

# M-RETS® 2012 Annual Report



# From the M-RETS Leadership Team

Dear MRETS Stakeholders,

The past year has been filled with several milestones and accomplishments for the Midwest Renewable Energy Tracking System, Inc. (M-RETS). This annual report contains a year-in-review of our work, along with account holder activity and our most recent annual financial statements.

In 2012, we retired more than 21 million renewable energy credits (RECs) and issued more than 66 million RECs. Early in 2013, our Board of Directors adopted our first Strategic Plan. This guide lays out goals and strategies to inform the work we do to meet the needs of our users.

We look forward to working with you in the coming year as we continue our work to efficiently track and verify renewable energy generation in collaboration with stakeholders and facilitating renewable energy development in the public interest.

Sincerely,

**Deborah Erwin**  
Board President

**Amy Fredregill**  
Executive Director



# About M-RETS

## Mission Statement

M-RETS efficiently tracks and verifies renewable energy generation in collaboration with stakeholders, facilitating renewable energy development in the public interest.

## Vision Statement – What M-RETS Aspires to Be

We envision M-RETS playing a critical role in a thriving renewable energy industry.

M-RETS is the leading renewable energy tracking and trading system in North America, driven by balancing the needs of both voluntary and mandatory stakeholders. We are recognized for our role in public outreach and education.

## Value Statements

**Integrity:** We strive for the highest standards of fairness and transparency in all that we do.

**Data-driven:** Objective, accurate, and reliable information is central to everything we do, and we are guided by rigorous standards for data quality, research and analysis.

**Collaborative:** We engage stakeholders to be inclusive, flexible and creative in accomplishing our goals.

**Solution-oriented:** We are proactive and innovative in our focus to achieve the most streamlined and beneficial long-term solutions.

**Stewardship:** We value responsible use of resources and foster affordability and cost-effectiveness.



# Strategic Plan

- \* **Strategic Goal #1:** Ensure tracking services are meeting needs of stakeholders
- \* **Strategic Goal #2:** Strengthen capacity to meet needs of growing organizational complexity
- \* **Strategic Goal #3:** Expand penetration and geographic scope of our core tracking services
- \* **Strategic Goal #4:** Leverage MRETS to serve as a public information and education resource

# M-RETS GOVERNANCE

## Board of Directors

**Deborah Erwin, President (Regulator)**  
Public Service Commission of Wisconsin

**Pat Kelly, Vice President (IOU)**  
WE Energies

**Brian Rounds, Secretary (Regulator)**  
South Dakota Public Utilities Commission

**Michelle Rebholz (Regulator)**  
Minnesota Public Utilities Commission

**Larry W Johnston (Muni)**  
Southern Minnesota Municipal Power Agency

**Eric Jensen (Non Profit)**  
Izaak Walton League

**Dan Heim (Marketer)**  
Exelon/Constellation

**Ronald J Franz (Co-op)**  
Dairyland Power Cooperative

**Jeffrey Cottes (Regulator)**  
Province of Manitoba

**Eric Schroeder, Treasurer (officer only)**  
Great Plains Institute

## Staff

**Amy Fredregill**  
Executive Director

**Zara Scharf**  
Program Analyst





# Year in Review

**BALANCING SHORT, MEDIUM AND LONG-TERM PRIORITIES  
OCTOBER 2012-OCTOBER 2013**

<b>November 2012</b>	<ul style="list-style-type: none"><li>✓ New director orientation for Heim as Marketer/Generator representative</li><li>✓ Finance and Governance Committee inaugural members appointed</li><li>✓ Board approves 2013 user fee proposal to APX</li><li>✓ Financial briefing of board by nonprofit consultant</li><li>✓ Bookkeeper/accountant begins work as contractor</li></ul>
<b>December 2012</b>	<ul style="list-style-type: none"><li>✓ Mission Statement adopted by board</li><li>✓ 2013 budget adopted by board</li><li>✓ New Director Mentor System launched for Heim with Johnston</li><li>✓ Subscriber Group elects Chair and Vice Chair</li><li>✓ Agreement reached with APX on 2013 User Fees</li><li>✓ REC Tracking System meeting hosted by staff with peers</li></ul>
<b>January 2013</b>	<ul style="list-style-type: none"><li>✓ Vision and Values Statements adopted</li><li>✓ Governance and Finance Committees begin to meet, chairs appointed</li><li>✓ Orientation held for Subscriber Group Chair and Vice Chair</li><li>✓ MRETS 11.0 Release testing conducted with user volunteers</li><li>✓ Governance consulting contract begins with MAP for Nonprofits</li><li>✓ 2013 User Fees implemented, including 2 new account types and retirement fees cut in half</li></ul>
<b>February 2013</b>	<ul style="list-style-type: none"><li>✓ MRETS 11.0 Release with upgrade to Telerik, webinars held for users</li><li>✓ Board adopts first ever Strategic Plan</li><li>✓ Finance Committee begins bank statement and reconciliation review</li><li>✓ Subscriber Group meets; adopts Charter</li><li>✓ Executive Committee approves 2013 E.D. Performance Review process</li></ul>

# Year in Review, cont'd.

**BALANCING SHORT, MEDIUM AND LONG-TERM PRIORITIES  
OCTOBER 2012-OCTOBER 2013**

<b>March 2013</b>	<ul style="list-style-type: none"><li>✓ Zara Scharf begins work as Program Analyst</li><li>✓ Revisions to Board Fiduciary Duties, Roles and Expectations document</li><li>✓ H.R. Manual edits adopted by board</li><li>✓ Governance briefing of board on nonprofit director fiduciary duties</li><li>✓ APX submits 2012 Annual Report</li><li>✓ REC Tracking System meeting hosted by staff with peers</li></ul>
<b>April 2013</b>	<ul style="list-style-type: none"><li>✓ Self-evaluation of board conducted by Governance Committee</li><li>✓ Board adopts Financial Report plan by Finance Committee</li><li>✓ Annual nonprofit financial basics briefing by consultant</li><li>✓ Financial Policy edits adopted by board</li><li>✓ MNPUC Briefing of Commissioners by staff</li><li>✓ Stakeholder survey sent for feedback on MRETS 11.0 Release</li><li>✓ Fee Structure Model updated with 2012 year end numbers</li></ul>
<b>May 2013</b>	<ul style="list-style-type: none"><li>✓ Audit field visit successfully conducted at MRETS office</li><li>✓ Executive Committee approves E.D. Strategic Plan operational work plan</li></ul>
<b>June 2013</b>	<ul style="list-style-type: none"><li>✓ Audit Committee meets with auditor to review draft audit</li><li>✓ In-person board meeting held in Madison, WI with governance consultant</li><li>✓ Enhancement and tracking log created</li><li>✓ Stakeholders notified of expiring board seats</li></ul>

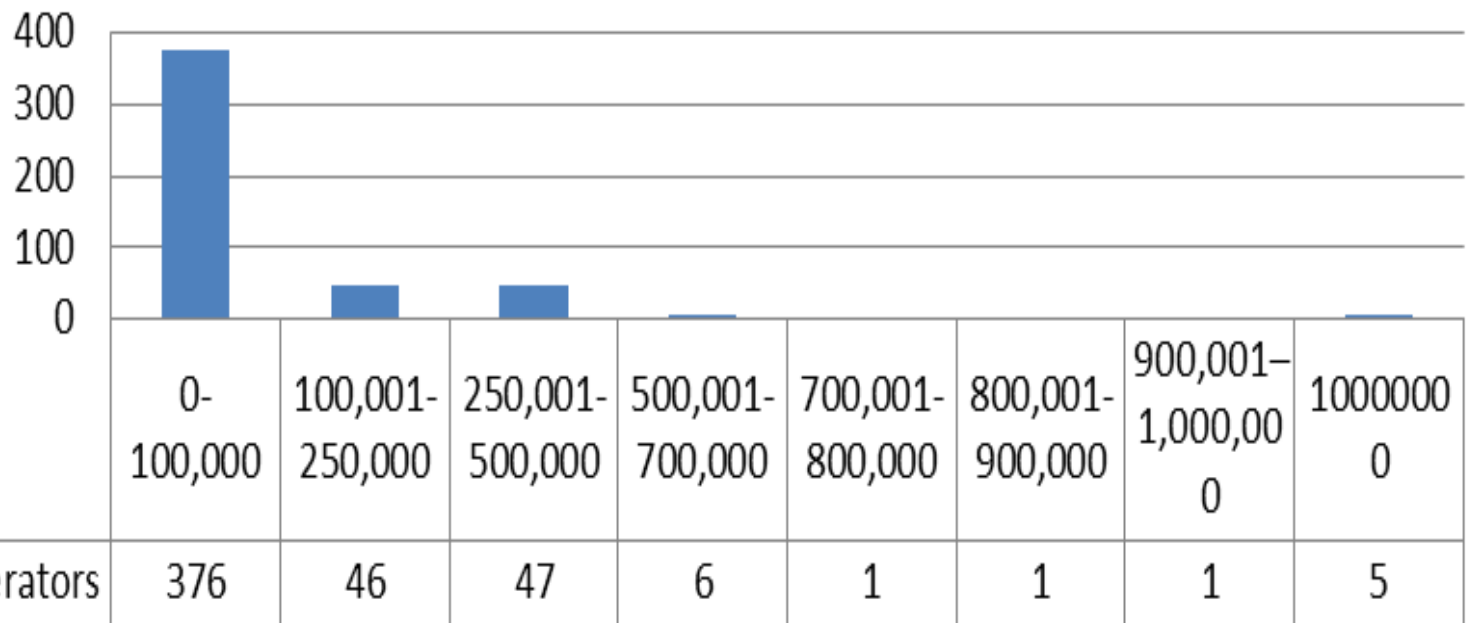
# Year in Review, cont'd.

**BALANCING SHORT, MEDIUM AND LONG-TERM PRIORITIES**  
**OCTOBER 2012-OCTOBER 2013**

<b>July 2013</b>	<ul style="list-style-type: none"><li>✓ Audit Committee sends audit to board with unmodified opinion</li><li>✓ Call for Subscriber Group nomination to Marketer/Generator board seat</li><li>✓ Subscriber Group meeting held</li><li>✓ Board approves request to track generation in MISO portion of Indiana</li><li>✓ REC Tracking System meeting hosted by staff with peers</li></ul>
<b>August 2013</b>	<ul style="list-style-type: none"><li>✓ Year-end Financial Audit and IRS Form 990 approved by board</li><li>✓ Annual meeting held; Michelle Rebholz from MN PUC elected</li><li>✓ Board meeting evaluations completed by directors</li><li>✓ Aggregation workgroup formed for stakeholder input</li></ul>
<b>September 2013</b>	<ul style="list-style-type: none"><li>✓ Import/Export Committee of tracking systems convened by staff, meets</li><li>✓ REC Tracking System meeting hosted by staff with peers</li><li>✓ Subscriber Reception held in conjunction with REM Conference</li><li>✓ Call for Board Officer Nominations</li><li>✓ Aggregator workgroup meeting to advise on policy and process</li></ul>
<b>October 2013</b>	<ul style="list-style-type: none"><li>✓ Addendum to Registry Administration contract signed</li><li>✓ New director seated</li><li>✓ Board Officer elections held</li><li>✓ Annual Execution of Conflict of Interest Policy executed</li><li>✓ In-person Subscriber Group Meeting, first Subscriber/Board dinner</li></ul>



# 2012 Certificate Issuances

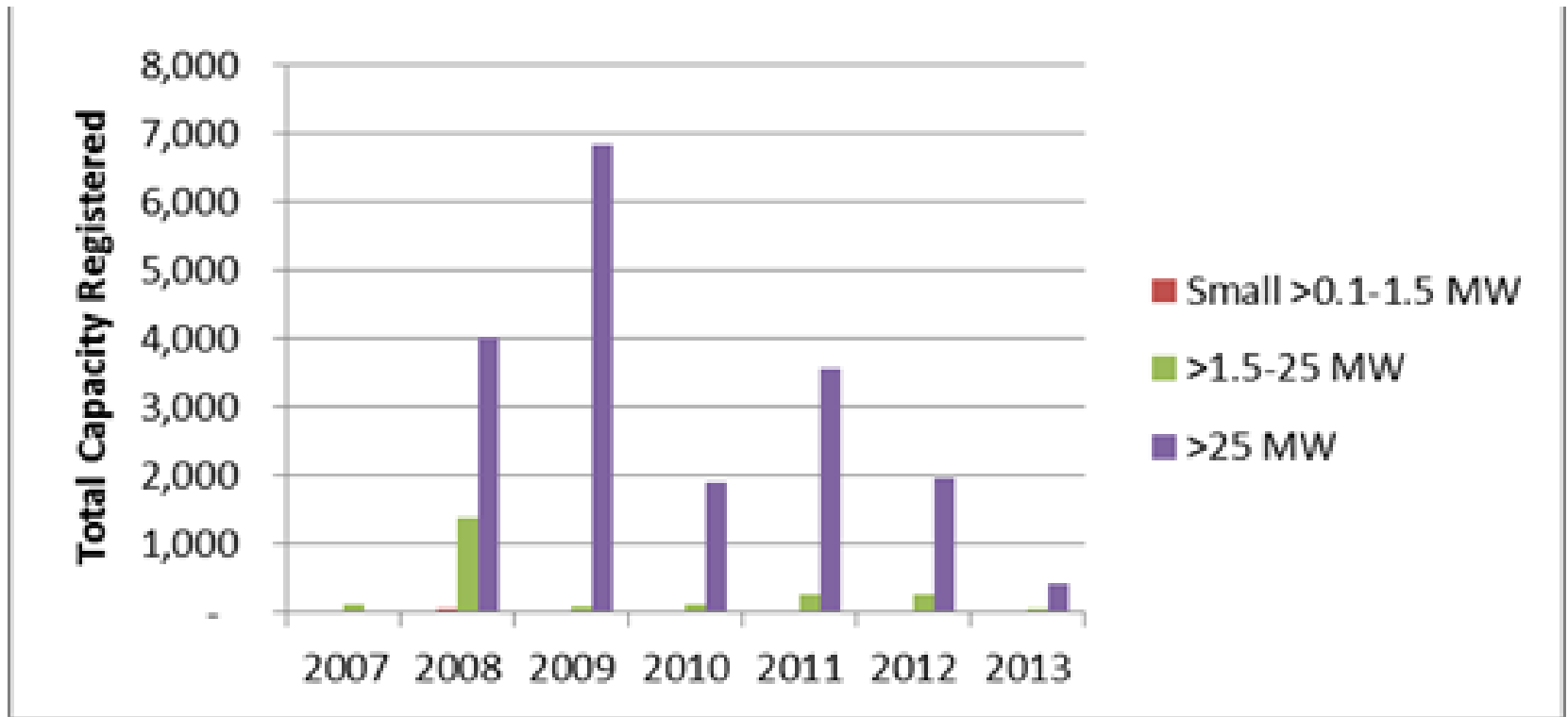


# 2012 REC Retirement Reasons

Type	State	Quantity
RRC	WI	3,746,595
RPS	MI	14
RPS	MN	7,031,204
RPS	MT	101,186
RPS	ND	2,106
RPS	IL	714,288
RPS	IA	289,396
RPS	SD	25,475
REC		1,278,192
MUN		560
OTH		6,659,303
REG		2,524
UGP		739,516
GEP		438,080

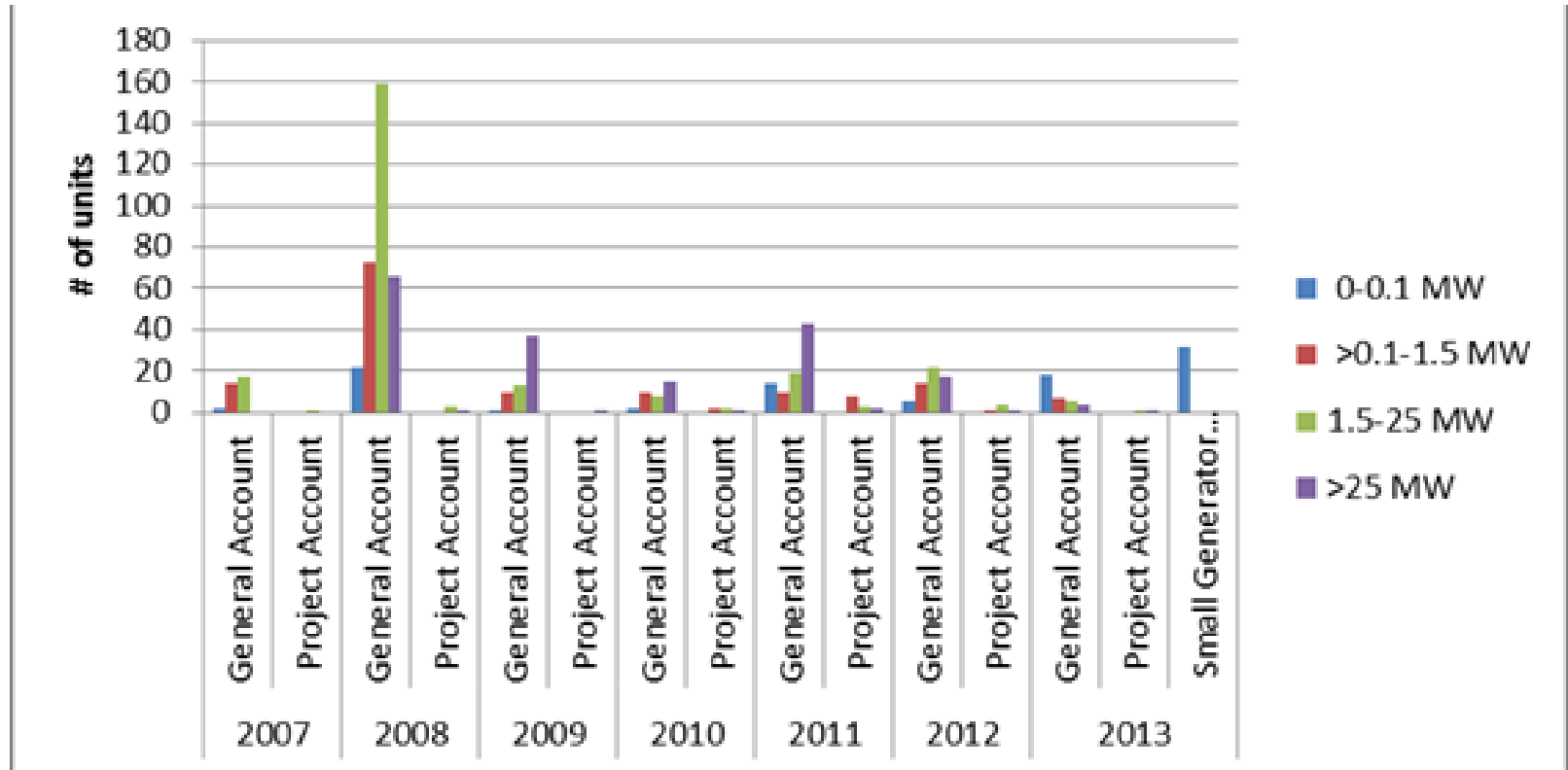
# Capacity Registered by Approval Year

~21,000 MW



# Number & Size of Generators Approved

(by Year by Account Type ~690 units)



# Statements on Financial Position

DECEMBER 31, 2012 AND 2011

	2012	2011
<b>ASSETS</b>		
Cash	\$718,704	\$641,359
Accounts Receivable	\$24,513	\$35,854
Prepaid Expenses	\$5,199	---
Equipment, net	\$3,202	\$2,047
Total assets	<b>\$751,618</b>	<b>\$679,260</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
Accounts Payable	\$5,000	\$1,029
Accrued payroll and related	\$17,294	\$16,164
Total liabilities	\$22,294	\$17,193
Unrestricted net assets	\$729,324	\$662,067
Total liabilities and net assets	<b>\$751,618</b>	<b>\$679,260</b>



# Statements of Activities

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
<b>Revenue:</b>		
Program fees	\$1,076,265	\$1,083,744
Transfer of fees with assignment of contract	---	410,000
Interest income	427	355
<b>Total revenue</b>	<b>1,076,692</b>	<b>1,494,099</b>
<b>Expenses:</b>		
Payroll & related	126,651	41,285
APX fees	731,860	736,946
Consulting	81,753	18,000
Professional fees	15,021	13,611
Meetings & travel	29,906	11,861
Occupancy & office	12,187	6,931
Insurance	2,525	831
Depreciation	1,029	220
Other*	8,503	2,347
<b>Total expenses</b>	<b>1,009,435</b>	<b>832,032</b>
<b>Change in net assets</b>	<b>67,257</b>	<b>662,067</b>

\*Other = professional development and conferences, association and membership dues, communications and graphic design





For more information, please visit  
mrets.org or contact  
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