

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

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) May 3, 2022

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company: CMS Energy Corporation  Consumers Energy Company

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

CMS Energy Corporation  Consumers Energy Company

**Item 2.02. Results of Operations and Financial Condition.**

On May 3, 2022, CMS Energy Corporation (“CMS Energy”) issued a News Release, in which it announced its 2022 first quarter results. Attached as Exhibit 99.1 to this report and incorporated herein by reference is a copy of the CMS Energy News Release, furnished as a part of this report.

Exhibit 99.1 contains certain financial measures that are considered “non-GAAP financial measures” as defined in Securities and Exchange Commission rules. Other than forward-looking earnings guidance, Exhibit 99.1 contains a reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments recognized in net income related to CMS Enterprises’ interest expense, or other items. Management views adjusted earnings as a key measure of the company’s present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the company uses adjusted earnings to measure and assess performance. Because CMS Energy is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, reported earnings in future periods, Exhibit 99.1 does not contain reported earnings guidance nor a reconciliation for the comparable future period earnings. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings. All references to net income refer to net income available to common stockholders and references to earnings per share are on a diluted basis.

**Item 7.01. Regulation FD Disclosure.**

The information set forth in the CMS Energy News Release dated May 3, 2022, attached as Exhibit 99.1, is incorporated by reference in response to this Item 7.01.

CMS Energy will hold a webcast to discuss its 2022 first quarter results and provide a business and financial outlook on May 3 at 9:00 a.m. (ET). A copy of the CMS Energy presentation is furnished as Exhibit 99.2 to this report. A webcast of the presentation will be available on the CMS Energy website, [www.cmsenergy.com](http://www.cmsenergy.com).

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

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

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.****Exhibit Index**

[99.1](#) [CMS Energy News Release dated May 3, 2022](#)

[99.2](#) [CMS Energy presentation dated May 3, 2022](#)

104 Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

**CMS ENERGY CORPORATION**

Dated: May 3, 2022

By: /s/ Rejji P. Hayes  
Rejji P. Hayes  
Executive Vice President and Chief Financial Officer

**CONSUMERS ENERGY COMPANY**

Dated: May 3, 2022

By: /s/ Rejji P. Hayes  
Rejji P. Hayes  
Executive Vice President and Chief Financial Officer

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# News Release

The CMS Energy logo consists of the words "CMS ENERGY" in a white, sans-serif font, enclosed within a white, stylized oval shape that resembles a swoosh or a partial circle.

## **CMS Energy Announces Strong First Quarter Results, Reaffirms 2022 Adjusted EPS Guidance**

JACKSON, Mich., May 3, 2022 – CMS Energy announced today reported earnings per share of \$1.21 for the first quarter of 2022, compared to \$1.21 per share for the same quarter in 2021. The company's adjusted earnings per share for the first quarter of 2022 were \$1.20, compared to \$1.09 per share for the same quarter in 2021.

CMS Energy reaffirmed its 2022 adjusted earnings guidance of \$2.85 to \$2.89\* per share (\*See below for important information about non-GAAP measures) and reaffirmed long-term adjusted EPS growth of 6 to 8 percent, with continued confidence toward the high end of the adjusted EPS growth range.

“The settlement agreement recently filed for our 2021 Integrated Resource Plan strengthens our financial outlook and serves as a proof point of our plan for net zero carbon emissions by 2040 in our electric business. As one of the first utilities in the country to eliminate coal generation by 2025, we are leading the clean energy transformation,” said Garrick Rochow, President and CEO of CMS Energy and Consumers Energy.

CMS Energy (NYSE: CMS) is a Michigan-based energy provider featuring Consumers Energy as its primary business. It also owns and operates independent power generation businesses.

###

*CMS Energy will hold a webcast to discuss its 2022 first quarter results and provide a business and financial outlook on Tuesday, May 3 at 9:00 a.m. (EDT). To participate in the webcast, go to CMS Energy's homepage ([cmsenergy.com](https://www.cmsenergy.com)) and select "Events and Presentations."*

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**Important information for investors about non-GAAP measures and other disclosures.**

This news release contains non-Generally Accepted Accounting Principles (non-GAAP) measures, such as adjusted earnings. All references to net income refer to net income available to common stockholders and references to earnings per share are on a diluted basis. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments recognized in net income related to CMS Enterprises' interest expense, or other items. Management views adjusted earnings as a key measure of the company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the company uses adjusted earnings to measure and assess performance. Because the company is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, the company's reported earnings in future periods, the company is not providing reported earnings guidance nor is it providing a reconciliation for the comparable future period earnings. The company's adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings.

**This news release contains "forward-looking statements." The forward-looking statements are subject to risks and uncertainties that could cause CMS Energy's and Consumers Energy's results to differ materially. All forward-looking statements should be considered in the context of the risk and other factors detailed from time to time in CMS Energy's and Consumers Energy's Securities and Exchange Commission filings.**

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

*For more information on CMS Energy, please visit our website at [cmsenergy.com](http://cmsenergy.com).  
To sign up for email [alert notifications](#), please visit the Investor Relations section of our website.*

**Media Contacts: Katie Carey, 517/740-1739**

**Investment Analyst Contact: Travis Uphaus, 517/817-9241**

**CMS ENERGY CORPORATION**  
**Consolidated Statements of Income**  
(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>	
	<b>Three Months Ended</b>	
	<u>3/31/22</u>	<u>3/31/21</u>
Operating revenue	\$ 2,374	\$ 2,013
Operating expenses	1,918	1,583
<b>Operating Income</b>	456	430
Other income	48	44
Interest charges	124	124
<b>Income Before Income Taxes</b>	380	350
Income tax expense	39	42
<b>Income From Continuing Operations</b>	341	308
Income from discontinued operations, net of tax	4	34
<b>Net Income</b>	345	342
Loss attributable to noncontrolling interests	(8)	(7)
<b>Net Income Attributable to CMS Energy</b>	353	349
Preferred stock dividends	2	-
<b>Net Income Available to Common Stockholders</b>	<u>\$ 351</u>	<u>\$ 349</u>
<b>Diluted Earnings Per Average Common Share</b>		
Income from continuing operations per average common share available to common stockholders	\$ 1.20	\$ 1.09
Income from discontinued operations per average common share available to common stockholders	0.01	0.12
Diluted earnings per average common share	<u>\$ 1.21</u>	<u>\$ 1.21</u>

**CMS ENERGY CORPORATION**  
**Summarized Consolidated Balance Sheets**  
(Unaudited)

	<i>In Millions</i>	
	<u>As of</u>	
	<u>3/31/22</u>	<u>12/31/21</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 446	\$ 452
Restricted cash and cash equivalents	28	24
Other current assets	1,985	2,151
Total current assets	<u>2,459</u>	<u>2,627</u>
Non-current assets		
Plant, property, and equipment	22,540	22,352
Other non-current assets	3,741	3,774
<b>Total Assets</b>	<u>\$ 28,740</u>	<u>\$ 28,753</u>
<b>Liabilities and Equity</b>		
Current liabilities <sup>(1)</sup>	\$ 1,432	\$ 1,822
Non-current liabilities <sup>(1)</sup>	7,430	7,269
Capitalization		
Debt, finance leases, and other financing (excluding securitization debt) <sup>(2)</sup>		
Debt, finance leases, and other financing (excluding non-recourse and securitization debt)	12,201	12,200
Non-recourse debt	74	76
Total debt, finance leases, and other financing (excluding securitization debt)	<u>12,275</u>	<u>12,276</u>
Preferred stock and securities	224	224
Noncontrolling interests	551	557
Common stockholders' equity	6,630	6,407
Total capitalization (excluding securitization debt)	<u>19,680</u>	<u>19,464</u>
Securitization debt <sup>(2)</sup>	198	198
<b>Total Liabilities and Equity</b>	<u>\$ 28,740</u>	<u>\$ 28,753</u>

<sup>(1)</sup> Excludes debt, finance leases, and other financing.

<sup>(2)</sup> Includes current and non-current portions.

**CMS ENERGY CORPORATION**  
**Summarized Consolidated Statements of Cash Flows**  
(Unaudited)

	<i>In Millions</i>	
	<u>Three Months Ended</u>	
	<u>3/31/22</u>	<u>3/31/21</u>
<b>Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts</b>	\$ 476	\$ 185
Net cash provided by operating activities	707	832
Net cash used in investing activities	(539)	(283)
Cash flows from operating and investing activities	168	549
Net cash used in financing activities	(170)	(210)
<b>Total Cash Flows</b>	<u>\$ (2)</u>	<u>\$ 339</u>
<b>End of Period Cash and Cash Equivalents, Including Restricted Amounts</b>	<u>\$ 474</u>	<u>\$ 524</u>

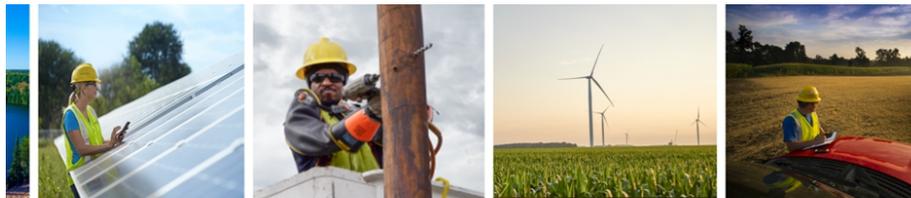
**CMS ENERGY CORPORATION**  
**Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income**  
(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>	
	<b>Three Months Ended</b>	
	<b>3/31/22</b>	<b>3/31/21</b>
<b>Net Income Available to Common Stockholders</b>	\$ 351	\$ 349
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	(5)	-
Tax impact	1	-
Discontinued operations income	-	(43)
Tax impact	-	9
Other exclusions from adjusted earnings**	(1)	(1)
Tax impact	*	*
Adjusted net income – non-GAAP	<u>\$ 346</u>	<u>\$ 314</u>
<b>Average Common Shares Outstanding</b>		
Diluted	289.9	289.1
<b>Diluted Earnings Per Average Common Share</b>		
Reported net income per share	\$ 1.21	\$ 1.21
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	(0.01)	-
Tax impact	*	-
Discontinued operations income	-	(0.15)
Tax impact	-	0.03
Other exclusions from adjusted earnings**	(*)	(*)
Tax impact	*	*
Adjusted net income per share – non-GAAP	<u>\$ 1.20</u>	<u>\$ 1.09</u>

\* Less than \$0.5 million or \$0.01 per share.

\*\* Includes restructuring costs and unrealized gains or losses, recognized in net income, from mark-to-market adjustments related to CMS Enterprises' interest expense.

Management views adjusted (non-Generally Accepted Accounting Principles) earnings as a key measure of the Company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the Company uses adjusted earnings to measure and assess performance. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments, recognized in net income related to CMS Enterprises' interest expense, or other items. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings.



# Leading the CLEAN ENERGY TRANSFORMATION

First Quarter 2022  
Results and Outlook

May 3, 2022



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

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

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

Presentation endnotes are included after the appendix.

# Simple Investment Thesis . . .



Industry-leading net zero commitments

Excellence through the **CE WAY**

Top-tier regulatory jurisdiction<sup>a</sup>

Premium total shareholder return  
6% to 8% adjusted EPS growth + ~3% dividend yield

Presentation endnotes are included after the appendix.

. . . is simpler, cleaner and leaner.

# Settled 2021 IRP vs. Prior Plan . . .

<u>Key Objectives</u>	<u>2021 IRP</u>	<u>2018 IRP</u>
<ul style="list-style-type: none"> <li><b>Exit Coal Operations</b> Retire: Karn 1&amp;2 Campbell 1&amp;2/3</li> </ul>	<p>One of the 1<sup>st</sup> in the nation</p> <p>~60% carbon emission reduction by 2025<sup>a</sup></p> <p>By 2025</p> <p>2023 2025</p>	<p>By 2040</p> <p>2023 2031/39</p>
<ul style="list-style-type: none"> <li><b>Reliable, Affordable, Capital Upside</b></li> </ul>	<p>Covert \$815M / &gt;1 GW RFP PPAs ~700 MW</p>	<p>No new dispatchable units</p>
<ul style="list-style-type: none"> <li><b>Expanded Clean Energy Investment</b> New solar Solar ownership FCM on PPAs Energy efficiency Battery</li> </ul>	<p>~\$600M in customer savings<sup>b</sup></p> <p>~8 GW Same Same Same Beginning in 2024</p>	<p>~6 GW 50/50 (own/PPA) After-tax WACC 1.1 GW Beginning in 2032</p>
<ul style="list-style-type: none"> <li><b>Regulatory Asset Treatment</b></li> </ul>	<p>Reg. asset treatment 9% ROE</p>	<p>Securitization of retired units</p>

Presentation endnotes are included after the appendix.

**. . . accelerates decarbonization and provides significant customer savings.**

# Net Zero Commitments Drive Decarbonization . . .



**2025** Zero coal  
~60% carbon emissions reduction<sup>a</sup>



**2030** Net zero methane emissions for our gas delivery system and 20% gas customer emissions reduction<sup>b</sup>  
Accelerating vintage main and service replacements  
Renewable natural gas



**2040** Net zero carbon emissions for our electric business (includes PPAs and MISO market purchases)  
Adding ~8 GW of new solar and ~2.5 GW of demand-side resources



**2050** Net zero GHG emissions for our entire natural gas system (includes customer and supplier emissions)  
Hydrogen fuel mix opportunities  
Carbon offsets

Presentation endnotes are included after the appendix.

**. . . and support growth while delivering on the Clean Energy Transformation.**

## Solid First Quarter . . .

### Q1 2022 Results

### Amount

### Commentary

Adjusted EPS	\$1.20	Ahead of plan
Dividend Per Share (DPS) Paid	46¢	Consistent growth

### 2022 Outlook

Adjusted EPS Guidance	\$2.85 – \$2.89	Premium growth
Annual DPS	\$1.84	Up 10¢ vs. 2021

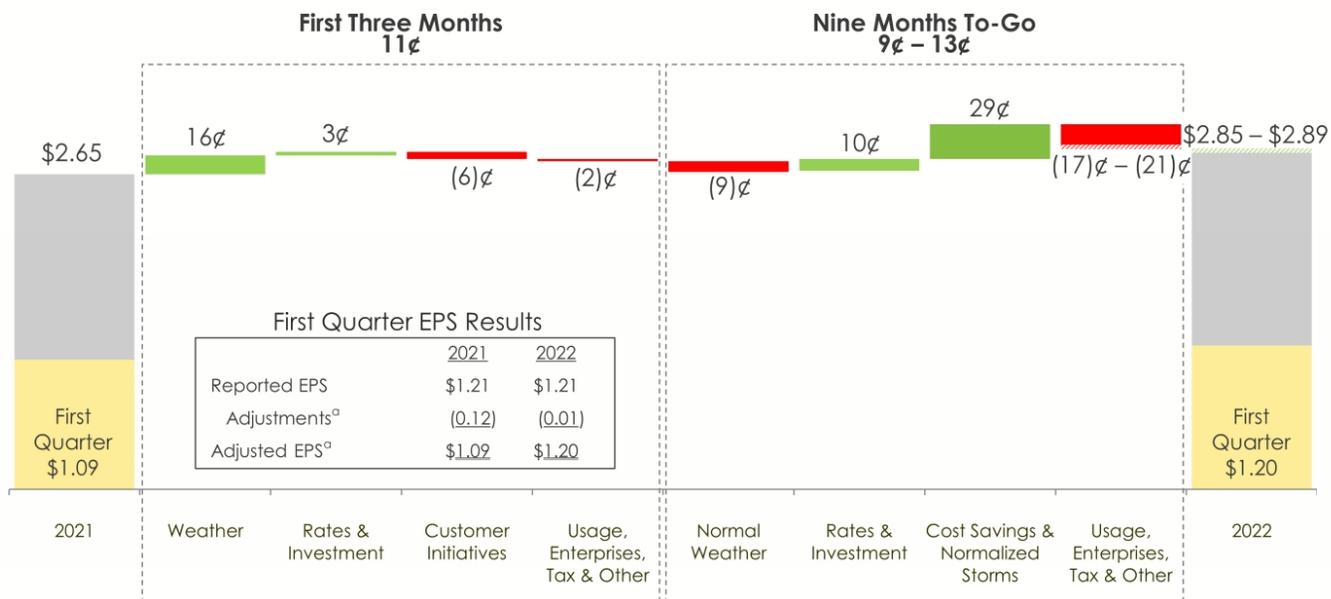
### Long-term Outlook

Adjusted EPS Growth	+6% to +8%	Toward the high end
DPS Growth	+6% to +8%	Committed to growth
5-yr Capital Plan	\$14.3B	Excludes IRP upside

IRP strengthens  
and lengthens  
Plan

. . . demonstrates confidence in full-year earnings guidance.

# 2022 Adjusted EPS . . .



Presentation endnotes are included after the appendix.

. . . supports premium growth.

# Michigan's Strong Regulatory Construct . . .



Presentation endnotes are included after the appendix.

. . . ensures forward-looking visibility.

# De-risking Inflationary Pressures . . .



## Near-term Risk Mitigation

### Global Risks

### Countermeasures

Labor

- ✓ Executed 5-yr union contracts in 2020 (>40% unionized)
- ✓ 95% non-union retention rate<sup>a</sup>

Materials

- ✓ Manageable supply chain risk
- ✓ ~90% of material costs capitalized
- ✓ Modular solar build-out

Commodities

- ✓ Owned generation hedges market volatility
- ✓ Manageable power supply costs
- ✓ Leverage gas storage assets

## Episodic Cost Savings

Year	Event	Savings
2022	Palisades retirement	>\$90M
2023	Karn 1&2 coal unit retirements (adj. O&M savings <sup>b</sup> )	\$30M
2025	MCV contract change	>\$60M
2025	Campbell coal unit retirements (adj. O&M savings <sup>b</sup> )	>\$60M

**>\$200M** identified future cost savings

**PLUS *CE WAY* PRODUCTIVITY**

Presentation endnotes are included after the appendix.

**. . . with opportunities for near- and long-term savings.**

# **Q&A**

## ***Thank You!***

# Appendix

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# Utility Sales Continue to Recover . . .



## Weather-Normalized Electric Deliveries<sup>a</sup>

(Q1 2022 vs. Q1 2021)



## Residential Customer Growth

(5-Yr Avg. Customer Count)

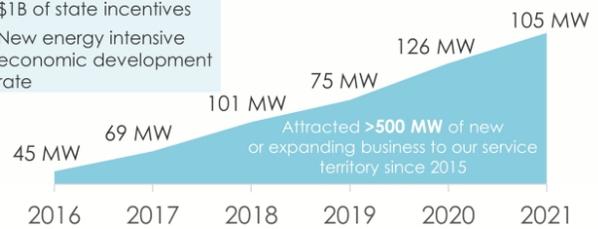
2016 – 2021

Electric Customers	~1%
Gas Customers	~1%

## Economic Development

### Legislative Support

- \$1B of state incentives
- New energy intensive economic development rate



Presentation endnotes are included after the appendix.

. . . with supportive economic backdrop in Michigan.

# 2022 Sensitivities . . .



	<u>Sensitivity</u>	<u>Full-Year Impact</u>		
		<u>Adj. EPS</u>	<u>OCF</u>	
<b>Sales<sup>a</sup></b>		(¢)	(\$M)	
Electric (~37,000 GWh)	± 1%	± 7	± 27	
Gas (~304 Bcf)	± 1	± 3	± 13	
<b>Gas Prices</b>	± 50¢	± 0	± 60	
<b>Utility Earned ROE</b>				
Electric	± 10 bps	± 2	± 8	
Gas	± 10	± 1	± 5	
<b>Interest Rates</b>	± 25 bps	∓ <1	∓ 1	
<b>Effective Tax Rate (10%)</b>	± 100 bps	∓ 3	∓ 0	

### 2022 Adj. EPS Sensitivities

(1% Full Year Δ in Volume)

	<u>Electric</u>	<u>Gas</u>
Residential	4¢	2½¢
Commercial	2½	½
Industrial	½	½

### Electric PSCR

#### Residential Bill Sensitivity

(\$10/MWh)

	<u>Impact</u>
Electric	~\$6½/ Month

### Gas Price

#### Residential Bill Sensitivity

(\$1/Mcf)

	<u>Impact</u>
Gas	~\$7½/ Month

Presentation endnotes are included after the appendix.

. . . reflect effective risk mitigation.

# 2022 Planned Financings . . .



		<b>Financings</b>
		<u>2022 Plan</u>
		(\$M)
Consumers Energy:		
First Mortgage Bonds		\$800
CMS Energy:		
Hybrid / Continuous Preferred		None
Planned Equity		--
		(\$56M contracted)
Retirements (incl. term loans):		
Consumers Energy		--
CMS Energy		--



Presentation endnotes are included after the appendix.

. . . fund customer investment and provide ample liquidity.

## Credit Metrics Maintained . . .



<b>Consumers Energy</b>	<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>
Senior Secured	A	A1	A+
Commercial Paper	A-2	P-2	F-2
Outlook	Stable	Stable	Stable
<b>CMS Energy</b>			
Senior Unsecured	BBB	Baa2	BBB
Junior Subordinated	BBB-	Baa3	BB+
Outlook	Stable	Stable	Stable
Last Review	<b>Mar. 2022</b>	Sep. 2021	<b>Mar. 2022</b>

### Ratings Drivers

- Strong financial position
- Growing operating cash flow
- Constructive return on regulated investment
- Supportive regulatory environment
- Lower business risk

. . . at solid investment-grade levels.

# Key IRP Components<sup>a</sup> . . .



Renewables & Storage	
Solar	4.5 GW by 2030, ~8.0 GW by 2040
Battery	>0.5 GW by 2040 (75 MW beginning in 2024)
Wind	~0.8 GW pre-2025 (approved via RPS)
Customer Programs	
Energy Efficiency	~1.1 GW
Demand Response	>0.7 GW
Conservation Voltage Reduction	>0.1 GW
Coal	
Karn 1&2	~0.5 GW retired in 2023 (securitized)
Campbell 1-3	~1.4 GW retired in 2025 (reg. asset at 9% ROE)
Natural Gas & Peaking Units	
Zeeland & Jackson	~1.5 GW (owned & continued operations)
Covert	~1.2 GW acquired in 2023
Karn 3&4	~1.2 GW retired in 2031
Other	
Future PPAs	~0.7 GW in 2025 (0.5 GW dispatchable)

Presentation endnotes are included after the appendix.

## Delivering Across the Triple Bottom Line

- ✓ Accelerate decarbonization
- ✓ Exit coal operations by 2025
- ✓ Reliable, affordable, capital upside
- ✓ Expanded clean energy investment

. . . ensure reliability, resilience and affordability.

# Endnotes

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# Presentation Endnotes



**Slide 3:** <sup>a</sup>UBS Research, 2022 state rankings and D.C.

**Slide 4:** <sup>a</sup>From 2005 baseline including utility-owned generation, PPAs and MISO purchases, post coal retirements <sup>b</sup>2021 IRP vs. prior plan

**Slide 5:** <sup>a</sup>From 2005 baseline including utility-owned generation, PPAs and MISO purchases, post coal retirements <sup>b</sup>Carbon emissions from a 2020 baseline for natural gas end-use customers

**Slide 7:** <sup>a</sup>See GAAP reconciliation on slide 21

**Slide 8:** <sup>a</sup>Excludes \$27M of lower depreciation expense previously approved and includes revised MPSC order approving ~\$5M of depreciation expense in March of 2022 <sup>b</sup>\$272M request includes \$6M surcharge for the recovery of distribution investments made in 2021 that exceeded what was authorized in rates <sup>c</sup>Rate relief equivalent

**Slide 9:** <sup>a</sup>Consumers Energy, non-union employees, average 3-yr retention rate <sup>b</sup>Excludes potential fuel savings

**Slide 12:** <sup>a</sup>Q1 2022 over Q1 2021 change in GWh, excludes ROA and other <sup>b</sup>Excludes one large, low-margin industrial customer

**Slide 13:** <sup>a</sup>Reflects 2022 sales forecast; weather-normalized

**Slide 14:** <sup>a</sup>\$1,606M in available revolvers + \$446M of unrestricted cash - \$16M of cash at Aviator Wind and other; excludes proceeds from the sale of EnerBank

**Slide 16:** <sup>a</sup>Capacity references are in nameplate

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

# GAAP Reconciliation

**CMS ENERGY CORPORATION**  
**Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income**  
**(Unaudited)**



	<i>In Millions, Except Per Share Amounts</i>	
	<u>Three Months Ended</u>	
	<u>3/31/22</u>	<u>3/31/21</u>
<b>Net Income Available to Common Stockholders</b>	\$ 351	\$ 349
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	(5)	-
Tax impact	1	-
Discontinued operations income	-	(43)
Tax impact	-	9
Other exclusions from adjusted earnings**	(1)	(1)
Tax impact	*	*
Adjusted net income – non-GAAP	<u>\$ 346</u>	<u>\$ 314</u>
<b>Average Common Shares Outstanding</b>		
Diluted	289.9	289.1
<b>Diluted Earnings Per Average Common Share</b>		
Reported net income per share	\$ 1.21	\$ 1.21
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	(0.01)	-
Tax impact	*	-
Discontinued operations income	-	(0.15)
Tax impact	-	0.03
Other exclusions from adjusted earnings**	(*)	(*)
Tax impact	*	*
Adjusted net income per share – non-GAAP	<u>\$ 1.20</u>	<u>\$ 1.09</u>

\* Less than \$0.5 million or \$0.01 per share.

\*\* Includes restructuring costs and unrealized gains or losses, recognized in net income, from mark-to-market adjustments related to CMS Enterprises' interest expense.

Management views adjusted (non-Generally Accepted Accounting Principles) earnings as a key measure of the Company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the Company uses adjusted earnings to measure and assess performance. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments, recognized in net income related to CMS Enterprises' interest expense, or other items. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings.

**CMS ENERGY CORPORATION**  
**Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income**  
**by Quarter**  
**(Unaudited)**



	<i>In Millions, Except Per Share Amounts</i>	
	2022	
	1Q	
<b>Net Income Available to Common Stockholders</b>	\$	351
<i>Reconciling items:</i>		
Electric utility and gas utility	-	-
Tax impact	-	-
Estimates	(1)	*
Tax impact	*	*
Corporate interest and other	-	-
Tax impact	-	-
Disposal of discontinued operations gain	(5)	-
Tax impact	1	-
<b>Adjusted Net Income – Non-GAAP</b>	<u>\$</u>	<u>346</u>
<b>Average Common Shares Outstanding – Diluted</b>		289.9
<b>Diluted Earnings Per Average Common Share</b>	\$	1.21
<i>Reconciling items:</i>		
Electric utility and gas utility	-	-
Tax impact	-	-
Estimates	(*)	*
Tax impact	*	*
Corporate interest and other	-	-
Tax impact	-	-
Disposal of discontinued operations gain	(8.0)	*
Tax impact	*	*
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<u>\$</u>	<u>1.20</u>

	<i>In Millions, Except Per Share Amounts</i>			
	2021			
	1Q	2Q	3Q	4Q
<b>Net Income Available to Common Stockholders</b>	\$ 340	\$ 176	\$ 186	\$ 637
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	29
Tax impact	-	-	-	(7)
Estimates	(1)	*	(*)	*
Tax impact	*	*	*	*
Corporate interest and other	-	(*)	-	*
Tax impact	-	*	-	(*)
Disposal of discontinued operations (gain) loss	-	5	3	(665)
Tax impact	-	(1)	(1)	145
Discontinued operations income	(43)	(30)	(42)	-
Tax impact	9	8	10	-
<b>Adjusted Net Income – Non-GAAP</b>	<u>\$ 314</u>	<u>\$ 158</u>	<u>\$ 156</u>	<u>\$ 139</u>
<b>Average Common Shares Outstanding – Diluted</b>	289.1	289.4	289.6	289.7
<b>Diluted Earnings Per Average Common Share</b>	\$ 1.21	\$ 0.61	\$ 0.64	\$ 2.20
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	0.18
Tax impact	-	-	-	(0.05)
Estimates	(*)	*	(*)	*
Tax impact	*	*	*	(*)
Corporate interest and other	-	(*)	-	*
Tax impact	-	-	-	(*)
Disposal of discontinued operations (gain) loss	-	0.02	0.01	(2.30)
Tax impact	-	(0.01)	(*)	0.50
Discontinued operations income	(0.15)	(0.09)	(0.14)	-
Tax impact	0.03	0.03	0.03	-
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<u>\$ 1.09</u>	<u>\$ 0.55</u>	<u>\$ 0.54</u>	<u>\$ 0.47</u>

\* Less than \$0.5 million or \$0.01 per share.