

# Consumers Energy-backed group made big donations to Democrats before energy law rewrite

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Lansing — Three fundraising accounts tied to key Michigan Democrats each got contributions of at least \$200,000 from a nonprofit bankrolled by one of the state's largest electric utilities in 2022, according to a tax filing obtained by The Detroit News.

The large expenditures by Citizens for Energizing Michigan's Economy, a group whose funding came from Consumers Energy, occurred the same year that Democrats won control of the state Legislature for the first time in 40 years.

Likewise, the contributions arrived ahead of Democratic Gov. Gretchen Whitmer and Democratic lawmakers' rewriting the state's energy laws in the fall of 2023 to set new clean energy standards and make it easier for utilities to launch projects to produce renewable power.

In a presentation to shareholders on Thursday, Consumers' parent company, CMS Energy, described the legislation as "good for all stakeholders." The presentation also said the new policies would allow for an "increased capital investment opportunity."

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Despite efforts by some state officials to shine more light on the utilities' spending in Lansing, the contributions from 2022 didn't have to be disclosed publicly until about a year after they occurred. The arrangements demonstrate how electric utilities, which operate like monopolies in Michigan with strict limits on competition, can quietly make six-figure expenditures to benefit the lawmakers charged with writing the laws that govern their businesses.

Citizens for Energizing Michigan's Economy is a "dark money war chest that Consumers Energy has used for years to influence politics and policymaking in Michigan," said Karlee Weinmann, communications manager for the pro-clean energy watchdog group Energy and Policy Institute in California.

"Unfortunately, this shows no sign of stopping unless Michigan lawmakers quit enabling utilities to exchange dark money and campaign contributions for power in Lansing," Weinmann said.

Howard Edelson, the president of Citizens for Energizing Michigan's Economy, didn't respond to a request for comment. The longtime political consultant is one of three board members of the nonprofit.

Citizens for Energizing Michigan's Economy reported paying \$144,000 to Edelson's firm, The Edelson Group, for "consulting" in 2022, according to the tax filing. The other two board members are Brandon Hofmeister, a senior vice president with CMS Energy, and Ronn Rasmussen, a former Consumers Energy executive.

Katie Carey, a spokeswoman for Consumers Energy, said money the utility previously gave to Citizens for Energizing Michigan's Economy came from shareholders, not customers' bills.

"In the annual evaluation of transparency and accountability practices for political spending by public U.S. companies, we have been given one of the highest grades for our practices compared to all of our peers," Carey said.

Carey was referring to the 2023 CPA-Zicklin Index, written by the Center for Political Accountability, which ranks companies for their political disclosure efforts. The ratings are based on information provided through the companies' websites.

The website of Consumers Energy, which says the company will disclose its corporate contributions, doesn't detail the annual spending of Citizens for Energizing Michigan's Economy, a separate entity that the utility has financed.

Consumers Energy gave \$35 million to Citizens for Energizing Michigan's Economy across 2016 and 2017, according to filings with the Michigan Public Service Commission, which regulates the utility. For 2019 and 2020, Consumers was barred from giving to political nonprofit advocacy groups under an agreement with the commission, commission spokesman Matt Helms said.

The \$35 million, which was provided before the agreement, reflected almost all the money the organization reported receiving from 2017 through 2022.

That \$35 million produces investment income for the nonprofit and continues to fund its operations six years later. The organization reported about \$193,000 in investment income in 2022.

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Citizens for Energizing Michigan's Economy told the Internal Revenue Service it spent \$4.6 million in 2022, including \$1.4 million on lobbying, \$1.4 million on advertising and promotion, and \$1.3 million on contributions to other organizations.

Top senator's fund gets cash

Citizens for Energizing Michigan's Economy gave to fundraising accounts tied to both Democrats and Republicans in 2022, but three of the four largest grants went to Democrats, according to the tax filing.

The Consumers Energy-backed group reported giving \$220,000 — its biggest grant since 2018 — to the Reinvent Michigan Fund, a nonprofit tied to former state Senate Minority Leader Jim Ananich, D-Flint.

Ananich helped Democrats win control of the Senate in 2022 before leaving office because of term limits at the end of that year.

[Click to view image.](#)

It's unclear what Ananich's fund did with the money because on its tax filing for 2022 it reported raising no more than \$50,000 despite the reported \$220,000.

The former lawmaker said Friday he didn't immediately remember what Reinvent Michigan Fund spent the money on.

Whitmer fund gets \$1 million

Citizens for Energizing Michigan's Economy also gave \$200,000 to Road to Michigan's Future, the nonprofit of Whitmer, in 2022, the year she won a second four-year term. Road to Michigan's Future reported raising \$12.9 million in 2022, according to its tax filing [obtained by The News. \(javascript:void\(0\)\)](#)

The Democratic governor signed the energy law overhaul on Nov. 28, 2023. The policies impose a new 100% clean energy standard for utilities to hit by 2040 and shift power to authorize large-scale wind and solar projects from local governments to the Michigan Public Service Commission [\(javascript:void\(0\)\)](#).

Michigan Energy First, a nonprofit tied to DTE Energy [\(javascript:void\(0\)\)](#), [reported on its own tax filing giving \\$750,000 to Road to Michigan's Future in 2022 \(javascript:void\(0\)\)](#). And CMS Energy [\(javascript:void\(0\)\)](#) reported a \$50,000 direct contribution [\(javascript:void\(0\)\)](#) to Road to Michigan's Future, meaning the state's two top utilities were tied to \$1 million in giving to the nonprofit for 2022.

As Michigan's top officeholder, Whitmer appoints members of the Michigan Public Service Commission [\(javascript:void\(0\)\)](#), which determines whether utilities can raise their rates on electric and natural gas customers.

On why the Whitmer-tied nonprofit accepted the money from Michigan Energy First, Road to Michigan's Future spokesman Mark Fisk [said in October \(javascript:void\(0\)\)](#) his group "appreciates the many individuals, organizations and businesses that support our mission of creating local jobs, new economic opportunities and a brighter future for the people of Michigan."

Consumers Energy [\(javascript:void\(0\)\)](#) provides electric service to 1.8 million customers and natural gas service to 1.7 million customers in Michigan, according to the company's website. Current Michigan law [places limits \(javascript:void\(0\)\)](#) on customers' ability to get electricity from alternative suppliers outside of the dominant one in their areas.

Citizens for a Better Michigan

Citizens for Energizing Michigan's Economy also gave \$200,000 in 2022 to a group called Citizens for a Better Michigan, which formed in November 2021. Citizens for a Better Michigan is tied to Michigan House Democrats or, specifically, House Speaker Joe Tate, D-Detroit, according to four sources with knowledge of its operations who weren't authorized to speak about the group.

But there's no direct link between the organization and Tate in publicly released documents, showing how top officials can conceal relationships with nonprofit organizations that raise money from interest groups and businesses.

Michigan lawmakers have become increasingly guarded about the accounts [amid criminal investigations into former legislators' handling of secret funds \(javascript:void\(0\)\)](#) that can be used to pay for meals and travel.

Citizens for a Better Michigan raised \$323,500 in 2022, according to its filing with the IRS [\(javascript:void\(0\)\)](#), meaning 62% of its money came from Citizens for Energizing Michigan's Economy.

The president of Citizens for a Better Michigan is lawyer Reid Felsing, who denied on Friday that the organization is affiliated with Tate or House Democrats. Felsing said donors, such as Citizens for Energizing Michigan's Economy, gave to the group because they supported its mission.

Tate's spokeswoman, Amber McCann, directed a reporter who was asking questions about Citizens for a Better Michigan to the organization's board, and she didn't answer a direct question on whether Tate raised money for the group.

[Click to view image. \(javascript:void\(0\)\)](#)

Citizens for a Better Michigan reported spending \$37,472 on travel and \$8,164 on travel and entertainment for [public officials in 2022. \(javascript:void\(0\)\)](#)

Tate and other legislative leaders [declined in 2023 to include travel payments bankrolled by nonprofit accounts in newly required financial disclosures \(javascript:void\(0\)\)](#) made by Michigan officeholders.

GOP lawmaker 'sick of this'

Citizens for Energizing Michigan's Economy also contributed to Republican groups in 2022, giving \$200,000 to the State Government Leadership Foundation, which is connected to the Republican State Leadership Committee.

The Republican State Leadership Committee works to elect GOP candidates for state legislative positions across the country, including in Michigan.

In addition, Citizens for Energizing Michigan's Economy gave \$50,000 to the Novi-based Integrity in Government Fund. The organization's board featured Jamie Roe, a Macomb County-based Republican political consultant.

Roe said the money was used for issue advocacy, a type of campaign spending that doesn't expressly tell people how to vote so it falls outside of traditional public disclosure requirements in Michigan.

Asked if the spending was targeted at races for the state Legislature, Roe replied, "It may have been."

Also, Citizens for Energizing Michigan's Economy gave \$50,000 to a nonprofit called Building a Better Economy in 2022. A filing by the Michigan Laborers District Council reported the union group gave \$200,000 to Building a Better Economy in 2022 [\(javascript:void\(0\)\)](#) and the nonprofit was associated with House Minority Leader Matt Hall, R-Richland Township, and state House Republicans.

Overall, Building a Better Economy raised \$1.5 million in 2022. Hall's office wouldn't confirm whether he was connected to the organization.

[Click to view image. \(javascript:void\(0\)\)](#)

In the five years from 2018 through 2022, Citizens for Energizing Michigan's Economy has made more than \$10 million in grants to politically connected groups.

During that same period, the Michigan Public Service Commission [\(javascript:void\(0\)\)](#) and the Attorney General's office took actions to try to combat secret political giving by Michigan's utilities.

"Utilities are government-created monopolies regulated by the state," said Michigan Attorney General Dana Nessel, a Democrat, in a February 2023 statement. "Accordingly, customers of these monopolies should have the right to know whether and how much their utility is spending to influence legislation or other public policy that impacts the utility and consumers."

On the other side of the aisle, state Sen. Jim Runestad, R-White Lake, said the donations from Citizens for Energizing Michigan's Economy to top Democrats were the "poster boy" for why Lansing needs greater transparency.

"The people are just sick of this," said Runestad of the ways money moves in Michigan's capital city.

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This article originally appeared on The Detroit News: [Consumers Energy-backed group made big donations to Democrats before energy law rewrite \(javascript:void\(0\)\)](#)

[Michigan House Majority Floor Leader Abraham Aiyash, D-Hamtramck, speaks at the Nov. 28, 2023 bill signing ceremony by Gov. Gretchen Whitmer for legislation requiring Michigan utilities to meet a 100% "clean energy" mandate by 2040. Consumers Energy's parent company, CMS Energy, described the legislation as "good for all stakeholders." \(Robin Buckson, The Detroit News\) \(javascript:void\(0\)\)](#)

[The cover page of the 2022 tax filing for Citizens for Energizing Michigan's Economy is pictured. \(Screenshot\) \(javascript:void\(0\)\)](#)

[Senate Minority Leader Jim Ananich's nonprofit fundraising account, the Reinvent Michigan Fund, received \\$220,000 from a group backed by Consumers Energy during his final year in office, according to tax records obtained by The Detroit News. \(David Guralnick, The Detroit News\) \(javascript:void\(0\)\)](#)

[Tax filings with the Internal Revenue Service for 2022 show Citizens for Energizing Michigan's Economy gave Reinvent Michigan Fund \\$220,000, but Reinvent Michigan Fund reported receipts of \\$50,000 or less. \(Screenshots\) \(javascript:void\(0\)\)](#)

[A nonprofit group tied to Consumers Energy gave \\$200,000 in 2022 to a nonprofit group linked to House Speaker Joe Tate, D-Detroit, tax records show. The president of the group, Reid Felsing, denied that the organization is affiliated with Tate. \(David Guralnick, The Detroit News\) \(javascript:void\(0\)\)](#)

[The 2022 tax filing for Citizens for Energizing Michigan's Economy shows payments to Building a Better Economy and Citizens for a Better Michigan. \(Screenshot\) \(javascript:void\(0\)\)](#)

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