

# MICHIGAN RENEWABLE ENERGY CERTIFICATION SYSTEM

## ANNUAL REPORT FOR 2013-2014

Per the approved Department of Energy, Labor and Economic Growth Agreement 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, 2013 through June 30, 2014 (Year 5). This report provides an update on MIRECS operations and trends over the course of Year 5.

### OPERATIONS

#### Account Registration

In Year 5, one new General Account was opened and one General Account was closed. As a result, the total number of MIRECS Accounts remains at 121.

**TABLE 1: MIRECS ACCOUNT REGISTRATIONS**

Registration	New Accounts in Year 5	Total Accounts in MIRECS (end of Year 5)
Accounts	QTY	QTY
General	1	13
Project	0	32
Michigan Electric Service Provider	0	71
Non Profit Wholesale Power Provider	0	4
Import Certification Account	0	1
<b>Total Accounts</b>	<b>1</b>	<b>121</b>

### Project Registration

In Year 5, MIRECS added 23 new projects, bringing the total quantity of registered projects to 266. These new projects utilize solar, hydroelectric water, biomass, landfill gas, or wind technologies.

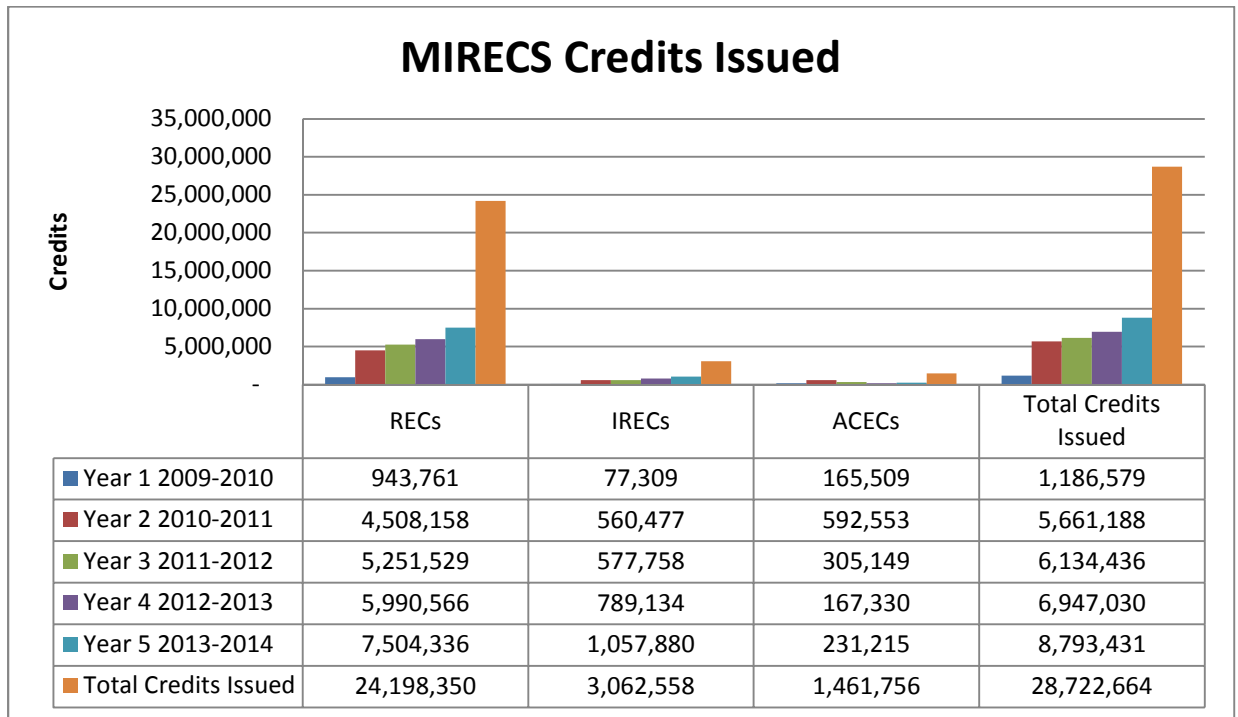
**TABLE 2: MIRECS PROJECT REGISTRATIONS**

Registration	New Projects in Year 5	Total Projects in MIRECS (end of Year 5)
Projects	QTY	QTY
MIRECS Generation	18	205
Import	5	60
<b>Total Projects</b>	<b>23</b>	<b>266</b>

### Issued Credits

In Year 5, the quantity of Credits issued in MIRECS was 8,793,431. The number of Credits issued has increased every year in MIRECS, and this trend continued in Year 5.

**TABLE 3: MIRECS CREDIT ISSUANCE**



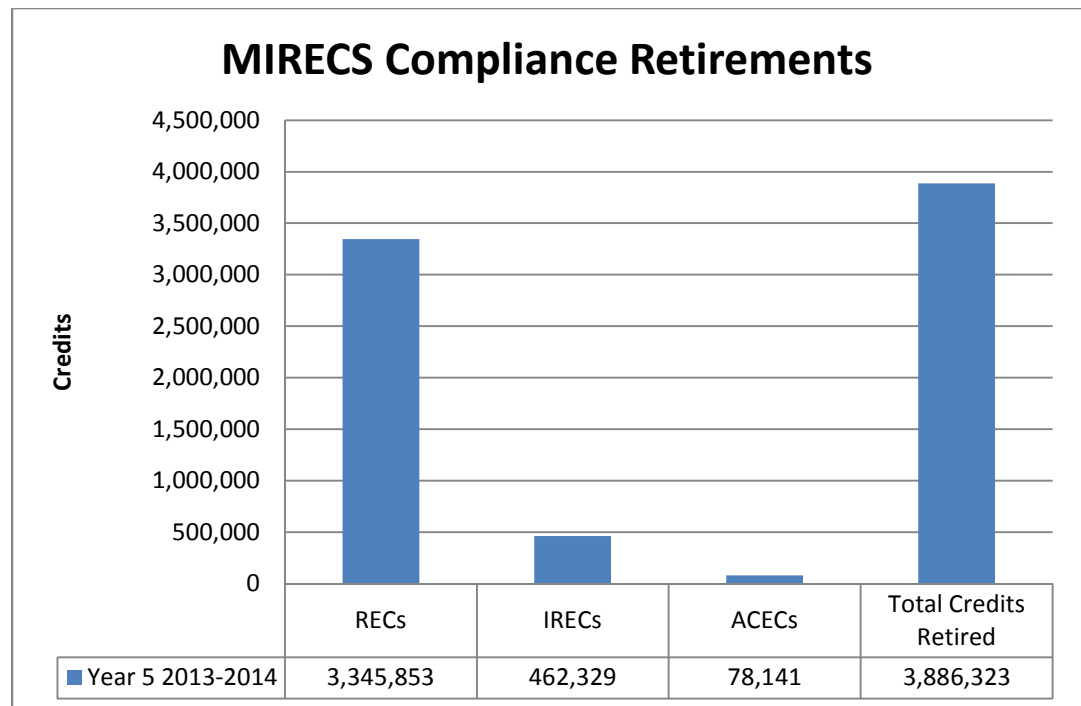
### **Retired Credits**

In MIRECS, 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 Compliance or Voluntary reasons.

### **Compliance Retirements**

In 2013, Michigan Electric Service Providers (ESP) submitted 2012 Compliance Filings to satisfy their respective PA 295 requirements. All 71 Michigan ESPs submitted eligible Credits to their 2012 Compliance Subaccounts through MIRECS. The Michigan Public Service Commission (MPSC) reviewed and approved the completed subaccount submissions, and the MIRECS Credits were retired for Compliance. As shown in Table 4 below, over 3.8 million MIRECS Credits were retired for Michigan Compliance.

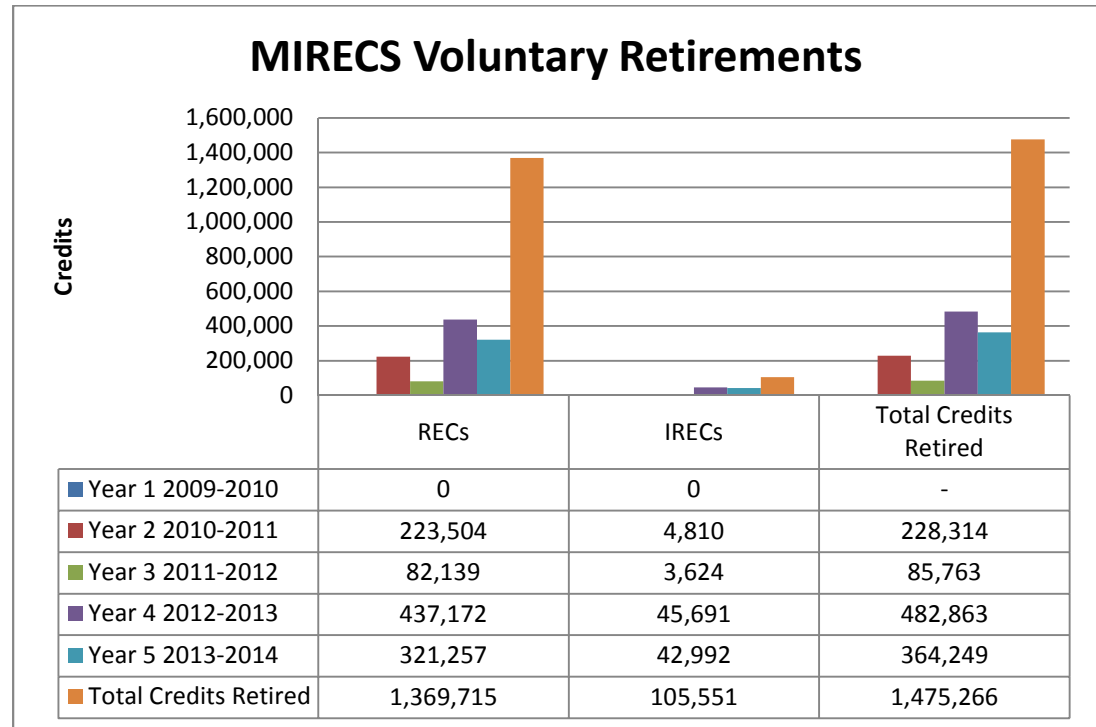
**TABLE 4: MIRECS COMPLIANCE RETIREMENTS**



### Voluntary Retirements

In Year 5, a total number of 364,249 Credits were voluntarily retired in MIRECS. The total number of Voluntary Retirements in Year 5 decreased slightly compared to Year 4.

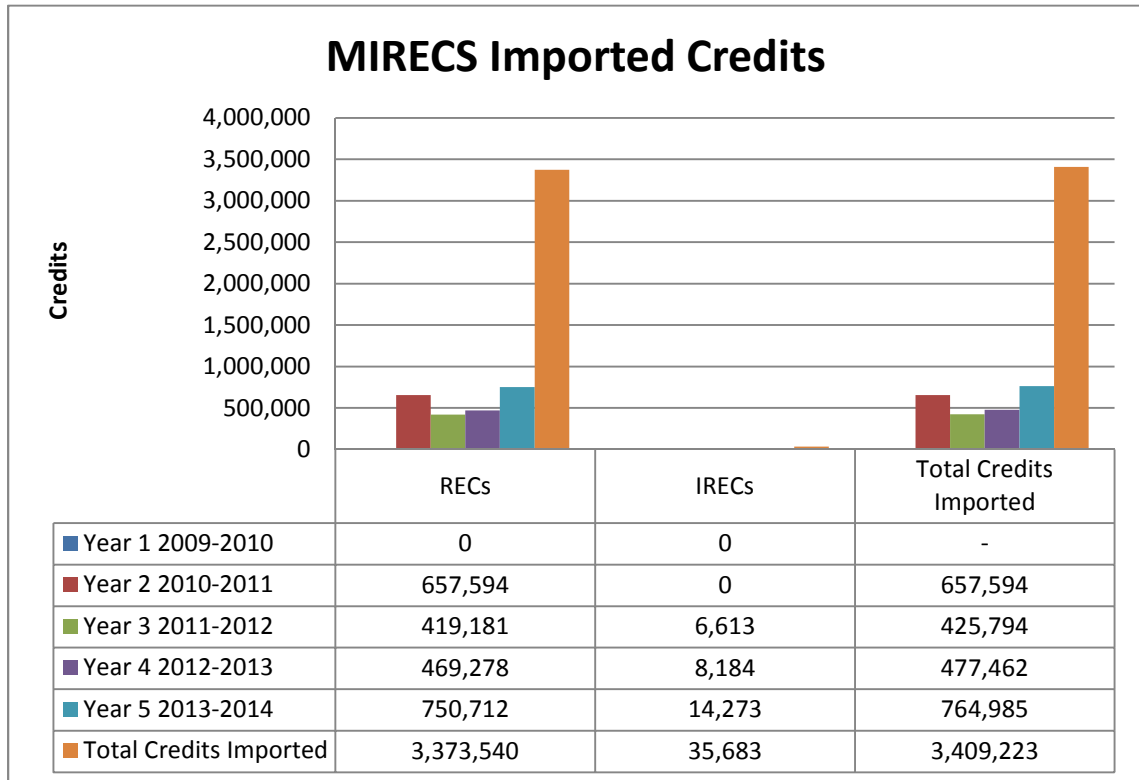
**TABLE 5: MIRECS VOLUNTARY RETIREMENTS**



### **Imported Credits**

The number of Credits imported into MIRECS was higher in Year 5 than in Year 4. Additionally, the quantity of unique batches of RECs imported into MIRECS increased to 4,613, compared to 2,345 in Year 4. Zero Credits were exported to other tracking systems in Year 5.

**TABLE 6: MIRECS CREDIT IMPORTED**



### **MIRECS Website**

The MIRECS website continues to be available to users online 24 hours a day, 7 days a week. During Year 5, MIRECS experienced no unscheduled downtime.

On May 28, 2014, APX launched the new MIRECS Information Website. The new website allows the MIRECS Administrator to easily maintain and manage MIRECS content, news, and documents.

## MIRECS ENHANCEMENTS

In addition to the normal operations and administrative support of MIRECS, several specific initiatives were undertaken and completed during Year 5 of MIRECS Operations:

In April 2014, APX released MIRECS Build 11.0 into MIRECS Production. The release focused primarily on enhancements that would help the MPSC with the Compliance verification process, and also included improvements to assist Account Holders with their daily operations. Below is a summary of the important highlights from this release:

- Added Additional Fields to screens for Import Project Registration data capture.
- Allow Electric Service Providers the ability to add additional Notes to their ESP Compliance Filings.
- Allow MIRECS Administrator the ability to update Annual Requirement for Compliance Accounts that are in 'Pending' Status.
- Change the name of the "Annual Requirement (MWh)" field to "Annual Requirement (Energy Credits)" in the Compliance Sub-Account.
- Updated MIRECS Inbox to allow Account Holders to view additional transfer details prior to taking action on a transfer request.
- Data processing changes to MIRECS Reports to improve report loading time.
- Improvements to the Meter Data Adjustment process.

Year 5 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