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## MICHIGAN RENEWABLE ENERGY CERTIFICATION SYSTEM ANNUAL REPORT FOR 2021-2022

Per the approved Department of Energy, Labor and Economic Growth Agreement, and under the Amended contract made by the Department of Licensing and Regulatory Affairs that designates APX, Inc. (APX) as the State of Michigan Administrator of the Michigan Renewable Energy Certification System (MIRECS), APX submits the following Annual Report for the period of July 1, 2021 through June 30, 2022 (year 13). This report provides an update on MIRECS operations and trends over the course of year 13, as well as a financial review of revenues and expenses – compared to the budget across that period – and an operating budget forecast for the next operating period.

### OPERATIONS

#### Account Registration

In year 13, there were ten new Accounts approved into the MIRECS and the total number of active MIRECS Accounts grew to 157. The changes in the total number of accounts were also affected by the updates of existing Accounts, including: one General Account closing, and two Project Accounts closing. The ten new Accounts are made up of seven General Accounts, one Project Account and two Retail Purchaser Accounts.

**TABLE 1: MIRECS ACCOUNT REGISTRATIONS**

Registration	New Accounts in Year 12	New Accounts in Year 13	Total Accounts in MIRECS (end of Year 13)
Accounts	QTY	QTY	QTY
General	5	7	27
Import Certification Account	0	0	2
Michigan Electric Service Provider	0	0	70
Non-Profit Wholesale Power Provider	0	0	4
Project	2	1	37
Qualified Reporting Entity (QRE)/ Verifier	1	0	14
Retail Purchaser Account	0	2	3
<b>Total Accounts</b>	<b>8</b>	<b>10</b>	<b>157</b>



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**Project Registration**

In year 13, there were 22 new projects registered in the MIRECS. During this year, the majority of project registrations were conventional generators as there were only three import projects and there were no new EWR projects registered.

Of the 22 new projects registered in year 13, 15 were approved into the MIRECS and of the remaining seven projects, five were in a pending status, and two were in a need info status. These 22 new projects utilize one of the following five technologies: Hydro (four), Landfill Gas (one), Solar (four), Solar Non-IREC (nine), or Wind (four).

In year 13, one Import project was re-registered as a Generator and three Generators were registered as Import projects. Additionally, 10 Generators were closed upon request.

Taking all this activity in aggregate, the net total quantity of approved or need info projects in MIRECS increased from 321 to 323 in year 13.

**TABLE 2: MIRECS PROJECT REGISTRATIONS**

Registration	New Projects in Year 12	New Projects in Year 13	Total Projects in MIRECS (end of Year 13)
Project Type	QTY	QTY	QTY
MIRECS Generation	6	14	236
Import	2	3	72
EWR	0	0	15
Thermal	0	0	0
<b>Total Projects</b>	<b>8</b>	<b>17</b>	<b>323</b>

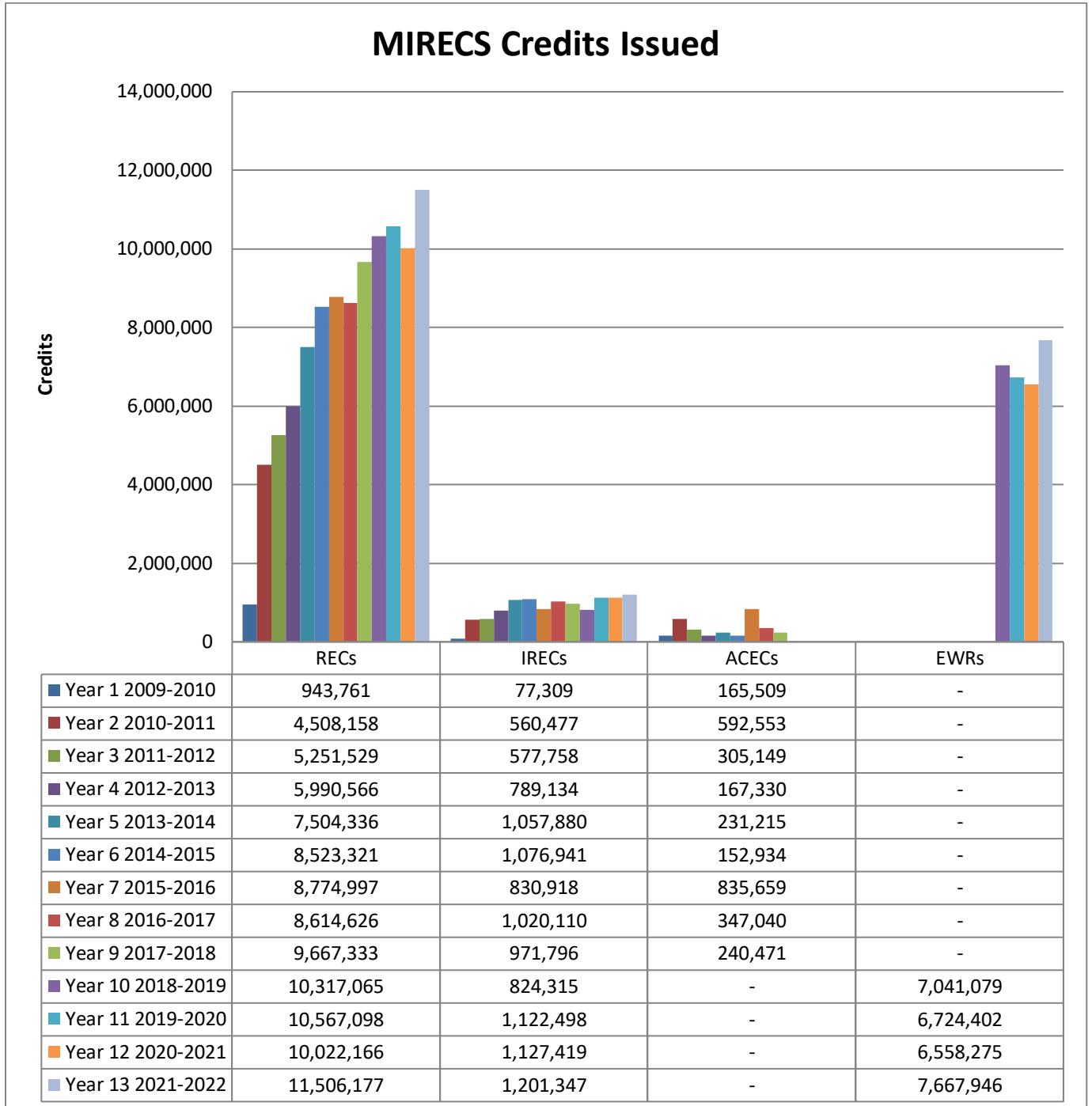
**Issued Credits**

In year 13, the total quantity of Credits issued in MIRECS was 20,375,470 and this total presents the largest annual issuance in MIRECS history. The main contributors to this high level of issuance is elevated EWR activities (1,109,671 more EWR certificates compared to year 12) and the influx of several large new generators into the MIRECS.



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**TABLE 3: MIRECS CREDIT ISSUANCE<sup>1</sup>**



<sup>1</sup> The issued ACECs in year 9 were for a time period prior to April 2017. No ACECs were issued for the time period after April 2017 in MIRECS.



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### **Retired Credits**

In MIRECS, a retirement is an action taken to remove a Credit from circulation and is effectuated by transferring Credits into a Retirement Sub-Account or a Group Retirement Sub-Account. An Account Holder has the option to retire Credits for either Renewable Energy Compliance, EWR Compliance, or for Voluntary purposes.

### **Renewable Energy (RE) Compliance Retirements**

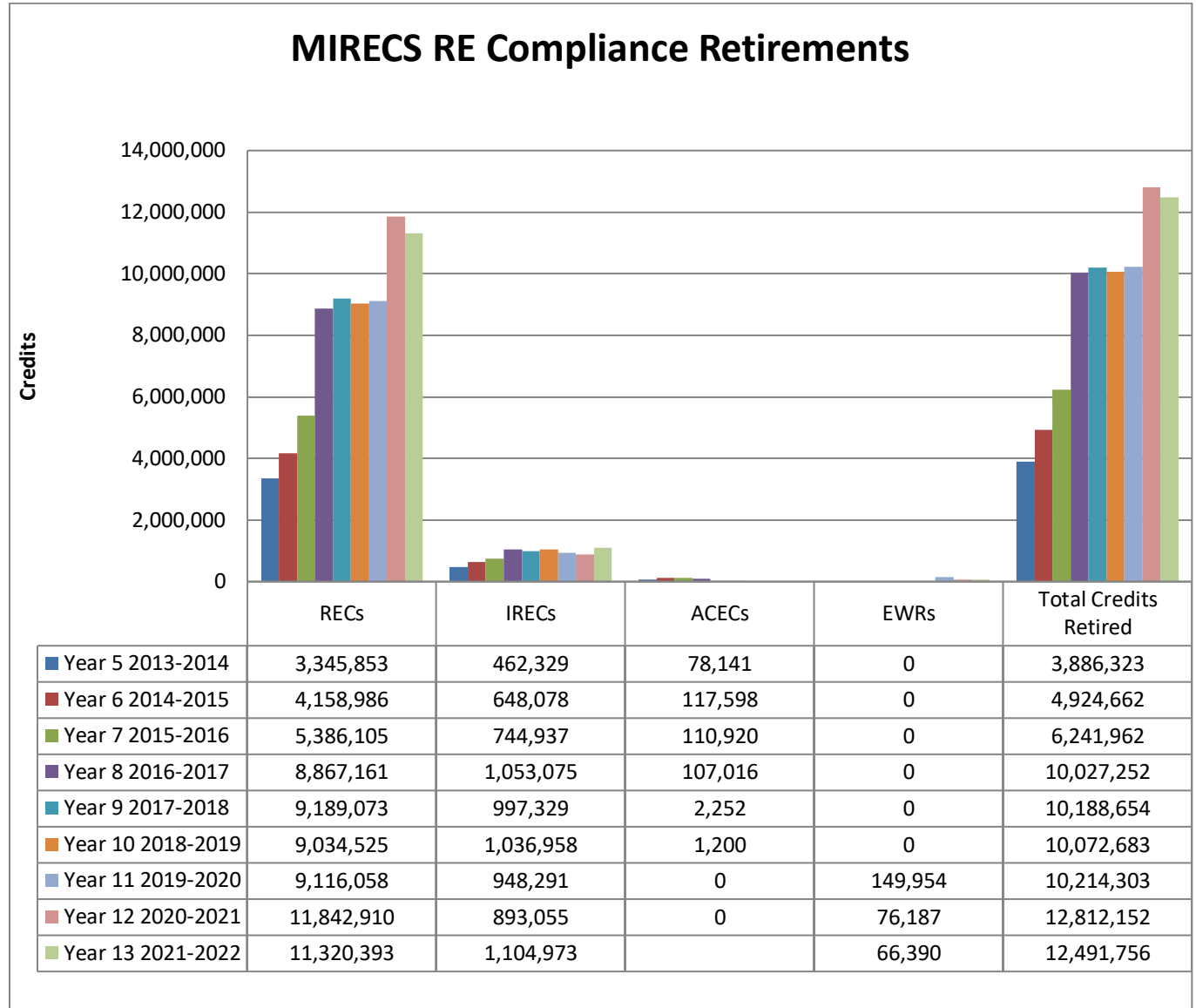
In year 13, Michigan Utility Service Providers submitted 2020 RE Compliance filings to satisfy their respective PA 295 requirements. All Michigan Utility Service Providers submitted eligible Credits to their 2020 RE Compliance Sub-Accounts through the MIRECS. The Michigan Public Service Commission (MPSC) reviewed and approved the completed Sub-Account submissions, and the MIRECS Credits were retired for RE Compliance. As shown in Table 4 below, over 12.49 million MIRECS Credits were retired for Michigan RE Compliance in year 13.

There was more than a 2.5% decrease in RE Compliance Retirement activity in year 13 – as compared to that in year 12 – and the 12,491,756 Credits are the second most ever retired for RE Compliance. The main contributor to the growth in Compliance retirements the last two years was the increase in obligation percentage from 10% to 12.5%. Additionally, year 13 marked the third time that EWR Credits could be used as part of a RE Compliance submission within MIRECS. 2021 RE Compliance is expected to see another increase to 15% of retail sales so the trends towards increased Compliance retirements should continue in the MIRECS.



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**TABLE 4: MIRECS RENEWABLE ENERGY (RE) COMPLIANCE RETIREMENTS**



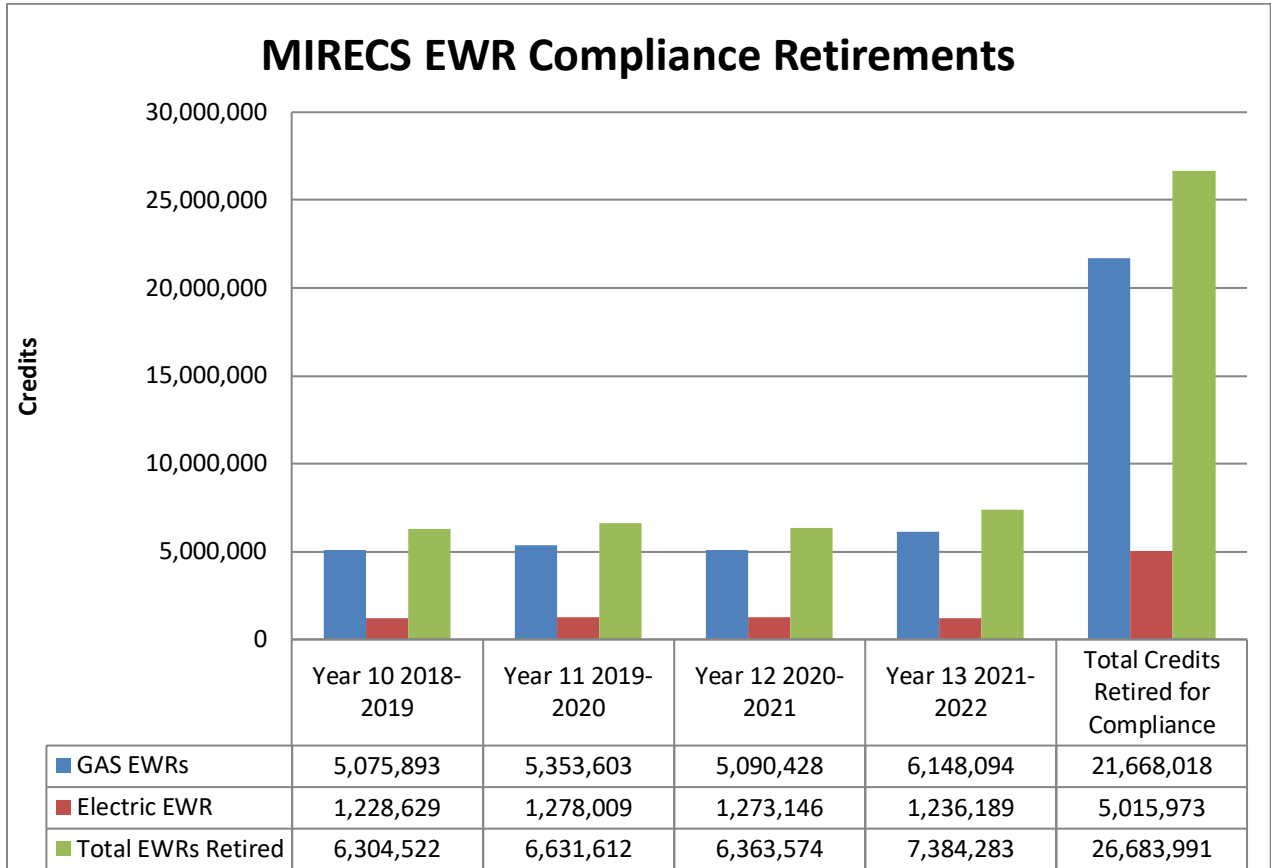
**Energy Waste Reduction (EWR) Compliance Retirements**

Year 13 marked the fourth year of the new requirement to complete EWR submissions to the MPSC through the MIRECS (pursuant to Section 87 of the Public Acts of 2016: Act No. 342). There are two types of EWR Compliance requirements (Gas and Electric) and 10 participating Michigan Utility Service Providers. In year 13, EWR requirements were submitted for the 2020 Compliance year. As seen in Table 5 below, Gas EWR Credits continue to make up the majority of EWR Compliance submissions. Additionally, the Certificates retired for 2020 EWR Gas Compliance were increased by 1,057,666 – over the previous year – and the overall EWR Compliance total in Year 13 totaled 7,384,283.



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**TABLE 5: MIRECS EWR COMPLIANCE RETIREMENTS**





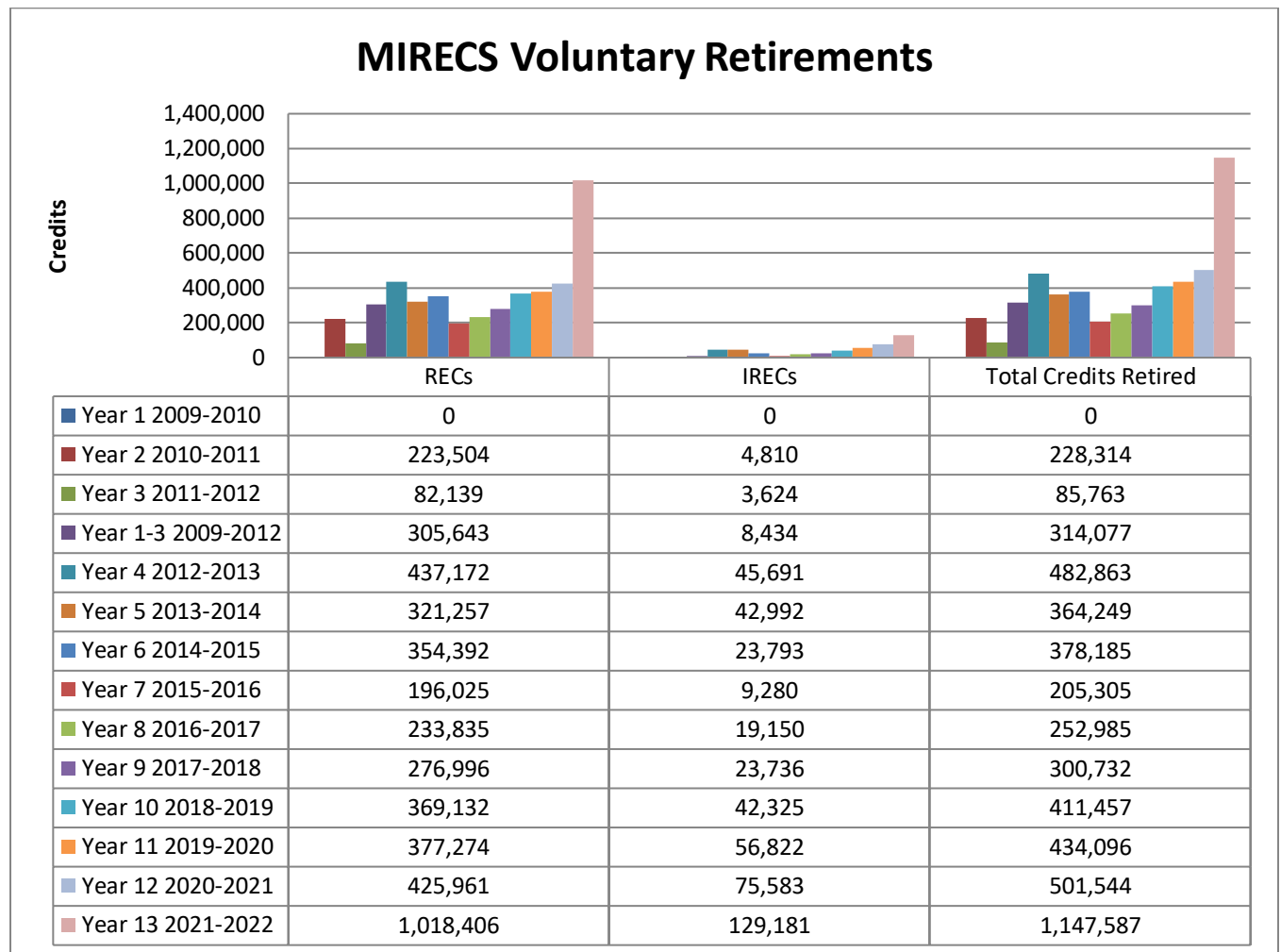
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**Voluntary Retirements**

In year 13, a total number of 1,147,587 Credits were voluntarily retired in the MIRECS. The Credits were voluntarily retired against one of three different retirement types: “Retired on Behalf of Beneficial Owner”, “Used by Account Holder for a Utility Green Pricing Program”, and “Other” (e.g., “Expired MI Eligibility” or “For Environmental Benefit”).

In year 13, the total number of Voluntary Retirements grew for the sixth consecutive year. In fact, the year 13 total of 1,147,587 Certificates was a 229% increase – as compared to year 12 – and by far the largest voluntary retirement total in the history of the MIRECS. The main contributor to this trend continues to be the growth in Voluntary Retirements that are used by Account Holders for a Utility Green Pricing (UGP) Program.

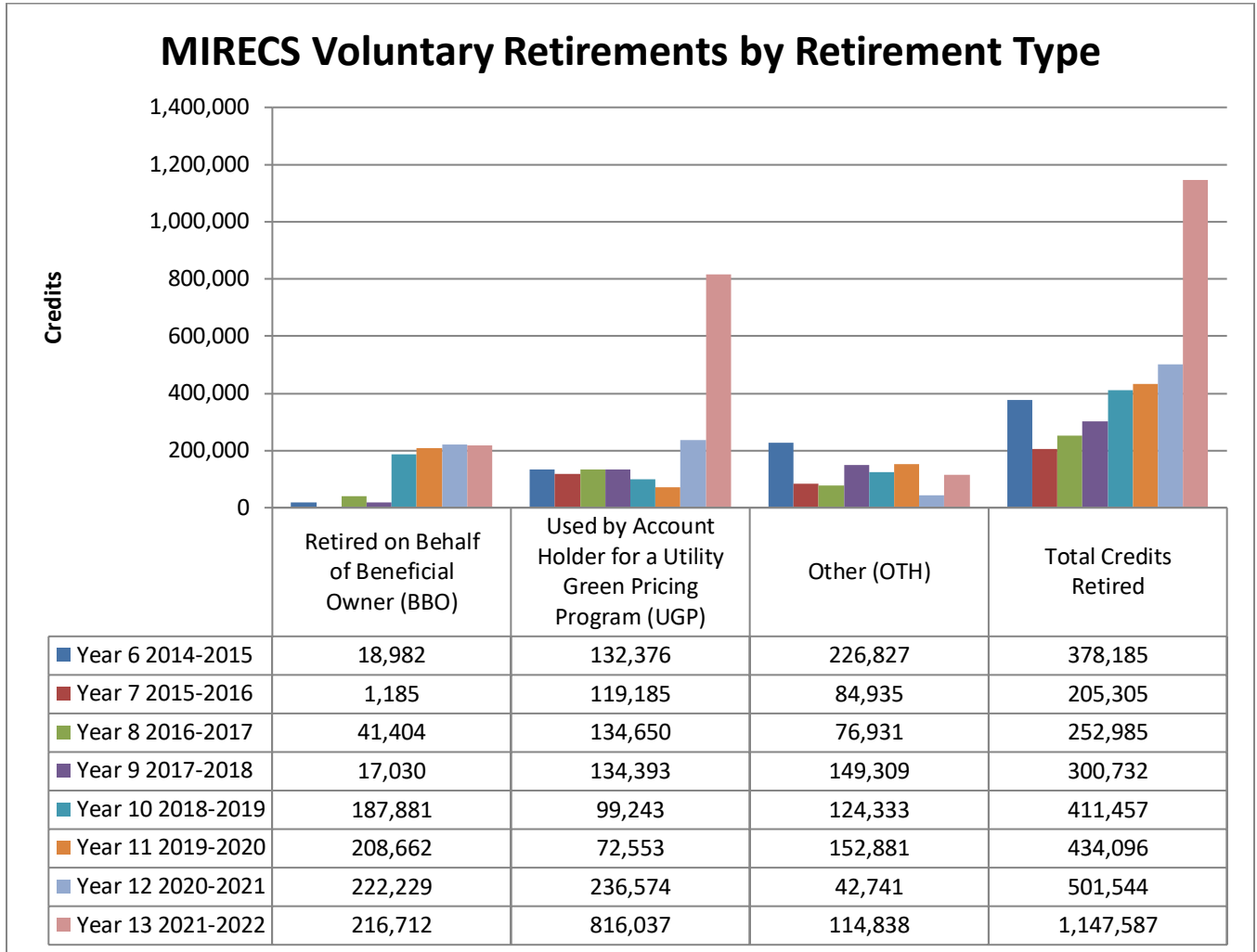
**TABLE 6: MIRECS VOLUNTARY RETIREMENTS**





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**TABLE 7: MIRECS VOLUNTARY RETIREMENTS BY RETIREMENT TYPE IN YEAR 13<sup>2</sup>**



<sup>2</sup> The data in the Table 7 column for “Other” combines the following retirement types: Other (OTH), Credit-only (RECS), and Energy Optimization Substitution (EOS).



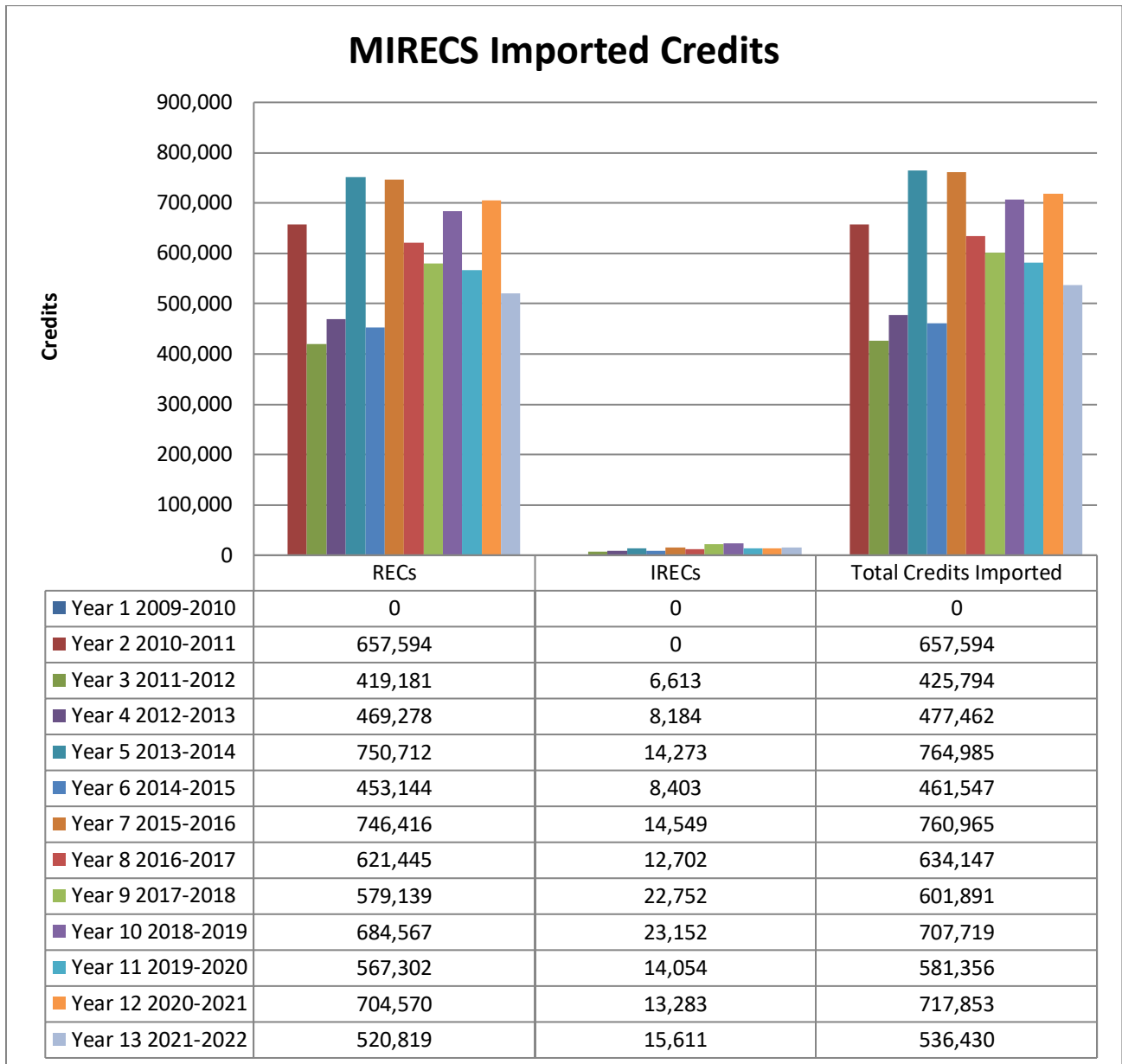


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**Imported Credits**

In year 13, a total number of 536,430 Credits were imported into the MIRECS from other compatible tracking systems. MIRECS imported 134,466 Credits from PJM-GATS and 401,964 Credits from M-RETS. The number of Credits imported into MIRECS was lower in year 13, as compared to year 12, and was the least number of imports since year six of the MIRECS.

**TABLE 8: MIRECS CREDITS IMPORTED**



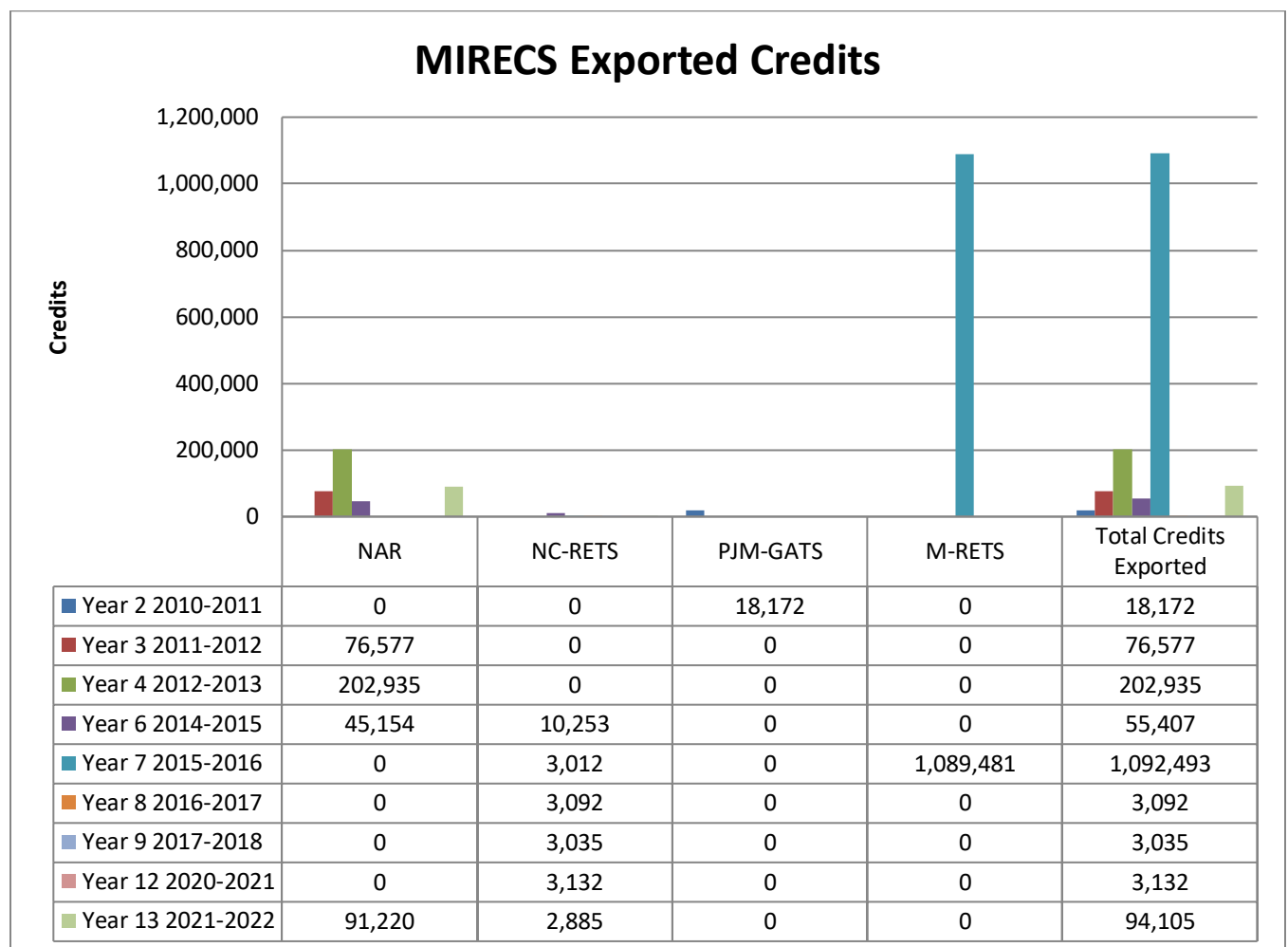


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**Exported Credits**

In year 13, a total number of 94,105 Credits were exported to other compatible tracking systems. As shown in Table 9 below, 2,885 Credits were exported to NC-RETS and 91,220 Credits were exported to the North American Renewables Registry (NAR). Although NC-RETS exports have been relatively consistent over the years, this was the first time since year six that exports were initiated to the NAR Registry. This breaks a trend of seven straight years with only limited exports to only NC-RETS.

**TABLE 9: MIRECS CREDITS EXPORTED**



**MIRECS Website**

The MIRECS website continues to be available to users online 24 hours a day, 7 days a week. During year 13, MIRECS experienced minimal unscheduled downtime.