



MICHIGAN RENEWABLE ENERGY CERTIFICATION SYSTEM ANNUAL REPORT FOR 2017-2018

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, 2017 through June 30, 2018 (Year 9). This report provides an update on MIRECS operations and trends over the course of Year 9.

OPERATIONS

Account Registration

In Year 9, seven new accounts were opened, and two Project Accounts were closed in MIRECS. As a result, and at the end of Year 9, the total number of active MIRECS Accounts was 126.

TABLE 1: MIRECS ACCOUNT REGISTRATIONS

Registration	New Accounts in Year 9	Total Accounts in MIRECS (end of Year 9)
Accounts	QTY	QTY
General	2	15
Import Certification Account	0	2
Michigan Electric Service Provider	1	70
Non-Profit Wholesale Power Provider	0	4
Project	3	34
Retail Purchaser Account	1	1
Total Accounts	7	126



Project Registration

In Year 9, eight new MIRECS Generation projects and five Import projects were registered in MIRECS. These include all new projects that were either in Need Info, Pending, or Approved Status during Year 9. Of the 13 new projects registered, 10 were Approved and the remaining 3 were in either Pending or Need Info status as of the end of Year 9, which means they require additional information from the Account Holder. In Year 9, one project was closed. With the addition of these projects, at the end of Year 9, the total quantity of registered projects in MIRECS increased to 305. These new projects utilize one of the following four technologies: solar (8), hydroelectric (2), biomass (1), or wind (2).

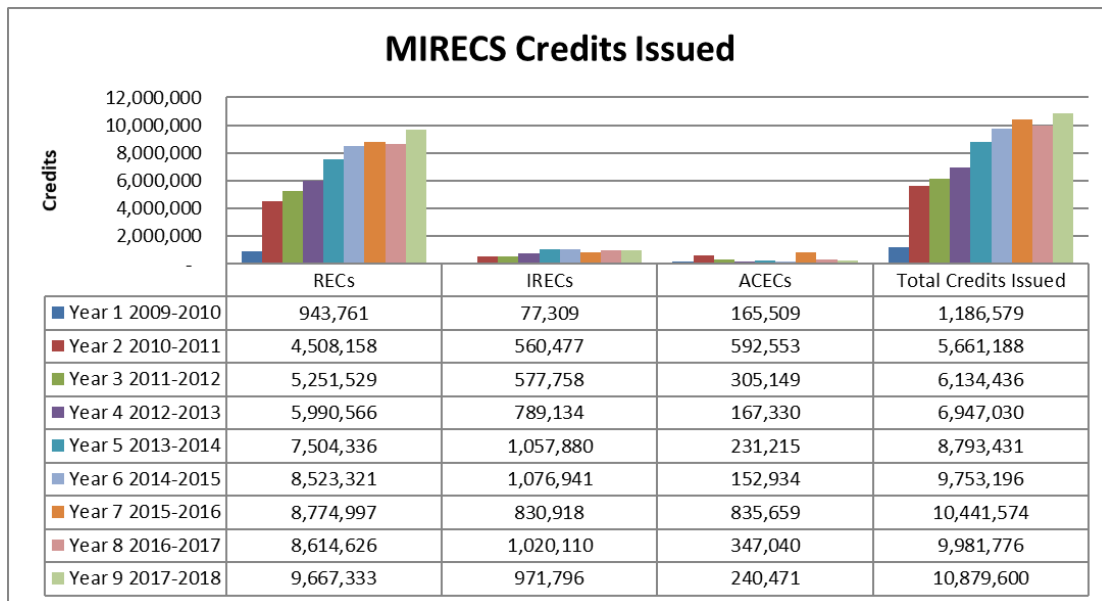
TABLE 2: MIRECS PROJECT REGISTRATIONS

Registration	New Project in Year 9	Total Projects in MIRECS (end of Year 9)
Projects	QTY	QTY
MIRECS Generation	8	237
Import	5	68
Total Projects	13	305

Issued Credits

In Year 9, the total quantity of Credits issued in MIRECS was 10,879,600. The number of total Credits issued increased in Year 9. Specifically, there was an increase of 844,167 MWh of wind generation in Year 9 that was the main contributor to the overall number of RECs issued increasing in Year 9 as compared to Year 8.

TABLE 3: MIRECS CREDIT ISSUANCE¹



¹ 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.



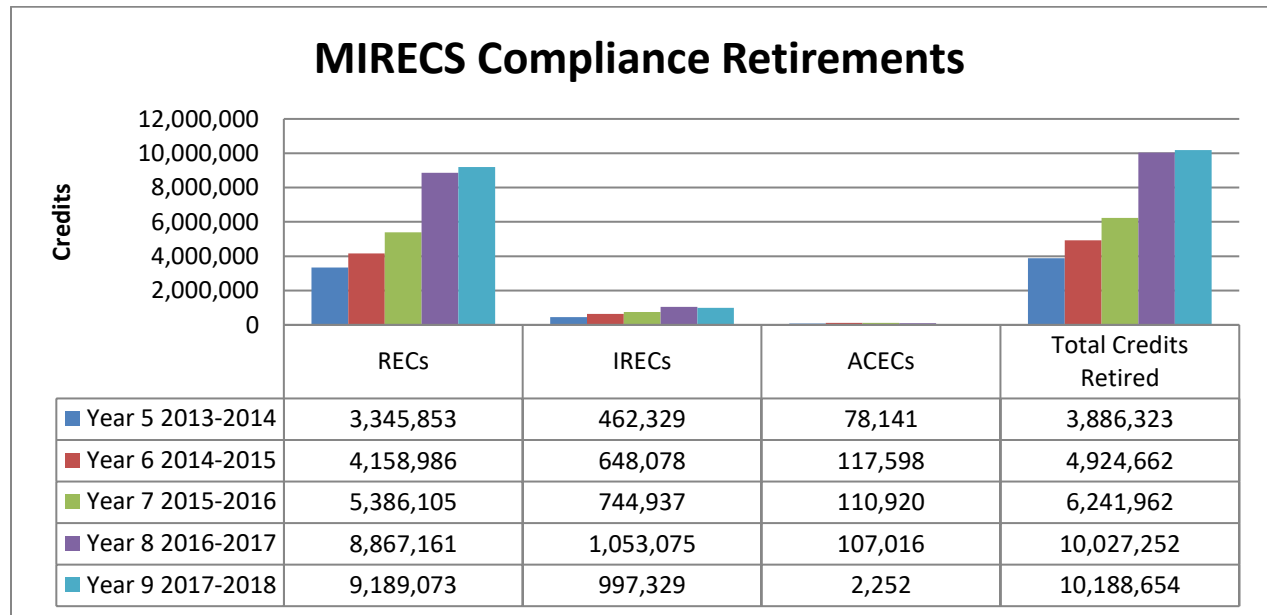
Retired Credits

In MIRECS, 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 Compliance or Voluntary reasons.

Compliance Retirements

In Year 9, Michigan Electric Service Providers (ESP) submitted 2016 Compliance Filings to satisfy their respective PA 295 requirements. All 69 Michigan ESPs submitted eligible Credits to their 2016 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 10 million MIRECS Credits were retired for Michigan Compliance in Year 9. There was a slight increase in Compliance Retirement activity in Year 9 compared to Year 8.

TABLE 4: MIRECS COMPLIANCE RETIREMENTS



Voluntary Retirements

In Year 9, a total number of 300,732 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 (Expired MI Eligibility or For Environmental Benefit). The total number of Voluntary Retirements in Year 9 increased compared to Year 8.

TABLE 5: MIRECS VOLUNTARY RETIREMENTS

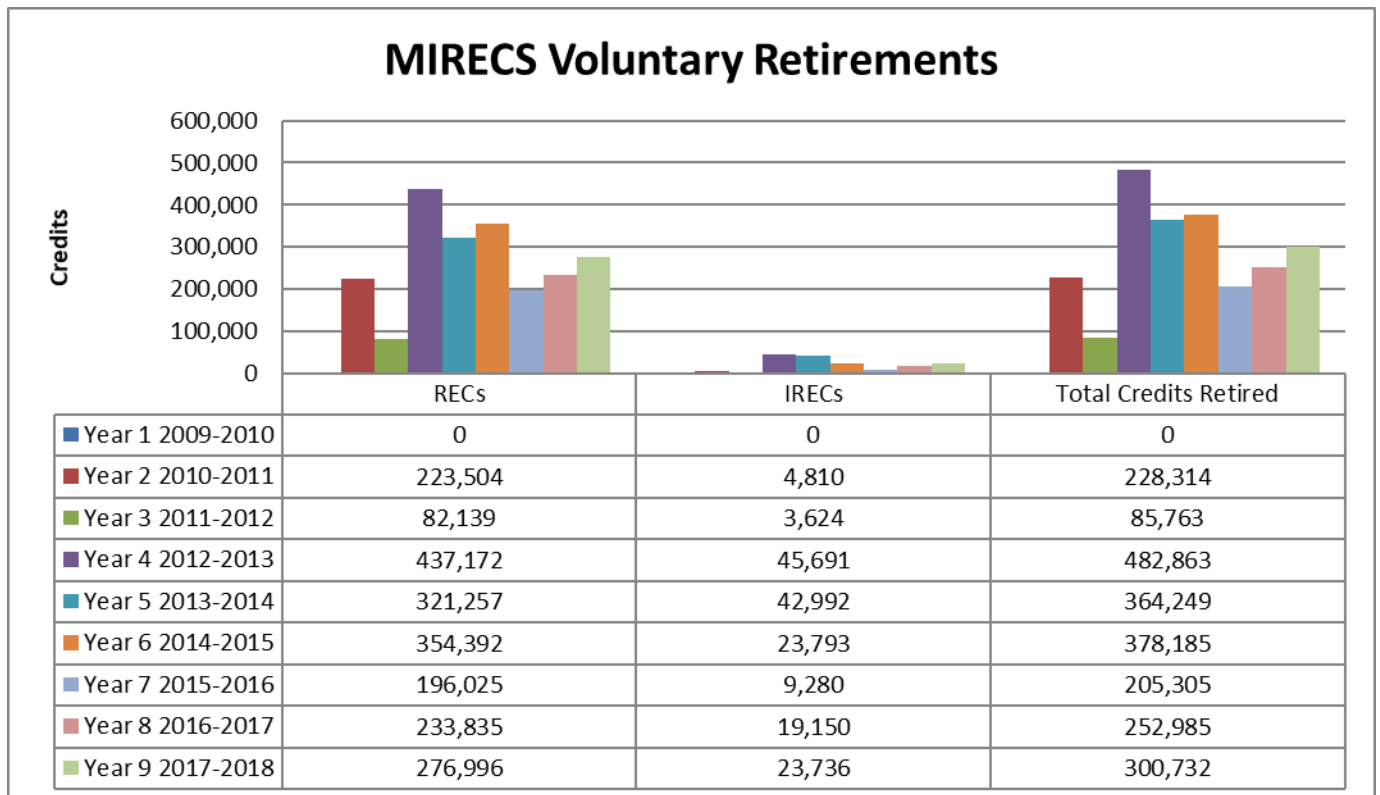
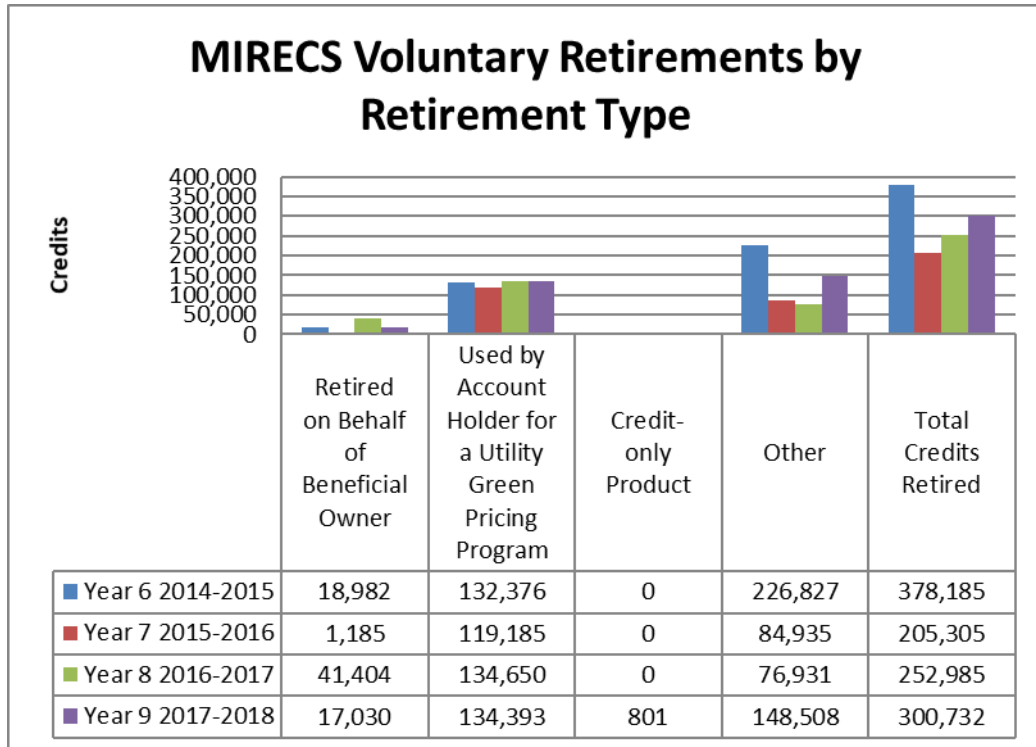


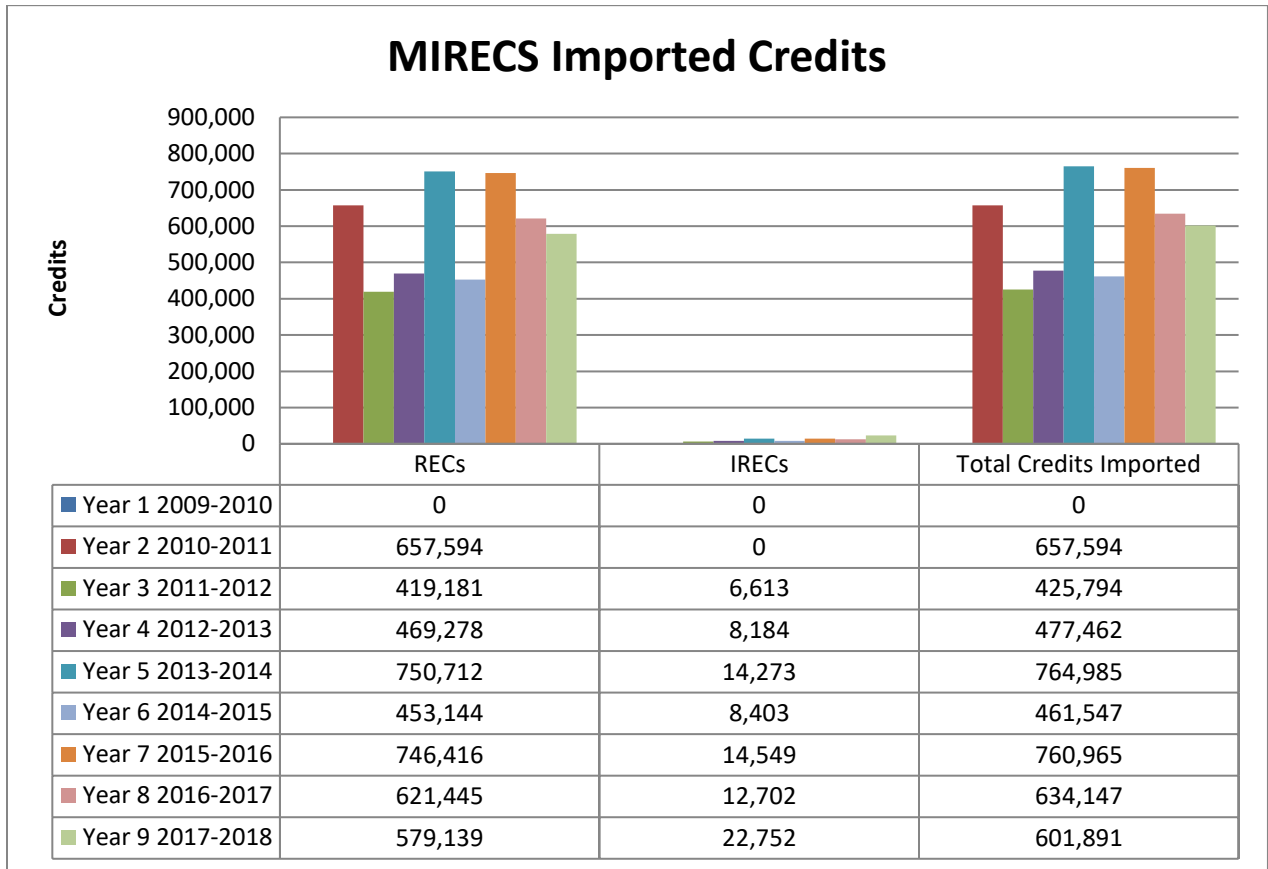
TABLE 6: MIRECS VOLUNTARY RETIREMENTS BY RETIREMENT TYPE IN YEAR 9



Imported Credits

In Year 9, a total number of 601,891 Credits were imported into MIRECS from other compatible tracking systems. MIRECS imported 299,798 Credits from PJM-GATS and 302,093 Credits from M-RETS. The number of Credits imported into MIRECS was less in Year 9 than in Year 8.

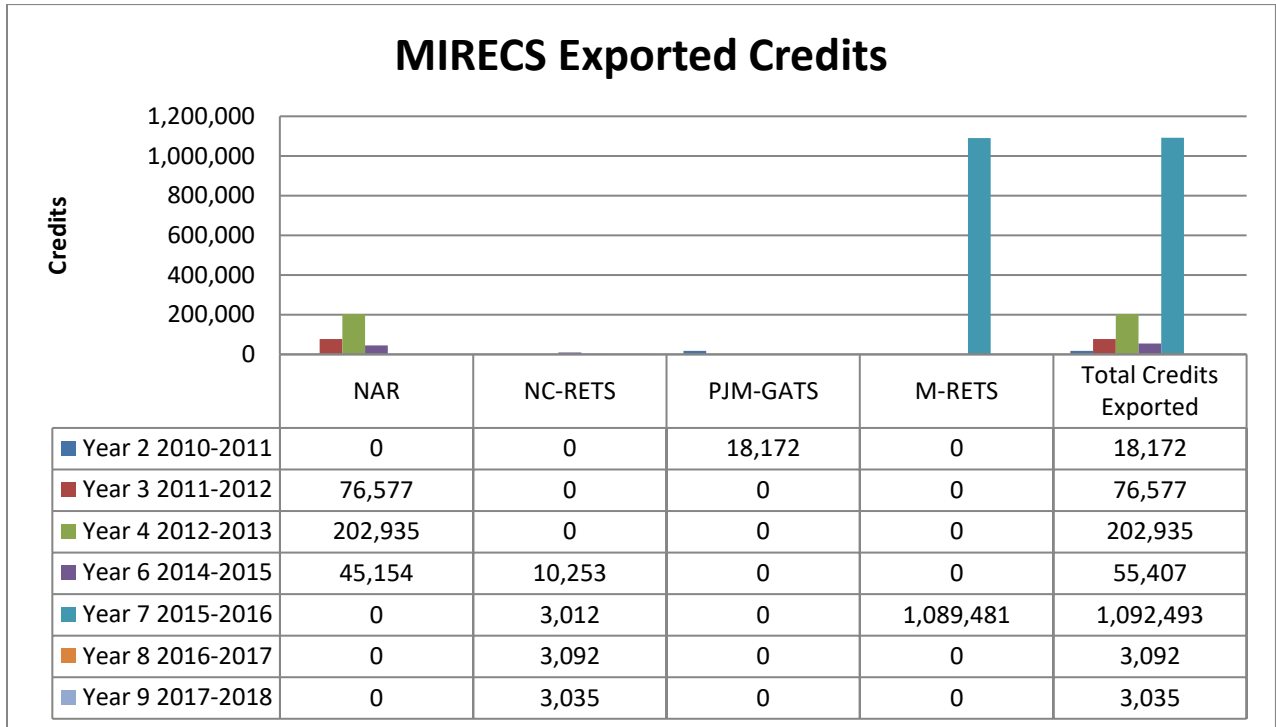
TABLE 7: MIRECS CREDIT IMPORTED



Exported Credits

In Year 9, a total number of 3,035 Credits were exported to other compatible tracking systems. As shown in Table 8 below, all the Credits were exported to NC-RETS and zero Credits were exported to other compatible registries.

TABLE 8: MIRECS CREDIT EXPORTED



MIRECS Website

The MIRECS website continues to be available to users online 24 hours a day, 7 days a week. During Year 9, MIRECS experienced no unscheduled downtime.