



MICHIGAN RENEWABLE ENERGY CERTIFICATION SYSTEM ANNUAL REPORT FOR 2020-2021

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, 2020 through June 30, 2021 (year 12). This report provides an update on MIRECS operations and trends over the course of year 12.

OPERATIONS

Account Registration

In year 12, there were eight new Accounts approved into the MIRECS and the total number of active MIRECS Accounts grew to 149. The changes in the total number of accounts were also affected by the updates of existing Accounts, including: two Utility Service Provider Accounts closing, two General Accounts closing, and one Project Account closing. The eight new Accounts are made up of two Project Accounts, five General Accounts, and one Qualified Reporting Entity (QRE).

TABLE 1: MIRECS ACCOUNT REGISTRATIONS

Registration	New Accounts in Year 11	New Accounts in Year 12	Total Accounts in MIRECS (end of Year 12)
Accounts	QTY	QTY	QTY
General	2	5	20
Import Certification Account	0		2
Michigan Electric Service Provider	0	0	70
Non-Profit Wholesale Power Provider	0	0	4
Project	2	2	38
Qualified Reporting Entity (QRE)/ Verifier	0	1	14
Retail Purchaser Account	0	0	1
Total Accounts	4	8	149



Project Registration

In year 12, there were 12 new projects registered in the MIRECS. During this year, a majority of project registrations were conventional generators as there were only two import projects and there were no new EWR projects registered.

Of the 12 new projects registered in year 12, eight were approved into the MIRECS and of the remaining four projects, two were in a pending status, one was in a need info status, and one was in a rejected status. These 12 new projects utilize one of the following four technologies: Landfill Gas (1), Solar (3), Solar Non-IREC (4), or Wind (4).

In year 12, one previously closed project was reactivated and six 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 319 to 321 in year 12.

TABLE 2: MIRECS PROJECT REGISTRATIONS

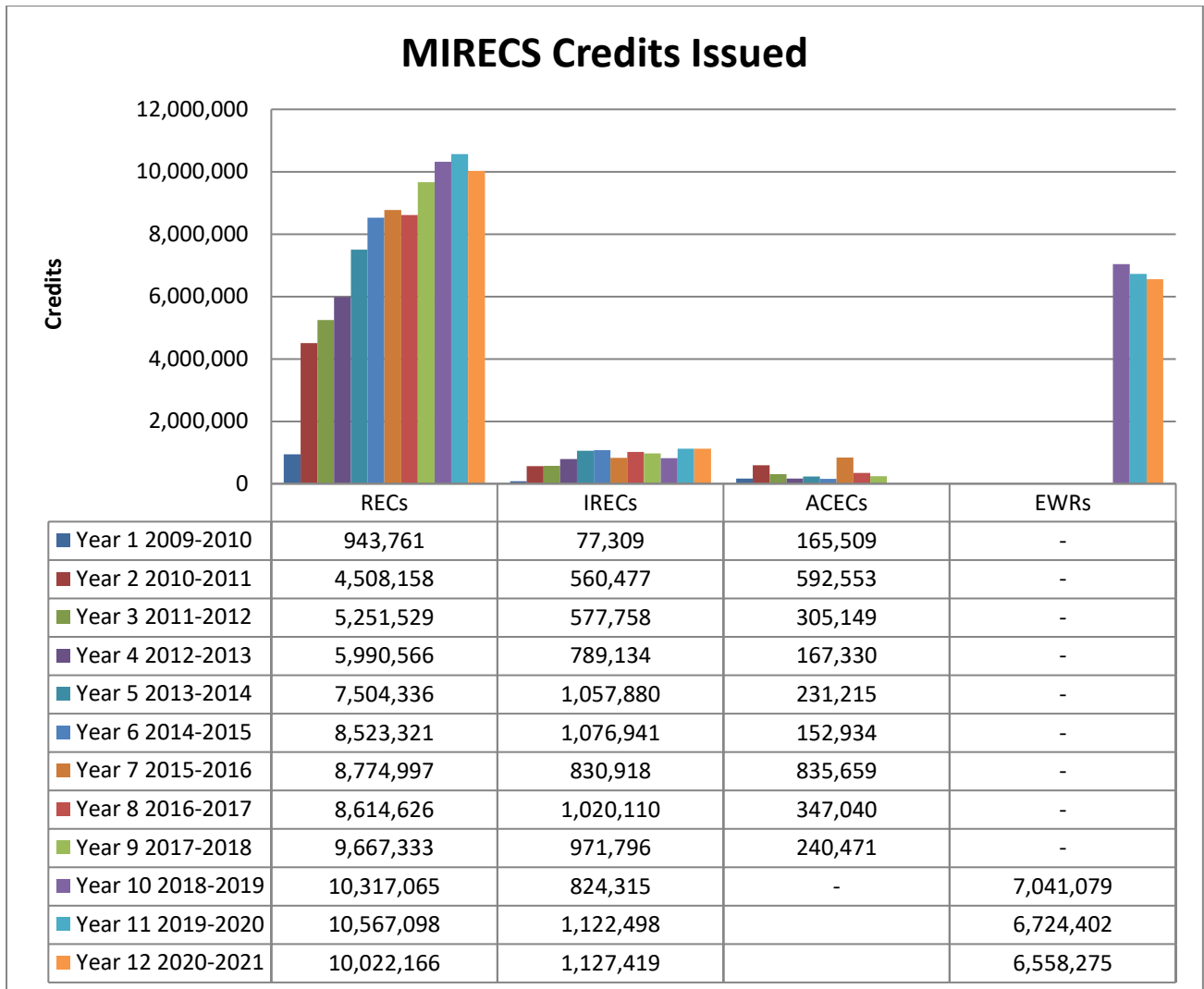
Registration	New Project in Year 11	New Project in Year 12	Total Projects in MIRECS (end of Year 12)
Projects	QTY	QTY	QTY
MIRECS Generation	5	6	235
Import	1	2	71
EWR	0	0	15
Thermal	-1	0	0
Total Projects	5	8	321

Issued Credits

In year 12, the total quantity of Credits issued in MIRECS was 17,707,860. This number of total Credits issued in year 12 was lower than year 11 but still much higher than the years prior to 2018. The main contributor to this increase over the last three 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

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 12, Michigan Utility Service Providers submitted 2019 RE Compliance Filings to satisfy their respective PA 295 requirements. All Michigan Utility Service Providers submitted eligible Credits to

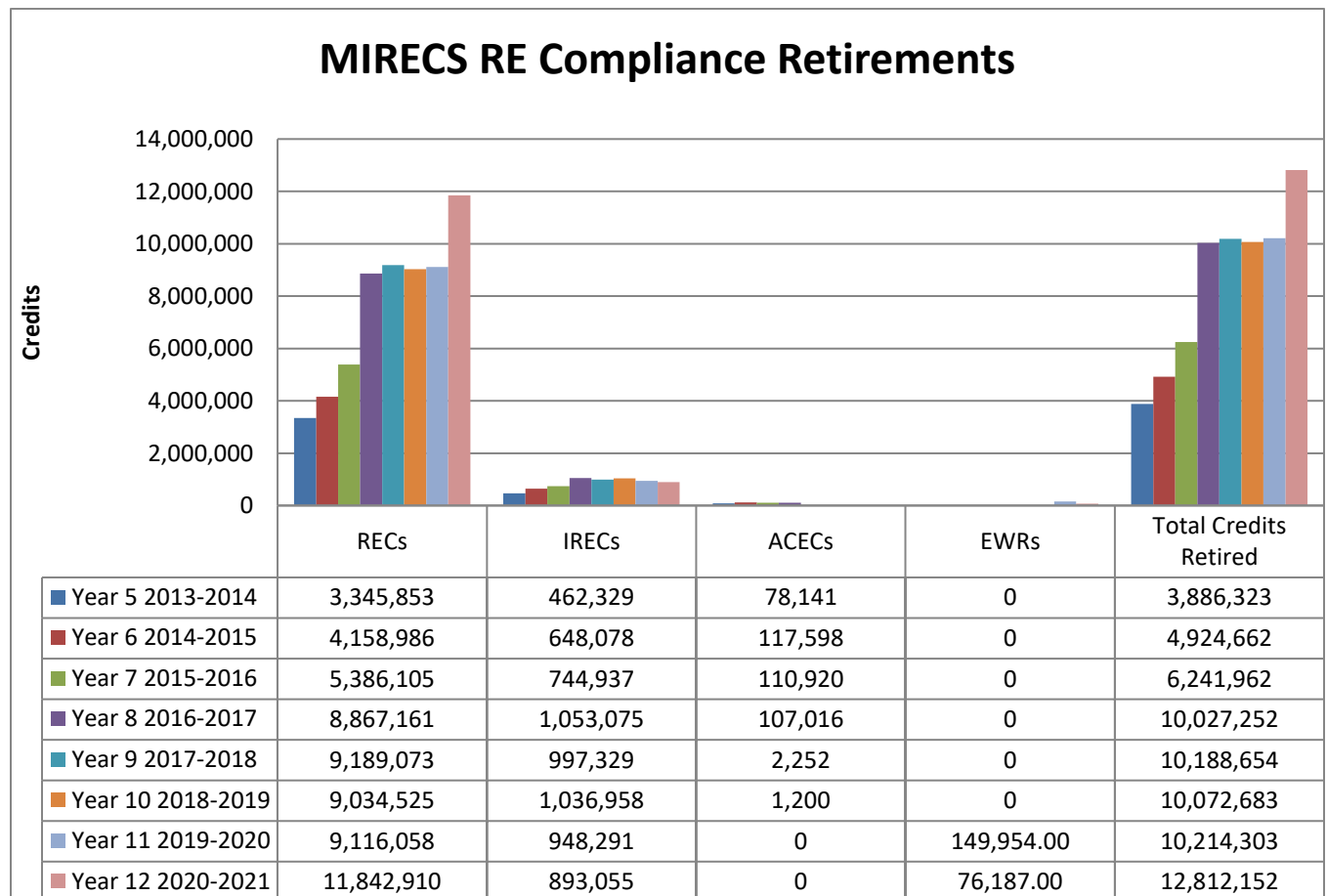
¹The issued ACECs in year 9 were for a time period prior to April 2017. No ACECs were issued for the time period after April 2017 in MIRECS.



their 2019 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 12.8 million MIRECS Credits were retired for Michigan RE Compliance in year 12.

There was more than a 25% increase in RE Compliance Retirement activity in year 12 – as compared to that in year 11 – and the 12,812,152 Credits are the 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 12 marked the second 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.

TABLE 4: MIRECS RENEWABLE ENERGY (RE) COMPLIANCE RETIREMENTS

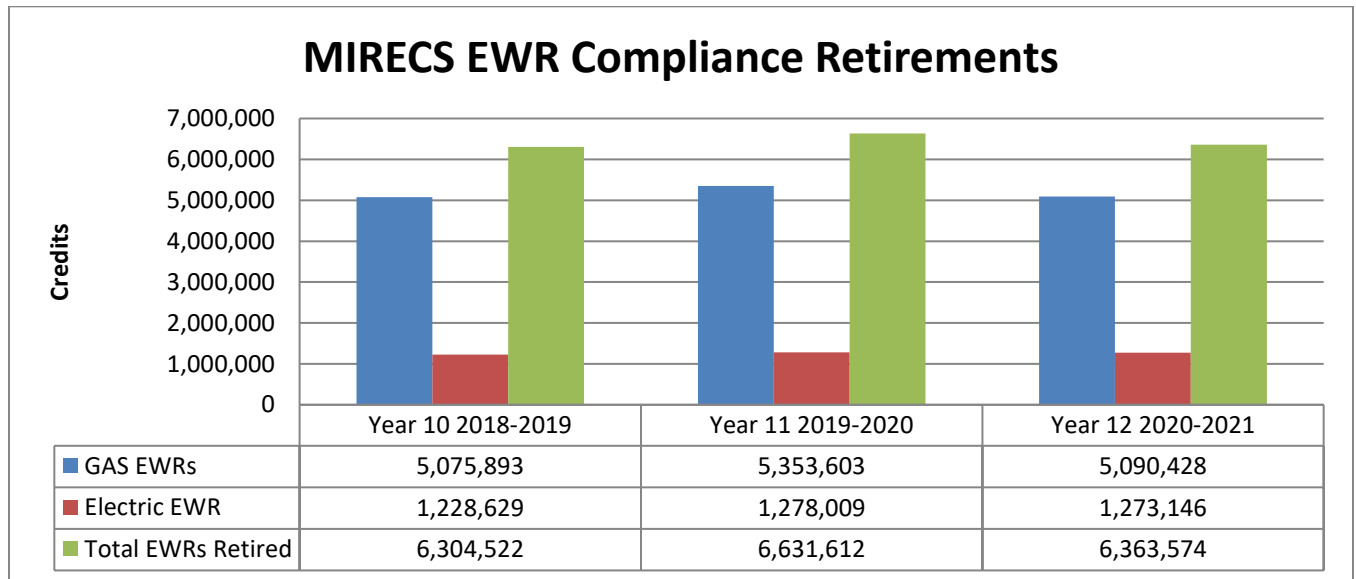




Energy Waste Reduction (EWR) Compliance Retirements

Year 12 marked the third 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 12, EWR Requirements were submitted for the 2019 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 12, a total number of 501,544 Credits were voluntarily retired in 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 12, the total number of Voluntary Retirements grew for the fifth consecutive year and was the largest annual 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 Program.

TABLE 6: MIRECS VOLUNTARY RETIREMENTS

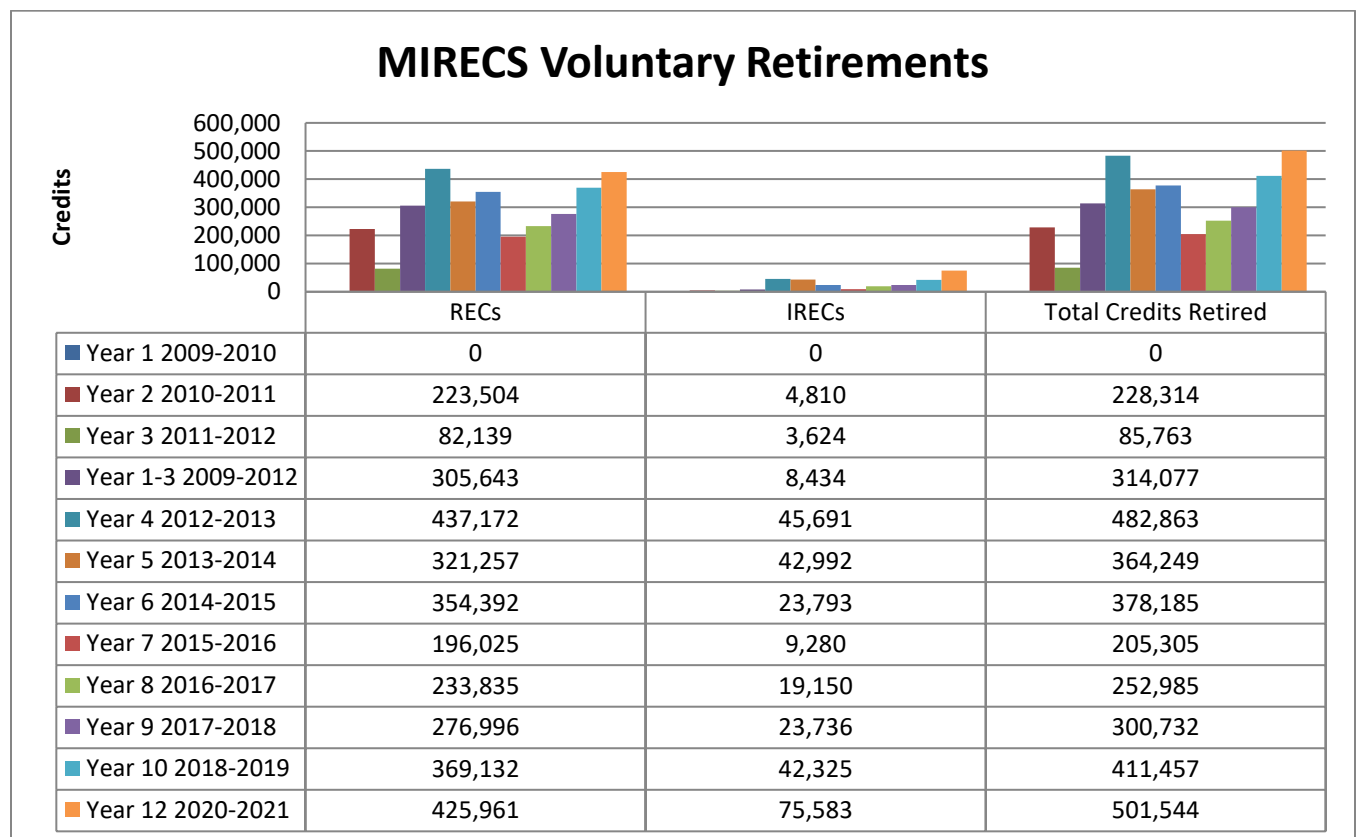
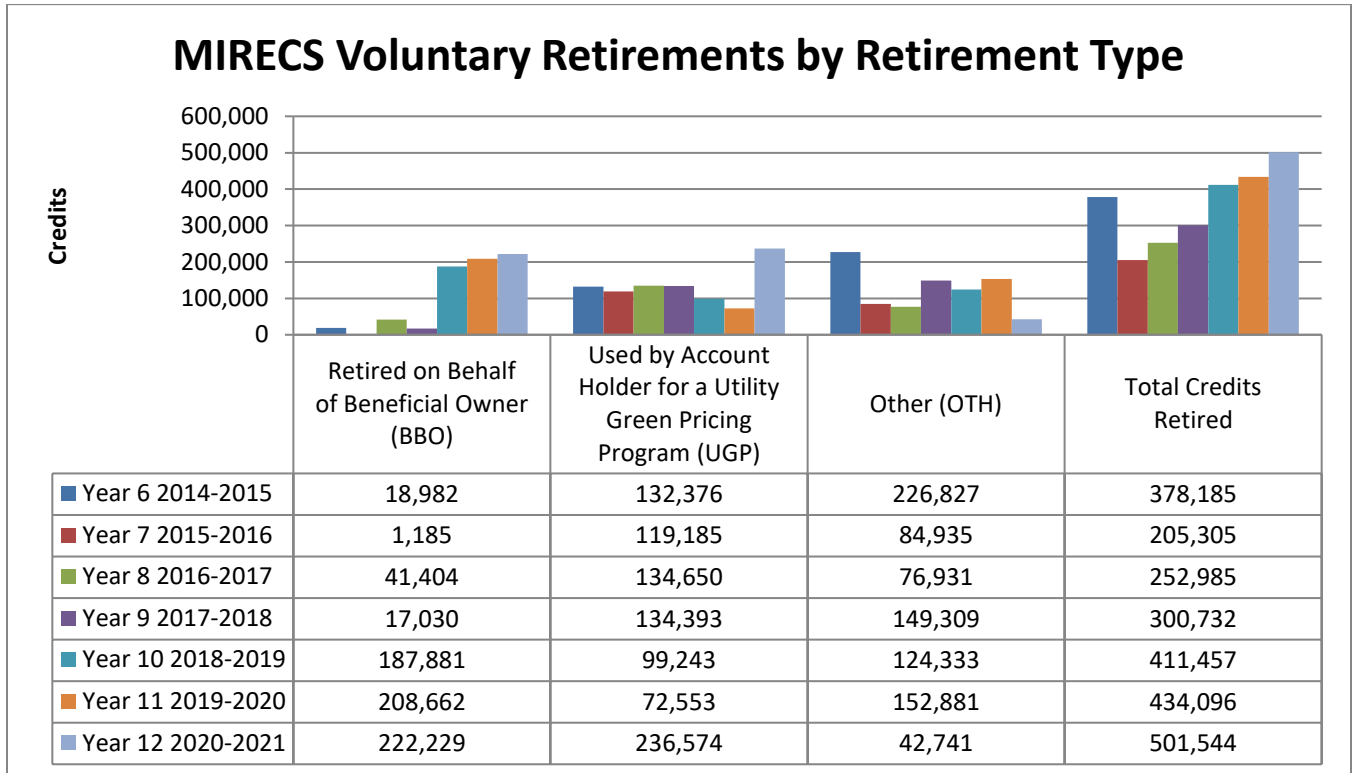




TABLE 7: MIRECS VOLUNTARY RETIREMENTS BY RETIREMENT TYPE IN YEAR 12²



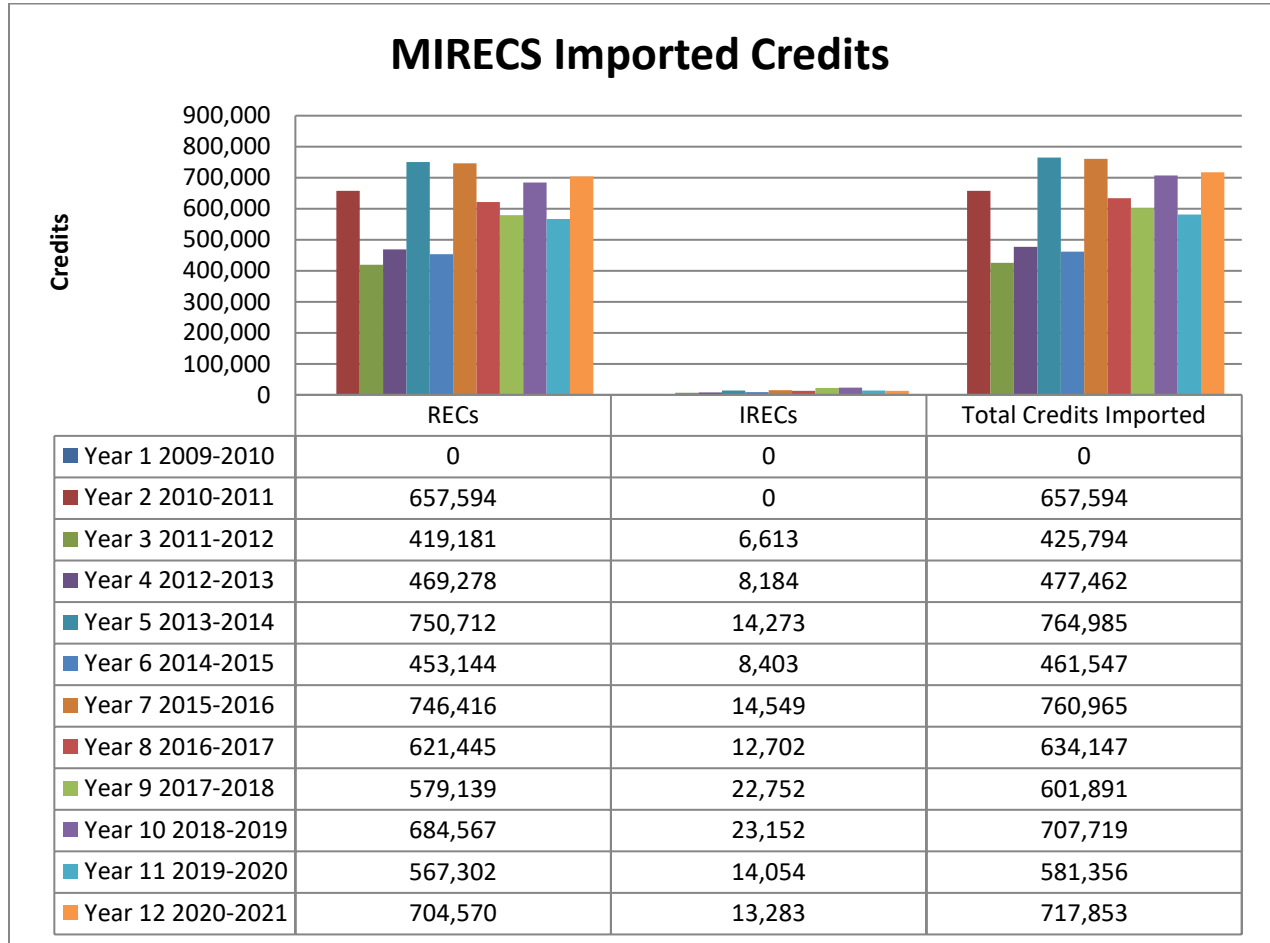
² The data in the Table 7 column for “Other” combines the following retirement types: Other (OTH), Credit-only (RECS), and Energy Optimization Substitution (EOS).



Imported Credits

In year 12, a total number of 717,853 Credits were imported into the MIRECS from other compatible tracking systems. MIRECS imported 309,091 Credits from PJM-GATS and 408,762 Credits from M-RETS. The number of Credits imported into MIRECS was higher in year 12, as compared to year 11, and was the most imports in the history of the MIRECS.

TABLE 8: MIRECS CREDITS IMPORTED

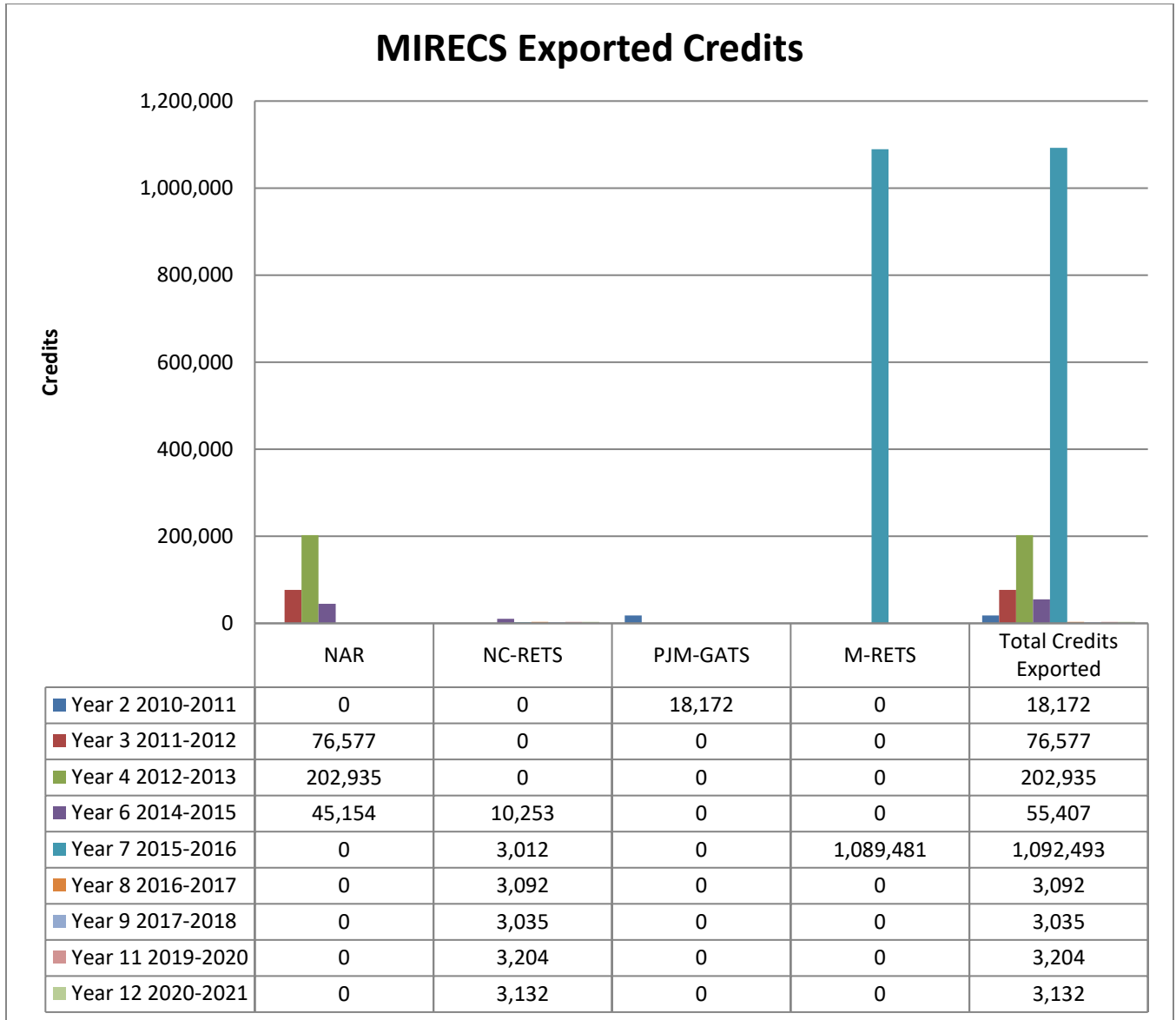


Exported Credits

In year 12, a total number of 3,132 Credits were exported to other compatible tracking systems. As shown in Table 9 below, all the Credits were exported to NC-RETS and zero Credits were exported to other compatible Registries. This continued a trend of six 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 12, MIRECS experienced no unscheduled downtime.