



MICHIGAN RENEWABLE ENERGY CERTIFICATION SYSTEM ANNUAL REPORT FOR 2019-2020

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, 2019 through June 30, 2020 (year 11). This report provides an update on MIRECS operations and trends over the course of year 11.

OPERATIONS

Account Registration

In year 11, there were 4 new Accounts approved into the MIRECS and the total number of active MIRECS Accounts grew to 146. The changes in the total number were also affected by the updates of existing Accounts, including: 1 General Account closing and 1 Project Account closing. The 4 new Accounts are made up of two Project Accounts and two General Accounts.

TABLE 1: MIRECS ACCOUNT REGISTRATIONS

Registration	New Accounts in Year 10	New Accounts in Year 11	Total Accounts in MIRECS (end of Year 11)
Accounts	QTY	QTY	QTY
General	2	2	17
Import Certification Account	0	0	2
Michigan Utility Service Provider	2	0	72
Non-Profit Wholesale Power Provider	0	0	4
Project	1	2	37
Qualified Reporting Entity (QRE)	1	0	13
Retail Purchaser Account	0	0	1
Total Accounts	6	4	146

Project Registration



In year 11, there were 16 new projects were registered in the MIRECS. During this year, we returned to conventional project registration as 15 of the 16 were typical renewable energy generators. The previous year (year 10) was the inaugural registration of Energy Waste Reduction (EWR) projects, in which all participating Utility Service Providers entered their corresponding EWR projects into the MIRECS for the first time. Additionally, in year 11, there was 1 import project added and the 1 Thermal project was deactivated. Lastly, there were no new EWR projects registered.

Of the 16 new projects registered in year 11, 13 were approved into the MIRECS and of the remaining 3 projects, 1 was in a pending status, 1 was in a need info status and 1 was in a rejected status. These 13 new projects utilize one of the following six technologies: Hydro (1), Landfill Gas (1), Solar (4), Solar Non-IREC (4), or Wind (6).

In year 11, 1 previously closed project was reactivated and 11 MIRECS Renewable Energy projects were closed upon request. Taking all this activity in aggregate, the net total quantity of approved or need info projects in MIRECS increased from 314 to 319 in year 11.

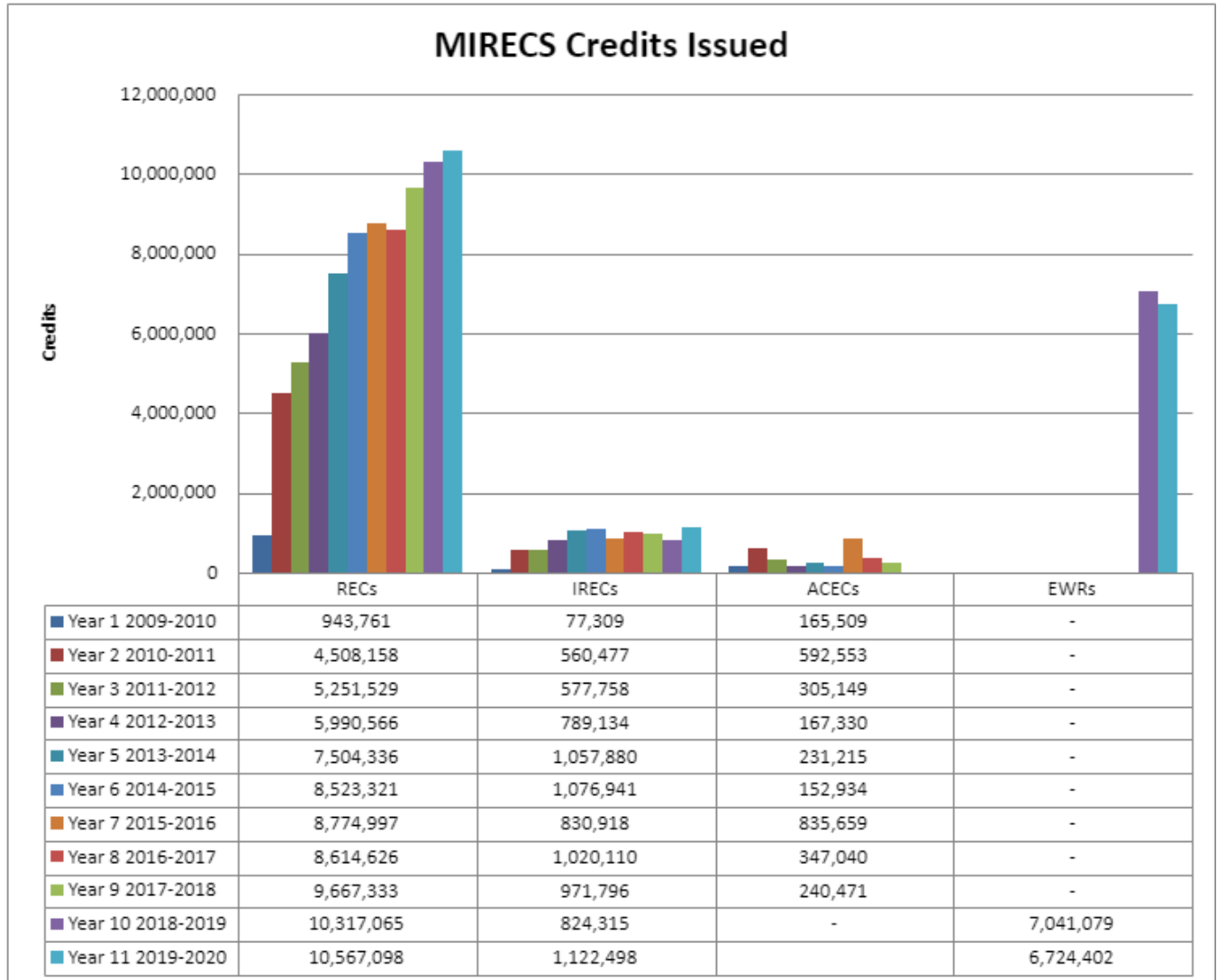
TABLE 2: MIRECS PROJECT REGISTRATIONS

Registration	Net Projects in Year10	Net Projects in Year 11	Total Projects in MIRECS (end of Year 11)
Projects	QTY	QTY	QTY
MIRECS Generation	4	5	235
Import	0	1	69
EWR	15	0	15
Thermal	1	-1	0
Total Projects	20	5	319

Issued Credits

In year 11, the total quantity of Credits issued in MIRECS was 18,413,998. This number of total Credits issued in year 11 was slightly higher than year 10 and nearly double that of year 9. The main contributor to this increase over the last 2 years has been the inclusion of new EWR Credits, which were issued for the first time in year 10.

TABLE 3: MIRECS CREDIT ISSUANCE¹



Retired Credits

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.



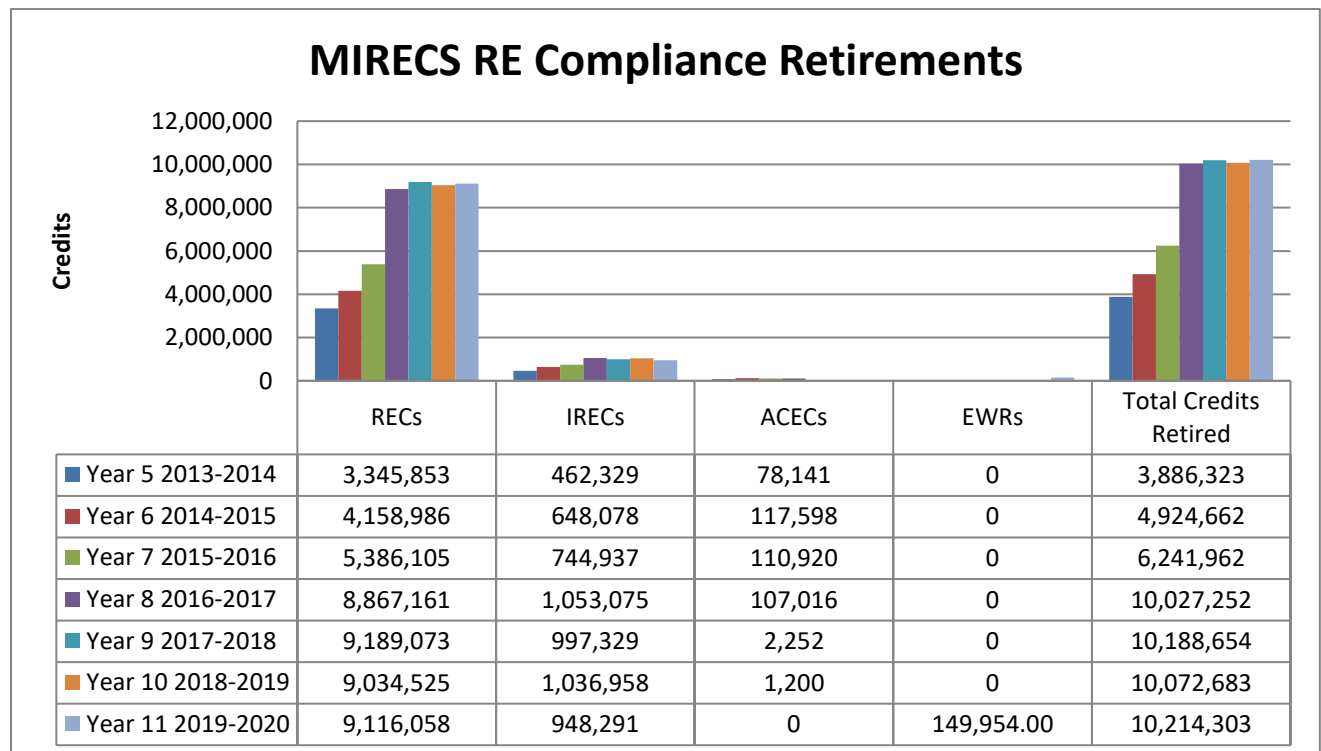
In MIRECS, the retirement of Credits is an action taken to remove a Credit from circulation and is effectuated by transferring Credits into a Retirement Sub-Account or a Group Retirement Sub-Account. An Account Holder has the option to retire Credits for either Renewable Energy Compliance, EWR Compliance,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

Renewable Energy (RE) Compliance Retirements

In year 11, Michigan Utility Service Providers submitted 2018 RE Compliance Filings to satisfy their respective PA 295 requirements. All Michigan Utility Service Providers submitted eligible Credits to their 2018 RE Compliance Sub-Accounts through 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 10.2 million MIRECS Credits were retired for Michigan RE Compliance in year 11.

There was a slight increase in RE Compliance Retirement activity in year 11 – as compared to that in year 10 – and the 10,214,303 Credits are the most ever retired for RE Compliance. The main contributor to the growth in Compliance retirements during year 11 was the increase in obligation percentage from 10% to 12.5%. Finally, year 11 marked the first time that EWR Credits could be used as part of a RE Compliance submission within MIRECS.

TABLE 4: MIRECS RENEWABLE ENERGY (RE) COMPLIANCE RETIREMENTS

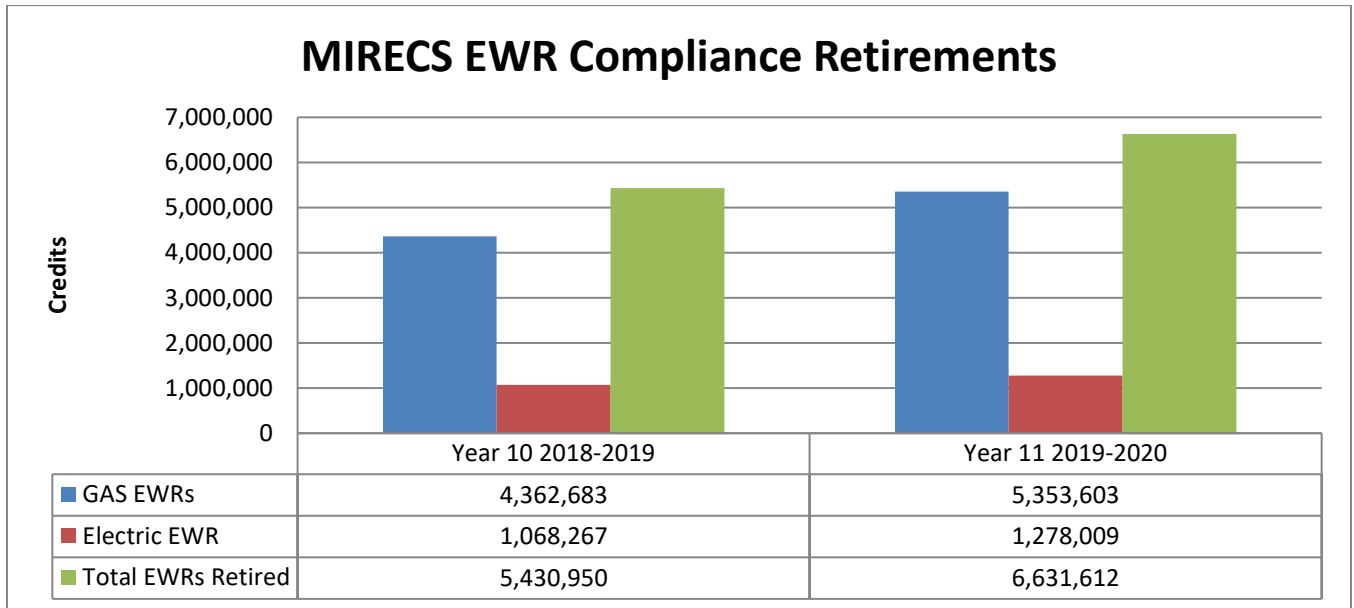


Energy Waste Reduction (EWR) Compliance Retirements



Year 11 marked the second year of the new requirement to complete EWR submissions to the MPSC through MIRECS (pursuant to Section 87 of the Public Acts of 2016: Act No. 342). There are 2 types of EWR Compliance requirements (Gas and Electric) and 11 participating Michigan Utility Service Providers. In year 11, EWR Requirements were submitted for the 2018 Compliance year. As seen in Table 5 below, Gas EWR Credits continue to make up the majority of EWR Compliance submissions.

TABLE 5: MIRECS EWR COMPLIANCE RETIREMENTS



Voluntary Retirements

In year 11, a total number of 434,096 Credits were voluntarily retired in MIRECS. The Credits were voluntarily retired against one of four different retirement types: “Retired on Behalf of Beneficial Owner”, “Used by Account Holder for a Utility Green Pricing Program”, “Credit-only Product”, and “Other” (e.g. “Expired MI Eligibility” or “For Environmental Benefit”). In year 11, the total number of Voluntary Retirements grew for the fifth consecutive year and was the largest voluntary retirement total since year 4. The main contributor to this trend continues to be the growth in Voluntary Retirements that were made on behalf of a beneficial owner (i.e. third-party environmental benefit).

TABLE 6: MIRECS VOLUNTARY RETIREMENTS

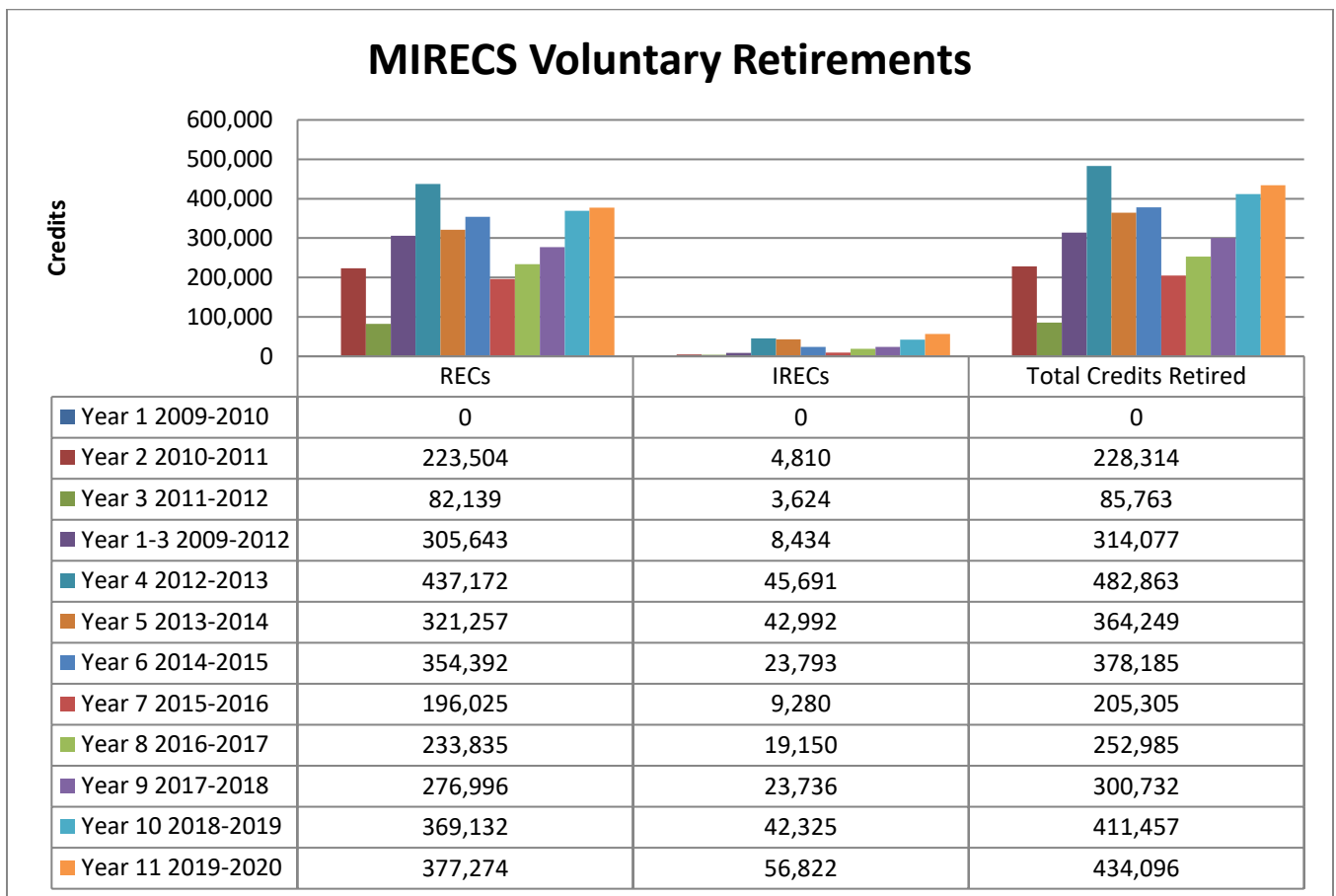
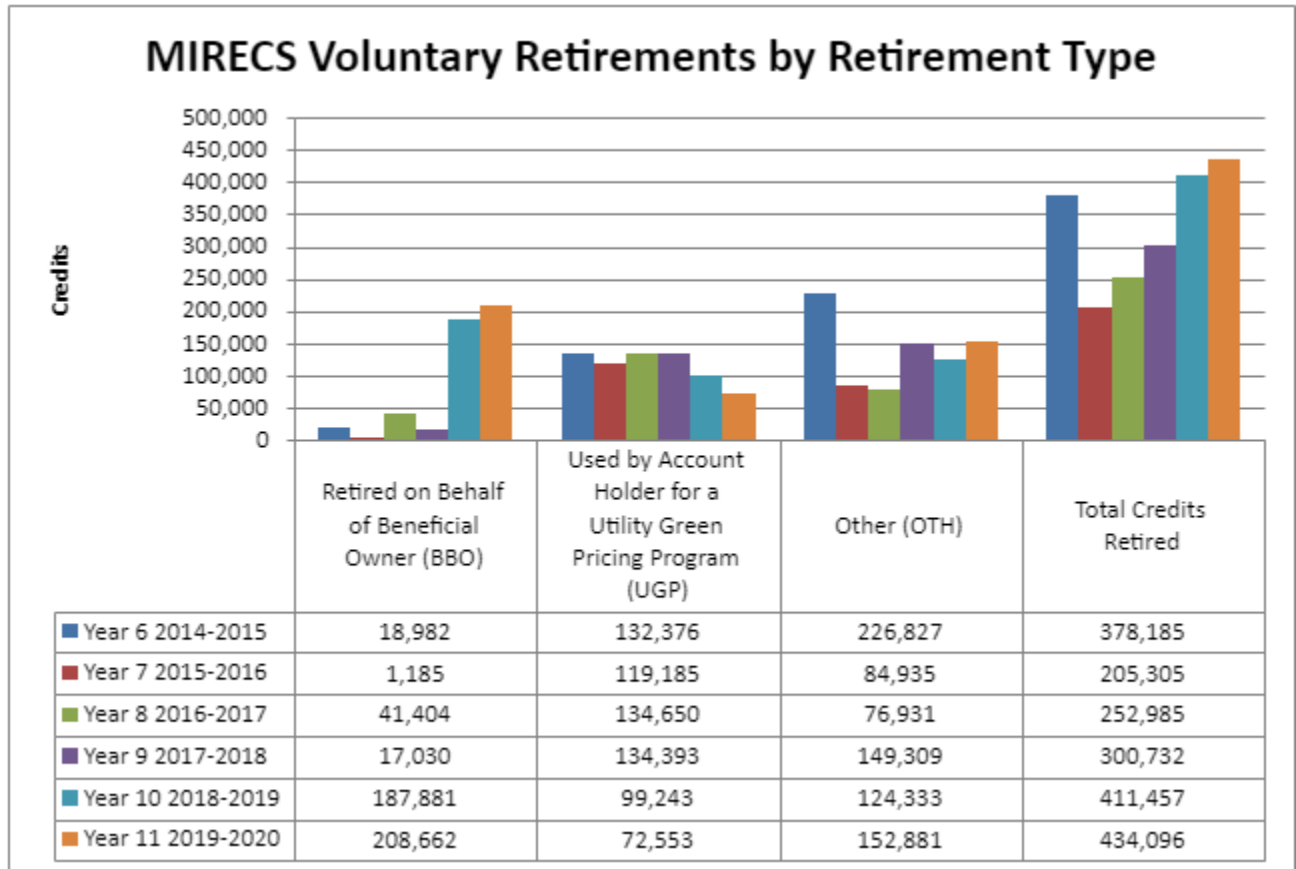


TABLE 7: MIRECS VOLUNTARY RETIREMENTS BY RETIREMENT TYPE IN YEAR 11²

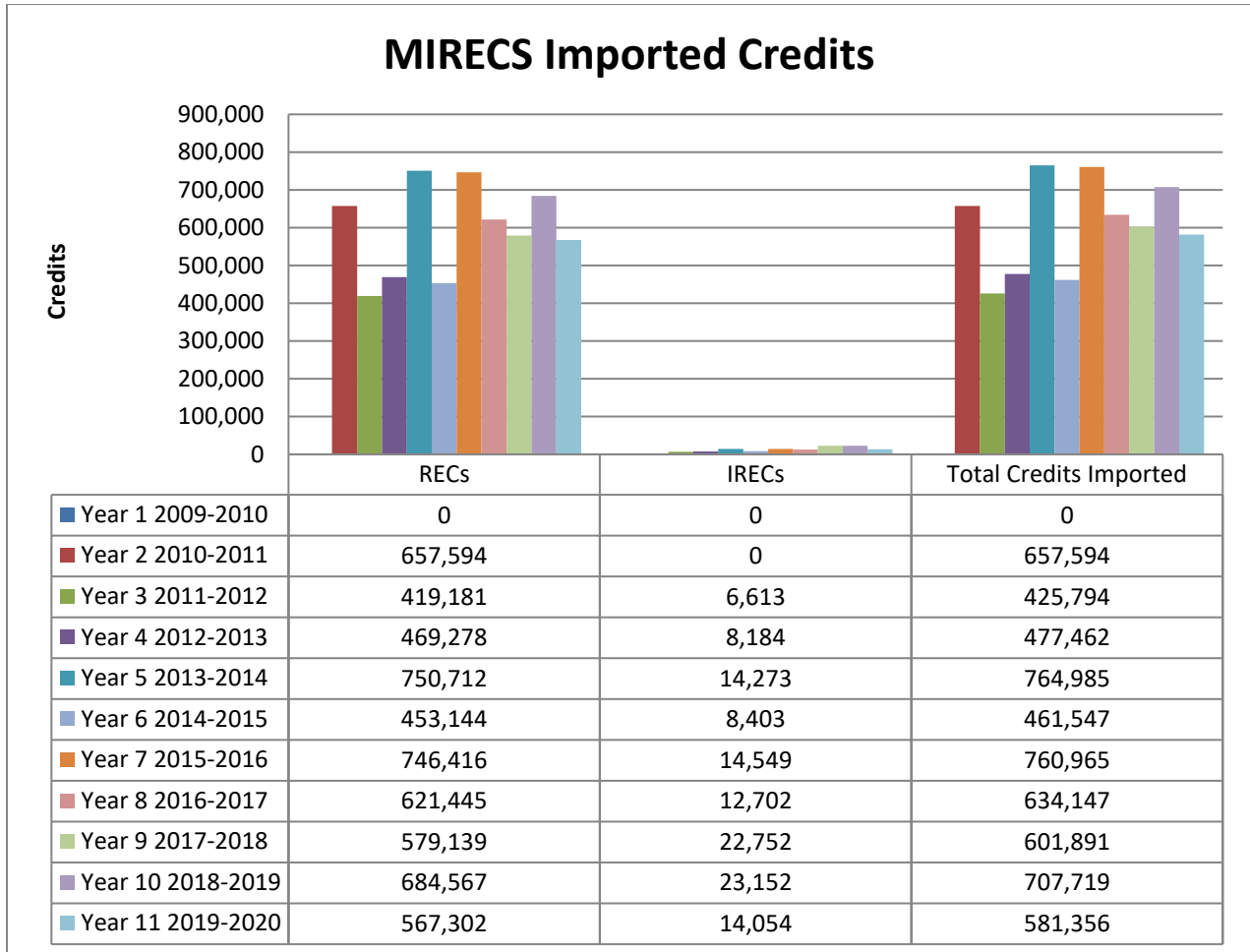


² The data in the Table 7 column for “Other” combines the following retirement types: Other (OTH), Credit-only (RECS), and Energy Optimization Substitution (EOS).

Imported Credits

In year 11, a total number of 581,356 Credits were imported into the MIRECS from other compatible tracking systems. MIRECS imported 408,451 Credits from PJM-GATS and 172,905 Credits from M-RETS. The number of Credits imported into MIRECS was lower in year 11, as compared to year 10.

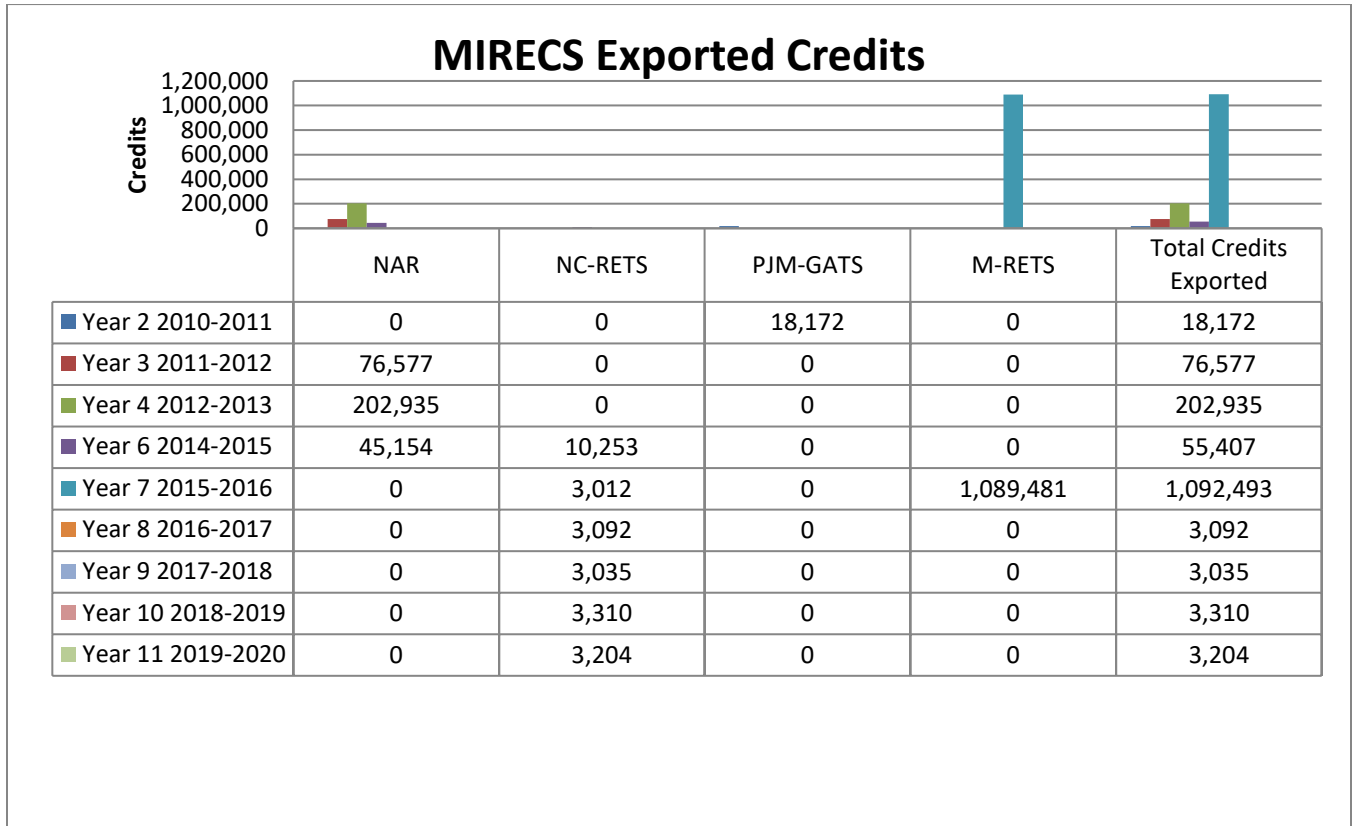
TABLE 8: MIRECS CREDITS IMPORTED



Exported Credits

In year 11, a total number of 3,204 Credits were exported to other compatible tracking systems. As shown in Table 9 below, all the Credits were exported to NC-RETS and 0 Credits were exported to other compatible Registries. This continued a trend of 5 straight years of 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 11, MIRECS experienced no unscheduled downtime.