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MICHIGAN RENEWABLE ENERGY CERTIFICATION SYSTEM ANNUAL REPORT FOR 2022-2023

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, 2022 through June 30, 2023 (Year 14). This report provides an update on MIRECS operations and trends over the course of the year 14.

OPERATIONS

Account Registration

In year 14, there were seven new Accounts approved into the MIRECS and the total number of active MIRECS Accounts grew to 163. The changes in the total number of accounts were also affected by the updates of existing Accounts, including one General Account closing. The seven new Accounts are made up of four General Accounts, two Project Accounts and one Qualified Reporting Entity (QRE) account.

TABLE 1: MIRECS ACCOUNT REGISTRATIONS

Registration	Total Accounts in the MIRECS (end of Year 13)	New Accounts in Year 14	Total accounts in the MIRECS at end of Year 14
Accounts	QTY	QTY	QTY
General	27	4	30
Import Certification Account	2	0	2
Michigan Electric Service Provider	70	0	70
Non-Profit Wholesale Power Provider	4	0	4
Project	37	2	39
Qualified Reporting Entity (QRE)/ Verifier	14	1	15
Retail Purchaser Account	3	0	3
Total Accounts	157	7	163



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Project Registration

In year 14, there were 11 new projects registered in the MIRECS. During this year, all the new project registrations were conventional generators as there were no new imports or EWR projects registered.

Of the 11 new projects registered in year 14, seven were approved into the MIRECS and of the remaining four projects, two were in a pending status, and two were in a need info status. These 11 new projects utilize one of the following five technologies: Hydro (two), Solar (two), Solar Non-IREC (five), or Wind (two).

In year 14, six 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 323 to 326 in year 14.

TABLE 2: MIRECS PROJECT REGISTRATIONS

Registration	New Projects Registered in Year 13	New Project Registered in Year 14	Total Projects Approved in the MIRECS (end of Year 14)
Projects	QTY	QTY	QTY
MIRECS Generation	14	11	239
Import	3	0	72
EWR	0	0	15
Thermal	0	0	0
Total Projects	17	11	326

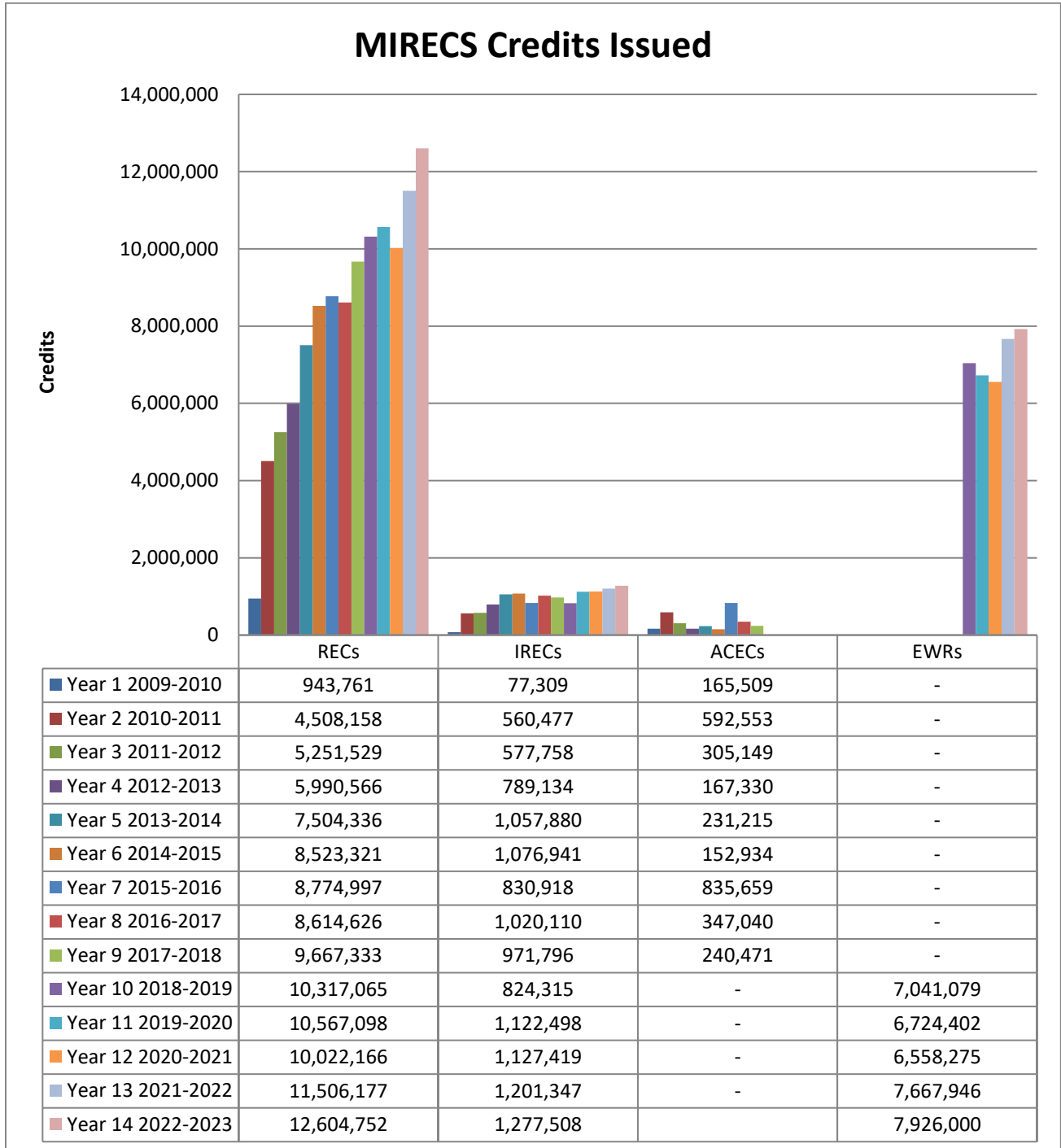
Issued Credits

In year 14, the total quantity of Credits issued in MIRECS was 21,808,260 and this total presents the largest annual issuance in MIRECS history. This increased issuance applied to RECs, IRECs and EWR Credits. Additionally, the increase was supplemented by an influx of several large new generators into the MIRECS as five projects over 20 MWs started generating Credits in Year 14.



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TABLE 3: MIRECS CREDIT ISSUANCE¹



¹ 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

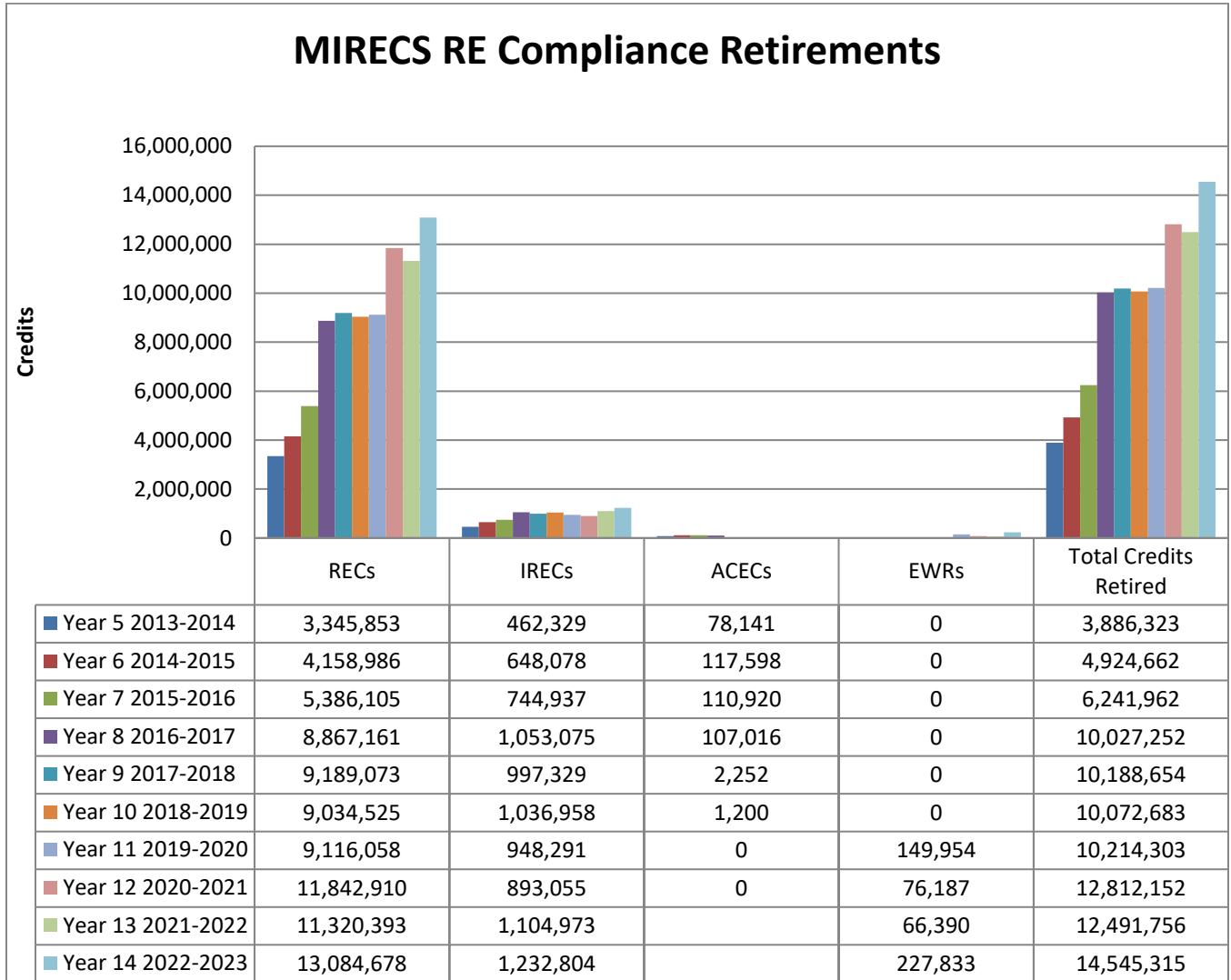
In year 14, Michigan Utility Service Providers submitted 2021 RE Compliance filings to satisfy their respective PA 295 requirements. All Michigan Utility Service Providers submitted eligible Credits to their 2021 RE Compliance Sub-Accounts through the MIRECS. The Michigan Public Service Commission (MPSC) reviewed and approved the completed Sub-Account submissions, and the MIRECS Credits were retired for RE Compliance. As shown in Table 4 below, over 14.54 million MIRECS Credits were retired for Michigan RE Compliance in year 14.

There was more than a 16% increase in RE Compliance Retirement activity in year 14 – as compared to that in year 13 – and the 14,545,315 Credits are the most ever retired for RE Compliance. The main contributor to the growth in Compliance retirements was the increase in obligation percentage from 12.5% to 15%. Additionally, year 14 marked the fourth time that EWR Credits could be used as part of a RE Compliance submission within MIRECS and over 227,000 EWR Credits were substituted for RE Compliance. Although the RE Compliance obligation sunsetted after 2021 for many of the providers, nearly all entities have expressed their intent to continue their 15 % obligation; therefore, we expect these trends towards increased Compliance retirements to continue in the MIRECS.



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TABLE 4: MIRECS RENEWABLE ENERGY (RE) COMPLIANCE RETIREMENTS



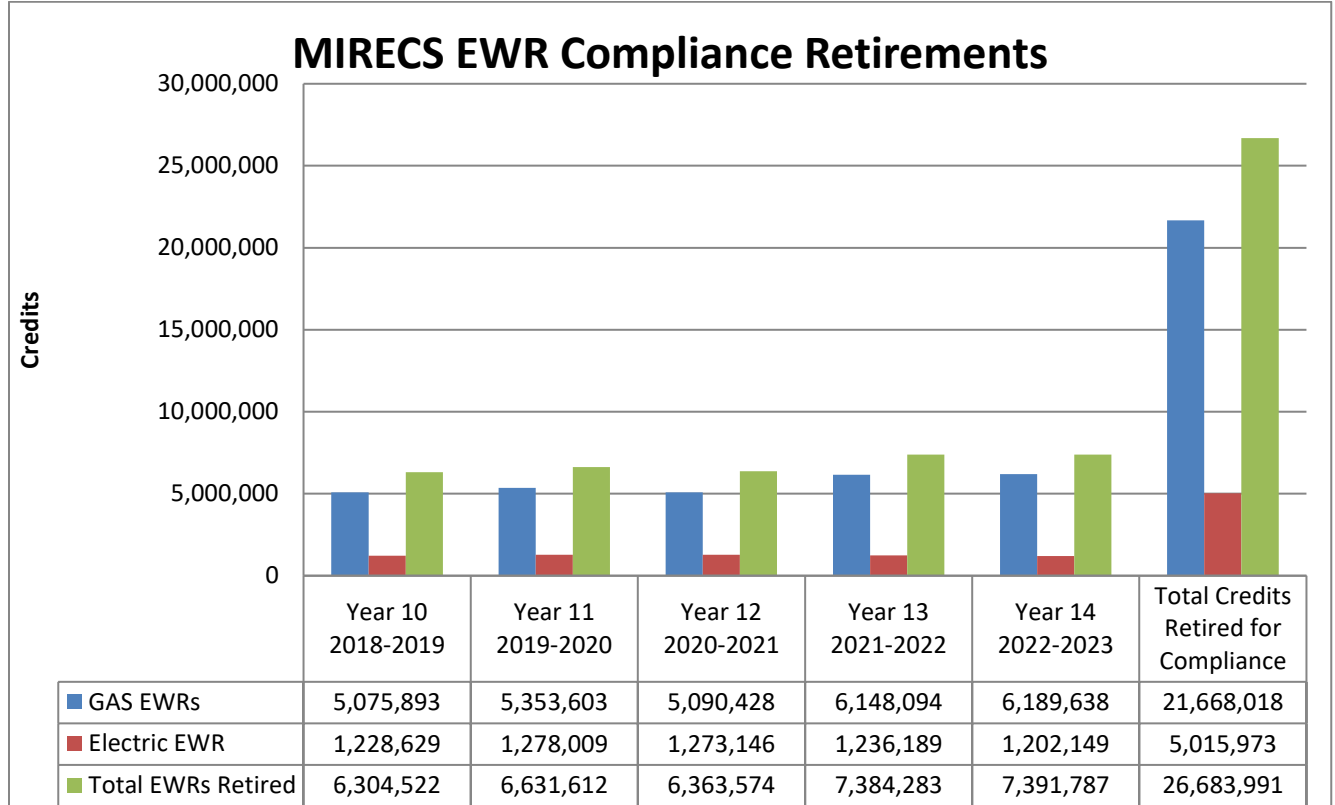
Energy Waste Reduction (EWR) Compliance Retirements

Year 14 marked the fifth 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 nine participating Michigan Utility Service Providers. In year 14, EWR requirements were submitted for the 2021 Compliance year. As seen in Table 5 below, Gas EWR Credits continue to make up the majority of EWR Compliance submissions. Additionally, both Certificates retired for 2021 EWR Gas Compliance and EWR Electric Compliance were very similar in year 14 (as compared to Year 13) and the overall EWR Compliance total in Year 14 was 7,391,787.



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TABLE 5: MIRECS EWR COMPLIANCE RETIREMENTS



Voluntary Retirements

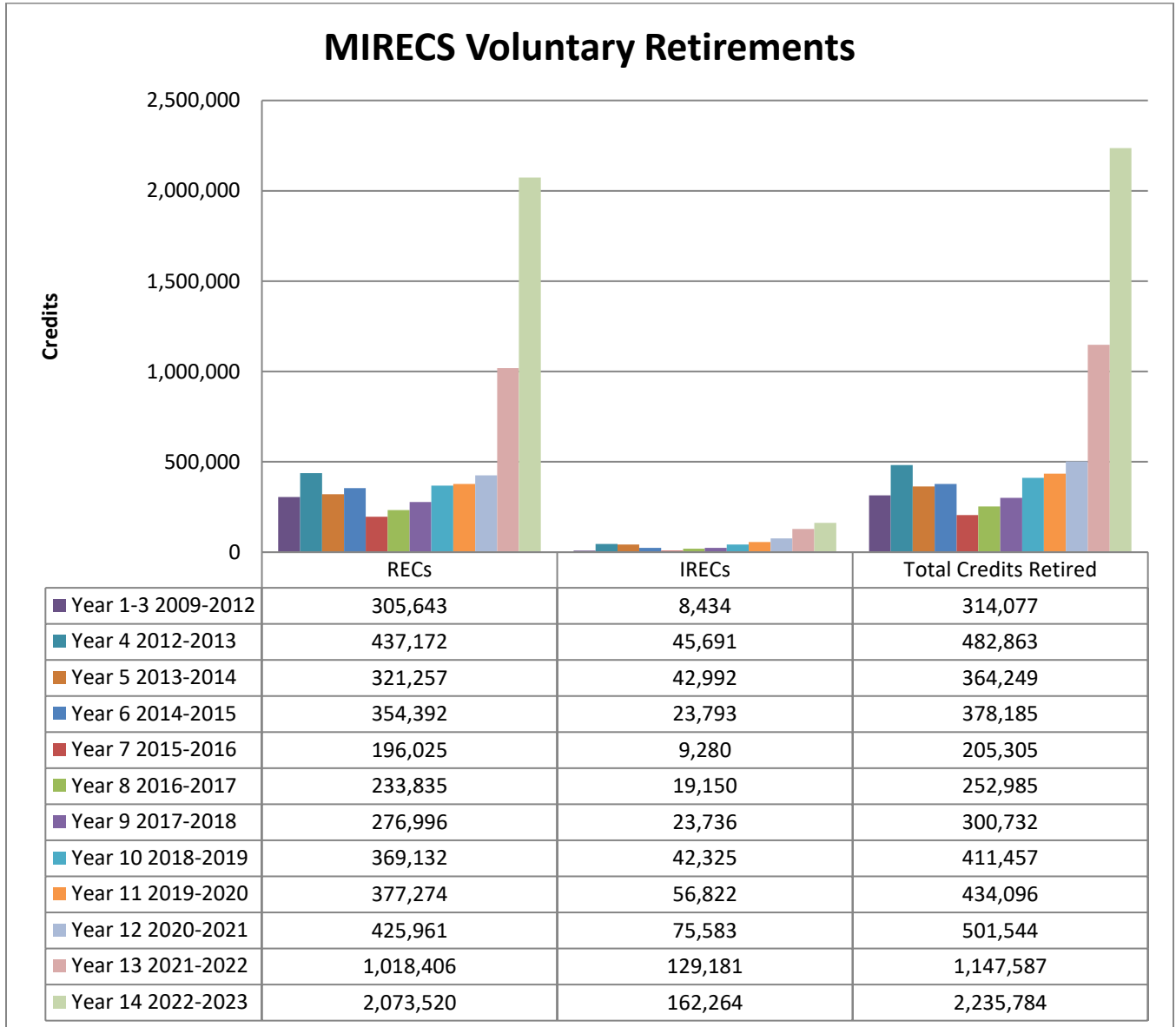
In year 14, a total number of 2,235,784 Credits were voluntarily retired in the MIRECS. The Credits were voluntarily retired against one of three different retirement types: “Retired on Behalf of Beneficial Owner”, “Used by Account Holder for a Utility Green Pricing Program”, and “Other” (e.g., “Expired MI Eligibility” or “For Environmental Benefit”).

In year 14, the total number of Voluntary Retirements grew for the seventh consecutive year. In fact, the year-14 total of 2,235,784 Certificates was a 199% increase – as compared to year 13 – and by far the largest voluntary retirement total in the history of the MIRECS. Prior to year 12, the most voluntary retirements in the MIRECS were 501,544, so we can see this quantity has more than quadrupled in the past two years. 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. Additionally, year 14 saw a significant jump in Credits used for Retired on Behalf of Beneficial Owner (BBO).



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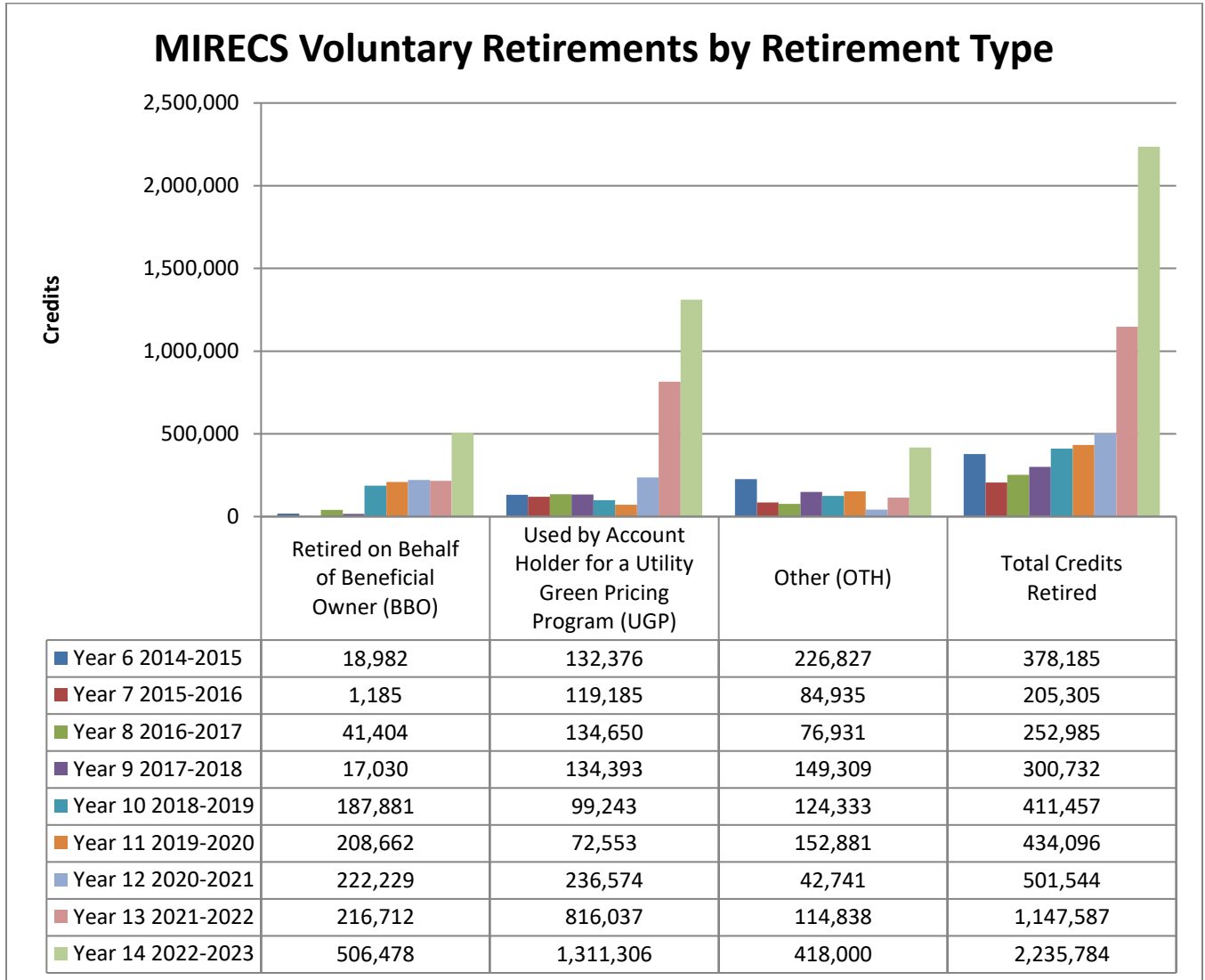
TABLE 6: MIRECS VOLUNTARY RETIREMENTS





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TABLE 7: MIRECS VOLUNTARY RETIREMENTS BY RETIREMENT TYPE IN YEAR 14²



Imported Credits

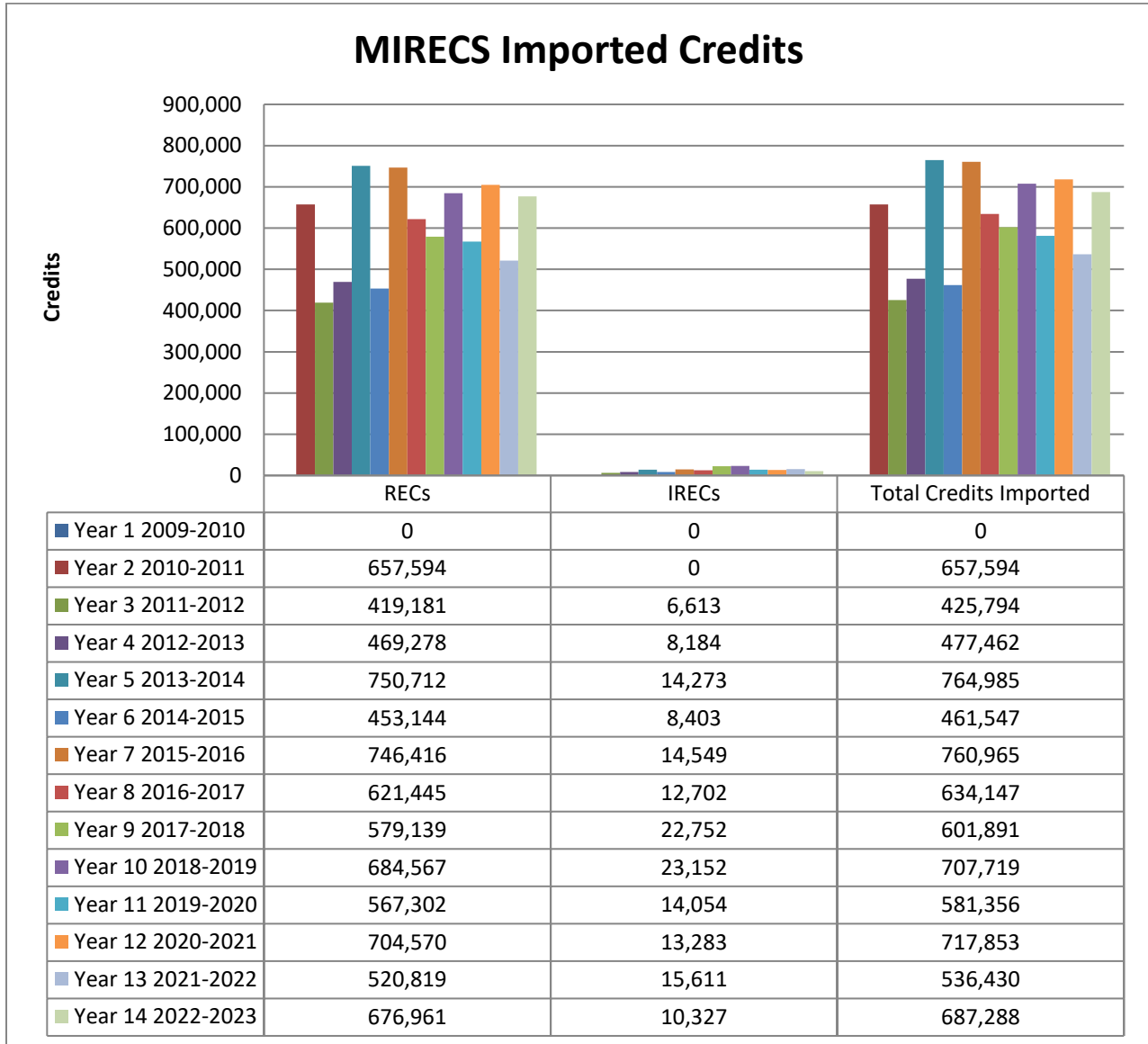
In year 14, a total number of 687,288 Credits were imported into the MIRECS from other compatible tracking systems. MIRECS imported 164,587 Credits from PJM-GATS and 522,701 Credits from M-RETS. The number of Credits imported into MIRECS was 28 % higher in year 14, as compared to year 13, but still less than the all-time high of 717,853 Credits which were imported in year 12.

² 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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TABLE 8: MIRECS CREDITS IMPORTED



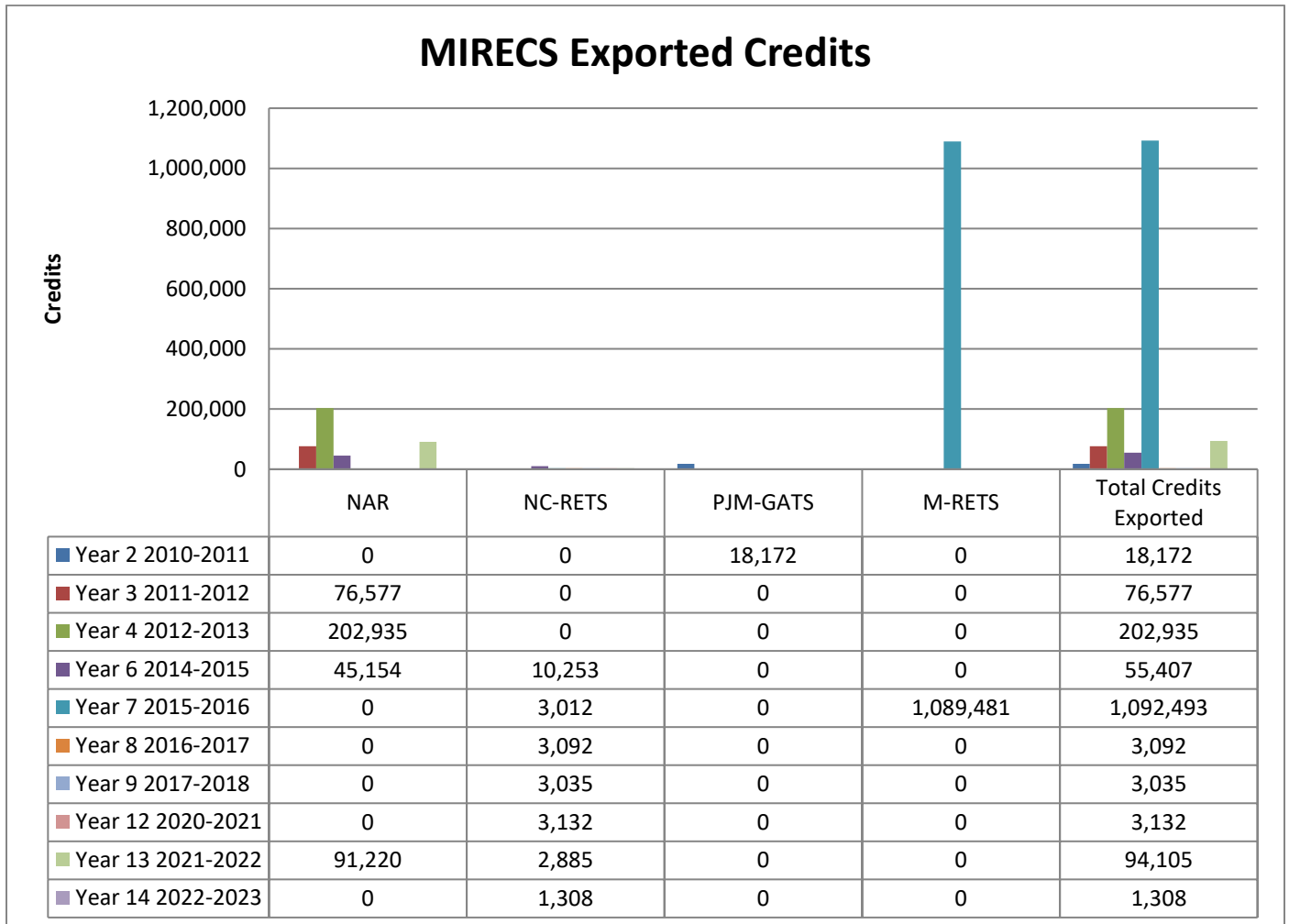
Exported Credits

In year 14, only 1,308 Credits were exported to other compatible tracking systems. Although the MIRECS experienced 91,220 Credits exported to the North American Renewables Registry (NAR) in Year 12, we returned to the trend of limited exports to only NC-RETS. As shown in Table 9 below, all 1,308 Credits were exported to NC-RETS and this annual total marked the fewest number of Certificates that the MIRECS has ever exported.



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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 14, MIRECS experienced minimal unscheduled downtime.