Environmental, Social & Governance 2019
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. 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.

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 earnings per share are on a diluted basis. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, regulatory items from prior years, 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. References to earnings guidance refer to such guidance as provided by the company on April 25, 2019.

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, a channel of distribution.
ESG Disclosures...

- CMS Energy & Consumers Energy Websites
- SEC Filings (10-K & Proxy)
- 2019 Sustainability Report
- 2017 Carbon Disclosure Project
  (2018 update to be filed in November)
  - Report Scope 1, 2 & 3 Emissions
  - Water
- 2018 Climate Assessment Report
  - Considers TCFD Guidelines
- 2018 EEI ESG & Sustainability Report

You can find other related links regarding corporate governance by clicking this link.
World Class Performance in 2018 . . .

**People**
- Attracted 101 MWs of new electric load to Michigan
- 1\textsuperscript{st} quartile for employee engagement
- Best place to work for LGBTQ Equality - Human Rights Campaign Foundation
- Donated $10 MM to assist vulnerable customers with bill payments
- Gold Level Certified Veteran-Friendly Employer by Michigan Veterans Affairs agency

**Planet**
- 90+% carbon reduction and elimination of coal by 2040
- Restored nearly 800 acres of land in Michigan
- Expanded our renewable portfolio at Consumers Energy & CMS Enterprises by more than 170 MWs
- 1\textsuperscript{st} company in the U.S. to enter Sustainability-linked loans

**Profit**
- Eliminated ~$18 MM of waste through the implementation of the CE Way
- 16\textsuperscript{th} year of +7% EPS growth \textsuperscript{\textregistered}
- Raised dividend +7% YoY, 13\textsuperscript{th} increase in as many years
- Delivered $1.7 Bn of operating cash flow

\textsuperscript{\textregistered}Adjusted EPS (non-GAAP) CAGR

. . . enabled hometown service and was enhanced by the Triple Bottom Line.
PEOPLE • PLANET • PROFIT

PERFORMANCE
Safety in the Workplace . . .

2018 Successes

- Safety Culture Training completed by 100% of employees.
- More than 90% of employees completed Health, Safety, and Environmental (HSE) training.
- AEDs installed in all corporate offices, including on every floor at corporate headquarters.

Safety Performance
(Recordable OSHA Incidents)

<table>
<thead>
<tr>
<th>Year</th>
<th>Incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>355</td>
</tr>
<tr>
<td>2018</td>
<td>103</td>
</tr>
</tbody>
</table>

Down (71)%

Includes CPR & First Aid!

. . . every task, every job, every day.
Safety in the Community . . .

Proactive Replacement of Infrastructure

- Accelerated replacement of vintage and distribution mains (~100 miles/yr)
- Replaced 13,000 vintage gas services in 2018
- Proactive inspection of natural gas pipelines and remediation/replacement

Prevention / Rapid Response

- “Good-catch”
- <30 minute gas odor response
- Rapid storm response
  - >1,400 wire-guards
  - 250 qualified damage assessment resources
- Incident Command System (ICS) for major incidents

. . . protecting our family, friends, and neighbors.
Data & Cyber Security Program . . .

Program Approach:

✔ Integrated security program and organization – Covers both physical and cyber security

✔ Dedicated team focused on detecting and responding to threats with close coordination with state and federal partners

✔ Security operates as an independent organization outside of IT to ensure a balance between technology delivery and risk

Program Focus:

✔ Risk based approach where more critical assets require more stringent security controls

✔ Company projects include security requirements and assessments to ensure security is included in all initiatives

✔ Privacy of customer data is a top priority to enable company initiatives while maintaining customer confidence

Industry-leading cyber security testing performance!

Ex. Director of Cyber Security meets w/ Audit Committee 2x /yr

Myrna Soto
20 years of information technology & security experience

Deborah Butler
Retired CIO from Norfolk Southern

2 Board members with security experience

. . . focuses on protecting Michigan’s critical infrastructure and customer data.
Lower Customer Bills...

Residential Weather-Normalized Bills

Residential Bills as % of Wallet

<table>
<thead>
<tr>
<th>(Electric &amp; Gas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Bill</td>
</tr>
<tr>
<td>~ 4%</td>
</tr>
<tr>
<td>Down 50 bps!</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Electric &amp; Gas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Bill</td>
</tr>
<tr>
<td>~ 3½%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2007</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>$106</td>
</tr>
<tr>
<td>Flat</td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td>$ 87</td>
</tr>
<tr>
<td>~(31)%</td>
<td></td>
</tr>
</tbody>
</table>

Cost Reductions

Energy Efficiency

Efficient Capital

~(31)%

Flat bills with additional $6 Bn of capital

Flat bills with additional $5 Bn of capital

Weather-adjusted, 2019 Real Dollars, adjusted for inflation

5-yr Plan

Electric $106 $106

Gas $ 87 $ 60

5-yr Plan

Housing ~ 30%

Other ~ 30%

Other ~ 25%

Food ~ 13%

Transportation ~ 15%

Other ~ 25%

Healthcare ~ 9%

TV & Phone ~ 4%

TV & Phone ~ 4%

Consumers Energy Bill as % of Michigan Household Income, Adj. Dollars.

Source: Fred.stlouisfed.org, Bls.gov, Consumers Internal Bills; Percentages may not total 100% due to rounding.

... provide headroom for additional customer investment.
Proactively Targeting New Businesses . . .

Customer Committed Load

Economic Indicators

<table>
<thead>
<tr>
<th>Year</th>
<th>Grand Rapids</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2017</td>
<td>32%</td>
<td>17%</td>
</tr>
<tr>
<td>GDP Growth</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Population Growth</td>
<td>2.9%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Unemployment*</td>
<td>&gt;5,500 jobs and attracting &gt;$2 Bn of investment to Michigan through Economic Development projects.</td>
<td></td>
</tr>
</tbody>
</table>

Great State to Do Business

$12½ Bn investment in Michigan businesses over 10 years.

- >5,500 jobs and attracting >$2 Bn of investment to Michigan through Economic Development projects.
- Voted top 15 utility for “Most Trusted Brand” in U.S. by business customers.
- Editor’s Choice Top Utility in Economic Development by Business Facilities magazine.

2010 thru 2017 GDP Growth

Population Growth

Unemployment*

*March 2019 Unemployment

Source: bea.gov, census.gov, bls.gov

GDP Growth

Population Growth

Unemployment*

$1.5 Bn on diverse suppliers!

Target 100 MW

2016 2017 2018 2019

45 MW

69 MW

101 MW

+46%

+53%

+53%

• Editor’s Choice Top Utility in Economic Development by Business Facilities magazine.

. . . to help make Michigan a great state to live and conduct business in.
Community Engagement Team . . .

Josh Burgett
Executive Director

Lynn Wilson
Stakeholder Engagement Manager

*Tim Petrosky

Anne Prenzler
Admin. Assistant

Jessah Rolstone
Admin. Assistant

18 Community Affairs Managers

Active in the community

>100 Boards served on

. . . uniquely positioned across the state.
Corporate Giving . . .

2018 Donations

- Low Income Families: $10MM
- United Way: >$600K
- Early Childhood: $400K
- Economic Development: $300K
- Women Entrepreneurs: $200K

. . . positively impacts our communities.
Diversity and Inclusion...

- Working hard to create inclusive workplaces, reach diverse customers and have strong supplier diversity.

  ✔ **Ranked #5** on the **DiversityInc** 2018 list of top utilities.

- Leading by example – Board comprised of 45% female leaders.

  ✔ Recognized nationally by Professional Woman’s Magazine as a **top utility** for **professional women**.

- Committing to provide careers to military veterans throughout Michigan.

  ✔ Recognized as **Michigan’s Veterans Affairs Agency Gold-Level Employer**.

- Providing a safe and inclusive work environment for all co-workers.

  ✔ **Best place** to work for **LGBTQ Equality** – Human Rights Campaign Foundation.

...to ensure we’ve provided a safe place to work for all of our co-workers.
Live Well Program

- Implemented in 2018 (>70% participation)!
- Year-round engagement in employee wellness with focuses on:
  1) Physical
  2) Emotional
  3) Financial
  4) Professional
  5) Social
  6) Community
- Employee participation incentivized with $75 in Amazon gift cards

Activities:

Other Things to Do

- Annual Go Red Campaign
- Learn to Work Smarter
- Delighting Our Customers

401K Participation 94%

66% of active 401K participants are saving ≥15%!

... focus on physical, emotional and financial health.
Building the Next Generation... of Consumers Energy's co-workers.

**STEM & Robotics**
- Hometown, Statewide and National focus
- Focus is in middle & high school levels

Consumers Energy Foundation has provided over $450,000 in STEM and FIRST® support in 2018!

**School-to-Work (STW) for electric line workers**
- Collaboration with two community colleges
- 150+ hired, 98% retention rate

... of Consumers Energy’s co-workers.
Working with Our Communities . . .

Training Trust Agreement w/ Power for America

- Entry-level natural gas training, service, appliance repair and gas fundamentals
- Supports company safety initiatives!

Gas Boot Camp

- 3-week training including physical assessment and Safety Culture course
- Successful candidates offered full-time positions
- 73% pass rate, 100% retained rate for 2018

Utility Military Assistance Program (UMAP)

- Made up of Veterans and current National Guard members
- Delivers trained employees for our gas Enhanced Infrastructure Replacement Program (EIRP)

. . . to strengthen our future gas workforce.
Consumers Energy Unions:

- Michigan State Utility Workers Council (MSUWC)
  - ~3,500 employees; represents O&M and Construction
    - 78% Employee Engagement Favorability Score
  - >250 employees; represents call center
    - 86% Employee Engagement Favorability Score
- Sub of Utility Workers Union of America (UWUA)
- Contracts through 2020

~37% Unionized

... are strong and collaborative.
PEOPLE • PLANET • PROFIT

PERFORMANCE
Recognizing our Neighbors . . .

Consumers Energy Foundation Planet Awards:

- **Michigan Nature Association**
  - “Protecting Habitat Today for People and Wildlife Tomorrow” project
    - Works to protect, restore and enhance 575 acres of critical habitat for rare, threatened and endangered plants and animals in 8 Michigan counties.

- **Conservation Resource Alliance**
  - “Wild Roots” project
    - Aims to plant 100,000 native Michigan trees over 5 years to fortify forested watersheds, reduce water runoff by nearly 8 MM gallons, and provide seed stocks for the next generation of forest.

- **Michigan United Conservation Clubs**
  - “On the Water” program
    - Helps Michigan residents connect with their waterways through ~12 stream and riverbed clean-ups. Focuses on education, outreach and recycling.

2018 ENERGY STAR ® Partner of the Year Sustained Excellence Award from the U.S. Environmental Protection Agency!

. . . by supporting their efforts to protect Michigan’s land, water, and air.

In 2019:

- **Michigan Nature Association**
  - $250,000

- **Conservation Resource Alliance**
  - $150,000

- **Michigan United Conservation Clubs**
  - $100,000

- **Total**
  - $500,000

Awarded!
Planet Goals... focus on both near-term and long-term targets.

By 2040:
- Zero Coal used to generate electricity
- >90% reduction of carbon emissions
- >40% of electricity from renewable sources

Next 5 Years:
- 1 Bn gallons of H₂O saved
- 35% reduction of waste to landfills
- 5,000 acres of Michigan land enhanced, restored or protected

... focus on both near-term and long-term targets.
Land & Water Usage...

Total Landfill Space Avoided

- 1992 - 2014: 717,992 Cubic Yds
- 2015: 1,210,012 Cubic Yds
- 2018: More landfill saved!

Water Intensity

- 2012: 32,102 Gal/MWh
- 2015: Reduction in water usage: (31)%
- 2018: 22,007 Gal/MWh

... being dramatically reduced.
Cleaner Supply Mix . . .

2018 CMS Energy by Fuel Type

- Nuclear: 16%
- Gas: 40%
- Coal: 24%
- Renewables: 9%
- Pumped Storage: 2%
- Net Interchange Power & Other: 9%

Consumers Energy Future

- Zero Coal by 2040!
- 43% Renewables
- >90% Carbon emissions reduction!

...supported by our Integrated Resource Plan.
### Mix of Coal...

Our electric Utility is just one portion of Consumers Energy...

...generation makes up just a portion of the electric Utility’s business...

...and coal is just a portion of the Utility’s total generation mix.

...is just a small portion of total generation mix at Consumers Energy.

<table>
<thead>
<tr>
<th>Revenue (MM)</th>
<th>Electric</th>
<th>$4,561</th>
<th>71% Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas</td>
<td></td>
<td>1,903</td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td></td>
<td>$6,464</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Electric Assets (MM)</th>
<th>Generation</th>
<th>$6,305</th>
<th>39% Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transmission, Dist. &amp; Other</td>
<td>9,722</td>
<td></td>
</tr>
<tr>
<td>Total Electric Assets</td>
<td></td>
<td>$16,027</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumers Energy Supply (GWh)</th>
<th>Coal</th>
<th>10,315</th>
<th>28% Coal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td></td>
<td>26,932</td>
<td></td>
</tr>
<tr>
<td>Total Electric Supply</td>
<td></td>
<td>37,247</td>
<td></td>
</tr>
</tbody>
</table>
Protecting Michigan’s Environment . . .

Reducing Carbon Emissions

(Since 2005)

Today 2024 2032 2040

38% ~45% ~70% > 90%

-100%

Adding Renewable Energy

Clean & Lean Approach

15% RPS by 2022

43% Renewables

38%

Since 2005

Campbell 1 & 2 Retirement (2031)

Campbell 3 Retirement (2039)

Karn 1 & 2 Retirement (2023)

2020 2030 2040

0% 50%

25% 50% 75% 100%

Today 2024 2032 2040

Adding Renewable Energy

15% RPS by 2022

43% Renewables

... for future generations.
Breathing Easier . . .

Air Emissions Reduction

Since 2005

- Sulfur Dioxide: 94%
- Nitrogen Oxide: 87%
- Mercury*: 94%
- Particulate Matter: 96%
- Carbon Dioxide: 38%

* Tracking began 2007

Added emission control equipment!

Shut down Classic 7 & added Jackson Gas Plant!

. . . doing our part to clean Michigan’s air.
Residential Programs:

- Saved customers over $2 billion on their energy bills since 2009
- Recycling 25,000 appliances each year
- Providing more than 85,000 rebates each year
- Completing more than 19,000 in home energy audits per year
- Selling more than 2.7 million LEDs in stores across the state every year
Consumers Energy EV Program . . .

**Five Components**

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
</tr>
</thead>
</table>
| 1         | Residential Charging  
Rebate up to $500; no limit on number of rebates |
| 2         | Public / Workplace Charging  
Rebate up to $5,000 per charger; 200 rebates |
| 3         | DC Fast Charging  
Rebate up to $70,000 per charger; limit of 24 rebates |
| 4         | Education and Outreach  
Resources to recruit and educate customers |
| 5         | Technology Development  
Development of the IT system underpinning EV network. |

INVESTMENT: $10 MM over a 3-year period

REBATES: Residential and commercial chargers

RATES: Time-of-use that encourages at-home charging during off-peak hours

. . . that we call PowerMiDrive.
PEOPLE • PLANET • PROFIT
Board of Directors with Diverse Backgrounds

By the Numbers

- **11** Members
- **6** Year average tenure
- **82%** Independent

Honored as a Winning ‘W’ Company by 2020 Women on Boards!

... exceptional governance led by a diverse Board.
Committee Membership Makeup...

<table>
<thead>
<tr>
<th>Name</th>
<th>Audit</th>
<th>Compensation &amp; Human Resources</th>
<th>Executive</th>
<th>Finance</th>
<th>Governance, Sustainability, &amp; Public Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jon E. Barfield</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Deborah H. Butler</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Kurt L. Darrow</td>
<td></td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Stephen E. Ewing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>William D. Harvey</td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John G. Russell</td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suzanna F. Shank</td>
<td></td>
<td>✔</td>
<td></td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Myrna M. Soto</td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>John G. Sznewajs</td>
<td></td>
<td></td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Laura H. Wright</td>
<td></td>
<td></td>
<td></td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

... is focused on key strengths of Board member.
“Core Competencies have an impact on our purpose which is measured by our Triple Bottom Line of People, Planet, and Profit, underpinned by Performance”

<table>
<thead>
<tr>
<th>Diversity</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>61 yrs. old</td>
<td>Senior Leadership</td>
</tr>
<tr>
<td>45% Female</td>
<td>Finance Accounting or Fin. Reporting</td>
</tr>
<tr>
<td>27% Minority</td>
<td>Regulatory Environment &amp; Governmental Affairs</td>
</tr>
<tr>
<td>55% Gender, Racial &amp; Ethnic Diversity</td>
<td>Risk Management</td>
</tr>
<tr>
<td></td>
<td>Customer Experience</td>
</tr>
<tr>
<td></td>
<td>Info. Tech. / Safety &amp; Security</td>
</tr>
<tr>
<td></td>
<td>Utility Experience</td>
</tr>
<tr>
<td></td>
<td>Strategic Planning / Governance</td>
</tr>
<tr>
<td></td>
<td>Sustainability &amp; Environmental</td>
</tr>
<tr>
<td></td>
<td>Lean</td>
</tr>
</tbody>
</table>

... adds to the quality of governance.
# Committee Responsibilities

<table>
<thead>
<tr>
<th>Committee</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>• Oversees: Integrity of financial statements &amp; information</td>
</tr>
<tr>
<td></td>
<td>• Compliance with legal &amp; regulatory requirements</td>
</tr>
<tr>
<td></td>
<td>• Risk management policies, controls &amp; exposures</td>
</tr>
<tr>
<td></td>
<td>• Reviews: Performance of internal audit function</td>
</tr>
<tr>
<td></td>
<td>7 meetings in 2018</td>
</tr>
<tr>
<td>Compensation &amp; Human Resources</td>
<td>• Review &amp; Approve: Executive compensation structure &amp; policies</td>
</tr>
<tr>
<td></td>
<td>• Granted stock &amp; other stock-based awards</td>
</tr>
<tr>
<td></td>
<td>• Financial &amp; business goals</td>
</tr>
<tr>
<td></td>
<td>• Officer stock ownership policy</td>
</tr>
<tr>
<td></td>
<td>3 meetings in 2018</td>
</tr>
<tr>
<td>Executive</td>
<td>• Exercise Power &amp; Authority of the Board:</td>
</tr>
<tr>
<td></td>
<td>• During the intervals between Board meetings</td>
</tr>
<tr>
<td></td>
<td>as may be necessary</td>
</tr>
<tr>
<td>Finance</td>
<td>• Review: Financing &amp; investment plans &amp; policies</td>
</tr>
<tr>
<td></td>
<td>• Potential project investments &amp; monitor progress</td>
</tr>
<tr>
<td></td>
<td>• Approve: Short &amp; Long-term financing plans</td>
</tr>
<tr>
<td></td>
<td>• Financial policies relating to cash flow, capex &amp; dividends</td>
</tr>
<tr>
<td></td>
<td>4 meetings in 2018</td>
</tr>
<tr>
<td>Governance, Sustainability, &amp;</td>
<td>• Review: Political &amp; charitable contributions</td>
</tr>
<tr>
<td>Public Responsibility</td>
<td>• Stakeholder outreach, stewardship &amp; corporate social responsibility &amp; sustainability matters</td>
</tr>
<tr>
<td></td>
<td>• Operation &amp; performance of Board &amp; Committees</td>
</tr>
<tr>
<td></td>
<td>4 meetings in 2018</td>
</tr>
</tbody>
</table>
Compensation Mix for CEO

- Base Salary: 16%
- Annual Incentive: 19%
- Long-term Incentive: 65%

84% variable at-risk pay

Based on:
- Relative TSR
- Relative LTI EPS performance

2019 Operational Goals

- Digital Customer Experience Index (CXi)
- Generation Customer Value
- Employee Safety
- Public Safety Gas Infrastructure
- Distribution Reliability
- Cyber Security
- Customer On-Time Delivery (COTD)
- Service On-Time Delivery
- Compression Availability

... is performance-based.
Risks are Carefully Considered...

<table>
<thead>
<tr>
<th>Risks</th>
<th>Mitigation Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regulatory Environment</strong></td>
<td>• Participation in legislative and regulatory policy development</td>
</tr>
<tr>
<td><strong>Climate</strong></td>
<td></td>
</tr>
<tr>
<td>Carbon Emissions (Regulation)</td>
<td>• Retired 7 coal plants, and plans to retire remaining 5 plants in fleet</td>
</tr>
<tr>
<td></td>
<td>• Energy Efficiency, Demand Response, and Renewable Energy Programs</td>
</tr>
<tr>
<td><strong>Severe Weather (Ice, Thunder, Snow)</strong></td>
<td></td>
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<tr>
<td></td>
<td>• Increased investment in infrastructure and smart electric systems</td>
</tr>
<tr>
<td><strong>Water Levels</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Monitor lake levels at generation plants</td>
</tr>
<tr>
<td><strong>Natural Disasters</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Geographically located in low-risk area</td>
</tr>
<tr>
<td><strong>Economic Conditions</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Targeted efforts via donations to reduce uncollectible accounts</td>
</tr>
</tbody>
</table>

... and proactive action is taken to mitigate those risks.
Managing Work Every Year... maximizes benefits for customers and investors.

Significant utility reinvestment from 2013 to 2018

Adjusted EPS (non-GAAP)
Simple, Perhaps Unique Model . . .

<table>
<thead>
<tr>
<th>EPS&lt;sup&gt;a&lt;/sup&gt; Growth</th>
<th>Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6% - 8%</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Self-Funding:**

- Cost management (O&M, fuel, purchased power) 2 - 3 pts
- Sales (economic development, energy efficiency) 1
- Other (Enterprises, tax planning, etc.) 2

INVESTMENT SELF-FUNDED 5 - 6 pts

**Customer Prices “at or below inflation”** <2%

---

<sup>a</sup>Adjusted EPS (non-GAAP)

. . . continues to deliver for customers and investors.
Consistent Growth Through...

- **7% CAGR**

**Weather**
- Blue: Help
- Pink: Hurt

<table>
<thead>
<tr>
<th>Year</th>
<th>Weather</th>
<th>Governor (D)</th>
<th>Governor (R)</th>
<th>Commission (D)</th>
<th>Commission (I)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Cold winter</td>
<td></td>
<td></td>
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<tr>
<td>2004</td>
<td>Mild summer</td>
<td></td>
<td></td>
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<tr>
<td>2005</td>
<td>Hot summer</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>2006</td>
<td>Warm winter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>Mild summer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>Cold winter</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2009</td>
<td>Summer “less”</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2010</td>
<td>Hot summer</td>
<td></td>
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<td></td>
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<tr>
<td>2011</td>
<td>Hot summer</td>
<td></td>
<td></td>
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<tr>
<td>2012</td>
<td>Warm winter</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2013</td>
<td>Mild summer</td>
<td></td>
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<tr>
<td>2014</td>
<td>Polar vortex</td>
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<tr>
<td>2015</td>
<td>Cold Feb., Warm Dec.</td>
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<tr>
<td>2016</td>
<td>Warm winter</td>
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<td></td>
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<tr>
<td>2017</td>
<td>Warm winter</td>
<td></td>
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<td></td>
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<tr>
<td>2018</td>
<td>Hot summer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>Hot summer</td>
<td></td>
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</tbody>
</table>

**Note:**
- Adjusted EPS (non-GAAP)
- Non-GAAP
CMS’ Trading Performance . . .

Stock Performance

Total Shareowner Return

10-year stock performance as of December 31, 2018

Dividends reinvested as of December 31, 2018

. . . has exceeded those of our peers and the broader market.
GAAP Reconciliation
## CMS ENERGY CORPORATION

**Earnings Per Share By Year GAAP Reconciliation (Unaudited)**

### Reported earnings (loss) per share - GAAP

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($0.30)</td>
<td>$0.64</td>
<td>($0.44)</td>
<td>($1.02)</td>
<td>$1.20</td>
<td>$0.91</td>
<td>$1.28</td>
<td>$1.58</td>
<td>$1.42</td>
<td>$1.74</td>
<td>$1.89</td>
<td>$1.98</td>
<td>$1.64</td>
<td>$1.89</td>
<td>$2.32</td>
<td></td>
</tr>
</tbody>
</table>

### Pretax items:

#### Electric and gas utility
- 0.32 (0.60) - - (0.06) 0.08 0.55 0.05 - 0.27 - - - 0.04 - -

#### Tax impact
- (0.11) 0.21 - - (0.01) (0.03) (0.22) (0.02) - (0.10) - - - (0.01) 0.12 [b] 0.01

#### Enterprises
- 0.93 0.97 0.06 (0.12) 1.67 (0.02) 0.14 (0.05) * (0.01) * 0.05 * * 0.02

#### Tax impact
- (0.19) (0.35) (0.02) 0.10 (0.42) * (0.05) 0.02 (0.11) * (*0.02) (*) (*0.02) 0.20 [b] (0.02)

#### Corporate interest and other
- 0.25 (0.06) 0.06 0.45 0.17 0.01 0.01 * - * * * * 0.02 0.01 *

#### Tax impact
- (0.09) 0.03 (0.02) (0.18) (0.49) (0.03) (*) (*) (0.01) (*) (*) (*) (0.01) 0.20 [b] (*)

#### Discontinued operations (income) loss, net
- (0.16) 0.02 (0.07) (0.03) 0.40 (*) (0.08) 0.08 (0.01) (0.03) * (*) (*) * (*)

#### Asset impairment charges
- - - 2.80 1.07 0.93 - - - - - - - - -

#### Tax impact
- - - (0.98) (0.31) (0.33) - - - - - - - - -

#### Cumulative accounting changes
- 0.25 0.02 - - - - - - - - - - - -

#### Tax impact
- (0.09) (0.01) - - - - - - - - - - - -

### Adjusted earnings per share, including MTM - non-GAAP

<table>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0.81</td>
<td>$0.87</td>
<td>$0.39</td>
<td>$0.57</td>
<td>$0.84</td>
<td>$1.21 (a)</td>
<td>$1.26</td>
<td>$1.36</td>
<td>$1.45</td>
<td>$1.55</td>
<td>$1.66</td>
<td>$1.77</td>
<td>$1.89</td>
<td>$2.02</td>
<td>$2.17</td>
<td>$2.33</td>
</tr>
</tbody>
</table>

#### Mark-to-market
- 0.04 (0.65) 0.80

#### Tax impact
- (0.01) 0.22 (0.29)

### Adjusted earnings per share, excluding MTM - non-GAAP

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NA</td>
<td>$0.90</td>
<td>$0.96</td>
<td>$1.08</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

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*a* Less than $0.01 per share.

(a) $1.25 excluding discontinued Exeter operations and accounting changes related to convertible debt and restricted stock.

(b) Reflects the impact of tax reform.

NM is not calculable.