

MICHIGAN RENEWABLE ENERGY CERTIFICATION SYSTEM ANNUAL REPORT FOR 2012-2013

Per the MIRECS contract with APX Inc., APX submits the following Annual Report for the period of July 1, 2012 through June 30, 2013 ('Year 4' of MIRECS Operations). The report provides an update on MIRECS operations and trends over the course of 2012-2013.

OPERATIONS

As indicated in Table 1, 11 new accounts were opened in MIRECS in Year 4. The majority of new accounts were opened by Michigan Electric Service Providers. This brings the total number of MIRECS account holders to 121.

TABLE 1: MIRECS ACCOUNT REGISTRATIONS

Registration	New Accounts in Year 4	Total Accounts in MIRECS (end of Year 4)
Accounts	QTY	QTY
General	1	13
Project	3	32
Michigan Electric Service Provider	6	71
Non Profit Wholesale Power Provider	0	4
Import Certification Account	1	1
Total Accounts	11	121

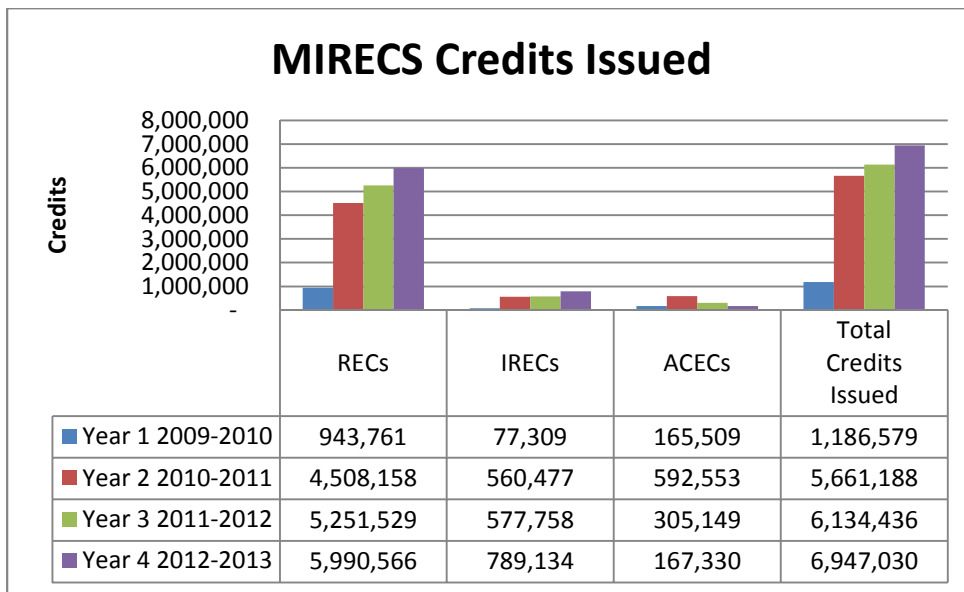
As shown in Year 4 of Table 2, 57 new projects were registered in MIRECS which brings the total of registered projects to 246 at the end of Year 4. The majority of new projects registered utilize solar or wind technologies.

TABLE 2: MIRECS PROJECT REGISTRATIONS

Registration	New Projects in Year 4	Total Projects in MIRECS (end of Year 4)
Projects	QTY	QTY
MIRECS Generation	22	161
Import	35	85
Total Projects	57	246

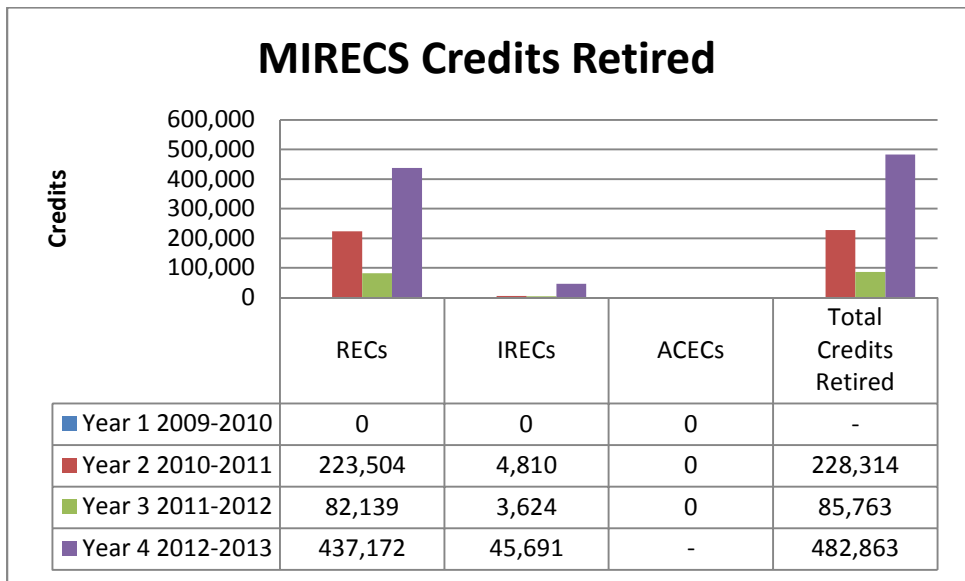
The number of Credits issued in MIRECS has increased every year and this trend continued in Year 4.

TABLE 3: MIRECS CREDIT ISSUANCE



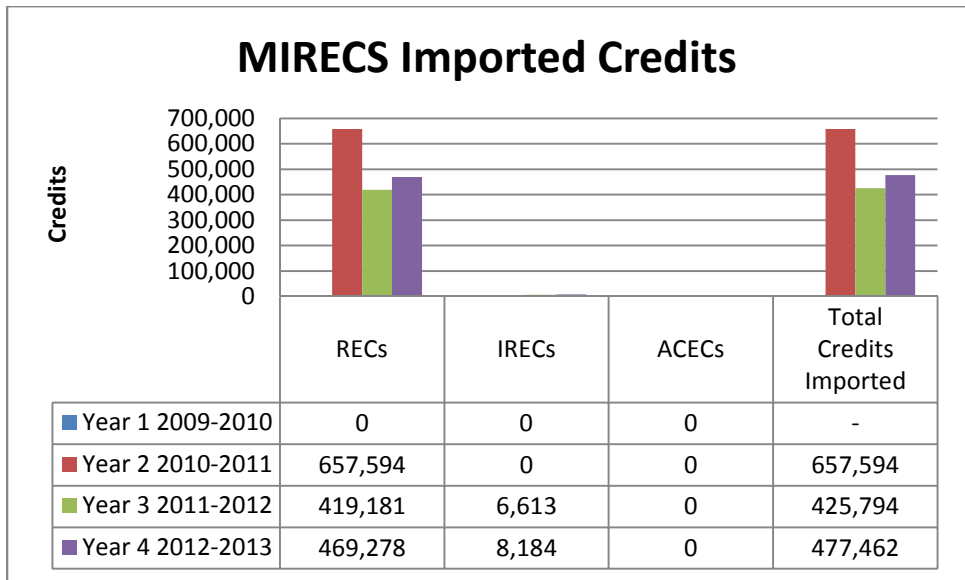
The number of Credits retired in Year 4 also increased dramatically compared to Year 3. All of the retirements were for the Voluntary market. Although many Michigan Electric Service Providers submitted Credits into Compliance Sub-Accounts during Year 4, the Credits were still in “Pending” status at the end of Year 4 awaiting Michigan PSC’s approval.

TABLE 4: MIRECS CREDIT RETIRED



The number of RECs imported into MIRECS was a bit higher in Year 4 than in Year 3. The number of Import Transfers initiated by Account Holders via the Credit Transfer screen in MIRECS also increased to 2,345 compared to 1,939 in Year 3. In addition a total of 221,913 Credits were exported to other tracking systems in Year 4.

TABLE 5: MIRECS CREDIT IMPORTED



MIRECS continues to be available to users online 24 hours a day, 7 days a week. During Year 4, MIRECS experienced no unscheduled downtime.

MIRECS ENHANCEMENTS

In addition to the normal MIRECS operations, several specific initiatives were undertaken and completed during the Year 4 of MIRECS Operations:

Reports:

A significant amount of administrative and development resources in Year 4 were dedicated to implementing and testing new and enhanced reporting features requested by the Michigan PSC and MIRECS Account Holders. The reports were designed to help users’ access important information needed for their Michigan Annual Reports. A few of the reports are listed below:

- New Account Holder Year-End Credit Snapshot
- New Generator Loading Report
- New Import Request Report
- New Expired Credits Report
- New IRECs Report

PJM Import Integration:

Implemented registry changes to support the automated imports into MIRECS from the PJM GATS system.

System Enhancements:

Aside from adding new reports and importing functionality, additional enhancements to MIRECS during Year 4 included the ability for the Michigan PSC account to impersonate and have read-only access to all other accounts in MIRECS, improved automated email notifications, and security enhancements.

Year 4 of the MIRECS system continues to be successful and we are excited to continue our working relationship with the MI PSC and the MIRECS Subscribers.

Sincerely,

Bao Ngo
APX Environmental Markets