

Keeping Our Promises

Consumers Energy is committed to a Just Transition for co-workers, communities and the planet while leading Michigan's clean energy transformation

We've proudly served Michigan since 1886. For most of that time, we've operated as a traditional utility, using primarily coal-fired power plants to generate and deliver electricity to customers.

Today, we're becoming a cleaner, leaner and more flexible energy company.

In June 2021, we announced our Clean Energy Plan to end coal use by 2025, dramatically increase the amount of renewable energy we deliver and sharply decrease our environmental footprint.

The 20-year plan will create a brighter energy future for Michigan. Like any change, we expect challenges and sacrifice along the way. The transition will also create new opportunities for our co-workers and the customers and communities we serve.

Partnering to solve these challenges as justly and equitably as possible is key to ensuring everyone benefits and prospers as we transition away from using coal as a fuel source for electricity.



Learn more about our plans and progress inside.



Proven Path Forward

Previous coal plant closings forged smart, empathetic process

Our Clean Energy Plan accelerated our transition away from coal as a fuel source for electricity by 15 years. We retired two coal-fired units at the Karn generating complex near Bay City in 2023 and plan to close the last three units at our Campbell generating complex near Holland in 2025.

As we have in the past, we are supporting the employees and communities affected by early plant retirements by finding new roles for those who want to stay, helping local leaders pursue new economic futures and fulfilling our environmental responsibilities at the sites.

For proof we'll keep our promises, look no further than the progress at the seven coal-fired units we retired in 2016.

Those units, affectionately nicknamed the "Classic Seven," were located at the Weadock (Bay City), Cobb (Muskegon) and Whiting (Luna Pier) plants and closing them was the first significant step in our journey away from coal.

Though it wasn't easy, we're proud of the deliberate, thoughtful and caring way we safely decommissioned the plants while preparing employees and communities for new possibilities.

Our experience helped us create a three-step Just Transition process for the future:

- 1. Commit to fair and equitable treatment of impacted employees.**
- 2. Engage with the impacted communities and stakeholders on a path forward.**
- 3. Implement solutions where we can.**



"They set up all kinds of avenues to lessen the impact on the employee and the families and the communities. You notice a lot in the industry didn't do that. It takes a whole lot of uncertainty out of a person's life knowing that the company you work for has your best interests in mind."

- Bill Johnson
Consumers Energy retiree and former Weadock Plant employee

KARN GENERATING COMPLEX



"Consumers Energy has been a very good corporate citizen. They have put their best foot forward in trying to help us look at the future and what that might mean."

- Roger Bergman
Chair of the Ottawa County Board of Commissioners

"Consumers Energy never walked away. They are still walking hand-in-hand with the community like they have for decades."

- Trevor Keyes
President and CEO of Bay Future, Inc.

OUR CO-WORKERS

There were no forced layoffs when we closed the Karn units in 2023 or the Classic Seven units in 2016 — nor do we expect any at Campbell. With strong support from our union partners, we worked diligently to ensure impacted employees who did not retire and wanted to stay could maintain a role with the company. Some employees chose similar jobs at other generation facilities while others took on new roles and responsibilities in the company. In some cases, the transition required training or additional travel. We value the employees who've operated our coal-fired plants safely and productively to provide electricity for customers for so many years.

New Skills for a Cleaner Energy Future

In 2018, we began a partnership with the Utility Workers Union of America and the Power-4America (P4A) trust to develop the Renewables Specialist Apprenticeship program.

The apprenticeship program's goal is designed to develop a skilled workforce in house to support the renewable generation assets as we add clean energy to our portfolio. So far, nine apprentices have completed the program and are now helping operate and maintain our wind farms and Solar Gardens facilities.

The apprentice program takes approximately 2.5 years to complete the classroom and in the field training. The Renewables Specialist Apprentice Program has been accredited by the U.S. Department of Labor, with coordination through the UWUA P4A Team to achieve this accreditation.

Classes in the RS-Apprentice program are taught through a combination of resources including Learning and Development professionals and qualified union instructors.

We also offer a Solar/Battery Technician program that allows employees to get to the field more quickly or transition to pursue a full apprenticeship.



Purpose and Possibility

Frank Rand worked most of his first 19 years with Consumers Energy as a senior environmental analyst at the Whiting Plant near Monroe — an aging, coal-fired plant retired in 2016. For him, the plant closing was "almost like losing a member of the family."

Rand now works out of our South Monroe Service Center and is responsible for helping maintain environmental compliance at our natural gas compressor stations on the east side of the state.

"When I started, coal was still on top and was the cheapest (fuel source)," he said. "That's not the case anymore. We've made huge strides in advancing wind and solar and the battery storage will help. We're going in the right direction."



OUR COMMUNITIES

Our Karn, Campbell and Classic Seven plants were and are woven into the fabric of daily life in their host communities and their surrounding regions. They've produced the affordable, reliable electricity that powered Michigan's progress for decades. That bond doesn't end when the plants shut their doors for the final time. We've communicated clearly and openly about our plans and helped local officials to re-imagine their economic futures — an effort that continues today.

New Economic Possibilities for Former Plant Sites

Decommissioning the former Classic Seven plants at each of the three sites was a massive job — but one that prepared us well for the work ahead at the Karn and Campbell generating complexes.

We've finished environmental abatement, dismantlement and demolition of the former Weadock Plant in Hampton Township near Bay City and we're exploring the potential to locate battery storage at the site.

Meanwhile, Forsite Development, Inc. — which bought the Cobb and Whiting sites in 2017 — safely completed work at both plants and the properties are moving toward redevelopment. Forsite sold the 115-acre site to the Verplank Dock, Co., a Michigan-based port terminal operator consolidating its operations. The site of the former Whiting Plant in Luna Pier has also been prepared for redevelopment for new uses.

Now, we're using our Classic Seven experience to fulfill our responsibilities at the Karn and Campbell complexes and transform the sites for future uses safely, efficiently and cost-effectively.

At Karn, which neighbors the former Weadock site at the mouth of Saginaw

CAMPBELL GENERATING COMPLEX



Bay, we're in the early stages of developing an 85-megawatt solar power plant. By siting solar, Karn would build on its legacy of providing reliable energy in an affordable, more sustainable way.

Units 3 and 4 at the Karn complex, which run on natural gas and fuel oil, are scheduled to retire in 2031 — at the end of their design lives. The plants are generally used to meet peak demand and will continue to play a key role in ensuring electric reliability for customers throughout the state.

We're currently working together with the community to talk about the future used of the Campbell site. It's important for us to continue to commit to provide clean and affordable energy in Michigan, so our plans will incorporate that mission. This includes making sure we meet Michigan's future energy needs.



Striving to be Good Neighbors

Reaching our goals requires building wind and solar generation facilities in Michigan or buying electricity generated from projects developed by others.

In either case, we are committed to operating as good corporate neighbors and working with landowners and local communities to select the optimal locations, communicate clearly about project plans and benefits and minimize impact to the environment.

Once wind farms and solar projects begin operating, we maintain and operate our facilities according to the highest safety and environmental standards and continue to abide by local regulations.

In addition to the environmental benefits, wind and solar projects help fund education and critical basic services, and provide an ongoing revenue source for participating landowners, including many in the agricultural community.

Existing Generation Assets Ensure Future Reliability

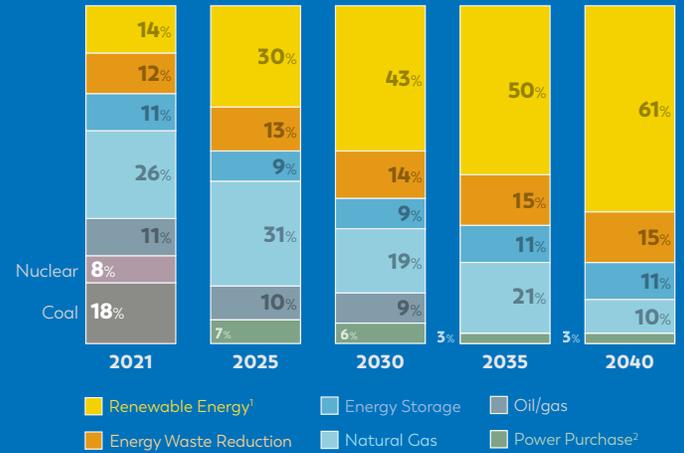
Our Clean Energy Plan included the purchase of the Covert Generating Station, a 1,200-megawatt, natural gas-fueled facility we began operating in June 2023. The Covert plant was already operating in Michigan, so adding it to our generating portfolio does not create new or additional emissions.

Along with our current natural gas power plants in Zeeland and Jackson, Covert is supplying reliable, on-demand electricity to meet Michigan's energy needs when renewables and other sources are not available.

Collectively, these gas plants are foundational for our strategy to eliminate carbon and pollutants for Michigan by 2025, creating an immediate positive impact for the planet. Our plan then gradually reduces natural gas to just 10 percent of our electric capacity by 2040 (see chart right).

Burning natural gas for energy results in fewer emissions of nearly all types of air pollutants and carbon dioxide (CO₂) than burning coal or petroleum products to produce an equal amount of energy, according to the U.S. Energy Information Administration.

Electric Capacity by Fuel Source MW



- Does not include renewable energy credits.
- Fuel sources will vary and dependent on competitive solicitation from sources located in Michigan's Lower Peninsula.

THE ENVIRONMENT

The transition from coal to renewable power will have significant air quality benefits for Michigan's residents. Over the next two decades, our Clean Energy Plan will:

- Reduce CO₂ emissions by more than 73 million tons. That's the equivalent of taking 12.4 million passenger vehicles off the road for one year.
- Dramatically reduce emissions by criteria pollutants such as sulfur dioxide, nitrogen oxides (NO_x), mercury and particulate matter.
- Avoid more than 220 billion gallons of water usage from our system each year.
- Avoid more than 3 million cubic yards of coal ash waste from our system.
- Add thousands of megawatts of wind and solar energy through 2040.



Protecting Pollinators

We planted 15 acres of new habitat for bees, butterflies and other pollinators at the site of the former Weadock plant on the Saginaw River. We've also helped Michigan's environment by planting hundreds of acres of pollinator seed mix around solar panels, among wind turbines and along natural gas pipeline routes. Populations of pollinators, which require spaces with vegetation and flowering plants, are declining around the world due to habitat loss.



Leaving It Better

We've worked with the Muskegon Environmental Redevelopment Group (MERG) to close the coal ash ponds previously used by the Cobb Plant in Muskegon. MERG has excavated the coal combustion residuals (CCR) materials, conducted environmental sampling to ensure the CCR was removed and planted grass on the berms of the ash ponds, which eventually will return to wetlands on the shores of Muskegon Lake. In the meantime, MERG will continue to monitor the site and the ground water quality.



Solar for All

To help deliver the benefits of solar energy more equitably, we've launched a new "Sunrise" component of our Solar Gardens program, allowing community action agencies and nonprofit organizations to subscribe to solar gardens on behalf of income-qualified customers. The program also provides credits on their utility bills.

Learn more at:

ConsumersEnergy.com/SolarGardens



Learn more about our plans to lead Michigan's clean energy transformation at ConsumersEnergy.com/Change