



## MICHIGAN RENEWABLE ENERGY CERTIFICATION SYSTEM ANNUAL REPORT FOR 2024-2025

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, 2024 through June 30, 2025 (Year-16). This report provides an update on MIRECS operations and trends over the course of the Year-16

### OPERATIONS

#### Account Registration

In Year-16, there were seven new Accounts approved into the MIRECS and the total number of active MIRECS Accounts went down to 171. The seven new Accounts are made up of three General Accounts and four Project Accounts. The changes in the total number of accounts were also affected by the updates of existing Accounts, including one General Account changing to a Project Account. Additionally, four General accounts and three Retail Purchaser accounts were closed in Year-16 due to inactivity.

**TABLE 1: MIRECS ACCOUNT REGISTRATIONS**

Registration	Total Accounts in MIRECS (end of Year-15)	New Accounts in MIRECS (during Year-16)	Total Accounts in MIRECS (end of Year-16)
Accounts	QTY	QTY	QTY
General	37	3	35
Import Certification Account	2	0	2
Michigan Electric Service Provider	70	0	70
Non-Profit Wholesale Power Provider	4	0	4
Project	42	4	45
Qualified Reporting Entity (QRE)/ Verifier	15	0	15
Retail Purchaser Account	3	0	0
<b>Total Accounts</b>	<b>173</b>	<b>7</b>	<b>171</b>



**Project Registration**

In Year-16, there were 29 new generator projects registered in the MIRECS. This historic influx of new project registrations represents the largest annual total in over a decade. Most new project registrations continue to be for conventional generators as the MIRECS 13 new import projects and no EWR projects registered.

Of the 29 projects registered in Year-16, 21 were approved into the MIRECS and of the remaining eight projects, six were in a need-info status, and two were in a pending status. These 21 new approved projects utilize one of the following four technologies: Hydro (three), Landfill Gas (one), Multi-Fuel (two), Solar Non-IREC (14), or Wind (one).

The total import projects approved in the MIRECS increased by 13 during the year as 11 new import projects were approved and another two were re-activated. Recently expanded Import rules in Michigan are likely to continue driving increased import project registration in the future as any MISO based project is now eligible in the MIRECS.

Taking all this activity in aggregate, the net total quantity of approved or need info projects in MIRECS increased from 339 to 365 in Year-16.

**TABLE 2: MIRECS PROJECT REGISTRATIONS**

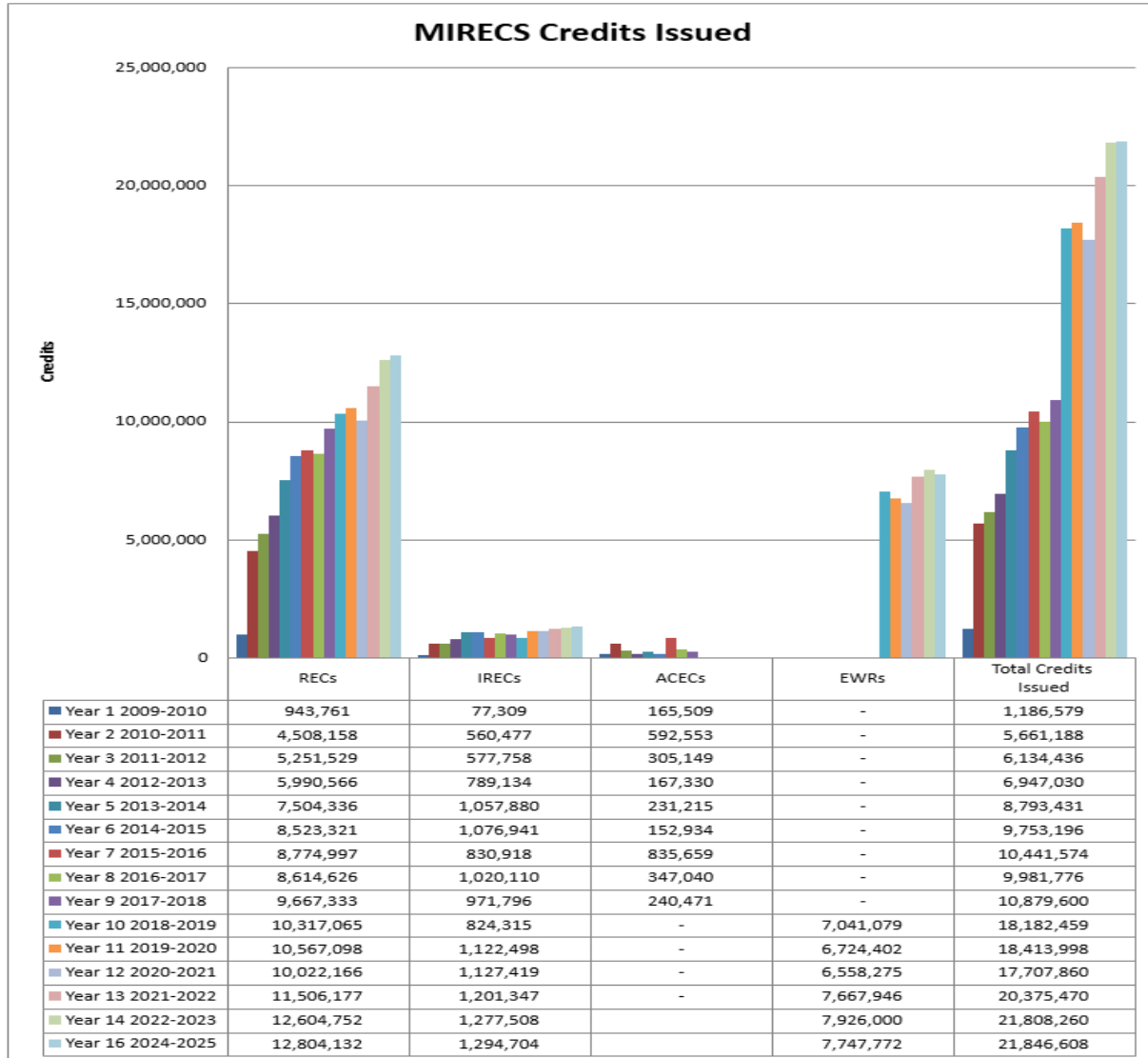
Registration	New Projects Registered (during Year-15)	New Projects Registered (during Year-16)	Total Projects Approved in the MIRECS (as of the end of Year-16)
Projects	QTY	QTY	QTY
MIRECS Generation	12	29	269
Import	1	13	81
EWR	0	0	15
Thermal	0	0	0
<b>Total Projects</b>	<b>13</b>	<b>42</b>	<b>365</b>

**Issued Credits**

In Year-16, the total quantity of Credits issued in MIRECS was 21,846,608 and this total presents the largest annual issuance in MIRECS history. This annual total was slightly higher than the previous all-time record which was set in Year 14 in the amount of 21,808,260. This year’s record issuance total applies to RECs and IRECs, while EWR Credits issued the second most in their history. Additionally, the increase was supplemented by an influx of several large new generators into the MIRECS as seven projects with a nameplate capacity over 20 MWs (three of which were over 50 MWs) started issuing Credits in Year-16.



**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.



### **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, a Group Retirement Sub-Account, or Portfolio/Compliance Sub-Account. An Account Holder can retire Credits for either Renewable Energy Compliance, EWR Compliance, or for Voluntary purposes.

### **Renewable Energy (RE) Portfolio\* Retirements**

As background, in Year-15, the MIRECS was updated to change the term Compliance to Portfolio. This was done to reflect the transition to an advisory obligation by the state of Michigan for the sum of the Credits achieved by a provider in a particular year.

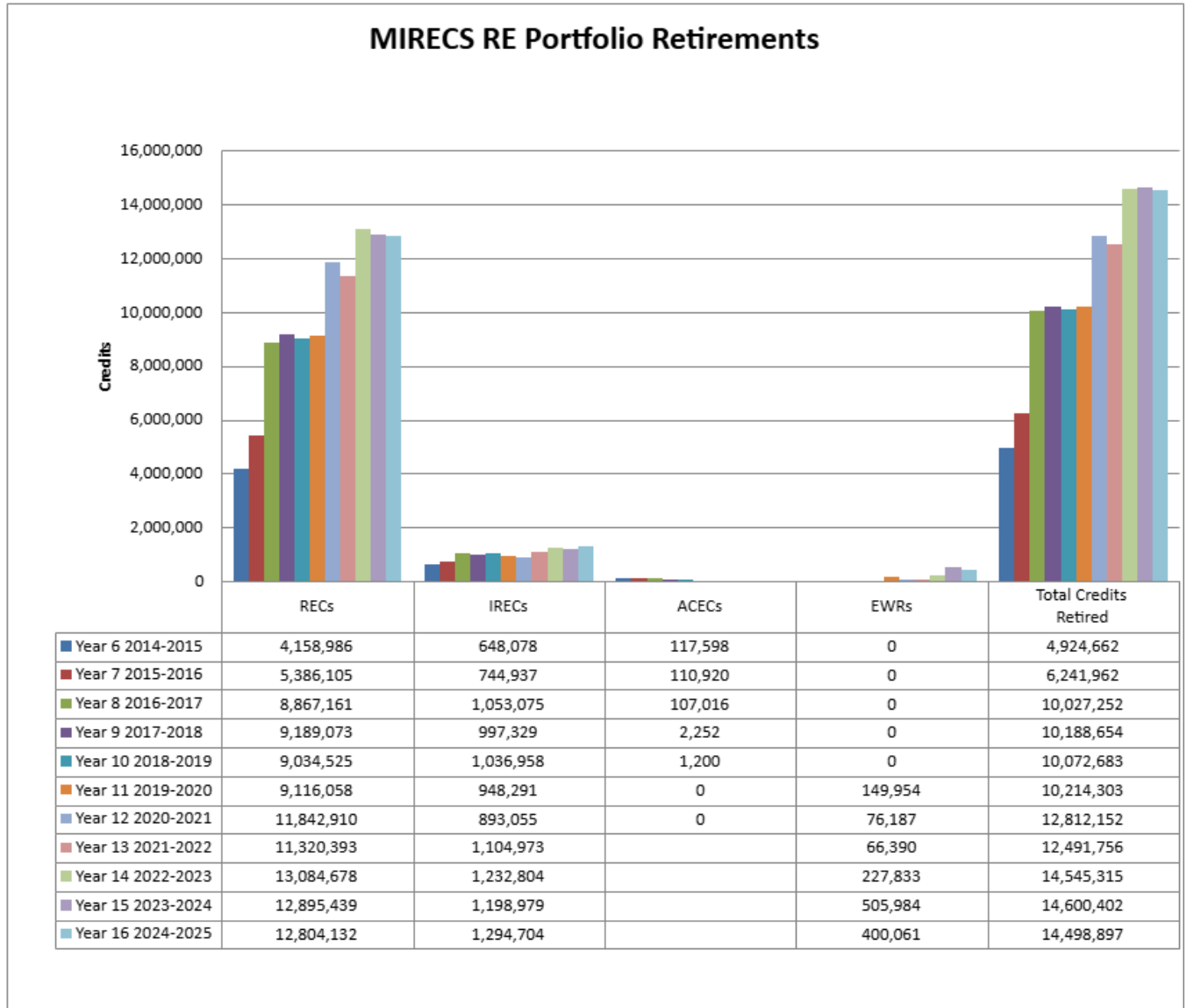
In Year-16, Michigan Utility Service Providers submitted 2023 RE Portfolio filings to satisfy their respective PA 295 Portfolio requirements (formally known as Compliance). All participating Michigan Utility Service Providers submitted eligible Credits to their 2023 RE Portfolio Sub-Accounts through the MIRECS. The Michigan Public Service Commission (MPSC) reviewed and approved the completed Sub-Account submissions, and the MIRECS Credits were retired for RE Portfolio. As shown in Table 4 below, nearly 14.5 million MIRECS Credits were retired for Michigan RE Portfolio in Year-16.

The 14,498,897 Credits are slightly less than the record total set last year and represent the second largest total ever retired for RE Portfolio. MIRECS RE Portfolio retirements have been steadily increasing almost every year in the MIRECS; the main contributor to recent growth in Portfolio retirements has been the increase in the recommended percentage to 15%. Also, Year-16 marked the sixth time EWR Credits could be used as part of a RE Portfolio submission within MIRECS and over 400,000 EWR Credits were substituted for RE Portfolio.

Although RE Compliance obligation sunset after 2021 for many of the providers, nearly all entities have continued with completing their 15 % obligation as a Portfolio submission. Michigan's new forward thinking state laws and obligations for participating Michigan Utility Service Providers will undoubtedly lead to this trend continuing.



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



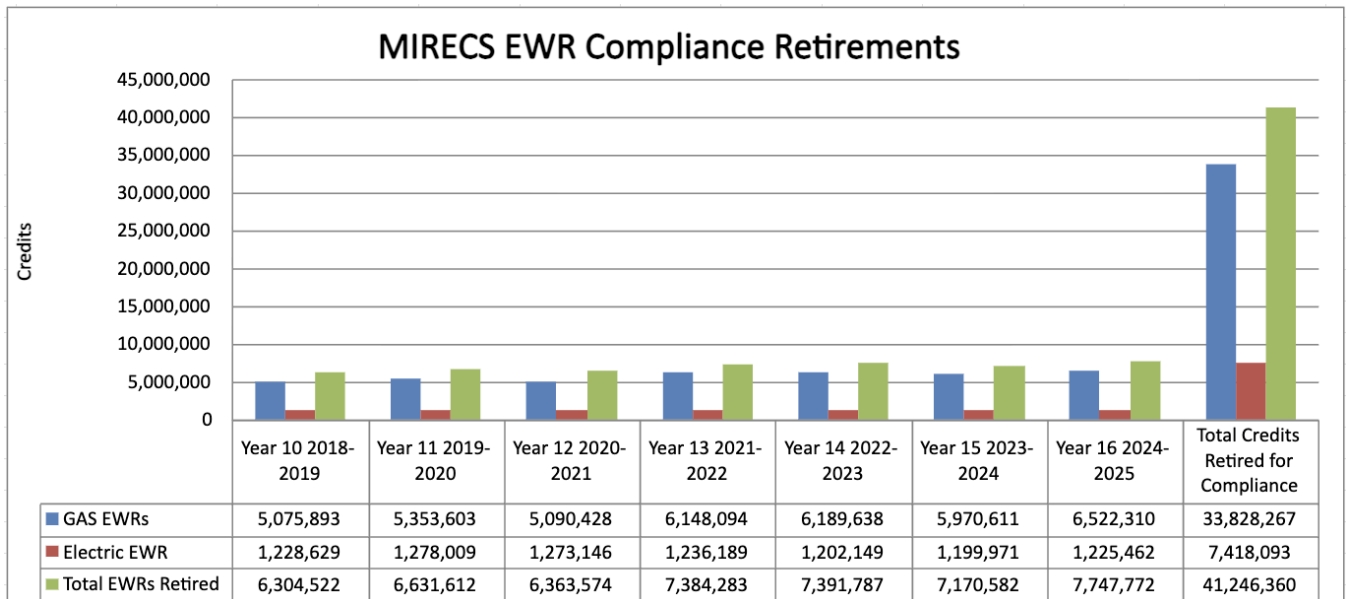


**Energy Waste Reduction (EWR) Compliance Retirements**

Year-16 marked the seventh year of the 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-16, EWR requirements were submitted for the 2023 Compliance year. As seen in Table 5 below, Gas EWR Credits continue to make up the majority of EWR Compliance submissions. Additionally, both Credits retired for 2023 EWR Gas Compliance and EWR Electric Compliance were higher in Year-16 and this year’s overall EWR Compliance total of 7,747,772, are the most in the history of the MIRECS. Additionally, this was the fourth year in a row in which EWR Compliance retirements were over 7.1 million.

**TABLE 5: MIRECS EWR COMPLIANCE RETIREMENTS**





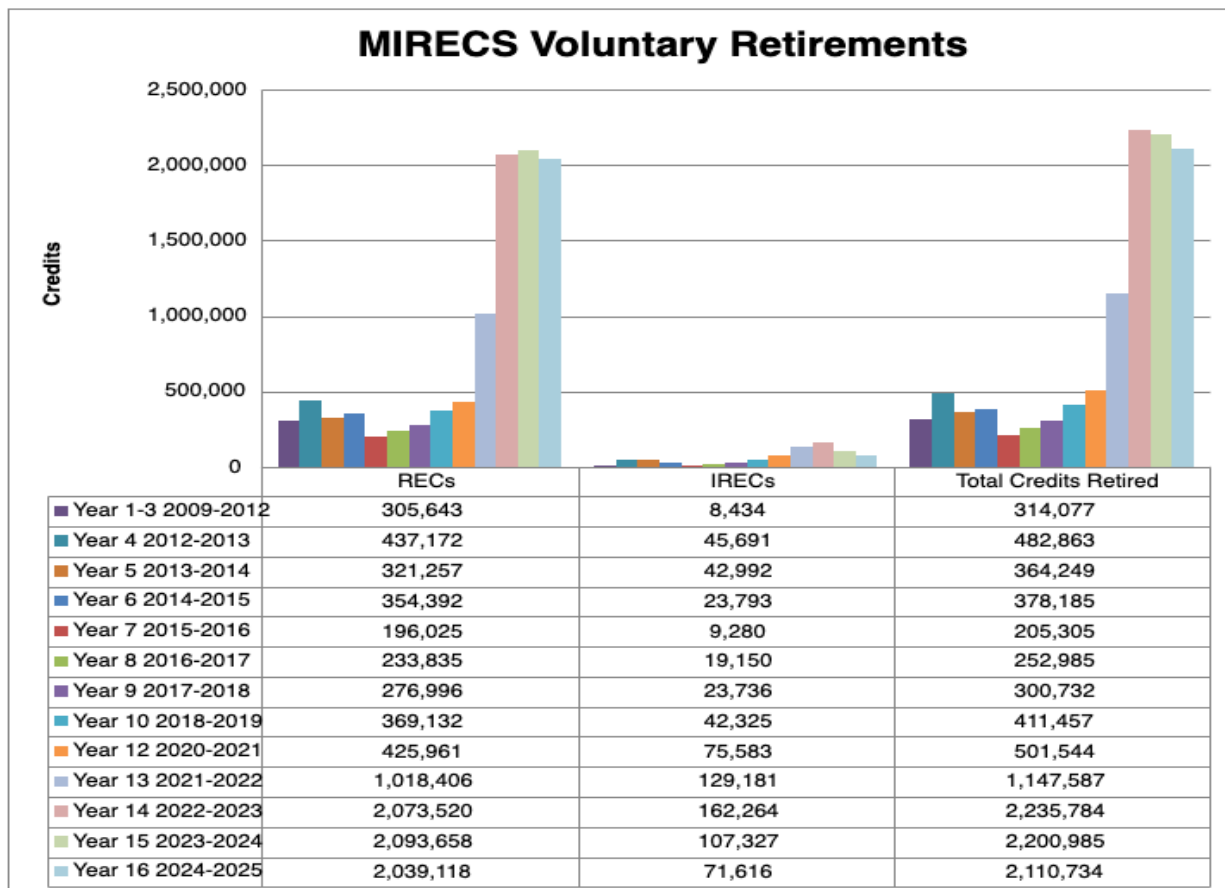
### **Voluntary Retirements**

In Year-16, a total number of 2,110,734 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”).

This marked the first year since Year-7 in which voluntary retirements did not increase year-over-year. Year-16 still had the third-highest voluntary retirements in MIRECS history and was 99% of the record set in Year-14. In fact, Year-16 eclipsed the 2.1 million total for the third straight year and again was nearly double the previous record set in Year-13. It is worth noting that prior to Year-13, the most voluntary retirements in the MIRECS were 501,544, so we can see this year’s total of 2,110,734 is more than quadruple the total from just four years ago.

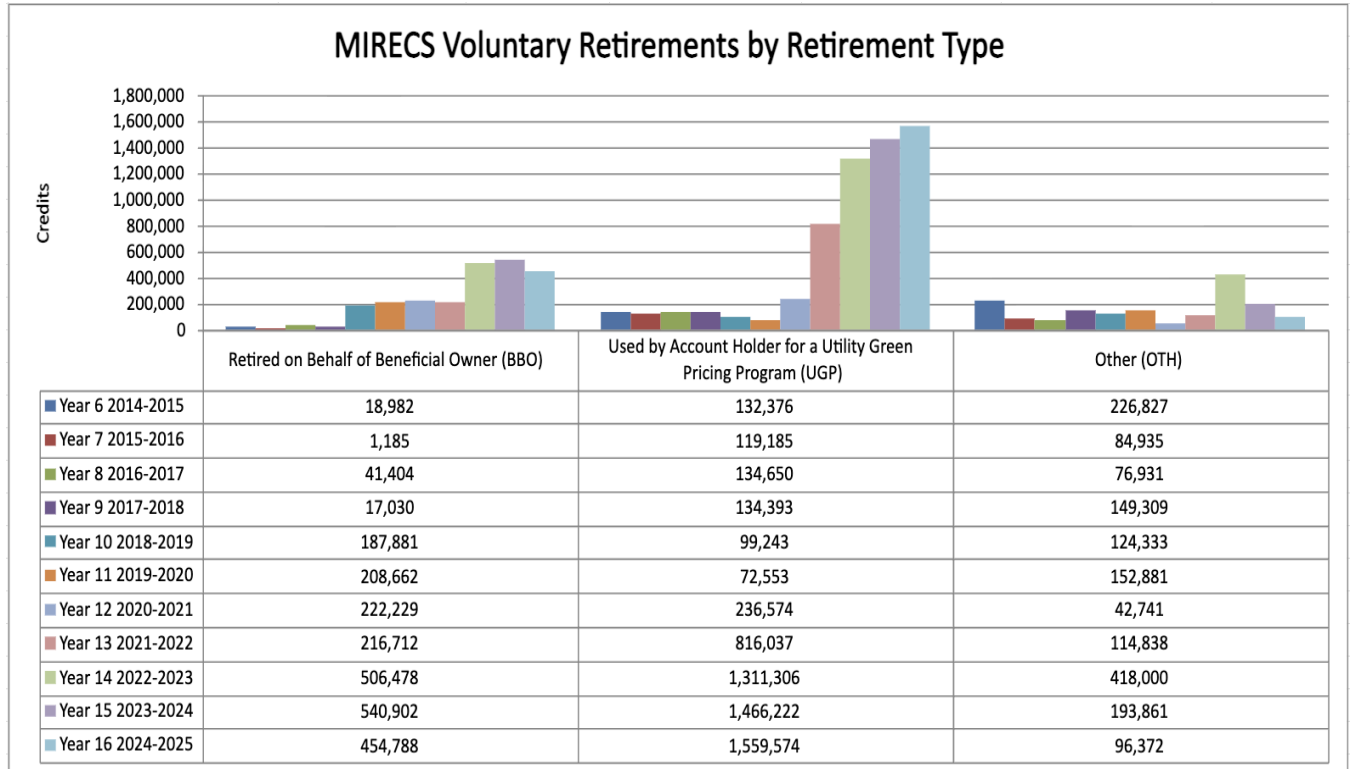
The main contributor to this trend continues to be the growth in voluntary retirements that are used by Account Holders for a Utility Green Pricing Program (UGP). Additionally, Year-16 continued the trend of a significant allocation of Credits towards Retired on Behalf of Beneficial Owner (BBO).

**TABLE 6: MIRECS VOLUNTARY RETIREMENTS**





**TABLE 7: MIRECS VOLUNTARY RETIREMENTS BY RETIREMENT TYPE IN YEAR-16<sup>2</sup>**



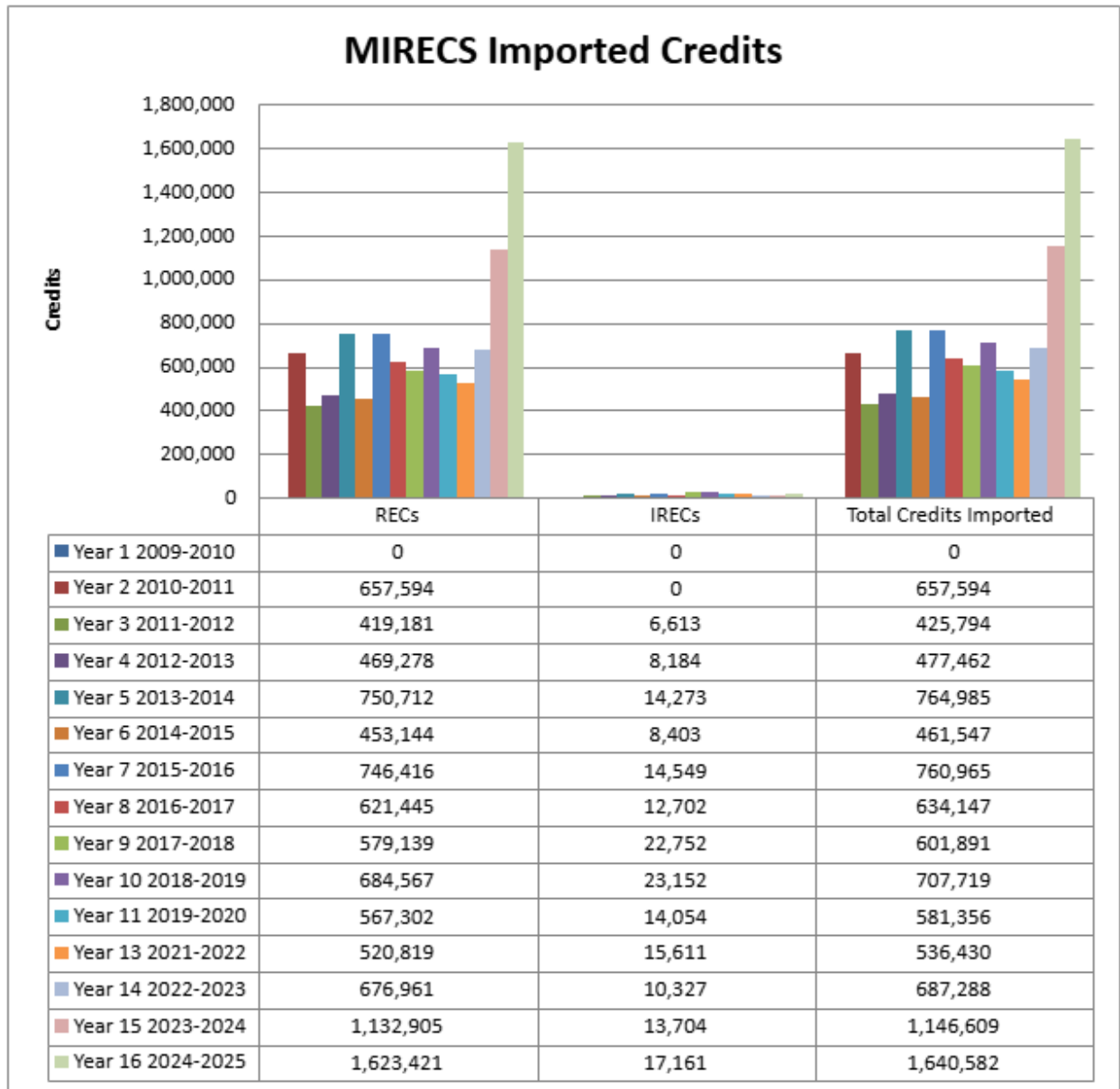
<sup>2</sup> The data in the Table 7 column for “Other” combines the following retirement types: Other (OTH), Credit-only (RECS), and Energy Optimization Substitution (EOS).



### Imported Credits

In Year-16, 1,640,582 Credits were imported into the MIRECS from other compatible tracking systems. MIRECS imported 410,117 Credits from PJM-GATS and 1,213,304 Credits from M-RETS. The number of Credits imported into MIRECS was 43% higher in Year-16, as compared to Year-15, and this imported Credits amount is an all-time high for the MIRECS Registry. A key driver of this substantial increase in recent year's is the new Michigan legislation that now makes all MISO generators eligible in the MIRECS.

**TABLE 8: MIRECS CREDITS IMPORTED**

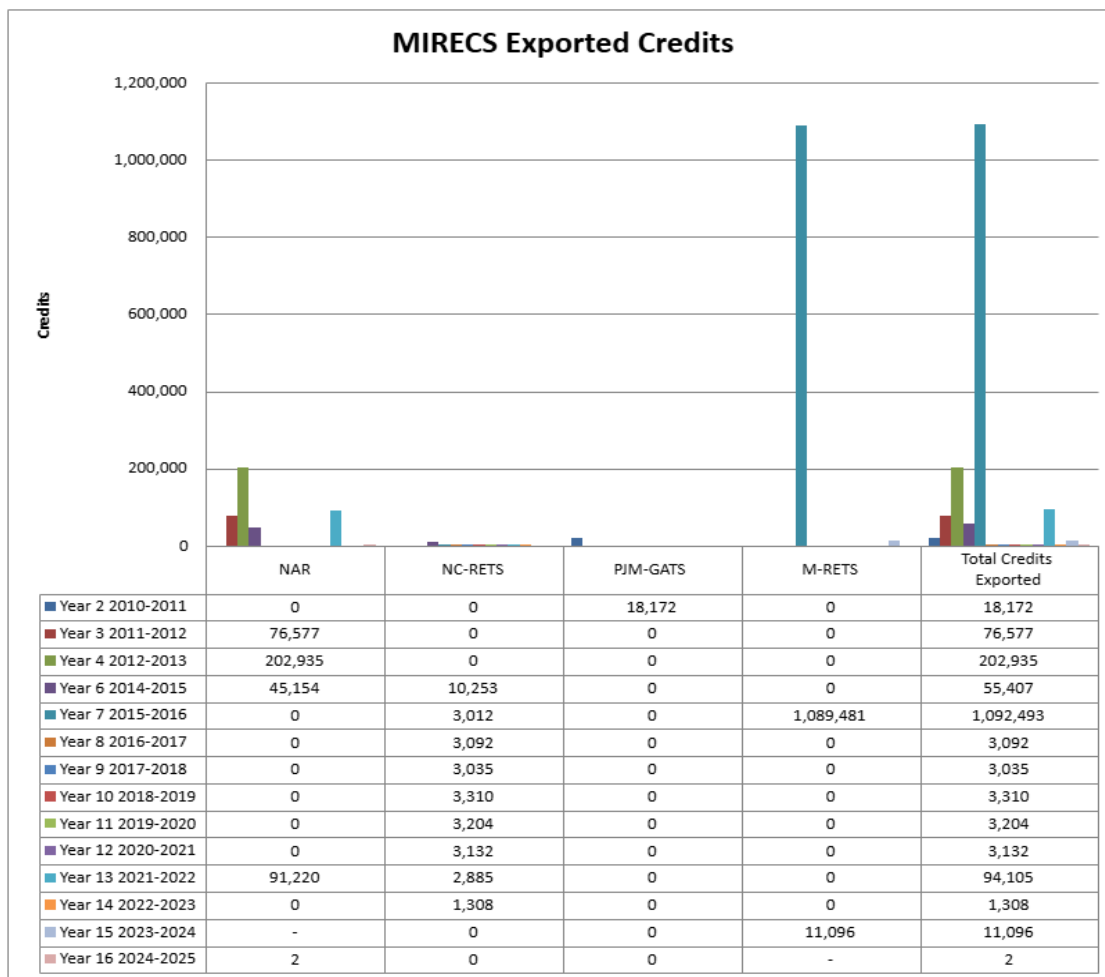




### Exported Credits

In Year-16, MIRECS experienced a historic low in exports, as only two credits left the Registry. While exports have traditionally been limited and earlier export spikes were driven by one-time migrations and are not representative of expected export behavior. Over the past seven years, exports have exceeded 3,500 credits only twice, and Year-16 continued the trend towards minimal activity. As shown in Table 9, this small batch of two credits was exported exclusively to NAR, reinforcing the expectation that annual MIRECS exports will remain relatively low in the coming years.

**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-16, MIRECS experienced minimal unscheduled downtime.