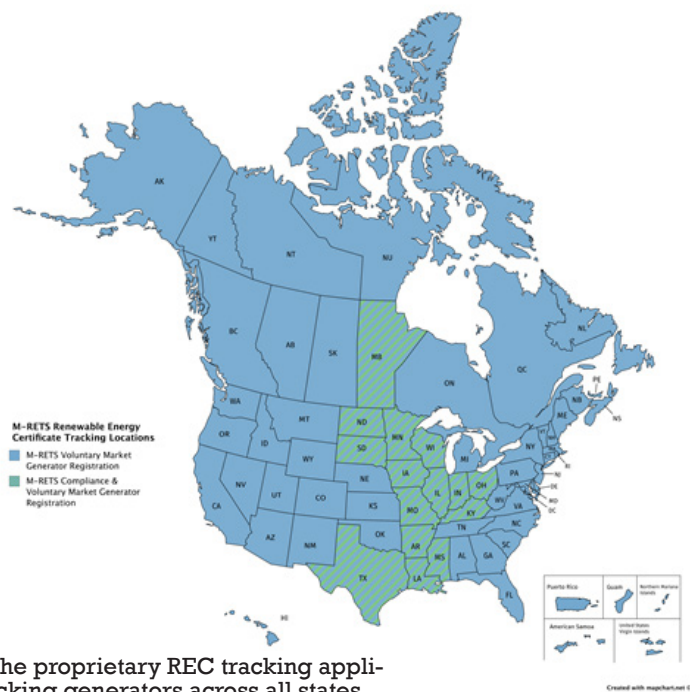




2018 Annual Report

Key Figures

98,497,106 RECs Issued
52,639,139 RECs Retired
(25,741,970 Compliance and 26,897,169 Voluntary)



Dear M-RETS Stakeholders,

2018 was another banner year for M-RETS, the first full year operating under the proprietary REC tracking application built and maintained in house. As of January 1, 2018, M-RETS began tracking generators across all states and provinces in North America.

M-RETS saw incredible growth among smaller distributed generators. For example, in 2017 M-RETS had 945 generators with an average nameplate capacity of 74 MW. Currently, M-RETS has 1,422 generators with an average nameplate capacity of 23 MW.

M-RETS continued to develop new features and look towards the future as a leading renewable registry. This includes releasing many new features and a renewable thermal registry.

Building a Stronger Organization

M-RETS continues to provide leadership in the renewable energy tracking field. In 2018, more than 98.4 million renewable energy credit (REC) were issued in the M-RETS registry, representing more than a 5% increase over 2017 issuances. Further, M-RETS users retired more than 52.6 million RECs, representing almost a 10% increase. M-RETS ended 2018 serving 1,422 generators (33% growth from 2017) across 321 (19% growth from 2017) accounts.

To put the M-RETS growth in perspective, wind generation sustained an average growth rate of 13.7% from 2010-2018 in the M-RETS system. Nevertheless, solar has outshined (pun intended but regretted) other technology types and grown an incredible 125.3% on average (a slight reduction from last year). While solar did not maintain the 400% annual growth seen between 2016 and 2017, solar still grew a respectable 180% between 2017 and 2018 driven by an increase in smaller solar generators.

Leadership

In 2018, M-RETS continued to maintain a strong leadership position within the environmental attribute space. Not only did M-RETS continue to provide leading registry features, M-RETS was asked to share its knowledge around the world. A few of the highlights worth noting included a featured presentation at the RECS Market Meeting in Amsterdam, the REM Conference in Houston, a published opinion piece in Utility Dive, Clean Energy States Alliance, the EUCI Overview of REC Registries, and hosted a delegation of regulators from Vietnam on a trip sponsored by NARUC. Moreover, M-RETS began leadership on the forthcoming renewable thermal tracking system with presentations to the Renewable Natural Gas Coalition and the Environmental Markets Association.

Future Opportunities

2019 will see continued expansion of the M-RETS platform. As of January 2019, all data provided to M-RETS by MISO will include hourly generation information and peak/off-peak data according to the FERC approved MISO Tariff. Users that self-upload generation as well as QRE's can upload data in monthly, hourly, or even minute increments. This will increase the level of data available to all M-RETS stakeholders.

In early 2019 M-RETS released the program feature. The program features allow regulators with compliance programs as well as organizations with their own internal programs the opportunity to set up rulesets that prevent retirements of RECs outside the parameters set to a specified retirement account. The state of Wisconsin successfully used this feature for all 2018 Wisconsin RPS retirements.

The M-RETS development team will continue to build out essential functionality on the M-RETS application as well as develop new features to enhance the user experience. Throughout this process we welcome the feedback of all our users.

Conclusion

Once again M-RETS ended the year in a strong fiscal and operational position. Further, M-RETS continues to advance its role as a leader in the environmental attribute space by releasing new features and capabilities. In addition to releasing new features, M-RETS continues to show appreciation of our user community, including lowering the fees for all voluntary retirements in 2019 from \$0.017/REC to \$0.01/REC

Sincerely,
Ben Gerber, M-RETS Executive Director and Ken Smith, President, M-RETS Board of Directors

Our Mission

M-RETS validates the environmental attributes of energy to serve as a trusted centralized gateway to environmental markets.

Our Values

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.

2017 and 2018 Audited Financial Data

Statements of Financial Position

December 31, 2016 and 2017

ASSETS	2017	2018
Cash	\$929,387	\$1,503,311
Accounts receivable	49,602	97,150
Prepaid expenses	10,913	22,985
Software and Equipment, Net	154,587	200,267
Total assets	\$1,144,489	\$1,823,713
LIABILITIES AND NET ASSETS		
Accounts payable	\$41,106	\$74,145
Accrued payroll and related	47,189	49,621
Capital Lease Liability	5,233	
Total liabilities	93,528	123,766
Unrestricted net assets	1,050,961	1,699,947
Total liabilities and net assets	\$1,144,489	\$1,823,713

Statements of Activities and Changes in Net Assets

for the years ended December 31, 2017 and 2018

REVENUE	2017	2018
Program Service Fees:		
Subscription fees	\$348,950	\$348,000
Issuance fees	468,069	522,159
Retirement fees	810,748	895,031
Total Program Service Fees	\$1,634,733	\$1,777,776
Other fees	6,966	6,586
Interest income	1,347	7,377
Total Revenue	\$1,636,080	\$1,779,153
EXPENSES		
Program	\$888,604	\$882,133
Management and general	229,007	248,034
Total Expenses	\$1,117,611	\$1,130,167
Change in net assets	518,469	648,986
Unrestricted net assets at beginning of year	\$532,492	\$1,150,961
Unrestricted net assets at end of year	\$1,050,961	\$1,699,947

Strategic Plan Through 2021

Strategic Goal #1: Build a stronger organization and improve organizational effectiveness

Strategic Goal #2: Expand core services and user base

Strategic Goal #3: Become the undeniable leader in environmental attribute tracking systems through operational and technical best practice

2019 Board of Directors

Ken Smith, President
Ever-Green Energy, Inc.

Eric Schroeder, Vice President

Ken Nelson, Secretary
Blue Delta Energy, LLC

Esther Case, Treasurer
Central Iowa Power Cooperative (CIP-
CO)

Sherian Krause
MidAmerican Energy Company

Dan Heim
Exelon/Constellation

Teody Leano
Manitoba Municipal Government

Andy Kellen
WPPI Energy

Andrew Kell
Public Service Commission of Wisconsin

2018 Staff

Benjamin L. Gerber, Executive Director

Tanya Gajewska, Chief Administrative
Officer

Rosie Hoyem, Program Manager

Sean Darling, Technical Program
Coordinator