

December 22, 2025

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

RE: MPSC Case U-21227 – In the matter, on the Commission's own motion, to seek comments from rate-regulated electric, steam, and natural gas utilities regarding potential utility infrastructure improvements in the state of Michigan from federal funding available under the Infrastructure Investment and Jobs Act of 2021.

Dear Ms. Felice:

Enclosed for electronic filing in the above-captioned proceeding, please find **Consumers Energy Company's Report on Activity Related to the Infrastructure Investment and Jobs Act of 2021**.

This is a paperless filing and is therefore being filed only in PDF.

Sincerely,

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Commission’s own motion,)
to seek comments from rate-regulated electric,)
steam, and natural gas utilities regarding)
potential utility infrastructure improvements)
in the state of Michigan from the federal)
funding available under the Infrastructure)
Investment and Jobs Act of 2021)
_____)

Case No. U-21227

**CONSUMERS ENERGY’S REPORT ON ACTIVITY RELATED
TO THE INFRASTRUCTURE INVESTMENT AND JOBS ACT OF 2021**

I. INTRODUCTION

On August 23, 2022, the Michigan Public Service Commission (“MPSC” or “Commission”) issued an Order in Case No. U-21227 directing each rate-regulated utility to file in this docket on a biannual basis an update of its efforts relating to actions taken to obtain funding or assistance opportunities pursuant to the federal Infrastructure Investment and Jobs Act of 2021 (“IIJA”), with the first update to be filed no later than December 31, 2022. Biannual update reports filed by rate-regulated utilities shall include a narrative summary of which opportunities were applied for, which were approved and awarded funding, and others which may be in process. The MPSC further required that biannual updates shall be filed on December 31 and June 30 of every year thereafter until further order by the Commission or until all applicable funding opportunities under the IIJA are closed to applications. (MPSC Case No. U-21227, August 23, 2022 Order U-21227, page 24). The Commission issued an order on February 23, 2023 requesting additional information to be included in the next report. This is Consumers Energy Company’s (“Consumers Energy” or the “Company”) seventh update and is being filed by December 31, 2025.

II. PRESIDENTIAL ADMINISTRATION ACTIONS

On January 20, 2025, President Donald Trump issued an Executive Order titled “Unleashing American Energy,” which outlined the administration’s policy goals and directives for energy and infrastructure development, and which also directed an immediate pause of funding allocated to infrastructure projects under the IIJA and the Inflation Reduction Act of 2022 (“IRA”). Section 7 of the Executive Order directed all agencies to pause the disbursement of IIJA and IRA funding until a 90-day review of the programs was completed. During the 90-day review, agencies were tasked with conducting a full review of “processes, policies, and programs for issuing grants, loans, contracts, or any other financial disbursement of such appropriated funds.”¹ Reports were to be submitted after the 90-day review period detailing findings and recommendations. No funding was to be disbursed until these recommendations were reviewed and approved by the Director of the National Economic Council (“NEC”) and the Office of Management and Budget (“OMB”).

President Trump’s fiscal year 2026 budget proposed canceling over \$15 billion in IIJA “Green New Deal” programs, including: renewable energy projects, carbon removal technologies, and electric vehicle charger programs. Many of the grant opportunities being pursued by Consumers Energy have been canceled by this action. As of the filing of this report, funding remains partially paused. Some programs have returned after the injunction; however, agencies are continuing the review process in order to align with President Trump’s energy policy.

¹https://www.crowell.com/en/insights/client-alerts/navigating-the-trump-administrations-pause-on-iija-and-ira-funding-key-implications-for-infrastructure-stakeholders#_ftn6

III. COMPANY POSITION

Consumers Energy has worked diligently to identify opportunities from the IIJA that will support safe, reliable, clean, and affordable energy for its customers. The Company has worked to ensure that the IIJA strategy employed was efficient and impactful. However, the Company has discovered that certain structural constraints likely bar the Company from being eligible to receive certain Department of Energy (“DOE”) financial assistance awards. For example, federal regulations prohibit existing encumbrances. Given the existence of the Company’s first mortgage bond indenture, the Company would need a waiver of this regulation. The Company first raised this issue with the DOE on September 27, 2024. This issue remains unresolved to date. Without resolution of this issue, the Company cannot seek disbursement of any DOE award funds (whether as primary recipient or subrecipient) where the prohibition on encumbrances applies.

The Company has continued to be responsive and remains in contact with the DOE and other government agencies. Consumers Energy has maintained due dates for submitting information requests related to grant funding and opportunities. The Company will adjust its strategy as necessary as the federal policy landscape evolves.

IV. ACTIVE APPLICATIONS AND OPPORTUNITIES

	Name of Opportunity	Name of Project	Grant Value	Current Status
Grants	Grid Resilience Grants (40101(c))	Sectionalization & Circuit Improvements to Mitigate Outage Impacts for Disadvantaged Communities (“DACs”)	\$100 million	AWARDED; but terms and conditions unresolved
	Grid Resilience Grants (40101(d))	Investment in DACs for Reliability and	\$4.05 million	SELECTED; in negotiations

		Readiness for Electrification		
	Grid Resilience Grants, Formula Grants to States and Tribes for Preventing Outages and Enhancing Resilience of the Electric Grid (40101(d))	Circuit Investments to Improve Reliability for the Nottawaseppi Huron Tribe	\$574,135	SELECTED; in negotiations
	Grid Resilience and Innovative Partnerships, Topic Area 2, Smart Grid Grants (40107)	AI Grid-Enabled Transportation Electrification in America’s Automotive Heartland	\$19.9 million	AWARDED; but terms and conditions unresolved
Loans	Energy Infrastructure Reinvestment Program (Section 1706)	(Various)	\$5.2 billion	SELECTED; negotiations halted; conditional commitment expires 1/16/2026; Consumers Energy plans to notify the DOE of its decision to not pursue an extension of its conditional loan commitment

Attachment A shows grant and loan opportunities that are no longer active.

Respectfully submitted,
 CONSUMERS ENERGY COMPANY

I. GRANT OPPORTUNITIES - INACTIVE APPLICATIONS

Hydroelectric

Maintaining and Enhancing Hydroelectricity Incentives (40333 and EPA 247)

Current Status: Selected – **NO LONGER PURSUING**

Renewables & Zero Carbon Generation

1. Renewable Energy Projects – Wind, Solar (41007(b, c))

EPRI Bulk System Ancillary Services Partnership

Current Status: **CANCELED**

2. CarbonSAFE Phase III: Storage Complex Feasibility (40305)

Midwest Carbon Sequestration Corridor “Crossroads”

Current Status: **CANCELED**

II. LOAN OPPORTUNITIES – INACTIVE APPLICATIONS

Loan Program Office

Corps Water Infrastructure Financing Program (“CWIFP”)

Army Corps Water Infrastructure Financing Program

Current Status: **WITHDRAWN**