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News Release

Palisades Power Purchase Agreement to End Early; Nuclear Plant to Close in 2018

COVERT, Mich. – Entergy Corporation (NYSE: ETR) and Consumers Energy, Michigan’s largest utility and the principal subsidiary of CMS Energy (NYSE: CMS), have agreed to an early termination of their power purchase agreement (PPA) for the Palisades Power Plant in Covert Township in 2018, lowering the costs to Consumers’ customers by as much as \$172 million over four years. The agreement is subject to regulatory approvals. Separately, and assuming regulatory approvals are obtained for the PPA termination, Entergy intends to shut down the Palisades nuclear power plant permanently on Oct. 1, 2018.

“Entergy recognizes the consequences of a Palisades shutdown for our approximately 600 employees who have run the plant safely and reliably, and for the surrounding community, and we will work closely with both to provide support during the transition,” said Leo Denault, Entergy’s chairman and chief executive officer. “We determined that a shutdown in 2018 is prudent when comparing the transaction to the business risks of continued operation.”

The original agreement committed Consumers Energy to purchase nearly all of the power that Palisades generates through April 2022. Under the current plan, and assuming regulatory approval of the request to terminate the PPA in 2018, Palisades will be refueled as scheduled in the spring of 2017 and operate through the end of the fuel cycle, then permanently shut down on Oct. 1, 2018.

Since first entering into a PPA in 2007, when Entergy purchased Palisades from Consumers Energy, market conditions have changed substantially, and more economic alternatives are now available to provide reliable power to the region. The transaction is expected to result in \$344 million in savings, \$172 million of which is expected to lower Consumers Energy customers' costs over the early termination period from 2018 to 2022, and \$172 million of which Consumers Energy will pay to Entergy for early PPA termination. The early termination payment to Entergy will help assure the plant's transition from operations to decommissioning, maintaining our commitment to meet US Nuclear Regulatory Commission requirements.

To support the community during the transition, Entergy and the Consumers Energy Foundation will provide a total of \$10 million over several years in economic development funding for the Southwest Michigan region. The companies will consult with the Council of Michigan Foundations and local stakeholders as it relates to the distribution of these funds. Of the \$10 million, the Consumers Energy Foundation will contribute \$2 million and Entergy \$8 million. The process for reviewing requests for funds and distributing them will be announced later, with a focus on sustainable economic development that will broaden the community's tax base.

"Entergy is committed to treating our employees fairly throughout this process and will assist employees who want to relocate within Entergy or leave the company," said Bill Mohl, president of Entergy Wholesale Commodities, a business unit within Entergy. "Additionally, Consumers Energy has committed to work closely with Entergy as part of its ongoing talent recruitment efforts and will consider potential placement of up to 180 appropriately skilled employees from Palisades into the utility's workforce over time."

Consumers Energy plans to ask the Michigan Public Service Commission to approve the early termination of the PPA, effective May 31, 2018. CMS and Palisades will sign a new PPA under which the plant would continue to operate until Oct. 1, 2018. Entergy will notify the power grid operator, the Midcontinent Independent System Operator, as well as the NRC, of its intent to permanently shut down and decommission Palisades.

Financial Implications

As a result of the agreement to terminate the PPA and its intention to shut down the plant, Entergy will recognize a non-cash impairment charge of approximately \$390 million (\$252 million after-tax) in the fourth quarter of 2016. In addition to the impairment charge, through the end of 2018 Entergy expects to record additional charges totaling approximately \$55 million related to severance and employee retention costs.

The impact on free cash flow from the agreement is expected to be positive compared to the alternative of closing the plant at the end of the current PPA. The expected changes in free cash flow include the payment for early termination of the PPA, an expected contribution to the decommissioning trust fund, severance and retention costs and changes in capital expenditures and operating cash flows. The actual amount of the anticipated contribution to the decommissioning trust will be determined later.

Cautionary Note Regarding Forward-Looking Statements

In this news release, and from time to time, Entergy Corporation makes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, among other things, Entergy’s plans

and expectations with respect to the Palisades Power Plant and the anticipated financial effects of the agreement to terminate the PPA and planned shutdown of the plant and other statements of Entergy's plans, beliefs or expectations included in this news release. Except to the extent required by the federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including (a) those factors discussed elsewhere in this news release and in Entergy's most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q and Entergy's other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with rate proceedings, formula rate plans and other cost recovery mechanisms; (c) uncertainties associated with efforts to remediate the effects of major storms and recover related restoration costs; (d) nuclear plant relicensing, operating and regulatory costs and risks, including any changes resulting from the nuclear crisis in Japan following its catastrophic earthquake and tsunami; (e) changes in decommissioning trust fund values or earnings or in the timing or cost of decommissioning Entergy's other nuclear plant sites; (f) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (g) risks and uncertainties associated with strategic transactions that Entergy or its subsidiaries may undertake, including the risk that any such transaction may not be completed as and when expected and the risk that the anticipated benefits of the transaction may not be realized and (h)

the effects of technological changes and changes in economic conditions and conditions in commodity and capital markets during the periods covered by the forward-looking statements.

Background Information

The Palisades Power Plant employs about 600 workers, and has been a part of the Van Buren County community since it began generating electricity in 1971. The plant generates 811 megawatts of virtually carbon-free electricity, enough to power more than 800,000 homes. Additional information on today's announcement is available at www.entergy.com and www.palisadespower.com.

Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, including nearly 10,000 megawatts of nuclear power. Entergy delivers electricity to 2.8 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy has annual revenues of approximately \$11.5 billion and more than 13,000 employees.