



Annual Report 2019

100,980,724 57,477,935

RECs Issued

RECs Retired

24,617,754 Compliance
Retirements and 32,360,181
Voluntary Retirements

Dear M-RETS Stakeholders,

2019 was an exceptional year for M-RETS. Throughout 2019 M-RETS released a suite of features that put M-RETS at the forefront of environmental commodity markets. Once again M-RETS ended the year in a strong financial position and hit several milestones, including the state of Wisconsin being the first to require the use of the M-RETS Program feature which applies software to validate that retirements meet predetermined requirements. In 2019 M-RETS leveraged its state-of-the-art technology to launch several new products and capabilities designed to meet the needs of the constantly evolving sustainable energy markets. For example, M-RETS became the first environmental attribute registry with the ability to capture and track hourly generation data.

2019 was the first vintage year that M-RETS eclipsed the 100 million REC issuance mark. M-RETS saw a 2.5% increase over 2018 vintage issuances. M-RETS also saw an 11% increase in the number of registered generators. Currently, M-RETS has 1,592 generators with an average nameplate capacity of 21 MW.

Building a Stronger Organization

M-RETS adheres to the highest level of transparency, accountability, and integrity. As in years past, M-RETS received a clean, or unmodified opinion on its audited financials, the highest level of assurance possible by a certified public accounting firm. M-RETS continues to build upon that strength with the addition of in-house software development capacity. In late 2019 M-RETS hired its first Senior Software Developer. This will strengthen the ability of the organization to respond to market and user needs.

Leadership

M-RETS continues to push forward on leading the environmental attribute industry into the future. Over the last year, M-RETS envisioned and executed a renewable thermal certificate (“RTC”) market that tracks both volume and carbon intensity of renewable thermal energy resources.

Future Opportunities

M-RETS is working on providing a marginal fuel calculation as well as system generation mixes and exploring ancillary data integrations across North America. It is our belief that regulators and voluntary market participants can utilize a tool like M-RETS to increase data granularity,

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.

resulting in a better understanding of the carbon impact of greater renewable penetrations.

Enhanced M-RETS data features have a variety of potential beneficial use cases:

Voluntary Renewable Markets

1. Implement methods to track and match renewable energy production to load through RECs (e.g. 24/7 renewable goals).
2. Provide granular avoided carbon emission data.

Compliance Markets

1. Support the design and implementation of programs incentivizing energy storage including clean peak standards.
2. Utilize defined standards to create “on-peak” and “off-peak” RECs.
3. Validate the goals of compliance programs that seek to decarbonize the electric grid or incentivize renewable energy production development in carbon intensive grid regions. M-RETS is building a tool that will allow policy makers to choose volumetric renewable energy goals and/or decarbonization goals.
4. Calculate a system residual emissions profile.

M-RETS cannot build the future of environmental commodity markets without the support and feedback of the M-RETS user community. Ultimately it is the goal of M-RETS to provide our user community with the data that will assist them in understanding how their resources affect grid carbon emissions. M-RETS proven operating platform effectively supports several existing voluntary and compliance markets and has earned the trust of its various stakeholder constituencies. M-RETS is positioned well to integrate greater data access through existing REC and Renewable Thermal Certificate (“RTC”) products. Once M-RETS works with stakeholders to open trusted and verifiable data pathways there are endless opportunities to use a system like M-RETS to achieve a variety of goals related to grid decarbonization.

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. With the onboarding of two additional in-house software developers and the launch of the RTC tracking system, 2020 stands to be another banner year for the organization and M-RETS stakeholders.

Sincerely,

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

2020 Board of Directors

Ken Smith, *President*
Ever-Green Energy, Inc.

Eric Schroeder, *Vice President*

Ken Nelson, *Secretary*
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Public Service Commission of
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2020 Staff

Benjamin L. Gerber, *Executive*
Director

Tanya Gajewska, *Chief*
Administrative Officer

Rosie Hoyem, *Program Manager*

Sean Darling, *Technical Program*
Coordinator

John Malone, *Senior Developer*

Anthony Lukes, *Senior*
Developer

Alex Aspell, *Developer*

2018 and 2019 Audited Financial Data

Statements of Financial Position

ASSETS	2019	2018
Cash	\$1,907,819	\$1,503,311
Accounts receivable	\$127,777	\$97,150
Prepaid expenses	\$12,870	\$22,985
Software and Equipment, Net	\$150,125	\$200,267
Total assets	\$2,198,591	\$1,823,713

LIABILITIES & NET ASSETS	2019	2018
Accounts payable	\$37,725	\$39,345
Accrued payroll and related	\$57,033	\$49,621
Deferred Revenue	\$52,630	\$34,800
Total liabilities	\$147,388	\$123,766
Unrestricted net assets	\$2,051,203	\$1,699,947
Total liabilities and net assets	\$2,198,591	\$1,823,713

Statements of Activities and Changes in Net Assets

for the years ended December 31, 2017 and 2018

REVENUE	2019	2018
Program Service Fees: Subscription fees	\$400,909	\$348,00
Program Service Fees: Issuance fees	\$554,300	\$522,159
Program Service Fees: Retirement fees	\$747,224	\$895,031
Total Program Service Fees	\$1,721,193	\$1,77,776
Other fees	\$18,760	\$6,586
Interest income	\$13,312	\$7,377
Total Revenue	\$1,734,505	\$1,779,153
EXPENSES	2019	2018
Program	\$1,127,899	\$882,133
Management and general	\$255,350	\$248,034
Total Expenses	\$1,383,249	\$1,130,167
Change in net assets	\$351,256	\$648,986
Unrestricted net assets at beginning of year	\$1,699,947	\$1,150,961
Unrestricted net assets at end of year	\$2,051,203	\$1,699,947

Strategic Plan Through 2021

- 1 Build a stronger organization and improve organizational effectiveness
- 2 Expand core services and user base
- 3 Become the undeniable leader in environmental attribute tracking systems through operational and technical best practice