Renewable energy tax credits	(5.7)	(6.0)
TCJA excess deferred taxes	(3.4)	(3.7)
Taxes attributable to noncontrolling interests	0.6	1.1
Other, net	(0.2)	0.2
Effective tax rate	17.6 %	18.1 %
Consumers		
U.S. federal income tax rate	21.0 %	21.0 %
<i>Increase (decrease) in income taxes from:</i>		
State and local income taxes, net of federal effect	4.8	4.9
Renewable energy tax credits	(3.3)	(4.0)
TCJA excess deferred taxes	(2.9)	(3.2)
Other, net	(0.3)	0.2
Effective tax rate	19.3 %	18.9 %

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 March 31, 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.

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:

Three Months Ended March 31	<i>In Millions, Except Per Share Amounts</i>	
	2025	2024
<i>Income available to common stockholders</i>		
Income from continuing operations	\$ 295	\$ 263
Less loss attributable to noncontrolling interests	(9)	(24)
Less preferred stock dividends	2	2
Income from continuing operations available to common stockholders – basic and diluted	\$ 302	\$ 285
<i>Average common shares outstanding</i>		
Weighted-average shares – basic	298.2	296.5
Add dilutive nonvested stock awards	0.9	0.7
Weighted-average shares – diluted	299.1	297.2
<i>Income from continuing operations per average common share available to common stockholders</i>		
Basic	\$ 1.01	\$ 0.96
Diluted	1.01	0.96

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 impact to diluted EPS was de minimis.

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:

	<i>In Millions</i>			
Three Months Ended March 31, 2025	Electric Utility	Gas Utility	NorthStar Clean Energy ¹	Consolidated
CMS Energy, including Consumers				
Consumers utility revenue	\$ 1,294	\$ 1,047	\$ —	\$ 2,341
Other	—	—	57	57
Revenue recognized from contracts with customers	\$ 1,294	\$ 1,047	\$ 57	\$ 2,398
Leasing income	—	—	42	42
Financing income	3	2	—	5
Consumers alternative-revenue programs	2	—	—	2
Total operating revenue – CMS Energy	\$ 1,299	\$ 1,049	\$ 99	\$ 2,447
Consumers				
<i>Consumers utility revenue</i>				
Residential	\$ 594	\$ 731		\$ 1,325
Commercial	418	239		657
Industrial	173	30		203
Other	109	47		156
Revenue recognized from contracts with customers	\$ 1,294	\$ 1,047		\$ 2,341
Financing income	3	2		5
Alternative-revenue programs	2	—		2
Total operating revenue – Consumers	\$ 1,299	\$ 1,049		\$ 2,348

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 \$31 million for the three months ended March 31, 2025.

In Millions

Three Months Ended March 31, 2024	Electric Utility	Gas Utility	NorthStar Clean Energy ¹	Consolidated
CMS Energy, including Consumers				
Consumers utility revenue	\$ 1,129	\$ 963	\$ —	\$ 2,092
Other	—	—	52	52
Revenue recognized from contracts with customers	\$ 1,129	\$ 963	\$ 52	\$ 2,144
Leasing income	—	—	27	27
Financing income	2	2	—	4
Consumers alternative-revenue programs	1	—	—	1
Total operating revenue – CMS Energy	\$ 1,132	\$ 965	\$ 79	\$ 2,176
Consumers				
<i>Consumers utility revenue</i>				
Residential	\$ 525	\$ 665		\$ 1,190
Commercial	360	207		567
Industrial	156	24		180
Other	88	67		155
Revenue recognized from contracts with customers	\$ 1,129	\$ 963		\$ 2,092
Financing income	2	2		4
Alternative-revenue programs	1	—		1
Total operating revenue – Consumers	\$ 1,132	\$ 965		\$ 2,097

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 \$16 million for the three months ended March 31, 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 \$12 million for the three months ended March 31, 2025 and \$10 million for the three months ended March 31, 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 \$489 million at March 31, 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.

Presented in the following tables is financial information by segment:

In Millions

Three Months Ended March 31, 2025	Electric Utility	Gas Utility	NorthStar Clean Energy	Segments Total	Other Reconciling Items	Consolidated
CMS Energy, including Consumers						
Operating revenue	\$ 1,299	\$ 1,049	\$ 99	\$ 2,447	\$ —	\$ 2,447
<i>Operating expenses</i>						
Power supply cost ¹	546	—	69	615	—	615
Cost of gas sold	—	382	1	383	—	383
Maintenance and other operating expenses	257	116	30	403	2	405
Depreciation and amortization	221	154	13	388	—	388
General taxes	73	86	3	162	—	162
Total operating expenses	1,097	738	116	1,951	2	1,953
Operating Income (Loss)	202	311	(17)	496	(2)	494
Other income	27	19	1	47	3	50
Interest charges	82	48	—	130	56	186
Income (Loss) Before Income Taxes	147	282	(16)	413	(55)	358
Income tax expense (benefit)	23	69	11	103	(40)	63
Income (Loss) From Continuing Operations	124	213	(27)	310	(15)	295
Other segment items ²	—	—	9	9	(2)	7
Net Income (Loss) Available to Common Stockholders	\$ 124	\$ 213	\$ (18)	\$ 319	\$ (17)	\$ 302
Property, plant, and equipment, gross	\$ 20,340 ³	\$ 13,412 ³	\$ 1,505	\$ 35,257	\$ 24	\$ 35,281
Total assets	20,875 ³	13,025 ³	1,977	35,877	418	36,295

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 March 31, 2025	Electric Utility	Gas Utility	Segments Total	Other Reconciling Items	Consolidated
Consumers					
Operating revenue	\$ 1,299	\$ 1,049	\$ 2,348	\$ —	\$ 2,348
<i>Operating expenses</i>					
Power supply cost ¹	546	—	546	—	546
Cost of gas sold	—	382	382	—	382
Maintenance and other operating expenses	257	116	373	—	373
Depreciation and amortization	221	154	375	—	375
General taxes	73	86	159	—	159
Total operating expenses	1,097	738	1,835	—	1,835
Operating Income	202	311	513	—	513
Other income	27	19	46	—	46
Interest charges	82	48	130	—	130
Income Before Income Taxes	147	282	429	—	429
Income tax expense (benefit)	23	69	92	(9)	83
Net Income	124	213	337	9	346
Other segment items ²	—	—	—	—	—
Net Income Available to Common Stockholder	\$ 124	\$ 213	\$ 337	\$ 9	\$ 346
Property, plant, and equipment, gross	\$ 20,340 ³	\$ 13,412 ³	\$ 33,752	\$ 30	\$ 33,782
Total assets	20,930 ³	13,068 ³	33,998	31	34,029

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.

³ Amounts include a portion of Consumers' other common assets attributable to both the electric and gas utility businesses.

In Millions

Three Months Ended March 31, 2024	Electric Utility	Gas Utility	NorthStar Clean Energy	Segments Total	Other Reconciling Items	Consolidated
CMS Energy, including Consumers						
Operating revenue	\$ 1,132	\$ 965	\$ 79	\$ 2,176	\$ —	\$ 2,176
<i>Operating expenses</i>						
Power supply cost ¹	449	—	39	488	—	488
Cost of gas sold	—	350	1	351	—	351
Maintenance and other operating expenses	238	140	22	400	2	402
Depreciation and amortization	213	143	11	367	1	368
General taxes	71	81	3	155	—	155
Total operating expenses	971	714	76	1,761	3	1,764
Operating Income (Loss)	161	251	3	415	(3)	412
Other income	34	22	6	62	24	86
Interest charges	81	48	1	130	47	177
Income (Loss) Before Income Taxes	114	225	8	347	(26)	321
Income tax expense (benefit)	17	56	1	74	(16)	58
Income (Loss) From Continuing Operations	97	169	7	273	(10)	263
Other segment items ²	—	—	24	24	(2)	22
Net Income (Loss) Available to Common Stockholders	\$ 97	\$ 169	\$ 31	\$ 297	\$ (12)	\$ 285
Property, plant, and equipment, gross	\$ 19,317 ³	\$ 12,475 ³	\$ 1,424	\$ 33,216	\$ 20	\$ 33,236
Total assets	19,759 ³	12,305 ³	1,615	33,679	222	33,901

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 March 31, 2024	Electric Utility	Gas Utility	Segments Total	Other Reconciling Items	Consolidated
Consumers					
Operating revenue	\$ 1,132	\$ 965	\$ 2,097	\$ —	\$ 2,097
<i>Operating expenses</i>					
Power supply cost ¹	449	—	449	—	449
Cost of gas sold	—	350	350	—	350
Maintenance and other operating expenses	238	140	378	—	378
Depreciation and amortization	213	143	356	—	356
General taxes	71	81	152	—	152
Total operating expenses	971	714	1,685	—	1,685
Operating Income	161	251	412	—	412
Other income	34	22	56	—	56
Interest charges	81	48	129	—	129
Income Before Income Taxes	114	225	339	—	339
Income tax expense (benefit)	17	56	73	(9)	64
Net Income	97	169	266	9	275
Other segment items ²	—	—	—	—	—
Net Income Available to Common Stockholder	\$ 97	\$ 169	\$ 266	\$ 9	\$ 275
Property, plant, and equipment, gross	\$ 19,317 ³	\$ 12,475 ³	\$ 31,792	\$ 28	\$ 31,820
Total assets	19,818³	12,348³	32,166	43	32,209

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.

³ Amounts include a portion of Consumers' other common assets attributable to both the electric and gas utility businesses.

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:

	<i>In Millions</i>	
	March 31, 2025	December 31, 2024
<i>Current</i>		
Cash and cash equivalents	\$ 20	\$ 18
Accounts receivable	5	4
Prepayments and other current assets	5	3
<i>Non-current</i>		
Plant, property, and equipment, net	1,046	1,024
Other non-current assets	6	3
Total assets¹	\$ 1,082	\$ 1,052
<i>Current</i>		
Accounts payable	\$ 6	\$ 8
Accrued taxes	1	—
<i>Non-current</i>		
Non-current portion of finance leases	23	23
Asset retirement obligations	34	33
Other non-current liabilities	3	—
Total liabilities	\$ 67	\$ 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 \$638 million at March 31, 2025 and \$666 million at December 31, 2024. The carrying value of securitization bonds on Consumers' consolidated balance sheets was \$659 million at March 31, 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 \$66 million at March 31, 2025 and \$64 million at December 31, 2024.

12: Exit Activities

In accordance with its Clean Energy Plan, Consumers plans to retire the J.H. Campbell coal-fueled generating units in 2025. In order to ensure necessary staffing at J.H. Campbell through retirement, Consumers has implemented a retention incentive program. The aggregate cost of the J.H. Campbell program through 2025 is estimated to be less than \$50 million. The MPSC has approved deferred accounting treatment for these costs; these expenses are deferred as a regulatory asset.

As of March 31, 2025, the cumulative cost incurred and deferred as a regulatory asset related to the J.H. Campbell retention incentive program was \$45 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:

	<i>In Millions</i>	
Three Months Ended March 31	2025	2024
Retention benefit liability at beginning of period	\$ 14	\$ 16
Costs deferred as a regulatory asset	2	3
Retention benefit liability at the end of the period ¹	\$ 16	\$ 19

¹ Includes current portion of other liabilities of \$16 million at March 31, 2025 and \$8 million at March 31, 2024.

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 March 31, 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
January 1, 2025 to January 31, 2025	83,994	\$ 65.77	—	—
February 1, 2025 to February 28, 2025	3,600	67.58	—	—
March 1, 2025 to March 31, 2025	88,826	73.50	—	—
Total	176,420	\$ 69.70	—	—

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
4.1 ¹	— 11th Supplemental Indenture dated as of February 21, 2025, between CMS Energy and The Bank of New York Mellon, as Trustee (Exhibit 4.1 to Form 8-K filed February 21, 2025 and incorporated herein by reference)
10.1 ^{1,2}	— Annual NorthStar Clean Energy Employee Incentive Compensation Plan, as amended, effective as of January 25, 2025
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)

¹ Obligations of CMS Energy or its subsidiaries, but not of Consumers.

² Management contract or compensatory plan or arrangement.

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: April 24, 2025

By:

/s/ Rejji P. Hayes

Rejji P. Hayes

Executive Vice President and Chief Financial Officer

CONSUMERS ENERGY COMPANY

Dated: April 24, 2025

By:

/s/ Rejji P. Hayes

Rejji P. Hayes

Executive Vice President and Chief Financial Officer

ANNUAL NORTHSTAR CLEAN ENERGY EMPLOYEE INCENTIVE COMPENSATION PLAN

ANNUAL NORTHSTAR CLEAN ENERGY EMPLOYEE INCENTIVE COMPENSATION PLAN

I. GENERAL PROVISIONS

- 1.1 Purpose.** The purpose of the Annual NorthStar Clean Energy Employee Incentive Compensation Plan (“Plan”) is to provide an equitable and competitive level of compensation that will permit NorthStar Clean Energy and its subsidiaries to attract, retain and motivate their employees.
- 1.2 Effective Date.** The Plan as described herein is effective as of January 1, 2014, as amended and revised January 1, 2016; August 4, 2017; December 1, 2018; December 1, 2019; February 1, 2020; May 16, 2021; December 1, 2021; January 27, 2022; August 22, 2022, July 1, 2023, February 1, 2024 and January 1, 2025.
- 1.3 Eligibility.** Except as otherwise provided in this Section 1.3, regular non-union U.S. employees and NorthStar Clean Energy Officers who do not participate in a broad-based incentive plan contingent upon objectives and performance unique to the employees’ or NorthStar Clean Energy Officers’ subsidiary, affiliate, site and/or business unit, are eligible for participation in the Plan. An individual listed on the Company payroll records as a contract employee is not eligible for this Plan. Eligible regular non-union U.S. employees and NorthStar Clean Energy Officers who have received a performance rating of at least ‘Needs Improvement’ for the Performance Year as documented on their annual performance, evaluation, feedback and development appraisal are eligible for participation in the Plan. Any regular non-union employee or NorthStar Clean Energy Officer who has received a performance rating of less than ‘Needs Improvement’ (as defined above), such as ‘Under Performing’, ‘under-contributing” or (‘U’) for the Performance Year as documented on their annual performance, evaluation, feedback and development appraisal is not eligible for participation in the Plan.
- 1.4 Definitions.** As used in this Plan, the following terms have the meaning described below:
- (a) “Annual Award” means an annual incentive award granted under the Plan.
 - (b) “Base Salary” means regular straight-time salary or wages paid to the employee or NorthStar Clean Energy Officer.
 - (c) “CMS Energy” means CMS Energy Corporation, the parent of Consumers Energy Company and NorthStar Clean Energy.
 - (d) “Code” means the Internal Revenue Code of 1986, as amended.

- (e) “Company” means NorthStar Clean Energy.
- (f) “Deferred Annual Award” means the amount deferred pursuant to Section 4.2.
- (g) “Disability” means that a participant has terminated employment with the Company or a Subsidiary and is disabled, as that term is defined under Code Section 409A and any applicable regulations.
- (h) “NorthStar Clean Energy” means NorthStar Clean Energy Company, a wholly owned subsidiary of CMS Energy.
- (i) “NorthStar Clean Energy Officer” for purposes of this Plan means an elected officer of NorthStar Clean Energy.
- (j) “Leave of Absence” for purposes of this Plan means a leave of absence that has been approved by the Company.
- (k) “Payment Event” means the time at which a Deferred Annual Award may be paid pursuant to Section 4.2.
- (l) “Payment Term” means the length of time for payment of a Deferred Annual Award under Section 4.2.
- (m) “Pension Plan” means the Pension Plan for Employees of Consumers Energy and Other CMS Energy Companies.
- (n) “Performance Year” means the calendar year prior to the year in which an Annual Award is made under this Plan.
- (o) “Plan Administrator” is the Benefits Administration Committee appointed by the CMS Energy Chief Executive Officer and the CMS Energy Chief Financial Officer.
- (p) “Record Keeper” means the person(s) or entity named as such by the Plan Administrator.
- (q) “Retirement” means that a Plan participant is no longer an active employee or NorthStar Clean Energy Officer and qualifies for a retirement benefit other than a deferred vested retirement benefit under the Pension Plan. For a participant ineligible for coverage under the Pension Plan and covered instead under the Defined Company Contribution Plan, retirement occurs when there is a Separation from Service on or after age 55 with 5 or more years of service.

- (r) "Separation from Service" means an employee or NorthStar Clean Energy Officer retires or otherwise has a separation from service from the Company as defined under Code Section 409A and any applicable regulations. The Plan Administrator will determine, consistent with the requirements of Code Section 409A and any applicable regulations, to what extent a person on a leave of absence, including on paid sick leave pursuant to Company policy, has incurred a Separation from Service. Notwithstanding the above, a Separation from Service will occur consistent with Treasury Regulation Section 1.409A-1(h) when it is reasonably anticipated that the level of service provided by the employee or NorthStar Clean Energy Officer will be no more than 45% of the average level of bona fide service performed by the employee or NorthStar Clean Energy Officer over the immediately preceding 36-month period.
- (s) "Standard Award Percentage" means the target award amount as a percentage of Base Salary as set forth in Section 3.1 of this Plan.
- (t) "Subsidiary" means any direct or indirect subsidiary of the Company.

II. CORPORATE PERFORMANCE GOALS

- 2.1 In General.** Each year the President of NorthStar Clean Energy will establish the Performance Goals ("Goals") for the Plan. The Goals will consist of between three and ten company specific performance criteria relating to such items as net income; CMS Energy adjusted earnings per share; customer origination; environmental, safety and cultural metrics. When establishing the Goals for a Performance Year, the President of NorthStar Clean Energy will include the total number of criteria to be used for the year as well as the award percent for achievement of a specified number of the established criteria. The specific Goals will be communicated to employees and NorthStar Clean Energy Officers no later than March 31st of the Performance Year. The Award Formula may include additional adjustments based on financial performance goals relating to CMS Energy Corporation as determined NorthStar Clean Energy Board of Directors.
- 2.2 Plan Performance.** The adjustments, if applicable, based on financial performance goals relating to CMS Energy used to calculate an Annual Award is capped at two times the applicable Standard Award Percentage. The Goals for a Performance Year are established in a table relating specific performance results to specific performance goals. This table shall be created by the President of NorthStar Clean Energy for each Performance Year.

III. ANNUAL AWARD FORMULA

3.1 **Annual Awards.** Annual Awards for each eligible Plan participant shall be equal the target percentages by career stream and job level as indicated in the chart below. The Standard Award Percentages stated in this Section 3.1 are subject to adjustment by the President of NorthStar Clean Energy as indicated by market practices.

Career Stream Award Tables

Career Stream	NS Broad Band 1	NS Broad Band 2	NS Broad Band 3	NS Broad Band 4	NS Broad Band 5	NS Broad Band 6
Management	N/A	Supervisor	Manager	Senior Manager	Director	Executive Director
Professional	Career	Senior	Principal	Senior Principal	N/A	N/A
Technical	Career	Senior	Principal	Senior Principal	Fellow	N/A
Legal	N/A	Career	Senior	Principal	Senior Principal	N/A
EICP %	10%	12%	15%	20%	25%	30%

Career Stream	NS Broad Band 1				
Support	Entry	Career	Senior	Lead	Senior Lead
EICP %	5%	5%	5%	5%	5%

Note: Reduced Schedule (Includes part-time employees) employees will receive the Standard Award Percentage multiplied by their work week schedule percentage. For example if a part-time employee works 30 hours per week (75% of a standard 40 hour per week schedule), then Standard Award Percentage would be multiplied by 75%.

3.2 **NorthStar Clean Energy Officer Annual Awards.** Annual Awards for each eligible Plan NorthStar Clean Energy Officer participant will be based upon a standard award percentage as set forth in the table below:

<u>Officer</u>	<u>Standard Award Percentage of Base Salary</u>
President of CMS NorthStar Clean Energy	45%
Chief Operating Officer of CMS NorthStar Clean Energy	35%
Vice President of CMS NorthStar Clean Energy Development	30%
Chief Commercial Officer NorthStar (70% based on Individual goal and 30% based on Corporate Plan)	60%

IV. ADMINISTRATION OF THE PLAN

- (a) The Plan is administered by the President of CMS NorthStar Clean Energy under the general direction of the CMS Energy Chief Executive Officer and NorthStar Clean Energy Board of Directors.,
- (b) Each year, normally in January, but no later than March 30th of the Performance Year, the CMS Energy Chief Executive Officer and NorthStar Clean Energy Board of Directors will approve the established Performance Goals for the Performance Year.
- (c) The CMS Energy Chief Executive Officer and NorthStar Clean Energy Board of Directors no later than March 31st of the calendar year following the Performance Year, will review for approval proposed Annual Awards as recommended by the President of CMS NorthStar Clean Energy.
- (d) The CMS Energy Chief Executive Officer reserves the right to modify the established Performance Goals with respect to unforeseeable circumstances or otherwise exercise discretion with respect to proposed Annual Awards as he or she deems necessary to maintain the spirit and intent of the Plan, provided that if such discretion increases the Annual Award it does not exceed the computed performance factor by more than 20%. The CMS Energy Chief Executive Officer also reserves the right in his or her discretion to not pay Annual Awards or to reduce the amount of Annual Awards for a Performance Year. All decisions of the CMS Energy Chief Executive Officer are final.

V. PAYMENT OF ANNUAL AWARDS

- 5.1 Cash Annual Award.** All Annual Awards for a Performance Year will be paid in cash no later than March 15th of the calendar year following the Performance Year provided that the Annual Award for a particular Performance Year has not been

deferred voluntarily pursuant to Section 4.2. The amounts required by law to be withheld for income and employment taxes will be deducted from the Annual Award payments. All Annual Awards become the obligation of the company on whose payroll the employee or NorthStar Clean Energy Officer is enrolled at the time CMS NorthStar Clean Energy makes the Annual Award.

5.2 Deferred Annual Awards.

- (a) The payment of all or any portion (rounded to an even multiple of 10%) of a cash Annual Award may be deferred voluntarily at the election of individual participants in salary grades 19-25 or Career Stream Management. Any such deferral will be net of any applicable FICA or FUTA taxes. A separate irrevocable election must be made prior to the Performance Year. Any Annual Award made by CMS NorthStar Clean Energy after termination of employment of a participant or retirement of a participant will be paid in accordance with any deferral election made within the enrollment period.
- (b) At the time the participant makes a deferral election he or she must select the payment options (including the Payment Event as set forth at (c) below and the Payment Term as set forth at (d) below) applicable to the Deferred Annual Award for the Performance Year, as well as any earnings or income attributable to such amounts. The payment options elected will apply only to that year's Deferred Annual Award and will not apply to any previous Deferred Annual Award or to any subsequent Deferred Annual Award. Any participant who elects to defer all or a portion of an Annual Award and who fails to select a Payment Event or a Payment Term will be presumed to have elected a Payment Event of Separation from Service in accordance with paragraph (c)(i) below and/or a Payment Term of a single sum.
- (c) The Payment Event elected can be either:
 - (i) Separation from Service for any reason other than death. Payment will be made, or begin, in the later of: (1) January of the year following the year of the Separation from Service; or (2) the seventh month after the month of the Separation from Service. Later installments, if any, will be paid in January of the succeeding years. Effective for amounts deferred in 2019 and succeeding years, payment will be made, or begin, in the seventh month after the month of Separation from Service. Later installments, if any, will be paid in the same month of the succeeding years;

- (ii) Payment upon attainment of a date certain that is more than 1 year after the last day of the applicable Performance Year. Later installments, if any, will be paid in the same month of the succeeding years; or
 - (iii) The later to occur of (i) or (ii) above.

- (d) Payment Term. At the time of electing to defer an Annual Award, the participant must also elect how he or she wishes to receive any such payment from among the following options (the participant may elect a separate Payment Term for each Payment Event elected):
 - (i) Payment in a single sum upon occurrence of the Payment Event.
 - (ii) Payment of a series of annual installment payments over a period from two (2) years to fifteen (15) years following the Payment Event. Each installment payment shall be equal to a fractional amount of the balance in the account the numerator of which is one and the denominator of which is the number of installment payments remaining. Although initially such installment payments will be identical, actual payments may vary based upon investment performance. For example, a series of 5 installment payments will result in a payout of 1/5 of the account balance in the first installment, 1/4 of the account balance (including investment gains or losses since the first installment date) in the second installment, etc.

- (e) Changes to Payment Options. Once a payment option has been elected, subsequent changes which would accelerate the receipt of benefits from the Plan are not permitted, except that the Plan Administrator, which is the Benefit Administration Committee as defined in the Savings Plan for Employees of Consumers Energy and other CMS Energy Companies (the "Savings Plan"), may at its discretion accelerate payments to the extent permitted by Code Section 409A and applicable regulations. A subsequent election to change the payment options related to a Payment Event, in order to delay a payment or to change the form of a payment, can only be made when all of the following conditions are satisfied:
 - (i) such election may not take effect until at least 12 months after the date on which the election is made;
 - (ii) the payment(s) with respect to which such election is made is deferred for a period of not less than 5 years from the date such payment would otherwise have been made (or, in the case of installment payments under Section 4.2(d)(ii) with regard to amounts deferred

(and the related earnings) prior to January 1, 2016, 5 years from the date the first installment was scheduled to be paid); and

- (iii) such election must be made not less than 12 months before the date the payment was previously scheduled to be made (or, in the case of installment payments under Section 4.2(d)(ii) with regard to amounts deferred (and the related earnings) prior to January 1, 2016, 12 months before the first installment was scheduled to be paid), if the participant's previous commencement date was a specified date.

Effective January 1, 2016, the right to a series of installment payments is to be treated as a right to a series of separate payments to the extent permissible under Code Section 409A and any applicable regulations. When making a subsequent election with respect to the payment of any post-December 31, 2015 deferral, the participant may make a separate election with respect to each separate payment, provided that such election must result in all of the applicable Performance Year's deferral with related earnings being paid in a single sum or in a series of annual payments over a period from two (2) to fifteen (15) consecutive years.

- (f) Investments. At the time of electing to voluntarily defer payment, the participant must elect how the Deferred Annual Award will be treated by CMS NorthStar Clean Energy. To the extent that any amounts deferred are placed in a rabbi trust with an independent Record Keeper, a participant who has previously deferred amounts under this Plan will automatically have his or her existing investment profile apply to this deferral also. All determinations of the available investment options by the Plan Administrator are final and binding upon participants. A participant may change the investment elections at any time prior to the payment of the benefit, subject to any restrictions imposed by the Plan Administrator, the plan Record Keeper or by any applicable laws and regulations. A participant not making an election will have amounts deferred treated as if in a Lifestyle Fund as defined in the Savings Plan applicable to the participant's age 65, rounded up, or such other investment as determined by the Plan Administrator. All gains and losses will be based upon the performance of the investments selected by the participant from the date the deferral is first credited to the nominal account. If the Company elects to fund its obligation as discussed below, then investment performance will be based on the balance as determined by the Record Keeper.
- (g) The amount of any Deferred Annual Award is to be satisfied from the general corporate funds of the company on whose payroll the Plan participant was enrolled prior to the payout beginning and are subject to the claims of general creditors of the Company. This is an unfunded

nonqualified deferred compensation plan. To the extent the Company elects to place funds with a trustee to pay its future obligations under this Plan, such amounts are placed for the convenience of CMS NorthStar Clean Energy, remain the property of CMS NorthStar Clean Energy and the participant shall have no right to such funds until properly paid in accordance with the provisions of this Plan. For administrative ease and convenience, such amounts may be referred to as participant accounts, but as such are a notional account only and are not the property of the participant. Such amounts remain subject to the claims of the creditors of CMS NorthStar Clean Energy.

- (h) **Payment in the Event of an Unforeseeable Emergency.** The participant may request that payments commence immediately upon the occurrence of an Unforeseeable Emergency as that term is defined in Code Section 409A and any applicable regulations. Generally, an unforeseeable emergency is a severe financial hardship resulting from an illness or accident of the participant or the participant's spouse or dependent, loss of the participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the participant's assets (without causing severe financial hardship), or by cessation of deferrals under this arrangement, the Savings Plan or other arrangements. Distributions because of an unforeseeable emergency shall not exceed the amount permitted under Section 409A and accordingly are limited to the amount reasonably necessary to satisfy the emergency need (after use of insurance proceeds, liquidation of assets, etc.) plus an amount to pay taxes reasonably anticipated as a result of the distribution. In the event any payment is made due to an unforeseeable emergency, all deferral elections for the current Performance Year will cease and the participant will not be eligible to make any deferral elections under this Plan for the following Performance Year. For any participant receiving a hardship withdrawal under the Savings Plan, all deferral elections under this Plan for the current Performance Year will cease and the participant will not be eligible to make any deferral elections under this Plan for the following Performance Year.

5.3 Payment in the Event of Death.

- (a) A participant may name the beneficiary of his or her choice on a beneficiary form provided by the Company or record keeper, and the beneficiary shall receive, within 90 days of the participant's death, in a single sum, all payments credited to the participant in the event that the

participant dies prior to receipt of Deferred Annual Awards. If there is no beneficiary named at the time of participant's death or if the beneficiary does not survive the participant, the payment will be made to the participant's estate. In no event may any recipient designate a year of payment for an amount payable upon the death of the participant.

- (b) A participant may change beneficiaries at any time, and the change will be effective as of the date the plan record keeper or the Company accepts the form as complete. The Company will not be liable for any payments made before receipt and acceptance of a written beneficiary request.

VI. CHANGE OF STATUS

Payments in the event of a change in status will not be made if no Annual Awards are made for the Performance Year.

- 6.1 Pro-Rata Annual Awards.** A new Plan participant, whether hired or promoted to the position, or an Plan participant promoted to a higher broad band or to an NorthStar Clean Energy Officer position during the Performance Year will receive a pro rata Annual Award based on the percentage of the Performance Year in which the employee is in a particular broad band or NorthStar Clean Energy Officer position. A Plan participant whose broad band has been lowered or who is no longer an NorthStar Clean Energy Officer, but whose employment is not terminated during the Performance Year, will receive a pro rata Annual Award based on the percentage of the Performance Year in which the employee is in a particular broad band or NorthStar Clean Energy Officer position. Awards will also be prorated for any change in full time or part time work status.
- 6.2 Termination.** A Plan participant whose employment is terminated pursuant to a violation of the Company code of conduct or other corporate policies will not be considered for or receive an Annual Award.
- 6.3 Resignation** A Plan participant who resigns during a Performance Year will not be eligible for an Annual Award. If the Plan Participant resigns after the Performance Year, but prior payment, the Plan Participant will be eligible for an Annual Award.
- 6.4 Death, Disability, Retirement** A Plan participant whose status as an active employee or NorthStar Clean Energy Officer is changed during the Performance Year due to Death, Disability, or Retirement, (as determined by the Plan Administrator) will receive a pro rata Annual Award. An Plan participant whose employment is terminated following the Performance Year, but prior to payment due to Death, Disability or Retirement will continue to be eligible for an Annual Award for the Performance Year. Any such payment or Annual Award payable due to the death of the Plan participant will be made to the named beneficiary, or if no beneficiary is named or if the beneficiary doesn't survive the Plan participant, then

to the Plan participant's estate no later than March 15 following the applicable Performance Year. Notwithstanding the above, an Plan participant who retires, is on Disability and who becomes employed by a competitor of CMS Energy or its subsidiaries or affiliates prior to award payout will forfeit all rights to an Annual Award, unless prior approval of such employment has been granted by the Chief Financial Officer of CMS Energy. A "competitor" shall mean an entity engaged in the business of (1) selling (a) electric power or natural gas at retail or wholesale within the State of Michigan or (b) electric power at wholesale within the market area in which an electric generating plant owned by a subsidiary or affiliate of CMS Energy is located or (2) developing an electric generating plant within the State of Michigan or a market area in which an electric generating plant owned by a subsidiary or affiliate of CMS Energy is located.

- 6.5 Payment Following Leave of Absence.** Payment of an award for an Plan participant who is on leave of absence or Family Medical Leave Act leave at the time of payment shall be paid in the same payroll period as active participants. Payment of an award for an Plan participant who is laid-off at the time of payment shall be paid in the payroll period that is within an administratively reasonable time after returning to work, but no later than March 15 of the year following the year the participant has returned to work.

VII. MISCELLANEOUS

- 7.1 Impact on Benefit Plans.** Payments for eligible participants made under the Plan will be considered as earnings for the Supplemental Executive Retirement Plans but not for purposes of the Employees' Savings Plan, Pension Plan, or other employee benefit programs.
- 7.2 Impact on Employment.** Neither the adoption of the Plan nor the granting of any Annual Award under the Plan will be deemed to create any right in any individual to be retained or continued in the employment of the Company or any corporation within the Company's control group.
- 7.3 Termination or Amendment of the Plan.** The Company may amend or terminate the Plan at any time. Upon termination, any Deferred Annual Award accrued under the Plan and vested will remain in the Plan and be paid out in accordance with the payment elections previously selected. The Plan Administrator is authorized to make any amendments that are deemed necessary or desirable to comply with any applicable laws, regulations or orders or as may be advised by counsel or to clarify the terms and operation of the Plan. The Company may terminate the Plan and accelerate any benefits under the Plan, at its discretion, if it acts consistent in all manners with the requirements of Code Section 409A and any applicable regulations with respect to when a terminated plan may accelerate payment to a participant.

7.4 Governing Law. The Plan will be governed and construed in accordance with the laws of the State of Michigan.

7.5 Dispute Resolution. Any disputes related to the Plan must be brought to the Plan Administrator. The Plan Administrator is granted full discretionary authority to apply the terms of the Plan, make administrative rulings, interpret the Plan and make any other determinations with respect to the Plan. If the Plan Administrator makes a determination and the participant disagrees with or wishes to appeal the determination, the participant must appeal the decision to the Plan Administrator, in writing and not later than 60 days from when the determination was mailed to the participant. If the participant does not timely appeal the original determination, the participant has no further rights under the Plan with respect to the matter presented in the claim. If the participant appeals the original determination and that appeal does not result in a mutually agreeable resolution, then the dispute shall be subject to final and binding arbitration before a single arbitrator selected by the parties to be conducted in Jackson, Michigan, provided the participant makes such request for arbitration in writing within 30 days of the final decision by the Plan Administrator. The arbitration will be conducted and finished within 90 days of the selection of the arbitrator. The parties shall share equally the cost of the arbitrator and of conducting the arbitration proceeding, but each party shall bear the cost of its own legal counsel and experts and other out-of-pocket expenditures. The arbitrator must use an arbitrary and capricious standard of review when considering any determinations and findings by the Plan Administrator.

VIII. AMENDMENT TO REFLECT CODE SECTION 409A

8.1 Code Section 409A. To the extent counsel determines amendments may be reasonable or desirable in order to comply with Code Section 409A, and any other applicable rules, laws and regulations, such changes shall be authorized with the approval of the Plan Administrator.

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: April 24, 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: April 24, 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: April 24, 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: April 24, 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 March 31, 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: April 24, 2025

/s/ Rejji P. Hayes

Name: Rejji P. Hayes
Title: Executive Vice President and Chief Financial Officer
Date: April 24, 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 March 31, 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: April 24, 2025

/s/ Rejji P. Hayes

Name: Rejji P. Hayes
Title: Executive Vice President and Chief Financial Officer
Date: April 24, 2025