



Campbell Coal Plant Likely Saved Michigan Ratepayers Millions during the First Month of the DOE FPA 202c Order

Introduction

On May 23, 2025, the U.S. Department of Energy (DOE) issued an order extending the operations of the J.H. Campbell coal-fired power plant, owned and operated by Consumers Energy, a subsidiary of CMS Energy Corporation, for 90 days until August 21, 2025¹. Key points included in the DOE order are as follows:

- “MISO and Consumers Energy shall take all measures necessary to ensure that the Campbell Plant is available to operate” (page 2)
- “MISO is directed to take every step to employ economic dispatch of the Campbell Plant to minimize cost to ratepayers” (page 2)
- “Consumers is directed to file with the Federal Energy Regulatory Commission Tariff revisions or waivers necessary to effectuate this order. Rate recovery is available pursuant to 16 U.S.C. § 824a(c).”

On July 31, 2025, Consumers Energy filed its 2025 Q2 10-Q filing with the U.S. Securities and Exchange Commission (SEC)², in which Consumers states:

“Between the start of the emergency order and June 30, 2025, the net financial impact of complying with the order was \$29 million, for which recovery will be sought through FERC in a subsequent proceeding after a modification to the MISO Tariff is established.” (page 62)

Since the filing of Consumers' 10-Q and the statement regarding the operational costs of the Campbell power plant, the public has used the \$29 million estimate to highlight the financial burden of the DOE's May 23 order that extends the plant's operations. The following analysis shows that during the period referenced in Consumers Energy's 10-Q filing, the Campbell power plant actually provided a net financial benefit to Michigan and MISO ratepayers, likely exceeding at least \$2 million.

Overview of the Campbell Power Plant

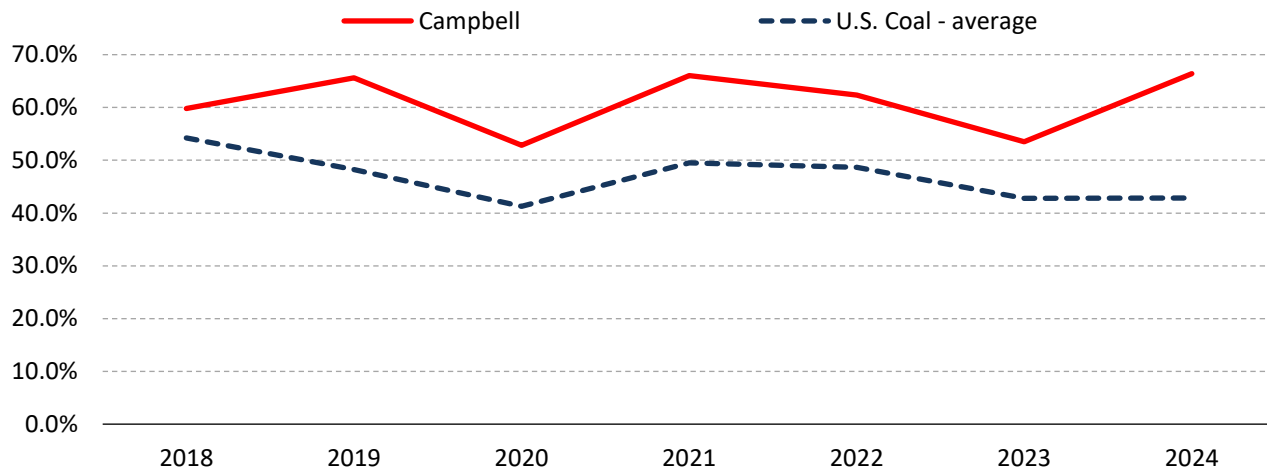
The J.H. Campbell power plant comprises three coal-fired steam generators, totaling approximately 1,400 MW of net electric output. Unit 1, with a capacity of 260 MW, was completed in 1962. Unit 2, with a capacity of 355 MW, was completed in 1967, while Unit 3, with a capacity of 785 MW, was completed in 1980. The plant is located in Ottawa County, Michigan, and is wholly owned and operated by Consumers Energy.

Over the past seven years, the Campbell power plant has been among the most economical coal-fired power plants in the United States. Since 2018, its utilization rate has averaged over 60%, compared to less than 47% for the entire U.S. coal plant fleet.

¹ https://www.energy.gov/sites/default/files/2025-05/Midcontinent%20Independent%20System%20Operator%20MISO%29%20202%28c%29%20Order_1.pdf

² <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000201533/10a900b7-263b-4ccd-82a0-4162ba7ae5f2.pdf>

Campbell Coal Plant Utilization Rate vs. Average U.S. Coal Fleet



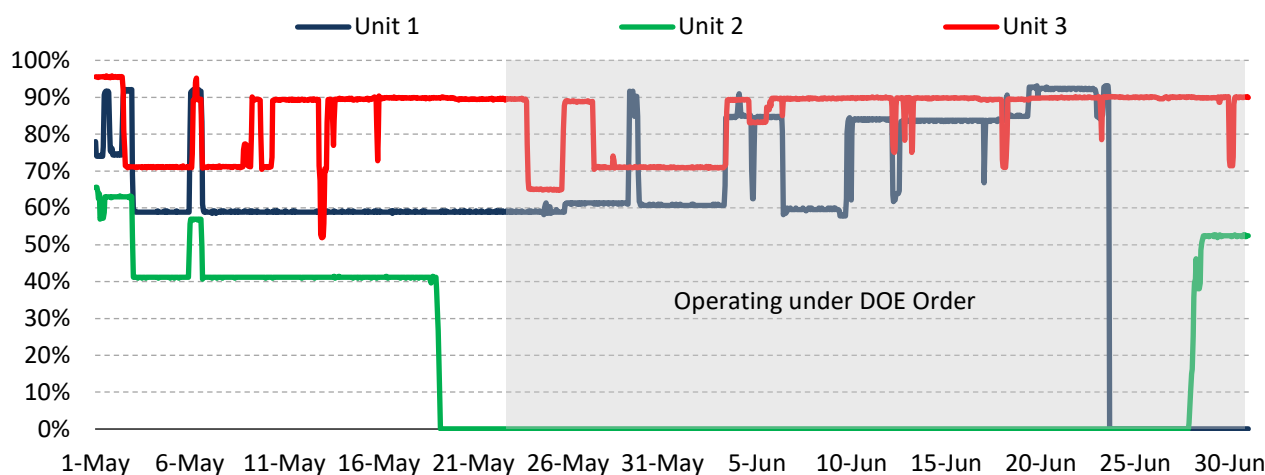
Source: DOE EIA 923 data

As part of a settlement agreement during its 2022 Integrated Resource Plan (IRP) process, on June 23, 2022, Consumers Energy agreed to retire the entire Campbell power station by May 31, 2025³.

Campbell Power Plant operations under the DOE Order

As part of its compliance with federal and state environmental regulations, Consumers Energy is required to submit hourly emissions data for all of its power plants on a quarterly basis. The data is accessible to the public via the U.S. Environmental Protection Agency's (EPA) Clean Air Markets Program Data (CAMPD) platform⁴. The data also includes hourly gross generation for each of the three Campbell generating units. The most recent available data is 2025 Q2 with an end date of June 30, 2025. The following chart shows the hourly utilization rates for each of the three Campbell generating units for the months of May and June 2025.

Campbell Hourly Utilization Rates - by Unit



Source: EPA CAMPD

³ https://www.michigan.gov/mpsc/commission/news-releases/2022/06/23/mpsc-approves-consumers-irp_takes-steps-improve-capacity

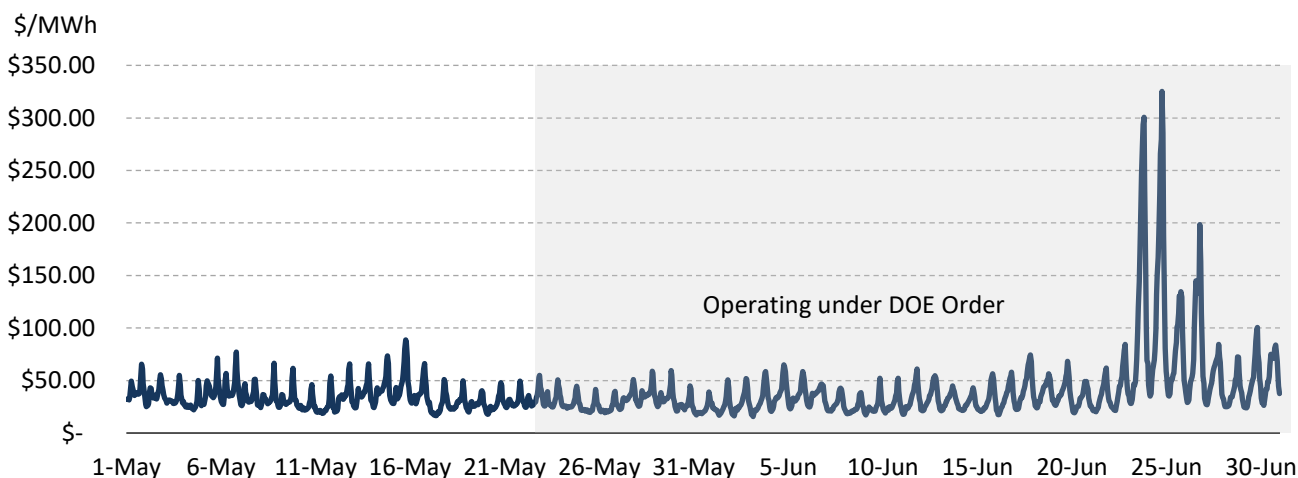
⁴ <https://campd.epa.gov/>

Between May 23, 2025, the date when the DOE issued its order, and June 30, Unit 1 operated at an average 60% capacity factor, Unit 2 at 4%, and Unit 3 at 85%.

Since the DOE order, as highlighted above, only requires Consumers to make the Campbell power plant “available to operate,” the simple fact that all three Campbell units operated at some point since the issuance of the DOE order shows that they were economical during at least some hours of the period in question.

To demonstrate that the Campbell power plant was economically viable for the entire period from May 23, 2025, to June 30, 2025, we analyzed hourly power price data published by MISO for the specified period. The so-called Locational Marginal Pricing (LMP) data is publicly available through the MISO website⁵. MISO publishes hourly LMP data for every pricing point in its system, including the interconnection points for the three Campbell generating units. The graph below shows the hourly LMP data at the Campbell LMP point for the months of May and June.

Hourly MISO LMP data for the Campbell LMP Point



Source: MISO LMP data

Between May 23 and June 30, the LMP at the Campbell power plant averaged \$40.94/MWh with a minimum of \$15.59/MWh and a maximum of \$325.20/MWh.

At this point, it is useful to review the basic process of economic dispatch in a competitive power market like MISO. Generally, for each hour of the day, MISO calculates the marginal cost of energy needed to meet that hour's electric demand. All generators with a cost lower than the marginal resource are dispatched, while those with higher costs stay offline. Each dispatched resource earns energy revenue equal to the marginal energy cost (after accounting for locational and congestion differences) during the hour it operates.

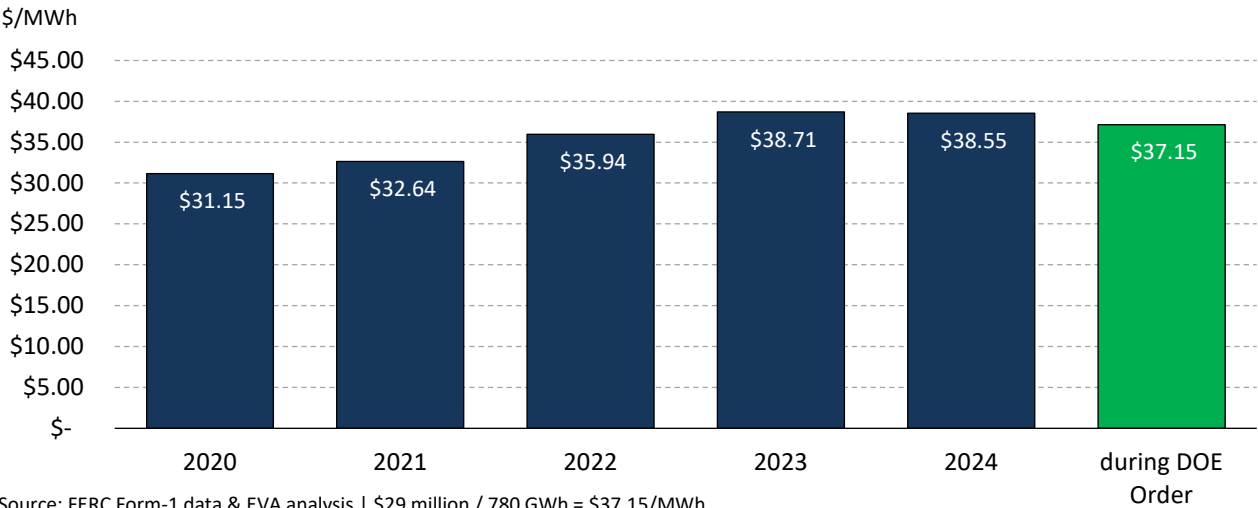
Using the historical relationship between Campbell's gross (i.e., electrical output of the steam generator) and net (i.e., electrical output fed into the electric power grid) generation using historical EPA CAMPD and EIA 923 data⁶, the Campbell power plant fed approximately 780,000 MWh of electricity into the MISO electric grid between May 23 and June 30. Multiplying the estimated hourly net generation of the three Campbell generating units and the hourly LMP values at the Campbell hub during the period from May 23 to June 30 yields an estimated energy revenue/cost of about \$31.4 million. In other words, it would have cost MISO and its stakeholders **at least** \$31.4 million to replace the electricity generated by the Campbell generating units between May 23 and June 30, 2025.

⁵ https://docs.misoenergy.org/marketreports/2025_Apr-Jun_DA_LMPs.zip

⁶ <https://www.eia.gov/electricity/data/eia923/>

After reviewing historical financial cost data reported by Consumers Energy to the U.S. Federal Energy Regulatory Commission (FERC) in its annual FERC Form-1 filings⁷, it is unlikely that Consumers Energy reported \$29 million net financial impact includes any energy revenue it received or would have received under traditional circumstances. Using the estimated 780,000 MWh of net generation produced by the three Campbell generating units during the period in question yields a production cost estimate of about \$37/MWh, which is comparable to Campbell’s production costs of the last five years. The following chart shows the production cost data for the Campbell power plant as reported by Consumers Energy in their most recent five FERC Form-1 filings, along with the estimated production costs during the DOE order period analyzed.

Campbell Production Costs



Source: FERC Form-1 data & EVA analysis | \$29 million / 780 GWh = \$37.15/MWh

Conclusion

Based on the analyzed data, it is unlikely that Consumers Energy’s mentioned \$29 million net financial cost includes any energy revenue the company would have traditionally received for operating the plant. Due to the unusual circumstances of cost recovery and energy revenue distribution for a plant under FPA Section 202c order, it is probable that Consumers Energy has not received any energy revenue normally paid to electric generators. Nonetheless, since Campbell’s estimated energy revenue exceeds the stated operating cost by at least \$2 million, it is reasonable to conclude that Michigan and MISO ratepayers have benefited financially from the Campbell power plant’s extension, at least through June 30, 2025. It is important to note that this analysis does not comment on the financial viability of the Campbell power plant beyond the period examined. Additionally, this analysis does not address potential reliability issues that could have arisen during the period if the Campbell power plant had not been extended by the DOE and instead retired on May 31, 2025, as mandated by the 2022 settlement.

⁷ <https://www.ferc.gov/general-information-0/electric-industry-forms/form-1-electric-utility-annual-report>