

Consumers Energy

Don't Count on Us

The Darker Side of Consumers Energy:

Extracting Profits, Causing Harm,
and Damaging Democracy

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I. Introduction

Consumers Energy, the primary business of CMS Energy, is the second-largest utility corporation in Michigan by customers, providing electric service to 1.8 million and gas service to 1.7 million people.¹ Consumers Energy, like other investor-owned utilities (IOUs), is ultimately concerned with extracting the most profits for its investors and shareholders to whom the company answers. It is clear to Michigan residents that IOUs, like Consumers Energy, will not protect their interests in providing clean, reliable, and affordable energy to Michigan residents without policy interventions and regulation from our government. This report aims to shed light on some of the most problematic aspects of Consumers' practices that cause financial and health harm to Michigan residents and our planet. This information includes: who Consumers' major shareholders are, the sky-high compensation of board of directors and executive leadership, the strategic direct campaign donations Consumers gives to our legislators, and the influence of its shadowy dark money group on our state politics and our livelihoods. This report is loosely modeled after We the People Michigan Action Fund's report on DTE Energy, *The Public's Case Against DTE Energy*.² In the statewide fight for energy affordability and reliability, and in holding the IOUs accountable, organizers working on this issue have been able to turn to the DTE Energy report to gather critical information to use in key advocacy opportunities against DTE Energy. However, organizers lack similar resources on Consumers Energy. The purpose of this report is to meet this need and make this information more transparent to the public.

The logo for Consumers Energy, featuring the company name in a bold, italicized sans-serif font, enclosed within a thick, black, curved swoosh that starts above the text and ends below it.The slogan "Don't Count on Us" in a bold, italicized sans-serif font. The word "Don't" is contained within a black rectangular box that is tilted slightly to the right, and the rest of the slogan is positioned to the right of this box.

¹ "What We Do." | Consumers Energy. Accessed October 26, 2023. <https://www.consumersenergy.com/company/what-we-do>.

² Hill, Alex B, Bridget Vial, Aly Shaw, Gin Armstrong, and Robert Galbraith. "The Public's Case Against DTE Energy: Extracting Profits, Inducing Health Harms, and Damaging Democracy." We The People Michigan, 2022. <https://wethepeoplemi.org/wp-content/uploads/2022/08/REPORT-The-Publics-Case-Against-DTE-20220613.pdf>

II. Consumers Energy Corporate Profile

Consumers is the primary subsidiary of the holding company CMS Energy, whose other subsidiary is NorthStar Clean Energy (which was named CMS Enterprises until November 2022³), an electric power producer that mainly uses natural gas-fired power plants.⁴ Until 2021, CMS also owned a home improvement lending company called EnerBank.⁵

CMS Energy is a highly profitable corporation, reporting nearly \$3 billion in profits from 2020 through 2022. In that time period, the company paid out more than \$1.5 billion in dividends to its shareholders and inflated the value of owners' shares by buying back \$31 million dollars worth of stock. The biggest beneficiaries of CMS Energy's enormous profits were the company's top shareholders: the asset management firms Vanguard Group, BlackRock, and State Street and the retail and investment banking titan JPMorgan Chase; these four firms collectively own 28.6% of all CMS Energy shares.⁶

The board of directors and top executives of CMS Energy are also major financial beneficiaries of Consumers Energy's activities and drive those activities through their governance roles at the corporation. In 2022, CMS paid \$18.2 million to its top executives, with \$8.71 million of this total going to CEO Garrick Rochow and \$3.05 million in cash and stock to its board of directors.⁷

Profits, dividends, stock buybacks

According to CMS Energy's 2022 annual report to the Securities and Exchange Commission, the

corporation booked nearly \$3 billion in profits from 2020 through 2022, which can be seen in the table below.⁸ The corporation also reported more than \$1.5 billion in dividend payouts to shareholders and \$31 million in stock buybacks that increased the value of each individual share held by the corporation's owners.

Consumers' profits and spending on dividends and stock buybacks from 2020 through 2022 can be seen in the table below.

Table 1. CMS Energy Profits, Dividends and Stock Buybacks, 2020-2022

	2022	2021	2020	Total
Profits (net income)	\$813 million	\$1.33 billion	\$752 million	\$2.895 billion
Dividends	\$546 million	\$509 million	\$467 million	\$1.522 billion
Stock buybacks	\$9 million	\$9 million	\$13 million	\$31 million

Source: CMS Energy Form 10-K (2023)

Corporate Ownership

Like many other investor-owned utility corporations, CMS Energy's largest shareholders are major United States asset management firms. All of CMS Energy's largest owners have other significant investments in the fossil fuel industry. Vanguard, BlackRock, and State Street are three of the largest asset management firms in the world, investing trillions of dollars on behalf of institutional clients such as public pension funds.⁹ JPMorgan Chase is a major retail and

3 "CMS Enterprises Changes Name to Northstar Clean Energy as it Begins to Serve More Corporate Clients," CMS Energy, accessed October 27, 2023, <https://www.cmsenergy.com/investor-relations/news-releases/news-release-details/2022/CMS-Enterprises-Changes-Name-to-NorthStar-Clean-Energy-as-it-Begins-to-Serve-More-Corporate-Clients/default.aspx>.

4 According to CMS Energy's 2022 Annual Report, 980 MW of the total 1,836 MW capacity of NorthStar Clean Energy's portfolio came from natural gas powered plants, 625 MW came from wind power, 128 MW came from wood biomass, 73 MW came from coal power, and 30 MW came from solar power. CMS Energy, Annual Reports on Form 10-K to the Securities and Exchange Commission for the Year Ended December 31, 2022 (filed February 9, 2023), p. 16, from SEC website, https://www.sec.gov/ix?doc=/Archives/edgar/data/811156/000081115623000014/cms-20221231.htm#i0e0b60fe556a424b8287030e13f33f1c_49, accessed October 27, 2023.

5 "CMS Energy Completes Sale of EnerBank USA to Regions Bank," CMS Energy, accessed October 27, 2023, <https://www.cmsenergy.com/investor-relations/news-releases/news-release-details/2021/CMS-Energy-Completes-Sale-of-EnerBank-USA-to-Regions-Bank/default.aspx>

6 CMS Energy, 2023 Combined Proxy Statement (filed March 23, 2023), p. 32, from SEC website, https://www.sec.gov/ix?doc=/Archives/edgar/data/811156/000114036123013253/ny20006384_def14a.htm#tBO, accessed October 27, 2023.

7 CMS Energy, 2023 Combined Proxy Statement (filed March 23, 2023), p. 52.

8 CMS Energy, Annual Reports on Form 10-K to the Securities and Exchange Commission for the Year Ended December 31, 2022 (filed February 9, 2023), p. 88.

9 Seidman, Derek. "The Asset Manager Power Structure and the Climate Crisis," Eyes on the Ties, Public Accountability Initiative, February 2, 2023, <https://news.littlesis.org/2023/02/02/the-asset-manager-power-structure-and-the-climate-crisis/>.

investment bank that is the top fossil fuel financier in the world, according to research by the Rainforest Action Network.¹⁰

Top CMS Energy shareholders, the number of shares they owned, and the value of those shares as of CMS Energy's 2023 proxy statement can be seen in the table below.

Table 2. Top Owners of CMS Energy

Shareholder	Shares Owned	Percentage Ownership	Value of Shares as of March 7, 2023
Vanguard Group	37,398,056	12.8%	\$2.2 billion
BlackRock	27,573,598	9.5%	\$1.6 billion
JPMorgan Chase	18,769,239	6.4%	\$1.1 billion
State Street Corporation	16,511,661	5.7%	\$973 million

Source: CMS Energy DEF 14A (2023) and Yahoo! Financial

CMS Energy Executives

As a publicly traded corporation, CMS Energy is governed by a Chief Executive Officer and a suite of highly-paid executives who run the day-to-day operations, all of whom ultimately answer to a board of directors.

Together, these executives were paid more than \$18 million by CMS Energy in 2022 and own corporate stock worth more than \$43.1 million, which brings in even more income in the form of dividends and increased value as the corporation engages in share buybacks.

The total 2022 compensation for the five highest-paid executives at CMS Energy and their stock holdings can be seen in the table below, with more detail in the following executive profiles.

Table 3. CMS Energy Executive 2022 Compensation & Current Stock Holdings

Executive	2022 Compensation	CMS Energy Shares Owned	CMS Stock Value as of August 24, 2023
Garrick Rochow, President & CEO	\$8,706,194	359,925	\$20.4 million
Rejji Hayes, Executive VP & CFO	\$3,586,679	184,726	\$10.6 million
Brandon Hofmeister, Senior VP	\$1,940,679	62,664	\$3.6 million
Shaun Johnson, Senior VP & General Counsel	\$2,051,110	57,599	\$3.3 million
Brian Rich, Senior VP	\$1,916,706	91,603	\$5.2 million
Total	\$18,201,368	693,853	\$43.1 million

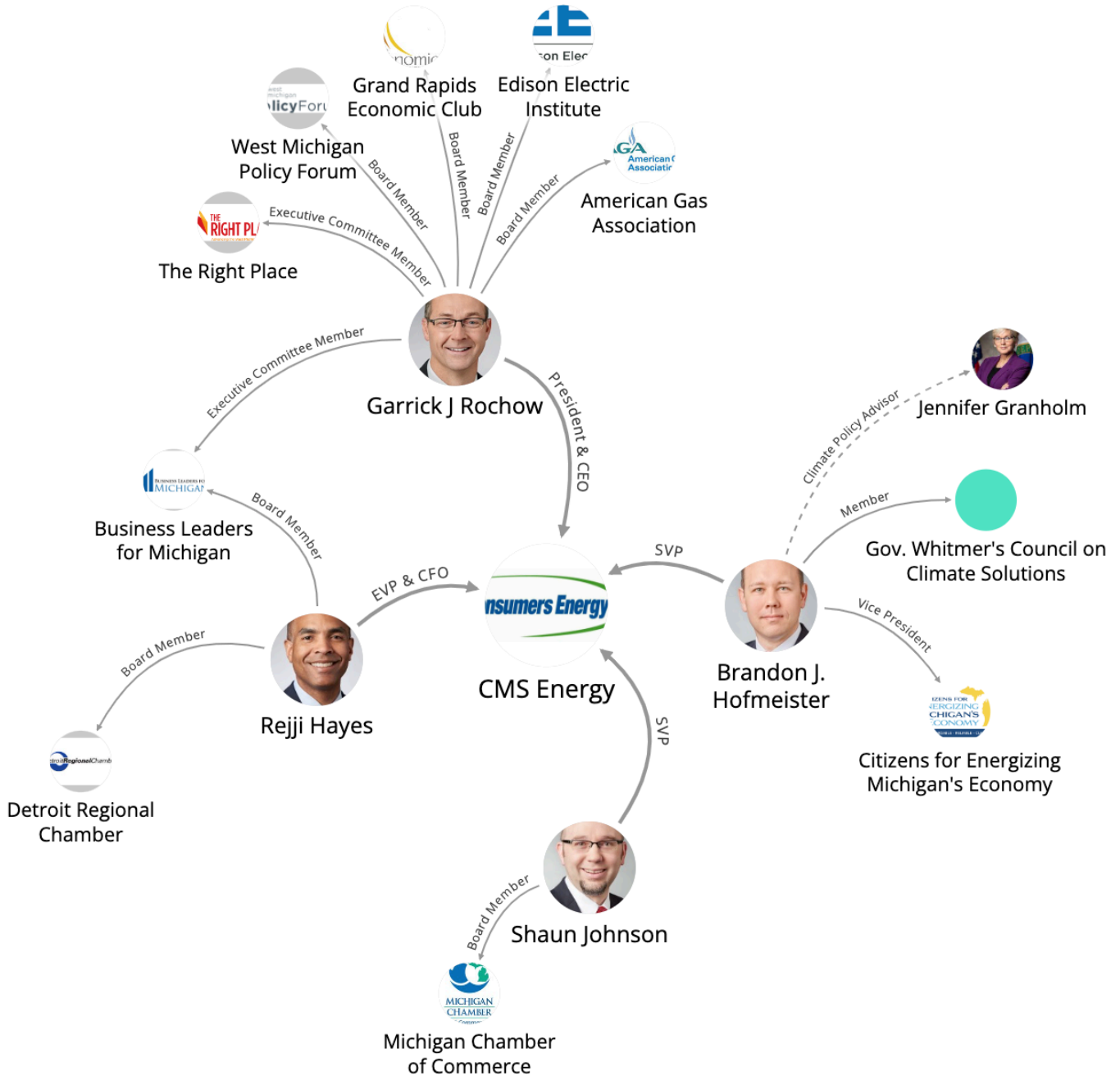
Source: CMS Energy DEF 14A (2023), Forms 4 (2023), and Yahoo! Finance

Several top CMS Energy executives sit on the boards of corporate advocacy organizations and government planning bodies, including the Detroit Regional Chamber; Business Leaders for Michigan; the Michigan Chamber of Commerce; Governor Whitmer's Council on Climate Solutions; and the Consumers Energy dark money group, Citizens for Energizing Michigan's Economy. These positions show the degree to which Consumers is interlocked with Michigan's wider corporate power structure. With governance roles at chambers of commerce and other corporate advocacy organizations, Consumers helps to create the business community's

¹⁰ "Banking on Climate Chaos," Rainforest Action Network, accessed October 27, 2023, <https://www.bankingonclimatechaos.org/>.

wider policy agenda and ensure that private utility profits from the continued burning of fossil fuels is part of that agenda. In the case of Governor Whitmer’s climate council, the presence of a Consumers Energy executive who helps to run the corporation’s political dark money group represents a direct conflict of interest. Other relationships, with nonprofit, educational, or cultural institutions, allow Consumers to launder its reputation by associating itself with public charity.

Some of these executives’ key external relationships can be seen in the following network map, with more details in the executive profiles.



Source: LittleSis

Garrick Rochow, President & CEO

Garrick Rochow has been the President, CEO, and a member of the board of directors of CMS Energy since December 2020.¹¹ Rochow's total compensation from CMS Energy was \$8,706,194 in 2022, a 26.7% increase over his 2021 compensation of \$6,871,068.¹²

Rochow's \$8.7 million compensation in 2022 primarily consisted of a \$1.15 million salary, \$5.27 million in stock awards and \$1.99 million in cash incentives.¹³

Overall, Rochow earned 70.8 times what the median CMS Energy employee earned in 2022.¹⁴

Rochow sits on a number of fossil fuel industry boards of directors, including the natural gas lobbying group American Gas Association, the utility lobbying organization Edison Electric Institute, Business Leaders for Michigan, The Right Place, and West Michigan Policy Forum.¹⁵

Rejji Hayes, Executive Vice President & CFO

Rejji Hayes has been the Executive Vice President and CFO of CMS Energy since May 2017.¹⁶ From 2021 to 2022, Hayes's salary increased by 9.8% from \$700,000 to \$768,836, and his cash incentive award more than doubled from \$442,400 to \$885,699, for a total 2022 compensation of \$3,586,679 in 2022.¹⁷

Hayes is also a member of the board of directors of Fortive Corporation, an industrial conglomerate whose subsidiaries make measuring and testing devices, and the corporate advocacy groups Business Leaders for Michigan and the Detroit Regional Chamber, according to his biography on the CMS Energy website.¹⁸

Brandon Hofmeister, Senior Vice President of Sustainability and External Affairs

Brandon Hofmeister has been the Senior Vice President of sustainability and external affairs at CMS Energy since July 2017. Hofmeister received \$1.94 million in compensation in 2022.

Hofmeister plays a critical role in Consumers Energy's political influence operation. He is a member of the board of directors of Citizens for Energizing Michigan's Economy, a dark money group established by Consumers Energy that has spent millions of dollars on ads attacking renewable energy policies, political messages supporting Consumers' preferred political candidates, and donations to corporate advocacy groups and other non-profit organizations.¹⁹ Hofmeister is also president of the CMS and Consumers' charitable foundations, which the corporation uses to grant money to charities in order to buy good will and launder its reputation.

Hofmeister has also held positions in government. He is currently a member of Michigan Governor Gretchen Whitmer's Council on Climate Solutions, which advises the government in "formulating and overseeing the implementation of the...action plan for this state to reduce greenhouse gas emissions and transition toward

11 CMS Energy, Annual Reports on Form 10-K to the Securities and Exchange Commission for the Year Ended December 31, 2022 (filed February 9, 2023), p. 34.

12 CMS Energy, 2023 Combined Proxy Statement (filed March 23, 2023), p. 52.

13 Ibid.

14 CMS Energy, 2023 Combined Proxy Statement (filed March 23, 2023), p. 65.

15 "Garrick J. Rochow", CMS Energy, accessed October 27, 2023, <https://www.cmsenergy.com/about-cms-energy/leadership/board-of-directors/person-details/default.aspx?ItemId=9fc3ea30-0678-4b14-aa9b-403d92da2c3c>.

16 CMS Energy, Annual Reports on Form 10-K to the Securities and Exchange Commission for the Year Ended December 31, 2022 (filed February 9, 2023), p. 34.

17 CMS Energy, Annual Reports on Form 10-K to the Securities and Exchange Commission for the Year Ended December 31, 2022 (filed February 9, 2023), p. 52.

18 "Officers", CMS Energy, accessed October 27, 2023. <https://www.cmsenergy.com/about-cms-energy/leadership/officers/default.aspx>.

19 Citizens for Energizing Michigan's Economy, Return of Organization Exempt From Income Tax (filed May 3, 2022), p. 7, from ProPublica, <https://projects.propublica.org/nonprofits/organizations/464355362/202211329349300426/full>.

economy-wide carbon neutrality.”²⁰ Hofmeister was previously the energy and climate policy advisor and deputy legal counsel to former Michigan Governor, and current United States Secretary of Energy, Jennifer Granholm.²¹

Additionally, Hofmeister is a member of the Energy Board at the Keystone Policy Center and is the US business representative on the Great Lakes Water Quality Board.²²

Shaun Johnson, Senior Vice President & General Counsel

Shaun Johnson has been the Senior Vice President and General Counsel for CMS Energy and Consumers since May 2019. In 2022, Johnson received \$2,051,110 in total compensation, an increase of 34.4% over his 2021 compensation of \$1,526,361.²³ Johnson also sits on the board of directors of the Michigan Chamber of Commerce, according to his corporate biography.²⁴

Brian Rich, Senior Vice President and Chief Customer Officer

Brian Rich has been Senior Vice President and Chief Customer Officer of CMS Energy since August 2019.²⁵ In 2022, Rich earned \$1,916,706 in total compensation, a 12.6% increase over his 2021 compensation of \$1,701,984. As of March 23, 2023, Rich owned 91,603 shares of CMS Energy stock, which was worth a total of \$5.2 million as of the market’s close on August 24, 2023.²⁶

CMS Energy Board of Directors

While the company’s executives run the day-to-day operations of CMS Energy and set corporate priorities, these executives answer to the company’s board of directors. CMS Energy has a 12-person board of directors drawn primarily from corporate executives, many from the fossil fuel industry. CMS Energy CEO Garrick Rochow is a member of the board of directors along with 11 non-employees. The non-employee directors of CMS Energy were each awarded compensation packages of cash and stock awards worth an average of \$276,909 in 2022, though individual compensation amounts varied, depending on duties and committee assignments.²⁷

Like CMS Energy executives, the board of directors also interlocks with the boards and leadership of a variety of other corporations and cultural and educational institutions, further binding CMS Energy to the political and economic structure of the State of Michigan and the United States.

The non-employee directors of CMS Energy, their compensation and stock holdings in the company, as well as their other corporate positions and significant roles at other institutions, can be seen in the table on the next page.

20 “Council on Climate Solutions”, Department of Environment, Great Lakes, and Energy, accessed October 27, 2023, <https://www.michigan.gov/egle/about/groups/council-on-climate-solutions>.

21 “Officers”, CMS Energy.

22 Ibid.

23 CMS Energy, 2023 Combined Proxy Statement (filed March 23, 2023), p. 52.

24 “Officers”, CMS Energy.

25 CMS Energy, Annual Reports on Form 10-K to the Securities and Exchange Commission for the Year Ended December 31, 2022 (filed February 9, 2023), p. 35.

26 “CMS Energy”, Yahoo! Finance, accessed October 27, 2023, <https://finance.yahoo.com/quote/CMS/history?p=CMS>.

27 CMS Energy, 2023 Combined Proxy Statement (filed March 23, 2023), p. 31.

Table 4. CMS Energy Non-Employee Directors

Board Member	2022 CMS Energy Compensation ²⁸	CMS Energy Shares Owned	CMS Stock Value as of August 24, 2023 ²⁹	Other Positions
John Russell, Board Chair	\$451,000	188,899 ³⁰	\$10.7 million	Former President and CEO, CMS Energy Board member, Hubbell Incorporated Board member, Grand Valley University Board member, Russell Family Foundation ³¹
Jon Barfield	\$290,000	13,982 ³²	\$793,338	President & CEO, LJ Holdings Investment Company LLC ³³
Deborah Butler	\$280,000	29,096 ³⁴	\$1.65 million	Former Executive Vice President, Norfolk Southern Company Board Chair, Patriot Rail Company LLC Board Member, Ports America ³⁵
Kurt Darrow	\$295,000	34,451 ³⁶	\$1.95 million	Former Chairman, President & CEO, La-Z-Boy Former Board Member, Business Leaders of Michigan Former Board Member, ProMedica ³⁷
William Harvey	\$305,000	48,100 ³⁸	\$2.73 million	General Partner, Shade Tree Investments Former Chairman & CEO, Alliant Energy Corporation ³⁹
Ralph Izzo	<i>Appointed in 2023, compensation unavailable</i>	2,635 ⁴⁰	\$149,509	Board Member, Bank of New York Mellon ⁴¹ Board Member, Ovintiv ⁴² Board Member, TerraPower ⁴³ Advisory Committee Member, Department of Energy Fusion Energy Sciences ⁴⁴
Suzanne Shank	\$280,000	72,508 ⁴⁵	\$4.11 million	President & CEO, Siebert Williams Shank & Co., LLC Board Member, Rocket Companies Board Member, White Mountains Insurance Group Board Member, Detroit Regional Chamber Board Member, Kresge Foundation ⁴⁶
Myrna Soto	\$280,000	30,272 ⁴⁷	\$1.72 million	Founder and CEO, Apogee Executive Advisors Board Member, Popular Inc. Board Member, Spirit Airlines Board Member, TriNet Inc. ⁴⁸
John Sznewajs	\$295,000	27,002 ⁴⁹	\$1.53 million	Partner, Shore Capital Board Member, Detroit Zoological Society Board Member, Teach for America – Detroit ⁵⁰
Ronald Tanski	\$275,000	11,897 ⁵¹	\$675,035	Board Member (former President & CEO), National Fuel Gas Corporation ⁵²
Laura Wright	\$295,000	38,097 ⁵³	\$2.16 million	Former Senior Vice President of Finance & CFO, Southwest Airlines Board Member, TE Connectivity Ltd. Board Member, Spirit AeroSystems Holdings, Inc. Board Member, Joby Aviation Inc. ⁵⁴

Source: CMS Energy DEF 14A (2023), Forms 4 (2023), and Yahoo! Finance

- 28 Ibid.
- 29 “CMS Energy,” Yahoo! Finance.
- 30 Russeell, John G. Statement of Changes in Beneficial Ownership (filed May 8, 2023), from SEC website, https://www.sec.gov/Archives/edgar/data/1180661/000081115623000051/xslF345X04/wf-form4_168357902485505.xml.
- 31 “Board of Directors,” CMS Energy, accessed October 27, 2023, <https://www.cmsenergy.com/about-cms-energy/leadership/board-of-directors/default.aspx>.
- 32 Barfield, Jon E. Barfield. Statement of Changes in Beneficial Ownership (filed August 16, 2023), from SEC website, https://www.sec.gov/Archives/edgar/data/1181676/000081115623000068/xslF345X05/wk-form4_1692190373.xml.
- 33 “Jon E. Barfield,” CMS Energy, accessed October 27, 2023, <https://www.cmsenergy.com/about-cms-energy/leadership/board-of-directors/person-details/default.aspx?ItemId=818a3abc-0cd8-41fe-ba22-906f0654785f>.
- 34 Butler, Deborah H. Statement of Changes in Beneficial Ownership (filed May 8, 2023), from SEC website, https://www.sec.gov/Archives/edgar/data/1401687/000081115623000049/xslF345X04/wf-form4_168357897929761.xml.
- 35 “Board of Directors,” CMS Energy.
- 36 Darrow, Kurt L. Statement of Changes in Beneficial Ownership (filed May 8, 2023), from SEC website, https://www.sec.gov/Archives/edgar/data/1263270/000081115623000053/xslF345X04/wf-form4_168357905584727.xml.
- 37 “Board of Directors,” CMS Energy.
- 38 Harvey, William D. Statement of Changes in Beneficial Ownership (filed May 8, 2023), from SEC website, https://www.sec.gov/Archives/edgar/data/1209101/000081115623000058/xslF345X04/wf-form4_168357914892302.xml.
- 39 “Board of Directors,” CMS Energy.
- 40 “Ralph Izzo, Statement of Changes in Beneficial Ownership (filed May 16, 2023), from SEC website: https://www.sec.gov/Archives/edgar/data/1257451/000081115623000062/xslF345X04/wk-form4_1684267155.xml.
- 41 “Ralph Izzo,” Bank of New York Mellon, accessed October 27, 2023, <https://www.bnymellon.com/us/en/investor-relations/corporate-governance.html>.
- 42 “Corporate Governance,” Ovintiv, accessed October 27, 2023, <https://www.ovintiv.com/governance/>.
- 43 “Ralph Izzo,” Terra Power, accessed October 27, 2023, <https://www.terrapower.com/people/ralph-izzo/>.
- 44 “Board of Directors,” CMS Energy.
- 45 Shank, Suzanne E. Statement of Changes in Beneficial Ownership (filed June 15, 2023), from SEC website, https://www.sec.gov/Archives/edgar/data/1713197/000180528423000042/xslF345X04/wk-form4_1686859903.xml.
- 46 “Board of Directors,” CMS Energy.
- 47 Soto, Myrna. Statement of Changes in Beneficial Ownership (filed May 8, 2023), from SEC website, https://www.sec.gov/Archives/edgar/data/1631411/000081115623000055/xslF345X04/wf-form4_168357909089844.xml.
- 48 “Board of Directors,” CMS Energy.
- 49 Sznawajs, John G. Statement of Changes in Beneficial Ownership (filed May 8, 2023), from SEC website, https://www.sec.gov/Archives/edgar/data/1333724/000081115623000052/xslF345X04/wf-form4_168357903966785.xml.
- 50 “Board of Directors,” CMS Energy.
- 51 Tanski, Ronald J. Statement of Changes in Beneficial Ownership (filed May 8, 2023), from SEC website, https://www.sec.gov/Archives/edgar/data/1209940/000081115623000056/xslF345X04/wf-form4_168357911012876.xml.
- 52 “Board of Directors,” CMS Energy.
- 53 Wright, Laura. Statement of Changes in Beneficial Ownership (filed May 8, 2023), from SEC website, https://www.sec.gov/Archives/edgar/data/1297907/000081115623000054/xslF345X04/wf-form4_168357907373608.xml.
- 54 “Board of Directors,” CMS Energy.

III. Extracting Profits and Causing Harm: Consumers Energy Shut-offs, Outages, Rate Hikes, and Public/Environmental Health

A. Shut-offs

In 2020, 34 states directed utilities to stop shutting off customers' service due to the wave of economic hardship caused by the coronavirus pandemic. However, Michigan chose not to adopt such requirements, opting instead for voluntary suspensions enacted by the state's utility providers.⁵⁵ Consumers Energy had an eight-month shut-off moratorium through October 2020. However, since then, the utility has returned to swiftly disconnecting electricity accounts.

“In 2022, Consumers disconnected accounts

125,172

times for non-payment.”

In 2022, Consumers disconnected accounts 125,172 times for non-payment. This is the highest number of shutoffs that Consumers has had in years and reflects a 40% increase from 2021.⁵⁶ Disconnected customers are forced to provide a deposit before getting reconnected, which under Michigan regulations, can equal up to twice a customer's average monthly bill.⁵⁷ Utility shut-offs have wide-ranging impacts on communities, jeopardizing public health and safety, exacerbating existing inequalities, and hindering community well-being. Addressing these issues requires a combination of policy measures, community support, and collaborative efforts to

ensure that everyone has access to essential utilities.

B. Rate Hikes

In the last few years, Michiganders' household energy expenditures have become among the highest in the nation.⁵⁷ One major reason for this stark increase is 2016 energy legislation that shifted much of the cost burden from large industrial and commercial users to individual residential customers.⁵⁸

Based on figures from 2020, Consumers Energy's price of electricity was the third highest for residential customers out of the seven Michigan investor-owned electric utilities.⁵⁹ Each year, Michigan's utility companies request rate hikes from the Michigan Public Service Commission (MPSC), the state's regulatory agency for public utilities. From 2020 to 2022, Consumers Energy requested a total electricity rate increase of \$741 million from the Michigan Public Service Commission, of which \$277.4 million was approved. Most recently, in May of 2023, the utility company requested an additional \$216 million increase in revenue collection, translating to a price increase of 3.3% for residential customers.⁶⁰

The utility claims the company reinvests its excess funds to address reliability and infrastructure concerns.⁶¹ Despite these “investments”, issues with Consumers' grid have only grown in recent years. In July 2023, the MPSC launched an investigation into the utility company after increasing complaints from customers who noticed that their meters were malfunctioning and not accurately reflecting their energy usage, resulting in abnormally high bills and false meter readings.⁶² Consumers Energy customer

55 Alvarez, Sarah. “Lights Out: Profitable Utility Company Shut Off Electricity to Homes Hundreds of Thousands of Times.” ProPublica, March 18, 2022. <https://www.propublica.org/article/lights-out-profitable-utility-company-shut-off-electricity-to-homes-hundreds-of-thousands-of-times#:~:text=The%20analysis%20by%20ProPublica%20and%20Outlier%20found%20that%20from%20April,%20the%20preponderance%20are%20residential.>

56 U-20757 (Michigan Public Service Commission April 15, 2020).

57 “Utility Performance Report.” Citizens Utility Board of Michigan, 2020. https://www.cubofmichigan.org/utility_performance_report_2021_edition.

58 Perkins, Tom. “DTE Energy, Other Michigan Utilities Capture Pandemic Windfall.” Planet Detroit, March 25, 2021. [https://planetdetroit.org/2021/03/dte-energy-other-michigan-utilities-capture-pandemic-windfall/.](https://planetdetroit.org/2021/03/dte-energy-other-michigan-utilities-capture-pandemic-windfall/)

59 “Utility Performance Report.” Citizens Utility Board of Michigan, 2022. https://www.cubofmichigan.org/utility_performance_report_2022_edition.

60 “Rate Cases.” Citizens Utility Board of Michigan. Accessed October 25, 2023. https://www.cubofmichigan.org/michigan_rate_cases.

61 Totoraitis, Bret. Letter to Michigan Public Service Commission. “Case No. U -20932 : In the Matter of the Application of Consumers Energy Company for Approval of a One- Time Voluntary Refund of Revenue.” Lansing, Michigan, February 26, 2021.

62 Slagter, Martin. “State Investigating Consumers Energy over Malfunctioning Meters, Potential Overbilling.” Mlive, July 7, 2023. [https://www.mlive.com/news/jackson/2023/07/state-investigating-consumers-energy-over-malfunctioning-meters-potential-overbilling.html.](https://www.mlive.com/news/jackson/2023/07/state-investigating-consumers-energy-over-malfunctioning-meters-potential-overbilling.html)

Theresa Robinson expressed her concerns, “I don’t understand why, if your equipment was faulty, why I should be responsible? Because this is a tremendous amount of money. And I can’t afford it.”⁶³

Additionally, a very small amount of Consumers’ excess funds is dedicated to assistance programs. In fact, according to a study of major utility companies by the University of Michigan, Consumers Energy has consistently ranked as the bottom performer when it comes to equitable utility investments relative to the low-income population within its service area.⁶⁴ Additionally, a Michigan-based coalition of environmental justice organizations gave Consumers’ Integrated Resource Plan a grade of D+ in ensuring affordable energy for all consumers, highlighting the company’s lack of equity programs that would help overburdened communities access clean energy and lower disproportionately high utility bills.⁶⁵

Community organizations like the Citizens Utility Board of Michigan, Michigan Environmental Council, We the People Action Fund (WTPAF), Urban Core Collective, Michigan Environmental Justice Coalition (MEJC), and Sierra Club have campaigned on behalf of Michiganders throughout these utility rate cases, advocating for fair rate increases, cost-effective investments into the distribution grids, as well as plans for distribution grid investments to be tied to performance-based regulation.⁶⁶

C. Outages

On average, Michigan customers experienced over 14 hours of electric power interruptions in 2021, compared to the national average of just 7 hours.⁶⁷ According to the Michigan Public Service

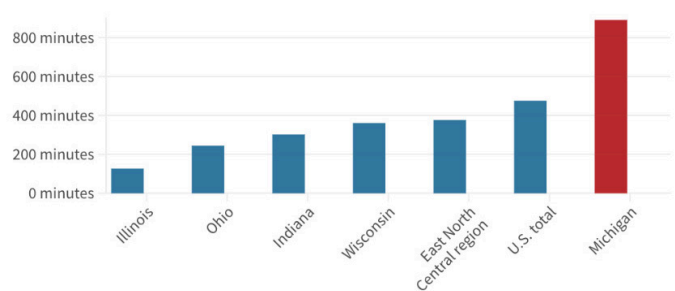
Commission’s reporting on major utility outages, in 2022 Consumers Energy had 723,222 total outages, almost double that of DTE.⁶⁸

Table 5. 2022 Consumers Energy Outages

Date of Major Outage (2022)	Total Outages
3/31	44,000
4/14	62,983
5/20	28,000
6/15	67,000
7/23	94,000
8/4	84,000
8/29	197,000
11/5	146,239

The minutes of electric interruptions in 2021 the average customer experienced

All major events that affected customers’ electricity service for more than 5 minutes.



Source: U.S. Energy Information Administration, Annual Electric Power Industry Report, using IEEE • Note: The outage frequency and duration numbers cover 93.2% of Michigan customers whose electricity suppliers report data to the EIA.

A severe midwestern ice storm during the winter of 2023 left 1 in 7 Consumers’ customers without power.⁶⁹ Whereas, in Indiana, only 1 in 200 people lost power. In response, Consumers Energy offered a measly one-time \$25 credit to homes that went without power for five days.

63 Tinker, Charlie. “Where Am I Going to Get This Money?’: More Consumers Energy Customers Concerned after Receiving Bills They Can’t Pay.” ABC 13, July 18, 2023. <https://www.wzzm13.com/article/news/investigations/help-team/consumers-energy-customers-concerned-after-receiving-bills-they-cant-pay/69-904db351-7907-41fa-99ea-ac099dc31948>.

64 Reames, Tony, Ben Stacey, and Michael Zimmerman. A Multi-State Analysis of Equity in Utility-Sponsored Energy Efficiency Investments for Residential Electric Customers, April 1, 2019. <https://poverty.umich.edu/publications/a-multi-state-analysis-of-equity-in-utility-sponsored-energy-efficiency-investments-for-residential-electric-customers/>.

65 <https://www.powerupmi.org/consumers-report-card/>.

66 “Consumers Energy to Raise Electric Rates, but by Much Less than Expected.” Citizens Utility Board of Michigan, December 27, 2021. https://www.cubof-michigan.org/consumers_energy_to_raise_electric_rates_but_by_much_less_than_expected.

67 “U.S. Electricity Customers Averaged Seven Hours of Power Interruptions in 2021.” U.S. Energy Information Administration (EIA), November 14, 2022. <https://www.eia.gov/todayinenergy/detail.php?id=54639#:~:text=Customers%20in%20Louisiana%2C%20Oregon%2C%20Texas,power%20interruptions%2C%20followed%20by%20Texas>.

68 “Customer Outage History.” SOM - State of Michigan, 2023. <https://www.michigan.gov/mpsc/consumer/electricity/customer-outage-history>.

69 May, Samantha. “Ice Storm Knocks out Power to over 52k Consumers Energy Customers.” WWMT, February 22, 2023. <https://wwmt.com/news/local/ice-storm-power-outage-consumer-energy-report-kalamazoo-michigan-winter-weather-forecast>.

Michigan Majority Floor Leader, Aiyash (D-Hamtramck) emphasized this discrepancy, explaining, “We have the same storms that Wisconsin, Minnesota, Indiana, Illinois, and Ohio have faced, yet DTE and Consumers residents seem to have longer outages, more frequent outages, and we pay some of the highest rates in the nation, and definitely the highest rates in the Midwest”.⁷⁰

“A severe midwestern ice storm during the winter of 2023 left

1 in 7

Consumers’ customers without power.”

In response to the public backlash, the MPSC implemented specific adjustments to regulations related to outages. For example, they decided to shorten the time frame within which utilities are required to restore service to 90% of customers during severe outages, reducing it from 60 hours to 48 hours.⁷¹

The reliability of service is an increasingly important issue as climate change intensifies the number and severity of extreme weather events. If Consumers continues operations as it has, failing infrastructure and corporate greed will continue to drive significant outages, leaving Michiganders without access to needed electricity.

D. Public Health and the Planet

Consumers’ long use of coal-fired power plants has fueled the climate crisis and put public health and safety at risk. The company’s J. H. Campbell

Coal Plant has the highest carbon dioxide pollution (CO₂) of any Consumers Energy plant, emitting 8.2 megatons of CO₂—equivalent to the Greenhouse gas pollution from 1.8 million Michigan passenger vehicles.⁷² Additionally, the power plant’s particulate matter emissions contribute to 36-82 premature deaths annually, as well as up to \$879 million in healthcare costs related to respiratory and cardiovascular illnesses.⁷³



The Consumers Energy J. H. Campbell Coal Plant

Similarly, the utility company’s placement of a large wood-fired power plant operating outside of Flint, Michigan, has polluted the air of a predominantly minority and low-income community since 1992, releasing toxins such as lead, carbon monoxide, and nitrogen dioxide.⁷⁴

Due to increasing backlash and new government regulations, in Consumers’ 2021 Clean Energy Plan, the company pledged to close all of its remaining coal-burning plants by 2025 and achieve net-zero emissions by 2050. This scored praise from many environmental activists as a more comprehensive energy transition plan compared to their competitor, DTE.^{75,76}

However, Consumers’ plans to eradicate coal production and achieve “net zero” emissions rely on

70 Just, Rachel Louise. “Lawmakers Demand Accountability for Energy Companies after 820,000 Left without Power.” WWMT, February 27, 2023. <https://wwmt.com/news/state/lawmakers-michigan-accountability-energy-companies-consumers-dte-820000-power-outage-aiyash-nessel-ice-storm-credit-bills-weather-electric#>.

71 McWhirter, Sheri. “Michigan Utilities Will Need to Restore Power Faster under Proposed State Rules.” Mlive, March 22, 2023. <https://www.mlive.com/public-interest/2023/03/michigan-utilities-will-need-to-restore-power-faster-under-proposed-state-rules.html>.

72 Slaughter, Derrell E. “Time to End Consumers Energy’s Use of Coal.” NDRD, April 13, 2022. <https://www.nrdc.org/bio/derrell-e-slaughter/time-end-consumers-energys-use-coal>.

73 Kearney, Margrethe. Letter to Michigan Public Service Commission . “Direct Testimony on Behalf of The Environmental Law & Policy Center, Ecology Center, The Union of Concerned Scientists and Vote Solar.” Grand Rapids, Michigan, October 28, 2021.

74 Kelly, Liam. Rep. Environmental Justice Case Study: An Incinerator in Flint, Michigan, December 8, 2008. <http://websites.umich.edu/~snre492/Jones/flint.htm>.

75 “2021 Clean Energy Plan .” Consumers Energy, 2021. <https://www.consumersenergy.com/-/media/CE/%20Documents/company/IRP-2021.ashx>.

76 “Dirty Truth 2.0 - How Do Michigan Utilities Stack Up?,” Sierra Club, October 3, 2022, <https://www.sierraclub.org/michigan/blog/2022/10/dirty-truth-20-how-do-michigan-utilities-stack>.

an expansion of their natural gas energy production.⁷⁷ Despite Consumers' claims, natural gas is far from a clean energy source. The primary component of natural gas is methane, an extremely potent GHG that is responsible for more than 25% of global warming. Methane traps significantly more heat in the atmosphere per molecule than carbon dioxide (CO₂), making it 80 times more harmful than CO₂ for 20 years after it is released.⁷⁸

through massive investments in renewable energy infrastructure.

As of Summer 2023, Consumers is constructing a \$550M natural gas pipeline spanning Clinton, Ingham, Livingston, Shiawassee, and Washtenaw counties.⁷⁹ Consumers project manager, Juliet Matko, explained that, *"The existing pipeline was reaching the end of its useful life, and even with Consumers' clean energy plan it needed to be upsized for reliability in delivering natural gas to customers."*⁸⁰ Additionally, in June of 2023, the utility company bought the 1200-MW natural gas-fired Covert plant for \$815M. The Covert plant is the 8th largest source of fossil fuel emissions in Michigan, releasing more than 2.7 million metric tons of carbon in 2021. In fact, Consumers plans to provide only about 50% of its power from clean, renewable sources such as wind and solar.

While it's true that Consumers Energy has made important climate pledges, promising to address its carbon footprint, these commitments are a missed opportunity for substantial investment in mass-scale renewable and pollution-free energy infrastructure. By neglecting the potential for investing in renewable energy sources like solar, wind, and hydroelectric power on a grand scale, they are failing to seize a pivotal moment to lead the energy sector towards a greener, more sustainable future.

To address the urgency of climate change, companies like Consumers Energy must be bolder in their commitments and demonstrate a steadfast dedication to reducing their carbon footprint

77 Samilton, Tracy. "Consumers Energy Pledges to Achieve Net Zero Carbon Emissions from Natural Gas by 2050." Michigan Radio, March 31, 2022. <https://www.michiganradio.org/environment-climate-change/2022-03-31/consumers-energy-pledges-to-achieve-net-zero-carbon-emissions-from-natural-gas-by-2050>.

78 "What's the Deal with Methane?" UNEP, October 18, 2022. <https://www.unep.org/news-and-stories/video/whats-deal-methane#:~:text=It%20is%20responsible%20for%20more,years%20after%20it%20is%20released>.

79 Galford, Chris. "MPSC Greenlights \$550M Mid-Michigan Pipeline by Consumers Energy." Daily Energy Insider, November 23, 2020. <https://dailyenergyinsider.com/news/28092-mpsc-greenlights-550m-mid-michigan-pipeline-by-consumers-energy/>.

80 Larson, Lucas. "From Turtle Rescues to Trenches: How Consumers Energy Is Constructing a \$550M Pipeline in Michigan." Mlive, June 11, 2023. <https://www.mlive.com/news/ann-arbor/2023/06/from-turtle-rescues-to-trenches-how-consumers-energy-is-constructing-a-550m-pipeline-in-michigan.html>.

IV. Damaging Democracy

A. Direct Campaign Donations

Consumers Energy along with its parent corporation, CMS Energy,⁸¹ donates money to influential Michigan state legislators to advance its policy agenda and evade accountability from the public and the customers it claims to serve. According to a campaign contribution analysis conducted by the Energy and Policy Institute (EPI) in May 2023, CMS Energy’s political action committee, CMS Energy Corporation Employees for Better Government,⁸² and CMS employees⁸³ made direct campaign contributions to **113 out of 148** current Michigan state legislators (110 House and 38 Senate members), which is about 3 out of 4 members of the current state legislature. In this section, this category of contributions from CMS PAC and employees to the legislators will be referred to as direct donations from CMS.

As of May 2023, Michigan’s 102nd (2023–2024) state legislature received **\$601,240** in direct donations from CMS PAC and its employees/lobbyists. This amount is only over the lifetime of the individual legislators in the 2023–2024 legislative body, and, although not covered in this report, CMS has also poured money into direct contributions to members of the previous legislatures. Although the Michigan Senate constitutes about one third of the entire state legislature, CMS contributed **\$350,996**—almost 60%—of its direct donations to current Senate members. This staggering percentage is not a mere accident. The Senate is mainly composed of members who have been in the Michigan Legislature for more years than their House colleagues. For this reason, Senate members generally have had more time to network and leverage relationships in and out of the legislature, allowing them to accrue more power and influence over state policies. CMS uses this knowledge to its strategic advantage, heavily funding those with major influence

in our state politics.

On the other hand, the majority of those who didn’t receive contributions from CMS, as of May 2023, are first-timers in the Michigan Legislature. In the Michigan State Senate, 3 members hadn’t received contributions from CMS. Whereas, in the Michigan State House, 32 members hadn’t received contributions from CMS; of these numbers, 29 were first-time members in the Michigan Legislature. Among the 3 House members who have served in the Michigan Legislature, but haven’t received donations from CMS, is State Representative Abraham Aiyash. Rep. Aiyash has been outspoken about holding utilities accountable and is a fierce advocate for clean, reliable, and sustainable energy. Aiyash has continuously rejected utility corporations’ contributions, including from DTE Energy. As a result of the 2022 Michigan elections, creating the first Democratic trifecta in state government in 40 years, and key wins on progressive ballot measures, the 2023–2024 first-time member class as a whole is more willing to stand up and speak out to hold investor-owned utilities (IOUs) like CMS accountable.

In 2023, Michigan residents affected by frequent power outages, alongside a coalition of organizations working towards affordable, reliable, green, and people-owned energy,⁸⁴ pushed for hearings in both the House and Senate Energy Committees around energy accountability. The March 2023 hearings included questions about DTE and CMS’s high energy rates, unreliable grids, inadequate grid investments, and frequent and long preventable power outages. For instance, in February of 2023, almost **800,000** Michiganders⁸⁵ were out of power for up to 5 days for many, and 10 days for some. This outage event was just days after DTE had celebrated record profits of

81 Consumers Energy and its parent corporation CMS Energy collectively will be referred to as “CMS” in this section

82 Shortened to “CMS PAC”

83 CMS employees in this analysis only includes those in executive positions and lobbyists for both Consumers Energy and its parent corporation CMS Energy

84 The coalition includes We the People Action Fund (WTPAF), Michigan Environmental Justice Coalition (MEJC), Michigan United (MU), Detroit Action (DA), and Souladarity, among others.

85 Fernandez, Roshan. “Hundreds of Thousands Are Without Power as Major Winter Storm Blasts the U.S.” NPR, February 24, 2023. <https://www.npr.org/2023/02/23/1158998369/winter-storm-update-power-outages-michigan-california-snow>.

\$1.2B⁸⁶ and requested almost a 14% rate increase.⁸⁷ The 2023 ice and snow storms events serve as a reminder to Michiganders that access to affordable and dependable energy is a necessity.

At the Michigan House's Energy, Communications, and Technology Committee hearing on March 15, 2023, all the Democratic first-time legislators on the committee—Rep. Andrews, Rep. Byrnes, Rep. Churches, Rep. Hill, Rep. MacDonell, and Rep. McFall—critically questioned CMS and DTE representatives on their high rates, insufficient plans to harden their grid to withstand more extreme weather as a result of climate change, and prioritization of shareholders' profits over Michigan residents' well-being. At this hearing, Michiganders also provided testimonies on how they had been affected by the power outages. This included stories from residents left with hundreds of dollars of spoiled groceries, with no means to heat or cool their homes, and without the power necessary to operate medical devices such as dialysis machines. Rep. MacDonell pointed out that these testimonies are only a tiny fraction of the collective pain of those who have experienced outages, and although not everyone experiences outages, those who do are regularly impacted. Rep. McFall asked the IOUs whether it's fair that predominantly low-income communities who face the most unreliable and poor grid service pay the same rates for their utility bills as those who have more reliable service. The hearing resulted in House Energy, Communications, and Technology Committee Chair Helena Scott forming the Energy Reliability, Resilience and Accountability Task Force, aiming to introduce legislation to bring dependable energy and hold IOUs accountable.

Currently, Democrats hold the majority in both the state House and Senate chambers. While CMS donates to both Democratic and Republican lawmakers, according to the same EPI analysis, almost 60% of its campaign spending goes to Republicans. **To be exact, 54 House Republicans received \$150,794 out of \$250,244 from CMS, and 18 Senate Republicans received \$202,596 out of**

\$350,996. These numbers further illustrate that CMS is intentional when it comes to advancing its power over state politicians and policies, giving more in campaign contributions to more sympathetic parties. The larger contributions to Republicans, despite Democrats' current majority in both chambers, is because this is the first time Democrats have exercised control over either Michigan state chamber in years. Democrats last controlled the Michigan Senate in 1984 and the Michigan House in 2010. This means that this is the first time that many current Democratic state legislators are experiencing a majority and thus significant political power, whereas Republican state legislators have historically had more control over state policymaking, making them a natural target for donations.

86 "DTE Energy Closes Year with Strong Financial Results; Well-Positioned for 2023" DTE Energy, February 23, 2023. <https://ir.dteenergy.com/news/press-release-details/2023/DTE-Energy-closes-year-with-strong-financial-results-well-positioned-for-2023/default.aspx>.

87 Brooker, Jena. "DTE Seeks Another Rate Increase Citing Inflation, Material Costs." BridgeDetroit, February 23, 2023. <https://www.bridgedetroit.com/dte-seeks-another-rate-increase-citing-inflation-material-costs/>.

Table 6. Top direct donations from CMS to the Michigan Legislature⁸⁸

Recipient Name	Chamber	Party	SUM of Direct Donation
Aric Nesbitt	Senate	Republican	\$66,525
Joe Bellino	Senate	Republican	\$39,150
Winnie Brinks	Senate	Democrat	\$23,350
Sam Singh	Senate	Democrat	\$22,650
John Cherry	Senate	Democrat	\$17,050
Dale Zorn	House	Republican	\$16,425
Dan Lauwers	Senate	Republican	\$15,500
Rick Outman	Senate	Republican	\$14,750
Joe Tate	House	Democrat	\$14,000
Matt Hall	House	Republican	\$13,125
Curt VanderWall	House	Republican	\$12,250
Sean McCann	Senate	Democrat	\$12,100
Roger Hauck	Senate	Republican	\$11,250
Kevin Hertel	Senate	Democrat	\$11,000
Michael Webber	Senate	Republican	\$10,850
Sarah Anthony	Senate	Democrat	\$10,650
Darrin Camilleri	Senate	Democrat	\$8,500
Mark Huizenga	Senate	Republican	\$8,271
Angela Witwer	House	Democrat	\$8,250
Greg VanWoerkom	House	Republican	\$7,750
Jeremy Moss	Senate	Democrat	\$7,400
Jon Bumstead	Senate	Republican	\$7,150
Thomas Albert	Senate	Republican	\$7,050
Bryan Posthumus	House	Republican	\$7,000
Graham Filler	House	Republican	\$6,850
Pauline Wendzel	House	Republican	\$6,000
Sylvia Santana	Senate	Democrat	\$6,000
Ruth Johnson	Senate	Republican	\$6,000
Sarah Lightner	House	Republican	\$5,250

⁸⁸ Sum of direct donations above \$5,000

Donations from CMS to Republican legislators Aric Nesbitt and Joe Bellino overwhelmingly exceed those of other legislators. Senator Aric Nesbitt currently serves as the Michigan Senate Minority Leader—meaning that he is the top Republican leader in the Senate. Prior to serving in the Senate, Nesbitt served in the House for three terms, from 2011 to 2016. In his final term in the House, Nesbitt served as the House Majority Leader, from 2015 to 2016. Nesbitt served on the Energy Committee for all three terms in the House, and for two of those terms, from 2013 to 2016, he chaired the House Energy Committee. Similar to Nesbitt, Senator Joe Bellino, who received the second largest direct donation from CMS, served in the House for three terms (2017–2022) and sat on the Energy Committee for all three terms; for two of those terms, he chaired the House Energy Committee (2019–2022). Bellino currently serves as a member of the Senate Energy Committee.

Timeline of Senators Aric Nesbitt and Joe Bellino in the Michigan Legislature

Senator Aric Nesbitt

2011-2013

- Term 1: 66th district Michigan House of Representatives
- Member of House Energy Committee

2013-2015

- Term 2: 66th district Michigan House of Representatives
- Chair of House Energy Committee

2015-2017

- Term 3: 66th district Michigan House of Representatives
- Chair of House Energy Committee
- House Majority Floor Leader

2019 - Present

- Term 1: 20th District Michigan Senate

Senator Joe Bellino

2017-2019

- Term 1: 17th district Michigan House of Representatives
- Member of House Energy Committee

2019-2021

- Term 2: 17th district Michigan House of Representatives
- Chair of House Energy Committee

2021-2023

- Term 3: 18th district Michigan House of Representatives
- Chair of House Energy Committee

2023 - Present

- Term 1: 16th District Michigan Senate
- Member of Senate Energy Committee

Investing in the legislators serving as Energy Committee chairs is critical for CMS for two key reasons: (1) bills dealing with energy and utilities issues go through the energy committee, and (2) the committee chair has the discretion and authority to set a policy agenda for the committee. This power includes wielding authority to formally act or not act on a bill (known as “killing a bill” in committee), such as deciding whether or not a bill gets a hearing or advances to the floor. CMS and other IOUs are extremely aware of the power legislators such as

Nesbitt and Bellino have held in influencing policies and regulations affecting IOUs and, ultimately, their profits.

As chairs of the House Energy Committee, Nesbitt and Bellino had discretion over whether or not to robustly regulate the very energy companies that donated tens of thousands to their campaigns.⁸⁹ In April 2022, then House Energy Committee Chair Joe Bellino remained silent after preventable power outages and blocked House bills that would have held energy companies

⁸⁹ “Is Bellino Reluctant to Regulate Top Campaign Donors?” Progress Michigan, April 27, 2022. <https://progressmichigan.org/2022/04/is-bellino-reluctant-to-regulate-top-campaign-donors/>.

accountable that were introduced by then Rep. Rabhi and Rep. Aiyash—two Democratic lawmakers who are outspoken on utility accountability.⁹⁰ These bills [2022 MI House Bills 6043⁹¹ - 6047⁹²] included provisions requiring energy companies to pay hourly bill credits to customers during outages; preventing those credits from being included in rate increases; requiring companies to list outage instances on bills; and requiring distribution and grid investment plans be open to greater public input.⁹³ Both Consumers Energy and DTE Energy have called these bills “unnecessary” as both utilities unfoundedly claimed they are working “hard to ensure reliability.”⁹⁴ These bills did not receive committee hearings under Bellino’s leadership and were left to die in Bellino’s committee.

In 2022, Rep. Rabhi said “We [lawmakers] can’t basically regulate the utilities because they’re the ones regulating us as lawmakers.”⁹⁵ Rabhi testified at a public hearing on DTE’s proposed rate hike:

“I’ve been in office for six years now. I have introduced dozens of bills to try to expand solar energy in Michigan, stop climate change, expand our renewable energy portfolio, and every single one of those bills has been blocked – not by magic, not by some external alien force coming in, it’s DTE [...] it’s Consumers [Energy], it’s their lobbyists on the tiles in the hallway calling legislators up, telling them they have to take their names off my bills.”⁹⁶

“I’ve introduced dozens of bills...and every single one of these bills has been blocked [by] Consumers [Energy].”

- Representative Yousef Rabhi

On the Democratic side, CMS PAC donated \$5,000 to Joe Tate on January 12, 2023 after he became Speaker of the Michigan House. This was the most significant amount Tate had received in a single instance of direct donation from CMS.

Table 7. Top 10 direct donations from CMS to House Speaker Tate

Recipient Name	Date	Amount	Exec/Lobbyist Giving or PAC
Tate, Joe	01/12/23	\$5,000	PAC
Tate, Joe	03/16/22	\$2,500	PAC
Tate, Joe	09/19/22	\$1,500	PAC
Tate, Joe	06/09/22	\$1,000	PAC
Tate, Joe	06/16/21	\$1,000	PAC
Tate, Joe	06/30/20	\$1,000	PAC
Tate, Joe	09/08/21	\$500	PAC
Tate, Joe	07/18/18	\$500	PAC
Tate, Joe	01/29/20	\$250	PAC
Tate, Joe	10/11/19	\$250	PAC

CMS PAC also donated \$5,000 to Michigan Senate Majority Leader Winnie Brinks on March 1, 2023. Similar to Tate, this is the largest amount she received in a single instance of direct donation from CMS and only after she became Senate Majority Leader. This time frame also coincided with the Feb/March 2023 ice storms and preventable power outages in both DTE- and Consumers- serviced areas that sparked outrage among Michiganders and led to the hearings in March 2023 where legislators interrogated DTE and Consumers top executives.

Table 8. Top 10 direct donations from CMS to Senate Majority Leader Brinks

Recipient Name	Date	Amount	Exec/Lobbyist Giving or PAC
Brinks, Winnie	03/01/23	\$5,000	PAC
Brinks, Winnie	10/12/22	\$2,500	PAC
Brinks, Winnie	09/19/22	\$1,000	PAC
Brinks, Winnie	03/16/22	\$2,500	PAC
Brinks, Winnie	02/01/22	\$2,500	PAC
Brinks, Winnie	10/06/21	\$1,000	PAC
Brinks, Winnie	07/14/21	\$1,000	PAC
Brinks, Winnie	03/13/20	\$500	PAC
Brinks, Winnie	09/11/19	\$500	PAC
Brinks, Winnie	04/30/19	\$500	PAC

90 Ibid.

91 “House Bill 6043 (2022).” Michigan Legislature. Accessed October 26, 2023. [https://www.legislature.mi.gov/\(S\(c0qfkerf41pw3tclp0ljff0n\)\)/mileg.aspx?page=GetObject&objectname=2022-HB-6043](https://www.legislature.mi.gov/(S(c0qfkerf41pw3tclp0ljff0n))/mileg.aspx?page=GetObject&objectname=2022-HB-6043).

92 “House Bill 6047 (2022).” Michigan Legislature. Accessed October 26, 2023. [https://www.legislature.mi.gov/\(S\(c0qfkerf41pw3tclp0ljff0n\)\)/mileg.aspx?page=GetObject&objectname=2022-HB-6047](https://www.legislature.mi.gov/(S(c0qfkerf41pw3tclp0ljff0n))/mileg.aspx?page=GetObject&objectname=2022-HB-6047).

93 LeBlanc, Beth. “Michigan Democratic Lawmakers: Pay Utility Customers by the Hour for Outages.” The Detroit News, April 13, 2022. <https://www.detroit-news.com/story/news/local/michigan/2022/04/13/michigan-democratic-lawmakers-pay-utility-customers-hour-outages/7304087001/>.

94 Ibid.

95 Ibid.

96 Weinmann, Karlee. “Amid Controversies, DTE Energy Continues to Spend Big in Michigan and Nearly Every Lawmaker Accepts.” Energy and Policy Institute, September 28, 2022. <https://energyandpolicy.org/dte-energy-political-contributions-michigan/>.

In addition to direct donations to individual state legislators, CMS PAC has also contributed almost \$1M to a number of fundraising committees for both Republicans and Democrats from 1997 to 2023.

On the Michigan House side, from 1997–2023, CMS PAC gave a total of:

- \$228,125.00 to Michigan House Democratic Fund
- \$249,625.00 to House Republican Campaign Committee

On the Michigan Senate side, from 1997–2023, CMS PAC gave a total of:

- \$176,900.00 to Senate Democratic Fund
- \$248,075.00 to Senate Republican Campaign Committee

Corporations, particularly those who hold a monopoly and are providing life-or-death public goods like CMS and other IOUs, prioritize using their wealth and political influence not to improve services but rather to skew our democratic processes to ensure continued shareholder financial success. Campaign contributions are directly tied to quid pro quo or “something for something” agreements between the legislators and corporations, meaning legislators who get elected are expected to push policies in favor of their corporate backers. If they fail to do so or push for actual IOU accountability, they run the significant risk of these corporations funding their opponents in the next election. For these reasons, both Democrats and Republicans have been captured by CMS’s influence. In turn, Michigan legislators, regardless of party, continue to neglect and harm Michigan community members because they are unwilling and/or afraid to legislate any meaningful policies to hold utilities accountable and ensure safe, reliable, and affordable energy.

As long as CMS and other IOUs are key financial players in Michigan’s state legislative races, candidates looking to stand up to these political corporate giants

need significant alternative resources in order to stand a chance. Allowing utilities to contribute to campaigns is a policy failure by design. The only way for legislators to genuinely work for the people of Michigan is to eliminate their ability to take money from utilities, freeing them from the fear that IOUs may use their financial and political capital against them in upcoming elections. It is imperative for legislators to pass legislation that actually bans IOUs from participating and influencing elections through campaign donations. If we prevent the utilities from influencing our state politics in this way, we also take a step forward to ensure that Michigan’s elected officials actually serve the people of Michigan.

B. Dark Money

In addition to lobbying and donations to politicians’ campaign committees, Consumers Energy also operates a dark money group through which the corporation attempts to influence elected officials and community leaders.

In late 2013, a 501(c)(4) group called Citizens for Energizing Michigan’s Economy (CEME) registered with the Michigan Department of State, with an initial board of directors consisting of two Consumers Energy executives and an elections lawyer.⁹⁷

Since then, Consumers Energy has poured more than \$45 million into CEME,⁹⁸ in order to fund television and social media ads attacking renewable energy policies, political advertisements promoting favored candidates, and donations for corporate advocacy groups and other non-profit organizations with close ties to current and former Michigan politicians.

Consumers’ dark money expenses were so extreme that the Michigan Public Service Commission took the unprecedented step of banning the corporation from funding CEME for two years in 2018.⁹⁹

However, even without new funding from Consumers since 2018, CEME still had millions of dollars of

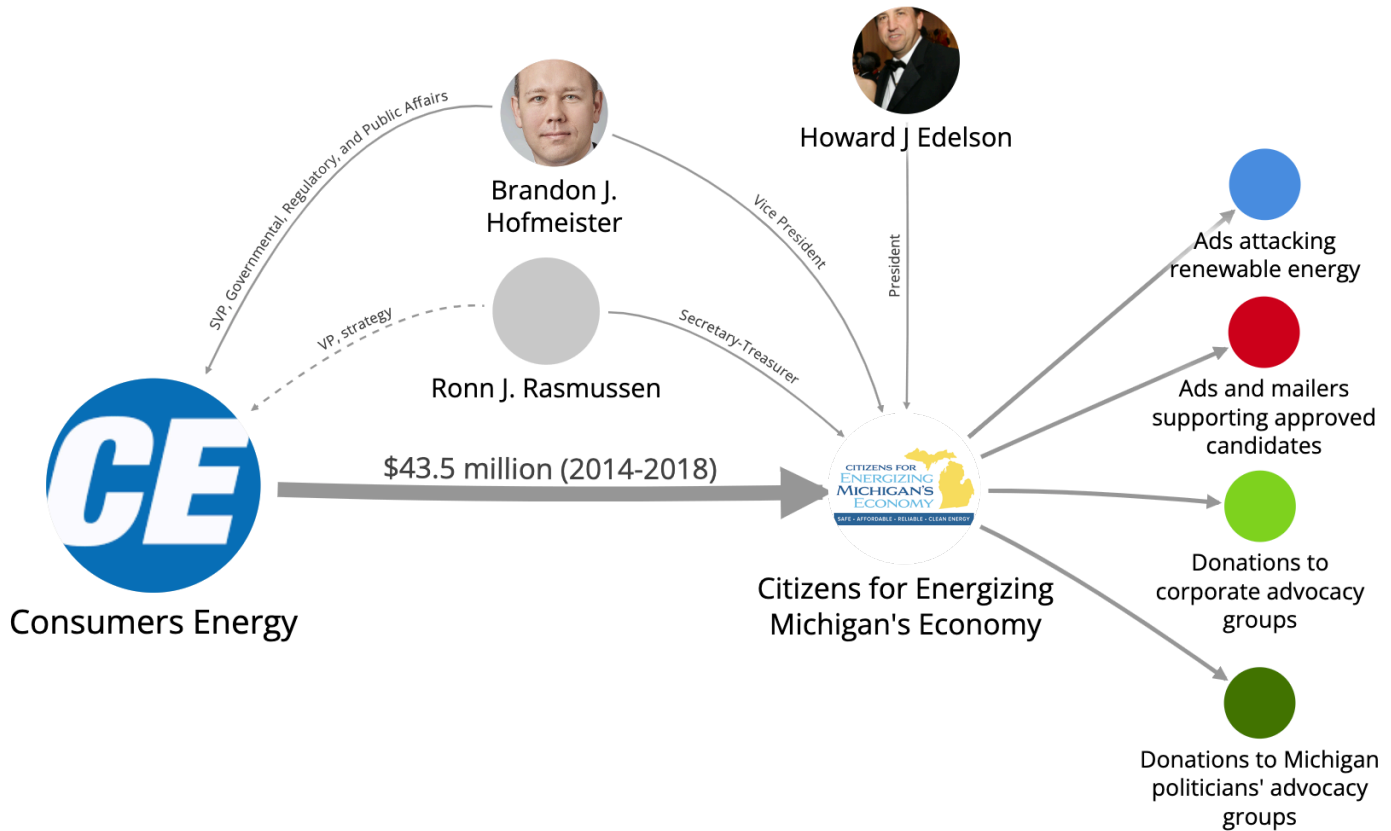
97 Michigan Department of State, “Summary for: CITIZENS FOR ENERGIZING MICHIGAN’S ECONOMY.” Accessed at: <https://cofs.lara.state.mi.us/CorpWeb/CorpSearch/CorpSummary.aspx?token=nBxILn58HwVtv4JMRDwTm1cWblopjnzIgg3FCQzRMH7Z0mRAdeXC1M0oJiWofZmGp-Dk/v6F3uRKM3d/IsGvTcUajL1G712k8fy710rdqs077TySihGP+MYnNCWwgxLnS7z09bZQFblCfAGujd4jCVECFaUAlRUzc1K84OrDQwRUOL-JOado7g4th36u8yjjznC97V+B9rT73SaRQNFplqGc5i5xgCYMdoQ0/0kTNVYXoU/vlqXUR9bpXG103ULfmg+oOUCcGppaJdJlrJOP8Y9H1Hj+2w87dWH-mINMEqxf+2iGN06TrcXQLyp8+iCPjrxzSjheij8HAgKlV40rd68n5o8312/s>.

98 Energy & Policy Institute, “Citizens for Energizing Michigan’s Economy.” Accessed at: <https://energyandpolicy.org/citizens-for-energizing-michigans-economy/>.

99 Balaskovitz, Andy. “Michigan regulators clamp down on utility’s political spending.” Energy News Network (January 28, 2019). Accessed at: <https://energynews.us/2019/01/28/michigan-regulators-clamp-down-on-utilities-political-spending/>.

assets as of its most recent IRS filing in 2021¹⁰⁰ and has continued to wield its funds to influence Michigan politics.

The structure of Consumers’ dark money group, its ties to the corporation, and where it has channeled corporate money, are detailed in the section below.



Structure of Citizens for Energizing Michigan’s Economy

Citizens for Energizing Michigan’s Economy is a 501(c)(4) nonprofit organization that operates as a “dark money” group, channeling corporate money into a variety of political influence activities. **While CEME is technically independent from Consumers Energy, the group’s board of directors has always included Consumers executives and almost all of the organization’s income has come from contributions from Consumers.**

According to tax filings, the current board of directors of CEME is made up of Brandon Hofmeister, the senior vice president for governmental, regulatory, and public affairs at Consumers Energy; Ronn Rasmussen, who was the vice president of strategy and research at Consumers until his retirement in 2015; and Howard Edelson, a political consultant and former director of state government affairs for Consumers Energy.¹⁰¹ Past board members include Rhonda Tinkham, a retiree from Consumers Energy, and David Mengebier, a former Consumers senior vice president.¹⁰²

100 Citizens for Energizing Michigan’s Economy, Form 990 (May 3, 2022). Accessed at: <https://projects.propublica.org/nonprofits/organizations/464355362/202211329349300426/full>.

101 Kasper, Matt. “Consumers Energy contributed \$43.5 million over four years to Citizens for Energizing Michigan’s Economy,” Energy & Policy Institute (June 7, 2018). Accessed at: <https://energyandpolicy.org/consumers-energy-contributed-43-million-dollars-to-citizens-for-energizing-michigans-economy/>

102 Ibid.

Election lawyer Eric Doster is CEME’s registered agent, the person designated to accept legal documents on behalf of the organization, according to annual reports the group has filed with the Michigan Secretary of State.¹⁰³ Doster is involved with several dark money groups connected to the utility industry, often alongside CEME board president Howard Edeson, as described below.

Consumers Energy has poured more than \$43.5 million into Citizens for Energizing Michigan’s Economy, according to CEME’s filings with the IRS and Consumers Energy’s filings with the Michigan Public Service Commission. The group’s dark money spending drew a complaint from the Anderson Economic Group, a tax and public policy consulting firm,¹⁰⁴ as well as criticism from elected officials who were targeted by dark money attacks.¹⁰⁵

After CEME spent more than \$8 million to influence elections in 2018, Consumers faced a backlash. In July 2018, a complaint was filed with the IRS challenging CEME’s classification as a “social welfare” group in light of its political activities,¹⁰⁶ and in early 2019, Consumers agreed not to contribute corporate money to 501(c)(4) groups as part of the settlement of the corporation’s rate case with the MPSC.¹⁰⁷

Consumers does not appear to have contributed any money to CEME in the 2019, 2020, or 2021 fiscal years; however, the group continues to report revenue earned by investing the money that Consumers donated prior to 2019, allowing CEME to continue to spend money on political influence operations.¹⁰⁸ From 2019 through 2021, CEME reported bringing in more than \$1.1 million in investment income, and as of 2021, CEME still had more than \$18.3 million in assets.¹⁰⁹

In the time period from 2019 through 2021, after

Consumers agreed to stop funding CEME, the group spent more than \$1 million on grants to other dark money groups and more than \$3.5 million on contractors, including \$432,000 to the political consulting group owned by CEME board president Howard Edelson. As reported by the Energy and Policy Institute, CEME was active in the 2020 elections, creating advertisements and mailers supporting five state legislative candidates. That year, the group also made \$850,000 in grants to a variety of politically active groups, including groups¹¹⁰ affiliated with the Republican and Democratic parties.

While CEME did not report any political expenditures in 2021, apart from a \$144,000 consulting payment to Howard Edelson’s Edelson Group, as previously mentioned, the group still has more than \$18.3 million in assets that it can deploy in the future according to its most recent tax filing.¹¹¹

In the sections below, we detail the two main ways that Citizens for Energizing Michigan’s Economy has used money from Consumers Energy to influence Michigan politics—buying ads and mailers to promote Consumers Energy’s preferred political candidates and channeling money to a network of other dark money groups.

Promoting Consumers Energy’s favored candidates

The highest-profile and most direct way that Citizens for Energizing Michigan’s Economy has sought to advance the political interests of Consumers Energy has been to create digital and television advertisements, mailers, polls, and phone calls supporting the corporation’s favored political candidates and attacking candidates the corporation perceives as antagonistic to its interests.

103 Michigan Department of State, “Summary for: CITIZENS FOR ENERGIZING MICHIGAN’S ECONOMY.”

104 Balaskovitz, Andy. “Complaint: utility-backed group in Michigan violates tax, campaign laws,” Energy News Network (August 3, 2018). Accessed at: <https://energynews.us/2018/08/03/complaint-utility-backed-group-in-michigan-violates-tax-campaign-laws/>.

105 Leblanc, Beth. “Legislators decry ‘dark money’ influence in primary,” Detroit News (August 19, 2018). Accessed at: <https://www.detroitnews.com/story/news/local/michigan/2018/08/19/lawmakers-blame-dark-money-political-attacks-primary-election/1001620002/>.

106 Balaskovitz, Andy. “Complaint: utility-backed group in Michigan violates tax, campaign laws,” Energy News Network (August 3, 2018).

107 Balaskovitz, Andy. “Michigan regulators clamp down on utility’s political spending,” Energy News Network (January 28, 2019).

108 See Citizens for Energizing Michigan’s Economy, Forms 990 (2019-2021). Available at: <https://projects.propublica.org/nonprofits/organizations/464355362>

109 Ibid.

110 Citizens for Energizing Michigan’s Economy, Form 990 (November 15, 2021). Accessed at: <https://projects.propublica.org/nonprofits/organizations/464355362/202143199349316719/full>.

111 Citizens for Energizing Michigan’s Economy, Form 990 (May 3, 2022).

In 2020, the Energy and Policy Institute reported that CEME was running ads and sending out mailers in support of five legislative candidates: Republicans John Damoose, Andrew Beeler, Pat Outman, and Andrew Fink and Democrat Ranjeev Puri.¹¹² In 2021, EPI reported that CEME was coordinating with a DTE Energy-backed group to target five Democratic representatives—John Cherry, Jim Haadsma, Ranjeev Puri, Mari Manoogian, and Donna Lasinski—over a bill to expand rooftop solar energy production.¹¹³ In its report, EPI knocked the utility industry groups for their misleading content.

It is difficult to get a complete accounting of the money that CEME has spent supporting and attacking political candidates due to the lack of transparency in spending on online advertisements; however, some clues are available from public reports. The Michigan Campaign Finance Network reported that CEME spent \$830,000 on television ads in 2018, including “an estimated \$253,000 in support of Democratic Senate candidate Henry Yanez in the 10th District and \$185,000 in support of Democratic House candidate Sarah Schulz in the 98th District.”¹¹⁴ Tax filings from CEME from 2014 through 2021 reveal millions of dollars spent on political consulting and communications firms, which can be seen in the table below:

Table 9. Citizens for Energizing Michigan’s Economy’s spending on political and communications consultants, 2014-2021

Consultant	Amount paid by CEME
Strother Nuckels Strategy	\$4,891,670
Edelson Group	\$576,000
Impact Advertising LLC	\$420,281
Glengariff Group	\$401,700
Arena Communications	\$207,267
Densar Consulting	\$169,514
Mouthpiece Communications	\$121,256
Total	\$6,787,688

Source: Citizens for Energizing Michigan’s Economy Forms 990 (2014-2021)

Channeling money to other dark money and political influence groups

While it has run its own political advertisements to advance Consumer Energy’s corporate agenda, Citizens for Energizing Michigan’s Economy has channeled much more money—more than \$14.4 million into a variety of organizations seeking to influence state and national politics.

The vast majority of this money has gone to two groups tied to Howard Edelson and Eric Doster, the political operatives who run CEME. According to IRS records, CEME has given \$10.3 million to Faithful Conservatives for Michigan and Citizens for Michigan’s Energy Future since 2014, more than 71% of the total money granted by CEME in this period. Both of these groups are part of the network of dark money groups established and managed by Doster and Edelson.

Other grants from CEME have gone to corporate advocacy groups like the Michigan Chamber of Commerce and to dark money groups affiliated with Michigan’s Democratic and Republican parties, such as the Michigan Democratic Party’s 21st Century Fund and the Michigan Republican Party’s Administrative Account.

In its most recent tax filing, CEME reports making no grants, although as described above, the organization has continued its more direct influence operations.

Organizations that have received money from CEME and the amount that they have received since 2014 can be seen in the table on the next page.

112 Kasper, Matt. “Consumers Energy-Funded 501(c)(4) Citizens for Energizing Michigan’s Economy Is Active Again, Promoting Specific Candidates,” Energy & Policy Institute (August 3, 2020). Accessed at: <https://energyandpolicy.org/consumers-energy-citizens-for-energizing-michigans-economy-2020/>.
 113 Kasper, Matt. “Michigan utilities’ front groups begin misleading ad campaigns ahead of a vote on energy legislation,” Energy & Policy Institute (March 30, 2021). Accessed at: <https://energyandpolicy.org/michigan-utilities-front-groups-misleading-facebook-ads-hb4236/>.
 114 Michigan Campaign Finance Network, “Analysis: How A New Bill On Nonprofits Impacts Dark Money In Michigan Politics,” (November 28, 2018, archived on January 28, 2023). Accessed at: <https://web.archive.org/web/20230128003206/https://mcfn.org/node/7112/analysis-how-a-new-bill-on-nonprofits-impacts-dark-money-in-michigan-politics/>.

Table 10. Organizations that have received money channeled from Citizens for Energizing Michigan’s Economy, 2014-2021

Organization	CEME grants since 2014
Faithful Conservatives for Michigan	\$5,475,000
Citizens for Michigan’s Energy Future	\$4,821,457
Michigan Chamber of Commerce	\$490,000
Make Michigan First	\$467,000
Great Lakes Jobs Alliance	\$400,000
State Government Leadership Fund	\$400,000
Michigan Democratic Party 21st Century Fund	\$325,000
Michigan Republican Party Administrative Account	\$300,000
Progressive Advocacy Trust	\$300,000
Making Government Accountable The Michigan Story	\$290,000
Road to Michigan’s Future	\$200,000
Jobs for Michigan Council	\$200,000
Michigan Made Great Fund	\$175,000
Building Michigan’s Future	\$125,000
Leading Michigan Forward Fund	\$100,000
State Solutions	\$100,000
Protecting Michigan’s Future Fund	\$100,000
Peninsula Fund	\$70,000
Fund for Michigan’s Tomorrow	\$50,000
GOPAC Education Fund	\$50,000
Electric Markets Research Foundation	\$25,000
Total	\$14,463,457

Source: Citizens for Energizing Michigan’s Economy Forms 990 (2014-2021)

Doster and Edelson’s dark money network

The majority of the money distributed as grants by Citizens for Energizing Michigan’s Economy appears to be cycled through a network of organizations connected to Eric Doster and Howard Edelson, who serve as the registered agent and president, respectively, of CEME. Eric Doster is an elections lawyer and the former general counsel of the Michigan Republican Party, where he served from 1992 through 2017, and the author of a reference book on Michigan campaign finance law according to the biography on his website.¹¹⁵ According to his LinkedIn profile, Howard Edelson is currently a political consultant and president of the Edelson Group consulting firm, as well as the former campaign manager of former Michigan Governor Jennifer Granholm, and the former director of state governmental affairs for Consumers Energy and CMS.¹¹⁶

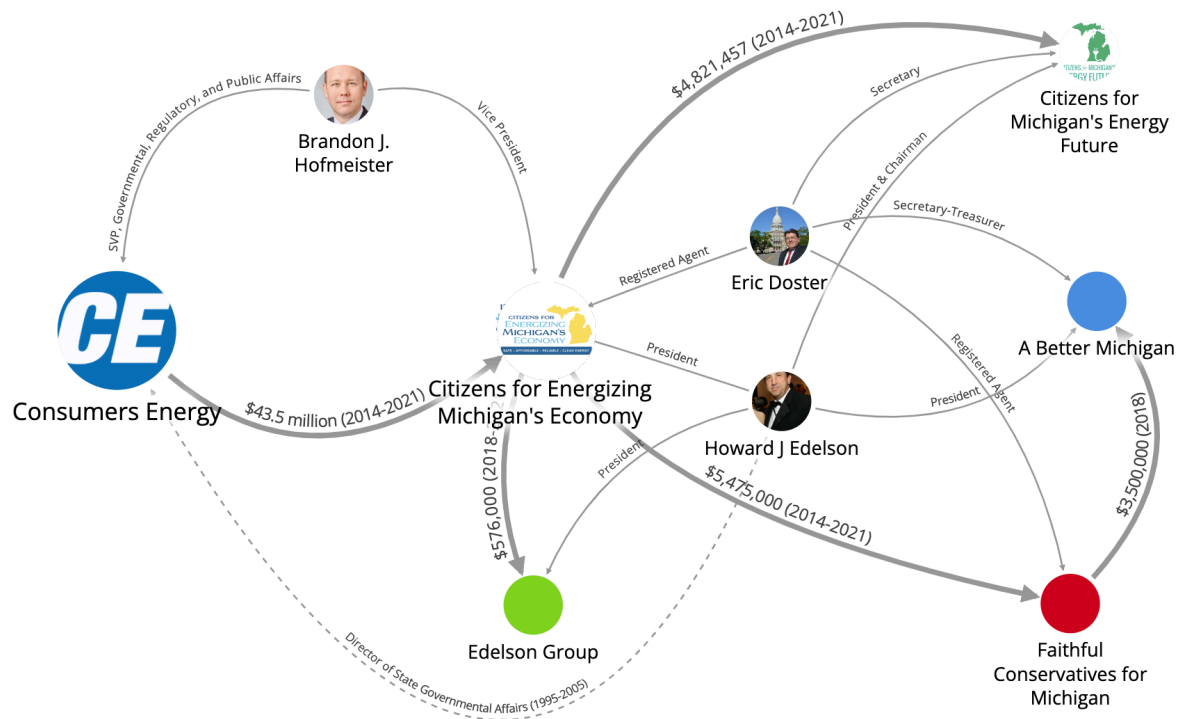
Of the \$14.5 million in grants made by CEME from 2014 through 2021, \$5.5 million was granted to Faithful Conservatives of Michigan and \$4.8 million was granted to Citizens for Michigan’s Energy Future. Doster is the registered agent for Faithful Conservatives of Michigan and is the corporate secretary of Citizens for Michigan’s Energy Future. Howard Edelson is the president and chairman of Citizens for Michigan’s Energy Future.

It is noteworthy that Doster is also the corporate secretary of Michigan Energy First, a dark money group funded by gas and electric utility DTE Energy, which has itself cycled money into Citizens for Michigan’s Energy Future.

¹¹⁵ “About Us,” Eric Doster Law Offices PLLC. Accessed at: <https://www.ericdoster.com/about-us/>.

¹¹⁶ Edelson, Howard. LinkedIn. Accessed at: <https://www.linkedin.com/in/howard-edelson-2685696/details/experience/>.

In addition to channeling money to other groups with ties to Doster and Edelson, CEME has also reported paying \$576,000 to the Edelson Group from 2018 through 2021, according to CEME's tax filings in those years.¹¹⁷



Faithful Conservatives for Michigan

CEME reported giving \$5,470,000 to Faithful Conservatives for Michigan in 2018, which is the total amount the group reported raising.¹¹⁸ Faithful Conservatives has not reported any other revenue in subsequent years, except for \$4,194 refunded to the organization in 2019.¹¹⁹

The registered agent for Faithful Conservatives is Eric Doster, the same attorney who created CEME and DTE Energy's dark money nonprofit, Michigan Energy First.¹²⁰

Faithful Conservatives ran television and internet ads targeting politicians, including spending \$263,000 on television ads against Republican Representative Gary Glenn, who had been sharply critical of the utility industry and Consumers Energy specifically,¹²¹ according to the Detroit News.¹²²

In 2018, Faithful Conservatives reported donating \$3,500,000 to another group related to Consumers Energy, named A Better Michigan. The board of A Better Michigan includes Eric Doster, Howard Edelson, and Trevor Thomas,¹²³ a former Democratic congressional candidate and the Consumers Energy executive director for diversity, equity, and inclusion.¹²⁴

117 See Citizens for Energizing Michigan's Economy, Forms 990 (2018-2021). Available at: <https://projects.propublica.org/nonprofits/organizations/464355362>.

118 Faithful Conservatives, Form 990 (2018). Accessed at: https://projects.propublica.org/nonprofits/display_990/824476327/12_2019_prefix-es_82-86%2F824476327_201812_990O_2019123116985975.

119 Faithful Conservatives, Form 990 (2019). Accessed at: <https://projects.propublica.org/nonprofits/organizations/824476327/202021899349201027/full>

120 LeBlanc, Beth. "Legislators decry 'dark money' influence in primary," Detroit News (August 19, 2018).

121 LeBlanc, Beth. "Lawmaker under fire after likening utility to 'terrorist' he'd like to 'shoot,'" Detroit News (May 18, 2018). Accessed at: <https://www.detroitnews.com/story/news/local/michigan/2018/05/18/state-rep-gary-glenn-under-fire-after-likening-utility-terrorist/624705002/>.

122 LeBlanc, Beth. "Legislators decry 'dark money' influence in primary," Detroit News (August 19, 2018).

123 ProPublica, "Nonprofit Explorer: A Better Michigan." Accessed at: <https://projects.propublica.org/nonprofits/organizations/320586981/>.

124 Thomas, Trevor. LinkedIn. Accessed at: <https://www.linkedin.com/in/thomastrevor/>.

Citizens for Michigan's Energy Future

Citizens for Energizing Michigan's Economy reported giving more than \$4.8 million to Citizens for Michigan's Energy Future (CMEF) from 2014 through 2016, with \$3,851,637 of this money coming in 2015. In addition to the money channeled from Consumers Energy through CEME, CMEF also brought in \$202,025 from DTE Energy through DTE's dark money group, Michigan Energy First.¹²⁵

Citizens for Michigan's Energy Future is part of the network of dark money groups tied to Eric Doster and Howard Edelson. At CMEF, Doster is the corporate secretary and Edelson is president and chairman. In addition to Doster and Edelson, DTE Energy manager of policy strategy and advocacy, Daniel Mahoney, sits on the Citizens for Michigan's Energy Future board of directors.

In 2015, CMEF spent \$7.4 million on ads to try to block legislation to deregulate the state energy industry, remove a cap on energy purchases from out-of-state, and raise the requirement for renewable energy production.¹²⁶

Dark money groups affiliated with the Democratic & Republican Parties

Additionally, CEME has reported giving more than \$2.1 million to dark money groups affiliated with the Democratic and Republican parties from 2018 through 2020, including to groups affiliated with former Governor Rick Snyder and current Governor Gretchen Whitmer. These donations underscore the importance Consumers Energy puts on maintaining influence with both major political parties, favoring whichever party is currently in power; however, the group has reported giving more to Republican groups overall.

From 2018 through 2020, CEME reported giving \$1.21 million to groups affiliated with the Republican Party and Republican candidates:

- \$400,000 to the State Government Leadership Fund, described as “an offshoot of the Republican State Leadership Committee” by *Michigan Advance*¹²⁷
- \$300,000 to the Michigan Republican Party Administrative Account
- \$290,000 to Making Government Accountable the Michigan Story, which was used by former Gov. Rick Snyder to support Republicans in Michigan House races¹²⁸
- \$100,000 to Leading Michigan Forward Fund, which supported Republican Attorney General candidate Tom Leonard¹²⁹
- \$70,000 to the Peninsula Fund, a group run by staffers of former GOP House Speaker Lee Chatfield¹³⁰
- \$50,000 to the Fund for Michigan's Tomorrow, which supported Republican former Attorney General Bill Schuette¹³¹

Notably, the vast majority of the money given by CEME to groups tied to the Republican Party came in 2018; however, the group did report giving \$50,000 to the State Government Leadership Fund in 2020 and \$70,000 to the Peninsula Fund from 2019 through 2020. After Democrat Gretchen Whitmer took office in 2019, the CEME's giving shifted to favoring the Democratic Party, although the largest grant to a Democratic Party group, \$325,000 to the Michigan Democratic Party 21st Century Fund, came in 2018.

From 2018 through 2020, CEME reported giving at least \$950,000 to groups tied to the Democratic Party and Democratic candidates, including:

125 Michigan Energy First, Form 990 (2014). Accessed at: https://projects.propublica.org/nonprofits/display_990/472568177/2015_03_EO-%2F47-2568177_990O_201412.

126 Egan, Paul. “Michigan Senate tackling complex energy bill that could affect everyone,” *Detroit Free Press* (September 18, 2016). Accessed at: <https://www.freep.com/story/news/local/michigan/2016/09/18/senate-could-act-electricity-bills-week/89549744/>.

127 Stebbins, Laina G. , “Betsy DeVos touts voucher ballot initiative that could circumvent Whitmer's veto,” *Michigan Advance* (February 2, 2022). Accessed at: <https://michiganadvance.com/2022/02/02/betsy-devos-touts-voucher-ballot-initiative-that-could-circumvent-whitmers-veto/>.

128 Egan, Paul. “Snyder nonprofit airs ads to boost GOP House hopefuls,” *Detroit Free Press* (September 19, 2016). Accessed at: <https://www.freep.com/story/news/politics/2016/09/19/making-government-accountable-snyder-tv-ads/90692510/>.

129 Mauger, Craig. “Nonprofit boosting Consumers Energy's candidates spent \$12.9M,” *Detroit News* (December 2, 2019). Accessed at: <https://www.detroitnews.com/story/news/politics/2019/12/02/utility-funded-nonprofit-spent-12-9-m-2018-election/2588198001/>.

130 Schuster, Simon D. & Martínez-Beltrán, Sergio. “Lee Chatfield raised millions, traveled often. Michigan law kept much secret,” *Bridge Michigan* (January 25, 2022). Accessed at: <https://www.bridgemi.com/michigan-government/lee-chatfield-raised-millions-traveled-often-michigan-law-kept-much-secret>.

131 Oosting, Jonathan Oosting. “Schuette super PAC tops \$2M fundraising mark,” *Detroit News* (July 25, 2019). Accessed at: <https://www.detroitnews.com/story/news/local/michigan/2018/07/25/schuette-super-pac-2-4-m/838342002/>.

- \$325,000 to the Michigan Democratic Party 21st Century Fund;
- \$300,000 to the Progressive Advocacy Trust, a dark money group supporting Democrats;¹³²
- \$200,000 to Road to Michigan's Future, a dark money Group that supported Gov. Whitmer;¹³³ and
- \$125,000 to Building Michigan's Future, a group created by Rebekah Warren when she was a Democratic member of the Michigan House of Representatives.¹³⁴

132 Mauger, Craig. "Dark money used to evade donor disclosure laws in Michigan," Detroit News (March 7, 2019). Accessed at: <https://www.detroitnews.com/story/news/politics/2019/03/07/dark-money-pro-whitmer-group-evaded-donor-disclosure/2939105002/>.

133 Mauger, Craig. "Pro-Whitmer nonprofit beats pro-Snyder groups by raising \$6.5M in one year," Detroit News (January 17, 2022). Accessed at: <https://www.detroitnews.com/story/news/politics/2022/01/17/pro-gretchen-whitmer-nonprofit-beats-pro-snyder-groups-raising-6-million-2020-tax-filing/6554927001/>.

134 Mauger, Craig. "Marijuana group quietly gave cash to Michigan lawmakers' nonprofits," Detroit News (February 3, 2023). Accessed at: <https://micia.org/2023/02/06/marijuana-group-quietly-gave-cash-to-michigan-lawmakers-nonprofits/>.

V. Conclusion

No matter who we are or where we come from, Michiganders want a democracy that works for our communities, not utility executives and investors. Our community members deserve a clean, affordable, and people-centered energy system that can withstand the increasingly frequent severe weather events as our climate drastically changes. There has been no meaningful progress from the investor-owned utilities to prepare our electric grid to prevent and mitigate the dangers of climate change because investing in the electric grid means the utilities will incur more expenses and see a reduction in profits. These are some key findings from this report:

- **Billions in Corporate Profits, Dividends, and Executive Pay:** We find that when summarizing the corporate structure of Consumers Energy and its parent company, CMS Energy, including profits and dividends, major shareholders, the board of directors, executive leadership, and sky-high board and executive compensation, it is evident that CMS Energy operates as a corporation ready to put profits over people.
 - From 2020 to 2022 alone, CMS Energy reported nearly \$3 billion in profits and paid more than \$1.5 billion in dividends to its shareholders.
 - Five top executives at CMS Energy together were paid more than \$18.2 million in 2022 alone, with President & CEO Garrick Rochow earning \$8.7 million that year.
- **Profits over People:** Consumers has increased rates of shutoffs in recent years and has jeopardized the health and well-being of marginalized communities. We summarize the history of the utility's increasing electricity prices in the pursuit of higher profits, describe the severity of Consumers' total major outages and the unreliability of their service, and analyze the impacts of Consumers' dirty energy on human health and our natural environment.
 - From 2020 to 2022, Consumers Energy requested a total electricity rate increase of \$741 million from the Michigan Public Service Commission. Of this amount, \$277.4 million was approved.
 - On average, Michigan customers experienced over 14 hours of outages in 2021, compared to the national average of 7 hours.
- **Damaging Democracy:** CMS Energy has strategically donated directly to 113 out of 148 current Michigan state legislators. We also analyze the activities of Citizens for Energizing Michigan's Economy (CEME), the dark money group created by Consumers and funded with \$43.5 million of corporate funds used to influence Michigan elections and public policy.
 - As of May 2023, Michigan's 102nd (2023–2024) state legislature received \$601,240 in direct donations from CMS PAC and its employees/lobbyists.
 - Consumers Energy uses dark money groups to expand its influence in elections beyond direct campaign donations to candidates. For example, Faithful Conservatives, a group heavily funded by CEME, ran television and internet ads targeting politicians, including spending \$263,000 on television ads against Republican Representative Gary Glenn, who had been sharply critical of the utility industry and Consumers Energy.
 - Citizens for Energizing Michigan's Economy has spent more than \$6.7 million on political and communications consultants since 2014 and has passed through more than \$14.4 million in grants to other groups active in politics.
 - Even without new funding from Consumers since 2018, CEME still had \$18.3 million dollars in assets as of 2021 and has continued to use its funds to influence Michigan politics.

Michigan legislators have failed to implement the necessary policy interventions to hold the utilities accountable because the IOUs have spent millions of dollars on lobbying efforts, direct donations, and dark money to influence our state government, regardless of party. It is time for Michigan legislators to answer to Michigan residents, not corporate executives and investors, and hold investor-owned utilities accountable.

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LittleSis is a grassroots watchdog network connecting the dots between the world's most powerful people and organizations. We bring transparency to influential social networks by tracking the key relationships of politicians, business leaders, lobbyists, financiers, and their affiliated institutions. <https://littlesis.org>

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The Michigan Environmental Justice Coalition (MEJC) works to achieve a clean, healthy, and safe environment for Michigan residents most affected by inadequate policies. We work in alignment with the Principles of Environmental Justice, and cultivate relationships based on the Jemez Principles. We build power and unity within our community, so we all can thrive.

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