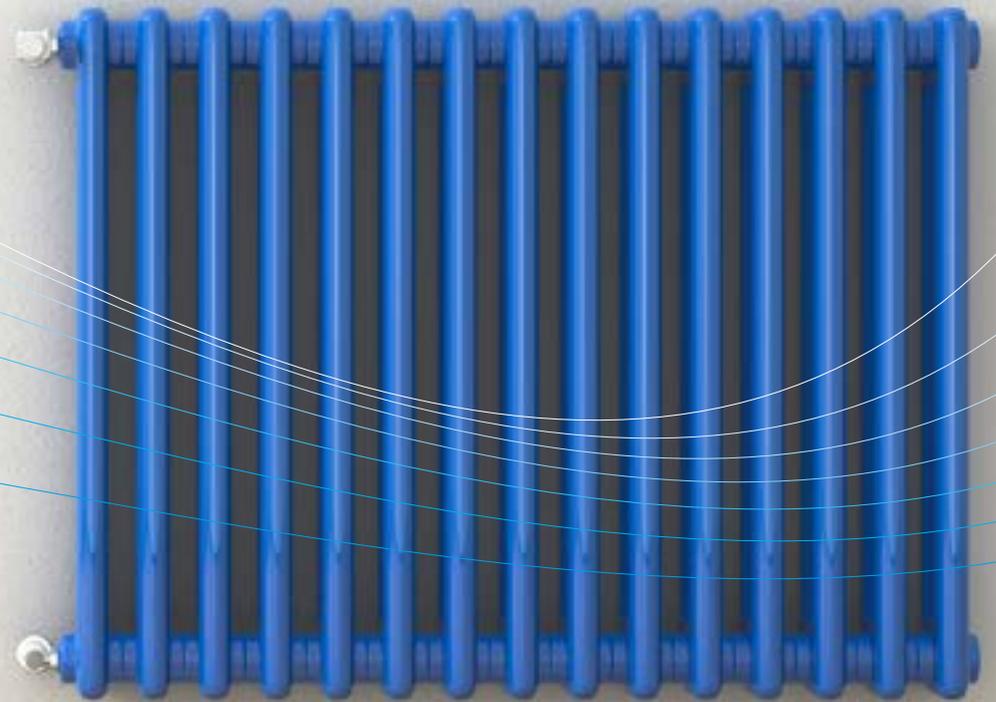




2013 Annual Report





CertiQ B.V. 2013 Annual Report

1	Preface	3
2	Corporate Governance Code	5
3	Results for 2013	6
3.1	Key figures	6
3.2	Guarantees of Origin imported and exported	8
3.3	Financial results	10
4	Financial statements for 2013	11
	Appendix: CertiQ works together with...	23
	Appendix: Graph 1a and 1b	25
	Contact details and publication details	26

(clickable table of content)

In the event of discrepancies or ambiguity between the original Dutch version of the 2013 Annual Report of CertiQ BV and this English translation, the Dutch text shall prevail.



Preface

In 2013, CertiQ focused on a number of important developments in the area of Guarantees of Origin for sustainable electricity in the Netherlands and Europe. CertiQ has also reached a milestone in a new area: on 1 May 2013 CertiQ issued the first Guarantees of Origin for renewable heat in the Netherlands. In total nearly 500,000 Guarantees of Origin for heat were issued for approximately fifty plants in 2013. In 2014 we expect a further growth in issuing certificates for the production of renewable heat, for example in the area of geothermal energy, when a number of new plants will be commissioned.

Because of further harmonisation in a European context, the international market for Guarantees of Origin has been successfully strengthened. In 2013 a number of countries, including France and Germany, were connected to the European hub of the Association of Issuing Bodies for the exchange of Guarantees of Origin, resulting in a larger market. Transparency has also been further increased because all countries connected to the hub now exchange more information on the origin and energy source for each Guarantee of Origin. CertiQ is actively involved in strengthening the European market for sustainable energy through this collaboration. We shall continue these efforts in 2014. In the coming months, actions will be taken at a European level to further streamline the process of disclosure between the different countries. Guarantees of Origin are a crucial element for disclosure of sustainable energy.

The year of 2013 was also the first full year that our new registration system, myCertiQ, was used. The experiences gained during 2013 have led to a number of valuable improvements, including in the performance and accessibility of information. The year of 2013 also showed that the new possibilities offered by myCertiQ are definitely valued by the market. More than one hundred (business account) end users have already opened an end user account, providing them with a direct insight into the Guarantees of Origin which have been cancelled for them.



In 2013, one sixth – i.e. 6.5 terawatt hours (TWh) of Guarantees of Origin – of the total on these accounts was cancelled. Making end user accounts available has been a valuable step, because they contribute to the transparency that CertiQ aims to offer to end users of energy in the Netherlands. We shall continue to invest in this aim in 2014.

In the past year, CertiQ again registered an increased consumption of sustainable energy in the Netherlands. 40 TWh of Guarantees of Origin were cancelled. That is an increase of 5 TWh in Guarantees of Origin compared to 2012. Over 10 TWh of these Guarantees of Origin originates from Dutch production plants. Import also saw growth compared to 2012, and increased by 7 TWh to some 40 TWh in 2013. Exports increased to a little more than 6 TWh in Guarantees of Origin.

For the first time in years, we saw a decline in the number of Guarantees of Origin issued for sustainable electricity produced in the Netherlands. The cause for this is that less electricity was produced with biomass. The increase in the quantity of electricity generated with wind energy could not prevent the total quantity of Guarantees of Origin issued for electricity from declining by 0.8 TWh to 12 TWh in 2013.

The focus in the coming year will be on the implementation of the mandate resulting from the change in the Dutch Electricity Act of 1998 ('Electriciteitswet 1998'). With effect from July 2014, the government will replace the current appointment of TenneT as issuing body with a mandate. In practice, this will not change anything in the execution and services that you can expect from us; the measure is aimed at streamlining the regulations on the issuance of certificates for sustainable electricity, renewable heat and green gas. In the next few months, the Ministry of Economic Affairs shall draw up further regulations for this purpose. CertiQ and the ministry shall concurrently make mutual agreements to ensure an effective implementation of the new regulations.

Finally, CertiQ wants to invest in the monthly statistical overviews it publishes. In the coming year, we intend to make a step forward in expanding this information and making it more transparent for both market parties, such as end users, traders and producers, and public bodies.

[Ir. J. van der Lee](#)
Manager CertiQ B.V.

[Ir. B.G.M. Voorhorst](#)
Chief Operational Officer TenneT TSO B.V.



Corporate Governance Code

CertiQ B.V. (hereinafter: CertiQ) has chosen, just like TenneT TSO B.V. (hereinafter: TenneT) – the only shareholder as well as director of CertiQ – to comply with the Corporate Governance Code where possible, despite the fact that it is not obliged to do so. In CertiQ's opinion, the Code's principles and best practice provisions serve as a guideline for running its business.

Management

CertiQ's management is responsible for the strategic and organisational policies and for issuing and registering energy certificates, for which it renders accountability to TenneT. TenneT sets the framework for the internal risk management and control systems. Within this framework, CertiQ's management is responsible for the management of these systems. CertiQ prepares an annual plan, including its operational budget, its investment budget and its funding needs. This annual plan is approved by the shareholder and serves as a mandate for management. CertiQ reports to the shareholder on the execution of its annual plan at least every quarter. The financial results and operational developments are reported periodically.

Financial reporting

CertiQ's management is of the opinion that the financial statements for 2013 do not contain any errors of material significance. Management believes, to the best of their knowledge and conviction, that there are no further indications that CertiQ's internal risk management and control systems have not operated adequately with regard to the financial reporting risks in the year under review and that they would not provide a reasonable degree of assurance that the financial reporting does not contain any errors of material significance.

External auditor

The external auditor of CertiQ, Ernst & Young Accountants LLP, has been charged with the audit of the financial statements and reports to CertiQ's management and shareholder. The external auditor issues the auditor's opinion for the financial statements.

For more information on TenneT's Corporate Governance Code, please refer to www.tennet.eu.



Results for 2013

3.1 Key figures

At the end of 2013, a total of 12,401 production plants for sustainable electricity were registered with CertiQ, which is 4.4% more than in 2012. In 2013, CertiQ started issuing Guarantees of Origin for sustainably generated heat. As at 31 December 2013, 98 production plants for sustainable heat were registered.

Table 1 provides an overview of the number of participants in our E-certification system.

Table 1 **Participants in the system for Guarantee of Origin**

	31 December 2013	31 December 2012
Number of electricity production plants	12,401	11,876
Number of heat production plants	98	-
Number of traders	74	61

In 2013, CertiQ issued Guarantees of Origin for a total of 12.1 TWh of sustainable electricity generated in the Netherlands. These certificates relate predominantly to generation in 2013, with a smaller contribution from generation in previous years. CertiQ issued Guarantees of Origin for a total of 0.5 TWh of heat.

Table 2 sets out the apportionment of the various energy sources.

Table 2 **Guarantees of Origin issued in 2012 and 2013 per megawatt hour (MWh)**

Guarantees of Origin (MWh) issued in	2013	2012
Electricity:		
Biomass	6,376,747	7,570,861
Wind	5,519,531	5,121,865
Hydro-electric	112,535	104,726
Solar	60,774	42,411
Total	12,069,587	12,839,863
Heat:		
Biomass	326,338	-
Geothermal	161,864	-
Total	488,202	-

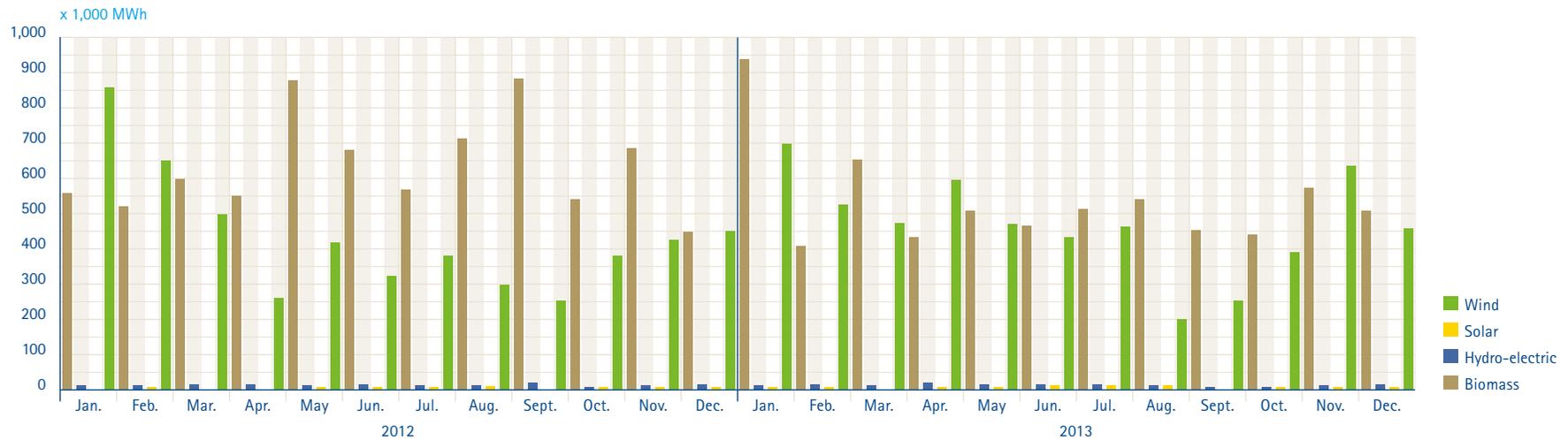
The issuance of Guarantees of Origin for sustainable electricity decreased by 6% in 2013 compared to 2012. This was partially compensated by the issuance of Guarantees of Origin for sustainable heat, which amounted to approximately 0.5 TWh. The volume of electricity contributed by the energy source biomass declined by 15.8% compared to 2012. The volume of electricity contributed by the energy source wind increased by 7.8%.



Figure 1 shows the number of certificates issued per month for each energy source.

[Click here for a more detailed overview](#)

Figure 1 Certificates issued for Dutch sustainable electricity



In the year under review, the number of cancelled certificates at CertiQ (i.e. the total consumption of sustainable energy in the Netherlands by private and industrial users) increased from 35.0 terawatt-hours in 2012 to 40.0 terawatt-hours in 2013. This is an increase of 14.3%.



3.2 Guarantees of Origin imported and exported

The import of sustainable electricity increased by more than 7 TWh to a total of 40.0 TWh in the year under review. In 2013 exports grew to 6.2 TWh.

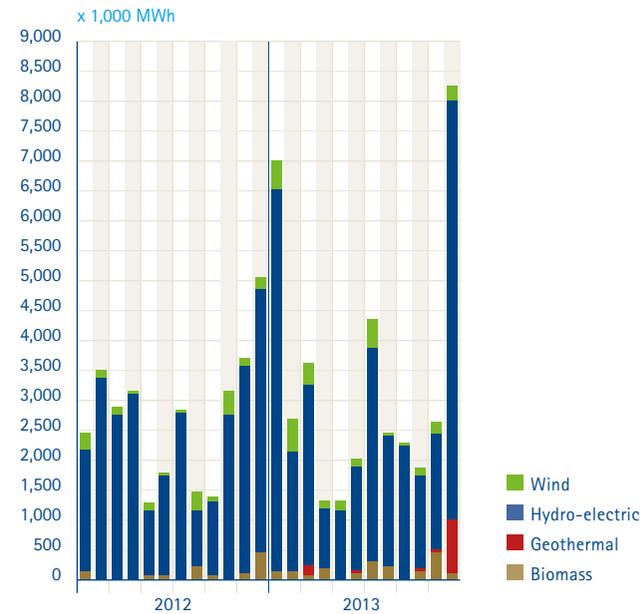
Table 3: Overview of imports and exports

Table 3 Overview of imports and exports

Import / Export in MWh	2013	2012
Import	39,835,326	32,774,471
Export	6,183,822	3,817,412

Figure 2 shows that the certificates imported in 2013 again related mainly to hydro-electric power, which is by far the most important source of sustainably generated electricity in Europe. In 2013 Guarantees of Origin were imported for geothermal electricity for the first time.

Figure 2 Imports of sustainable electricity





Guarantees of Origin issued for sustainable electricity can be traded within Europe. Figure 3 shows in which countries the Guarantees of Origin imported by the Netherlands in 2013 were originally issued.

Figure 3 Imports of Guarantees of Origin by country of origin

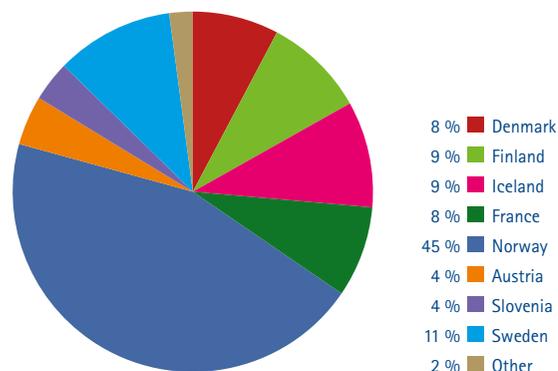


Figure 4 shows to which countries Guarantees of Origin were exported in 2013.

Figure 4 Exports of Guarantees of Origin by destination

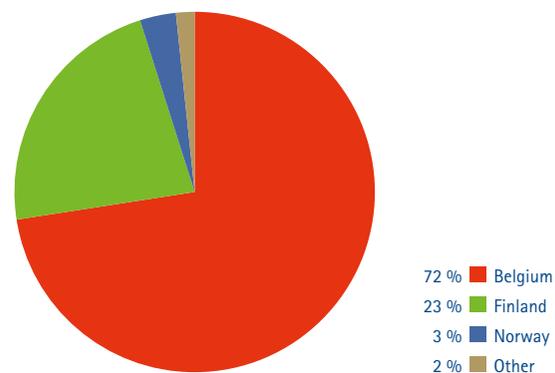


Table 4 Changes in stock of Guarantees of Origin for electricity in MWh

	2013	2012
Certificates issued	12,069,587	12,839,863
Import	39,835,326	32,774,471
Increase in the stock of certificates	51,904,913	45,614,334
Domestic transfers	10,244,021	11,059,594
Cancellations	39,956,079	34,952,615
Certificates issued for electricity used on-site	862,734	745,370
Exports	6,183,822	3,817,412
Expired	1,410,862	666,077
Decrease in the stock of certificates	48,413,497	40,181,474
Change in the stock of certificates	3,491,416	5,432,860



3.3 Financial results

The financial income and expenditure for 2013 (x EUR 1,000) can be summarised as follows:

	2013	2012
Invoiced revenue	2,050	1,864
To be adjusted in tariffs	345	435
Release of myCertiQ I investment contribution	150	37
Other income	98	61
	2,643	2,397
Operating costs	2,637	2,397
Operating results	6	0
Financial income and expenses	-6	0
Result	-	-

Invoiced revenue in 2013 was 9.1% higher than in 2012. The increases in both the number of participants and the number of certificates issued and traded were expected. The tariffs remained unchanged compared to the tariffs of 2012. We have taken measures to slow down the growth in revenues since 2012. These measures were already agreed with the Management Board of TenneT and the Participants' Council in 2011. These are:

- 1 the temporary discount on tariffs has been made permanent;
- 2 the membership costs for solar installations have been abolished;
- 3 the membership costs have been reduced and made the same for all traders.

The operating costs increased by 10% compared to 2012, predominantly as a result of higher depreciation costs, which were caused by the capitalisation of the myCertiQ I project in October 2012 and the capitalisation of the myCertiQ II project in February 2013.

CertiQ sets its tariffs at a cost-recovery basis. Any difference between CertiQ's invoiced revenues and operating costs is cleared by adjusting tariffs in later years. For 2013 this difference amounts to EUR 345,000.

At the end of 2013, the balance 'to be adjusted in tariffs' amounted to EUR 981,000. In consultation with the Participants' Council, an amount of EUR 750,000 was deducted from this balance and allocated to Investment contributions in 2012. Investment contributions are used for updating the E-certification system (myCertiQ I). For more detailed notes to the financial results, please refer to the financial statements included in chapter 4.



2013 Financial statements

Balance sheet as at 31 December 2013, after appropriation of profits	12
Profit and loss account for 2013	13
General notes	13
Notes to the balance sheet as at 31 December 2013, after appropriation of profits	16
Notes to the profit and loss account for 2013	18
Additional notes for 2013	20
Other information	20
Independent auditor's opinion	21



Balance sheet as at 31 December 2013 after appropriation of profits (x EUR 1,000)

Assets	Note	31 December 2013	31 December 2012
Fixed assets	1		
Intangible fixed assets		2,326	2,946
		<u>2,326</u>	<u>2,946</u>
Current assets			
Receivables	2		
Accounts receivable and other receivables		507	762
		<u>507</u>	<u>762</u>
		2,833	3,708

Liabilities	Note	31 December 2013	31 December 2012
Equity	3		
Paid up capital		18	18
		<u>18</u>	<u>18</u>
Long term liabilities	4		
Investment contributions		413	562
Government investment subsidies		43	57
		<u>456</u>	<u>619</u>
Current liabilities	5		
Accounts payable		8	-
Associated companies		1,140	1,414
Prepayments received		1,145	1,489
Accrued liabilities		66	168
		<u>2,359</u>	<u>3,071</u>
		2,833	3,708



Profit and loss account for 2013 (x EUR 1,000)

	Note	2013	2012
Revenue	6		
Revenue		2,395	2,299
Other operating income		248	98
		<u>2,643</u>	<u>2,397</u>
Operating costs	7		
Wages, salaries and social security costs		1,045	933
Amortisation of intangible fixed assets		633	167
Other operating costs		959	1,297
		<u>2,637</u>	<u>2,397</u>
Operating result		6	0
Financial income and expenses	8		
Interest received/paid		-6	0
Result after tax		-	-

General notes

Nature of the business activities

TenneT, the Transmission System Operator and administrator of the national high-voltage grid, has been designated by the Minister of Economic Affairs through a ministerial order, to establish an E-certification system. TenneT established CertiQ BV to set up this system and implement the activities associated with it.

The aim of CertiQ is to facilitate trading in sustainably generated energy by issuing and managing production certificates. Production certificates, such as Guarantees of Origin, are issued for the production of energy generated with the sustainable sources solar, hydro-electric, wind and biomass. Guarantees of Origin which are provided electronically are the only valid proof in the Netherlands that energy has been generated in a sustainable manner. The certificates for sustainable energy are eligible for subsidies under the statutory schemes of the Sustainable Energy Production Incentives (SDE+) scheme and the Environmental Quality of Electricity Generation Act (MEP). They are also nationally and internationally tradable.

All shares in CertiQ are held by TenneT.

Estimates

In applying the principles and regulations for drawing up the financial statements, CertiQ's management makes various assessments and estimates that may be essential for the amounts shown in the financial statements. Where the nature of these assessments and estimates must be disclosed to offer the reader the level of understanding required under Article 2:362, sub 1 of the Netherlands Civil Code ('Burgerlijk Wetboek'), the notes to the relevant entry in the financial statements explain the nature of the assessments and estimates, including the corresponding assumptions.



Principles for the valuation of assets and liabilities

General

The financial statements are drawn up in accordance with the provisions of Part 9, Book 2, of the Netherlands Civil Code ('Burgerlijk Wetboek'), and the Accounting Standards for small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). The valuation principles are based on historical cost and cost price.

The amounts included in the financial statements are denominated in EUR x 1,000.

Assets and liabilities (with the exception of equity) are, in general, valued at the acquisition cost or manufacturing cost, or the actual value.

Comparison to previous year

The accounting principles are the same as those used in the previous year.

Intangible fixed assets

The intangible fixed assets are valued at the original acquisition cost or production cost, after deducting linear depreciation based on the asset's economic life. Expected long-term loss of value at the balance sheet date is taken into account.

At the balance sheet date, CertiQ assesses whether there are any indications that a fixed asset may be subject to impairment. If such indications exist, the realisable value of the individual asset is determined. If it is not possible to determine the realisable value for the individual asset, the realisable value of the cash flow generating unit of which the asset is part will be determined. Impairment exists when the book value of an asset is higher than the realisable value; the realisable value is the higher of the net realisable value and value in use.

The net realisable value is determined with the aid of the active market. An impairment loss is directly recognised as a cost in the profit and loss account.

If it is determined that an impairment accounted for in the past no longer exists or has decreased, the increased book value of the asset concerned will not be recognised for a value higher than the book value which would have been determined if the impairment of the asset had not been accounted for.

Current assets

Upon initial entry, receivables are valued at the real value of the consideration.

After the initial entry, trading receivables are valued at amortised cost price.

If payment on the accounts receivable is postponed under an agreement extending the payment deadline, its real value is determined on the basis of the cash value of the expected receivables, and adjustments are made to the 'interest received' entry in the profit and loss account. Provisions for bad debts are subtracted from the book value of the receivable.

Liquid assets

Liquid assets consist of bank balances with a term of less than twelve months and are valued at their nominal value.

Long-term liabilities

Long-term liabilities consist of investment contributions and government investment subsidies.



After approval by the Participants' Council, the investment contributions were deducted from the entry 'to be adjusted' in tariffs and used for investments in (intangible) fixed assets. An annual amount equal to the depreciation cost is released and recognised under current liabilities. The current part of the investment contributions is recognised under current liabilities.

Government investment subsidies received are accounted for on the balance sheet. Concurrent with the economic life of the asset to which the subsidy relates, an amount is released annually and added to Other income.

Current liabilities

Upon initial entry, Current liabilities are valued at nominal value. After the initial entry they are valued at amortised cost price.

Current liabilities comprise the entries 'to be adjusted in tariffs' and the current part of the 'Investment contributions' and 'Government investment subsidies'. 'To be adjusted in tariffs' relates to the difference between Invoiced revenue and Operating cost related thereto, which needs to be settled through tariffs of subsequent years with the market parties.

Principles for determining profit and loss

Revenue

In accordance with article 6, paragraph 6 of the Ministerial regulation on Guarantees of Origin for renewable electricity, the national grid operator may charge the cost of managing production certificates to producers, customers, suppliers and traders. An exception applies to a number of categories, for which the Minister of Economic Affairs bears the costs (see article 6, paragraph 7 of the Ministerial regulation on Guarantees of Origin for renewable electricity).

The Board of TenneT sets the tariffs every year after consulting the Participants' Council. The difference between actual cost and invoiced revenue is adjusted in the tariffs of subsequent years.

Other income comprises the annual release of investment contributions and government subsidies.

Operating costs

Operating costs are determined on a historical basis and allocated to the reporting year to which they relate.

Depreciation of intangible fixed assets

The depreciation of intangible fixed assets is determined in line with the asset's expected economic life, using the linear method.

Financial income and expenses

Interest received and Interest charges are allocated in proportion to time, taking into account the effective interest rate of the assets and liabilities concerned.

Taxes

Because CertiQ adjusts the difference between Invoiced revenue and Operating costs in the tariffs of subsequent years, there can be no fiscal result. The tax to be paid is therefore nil at all times, as agreed with the Dutch Tax authorities.

Financial instruments and risk management

Price risks

CertiQ is not subject to any price risks due to the fact that any surplus or deficit is adjusted in the tariffs of subsequent years.



Credit risks

CertiQ does not have any significant concentrations of credit risk. The credit risk is limited because the payment of invoices is a precondition for trading in certificates. The write-offs of Receivables are negligible.

Liquidity risks

The liquidity risk for CertiQ is minimal. CertiQ has a current account with TenneT.

Notes to the balance sheet as at 31 December 2013 after appropriation of profits (x EUR 1,000)

1 Fixed assets

Intangible fixed assets

The website, the E-certification system (myCertiQ I) and the sustainable heat system (MyCertiQ II) are recognised under Intangible fixed assets. An amortisation period of three years applies to the website. An amortisation period of five years is applicable to myCertiQ I and myCertiQ II.

The E-certification system (myCertiQ II) for the certification of renewable heat systems has been operational since January 2013.

The book value of Intangible fixed assets can be specified as follows (x EUR 1,000):

	Intangible fixed assets	Intangible fixed assets in formation	Total
Purchase price			
As at 1 Januari 2012	91	1,491	1,582
Capitalisations	-	1,536	1,536
Taken into service	2,740	-2,740	-
As at 31 December 2012	2,831	287	3,118
Capitalisations	23	-	23
Taken into service	277	-277	-
Divestments	-	-10	-10
As at 31 December 2013	3,131	-	3,131
Depreciation			
As at 1 January 2012	5	-	5
Depreciation for the year	167	-	167
As at 31 December 2012	172	-	172
Depreciation for the year	633	-	633
As at 31 December 2013	805	-	805
Book values			
As at 1 January 2012	86	1,491	1,577
As at 31 December 2012	2,659	287	2,946
As at 31 December 2013	2,326	-	2,326



2 Accounts receivable and other receivables

Accounts receivable and other receivables

Accounts receivable consist of all claims with a remaining term of less than one year. As the credit risk is estimated to be nil, no provisions for bad debts have been deducted from this entry.

Accounts receivable can be specified as follows (x EUR 1,000):

	2013	2012
Accounts receivable	207	-
Invoices to be sent	257	762
Other receivables	43	-

3 Equity

Paid up capital

The authorised capital of the company amounts to EUR 90,000, divided into 900 shares of EUR 100 each. Of these shares, 180 shares have been issued and paid up.

4 Long-term liabilities

Investment contributions

In 2010 it was agreed with the Participants' Council that an amount of EUR 750,000 be deducted from the entry 'to be adjusted in tariffs', as stated below. The balance of this entry has been used for the new E-certification system myCertiQ. An amount equal to the amortisation cost is released each year and allocated to Revenue. At the end of 2013 this entry amounted to EUR 413,000. The current part is accounted for under Current liabilities. The remaining term of the investment contributions is between one year and five years.

Government investment subsidies

In 2012, CertiQ received a government subsidy of EUR 70,000 from the Ministry of Economic Affairs for the preparation of the certification of renewable heat (myCertiQ II). An amount equal to the amortisation cost is released each year and allocated to Revenue. At the end of 2013 this entry amounted to EUR 43,000. The current part is accounted for under Current liabilities. The remaining term of the government investment subsidies is between one year and five years.

5 Current liabilities

Accounts payable

Accounts payable comprise loans with a remaining term of less than one year.

Associated companies

This entry refers to the current account with TenneT. On the balance of this current account with TenneT, interest is charged in accordance with Euribor +0.55%.

Prepayments received

This relates to the difference between Invoiced revenue and Operating costs of CertiQ (EUR 1,145,000), which will be adjusted in the tariffs of subsequent years with the market parties.

Tariffs are set annually in consultation with the Participants' Council and the Board of TenneT. 'Prepayments received' also include the current part of the investment contributions and government investment subsidies.



The balance of 'Prepayments received', including the amount which is to be adjusted in the tariffs for subsequent years, can be specified as follows (x EUR 1,000):

	2013	2012
To be adjusted in tariffs	-981	-1,326
Investment contributions	-150	-150
Government investment subsidies	-14	-13
Balance as at 31 December	-1,145	-1,489

Accrued liabilities

Accrued liabilities relate to annual leave to be paid and costs to be paid, mainly consisting of provisions for costs for the annual report and costs for hiring personnel and obtaining advice.

Notes to the profit and loss account for 2013 (x EUR 1,000)

6 Revenue

In the year under review, participants were invoiced on the basis of pre-set tariffs. The amount needed to cover costs amounted to EUR 2,643,000, of which EUR 345,000 is covered by a release of the "to be adjusted in tariffs" entry on the liability side of the balance sheet.

Revenue

The revenue growth upon the issuance, transfer and cancellation of certificates is mainly caused by a larger number of transactions. This growth was anticipated. The negative difference between Invoiced revenue and costs will be settled with differences brought forward from previous years.

Revenue can be specified as follows (x EUR 1,000):

	2013	2012
Memberships	67	75
Issuance of certificates	371	386
Certificate transfers	441	375
Certificate cancellations	1,171	1,028
To be adjusted in tariffs	345	435
Total	2,395	2,299

Other operating income

Other operating income comprises the release of the investment contribution for myCertiQ I in proportion to the depreciation of the asset for which the investment contribution is intended and from other income. Other income consists of on the one hand a contribution by the Ministry of Economic Affairs for our operational activities with regard to the certification of renewable heat and on the other the release of the subsidy for myCertiQ II. In addition, CertiQ receives a compensation for the work undertaken in connection with the 'Concerted Action on the Renewable Energy Sources Directive (CA-RES)' of the 'Netherlands Enterprise Agency' (formerly NL Agency) and in respect of audit work for the Association of Issuing Bodies (AIB).



Other operational income can be specified as follows (x EUR 1,000):

	2013	2012
Release of myCertiQ I investment contribution	150	37
Other income	98	61
Total	248	98

7 Operating costs

Wages, salaries and social security costs

The company does not employ any employees. In 2013, the average number of hired employees amounted to twelve fte (2012: twelve fte). These employees have all been hired from TenneT.

Personnel costs can be specified as follows (x EUR 1,000):

	2013	2012
Hired from TenneT	993	886
Hired from third parties	52	47
Total	1,045	933

Amortisation of intangible fixed assets

The increase in the amortisation of fixed assets is caused by the new E-certification system myCertiQ I (commissioned in September 2012). In addition, myCertiQ II, which includes the modifications for the certification of renewable heat, has become operational with effect from January 2013.

Other operating costs

Other operating costs consist of costs for process automation systems, office premises, consultancy, the external auditor, travel and accommodation. Other operating costs decreased mainly because of postponing maintenance work on the process automation systems.

8 Financial income and expenses

Interest paid

This entry relates to the interest paid on the balance of the current account with TenneT.



Additional notes for 2013

Off-balance sheet rights and obligations

CertiQ, with TenneT and its subsidiaries, is part of a fiscal entity for company tax and turnover tax purposes. On the basis of the standard conditions as issued by the Dutch Tax authorities at the time the fiscal entity was established, CertiQ is jointly and severally liable for the company tax and turnover tax liabilities of the whole fiscal entity.

CertiQ has concluded three agreements to hire staff from other employers. This involves an agreement for the structural provision of legal advice (term: January - December 2014) for which the costs amount to approximately EUR 60,000; an agreement for external technical advice (term: January - December 2014) for which the costs amount to approximately EUR 52,000; and an agreement for hiring an internal account manager (term: January - June 2014) for which the costs amount to approximately EUR 34,000. In addition, an agreement has been concluded for advice on an integral improvement project for CertiQ (term: January - June 2014) for which the costs amount to approximately EUR 50,000. These agreements stipulate the rate per hour to be charged for the use of these services.

Events after the balance sheet date

No events have taken place after the balance sheet date that need noting in these financial statements.

Arnhem, 10 April 2014

Ir. J. van der Lee
Manager CertiQ B.V.

Ir. B.G.M. Voorhorst
Chief Operating Officer TenneT TSO B.V.

Other information

Appropriation of profits

- 1 Profits will be distributed in accordance with the provisions of this article, after adoption of the financial statements, showing that this is justified.
- 2 The profits are at the disposal of the general meeting of shareholders of CertiQ.
- 3 The company may only make distributions to the shareholders and other persons entitled to the profits intended for distribution to the extent that the shareholders' equity exceeds the subscribed capital plus the reserves which must be maintained by law.
- 4 A deficit may only be offset against the reserves prescribed by law to the extent permitted by law.



Independent auditor's report

To: The Management Board and the shareholder of CertiQ B.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 of CertiQ B.V., Arnhem, which comprise the balance sheet as at December 31, 2013, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of CertiQ B.V. as at December 31, 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.



Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Zwolle, April 10th 2014

Ernst & Young Accountants LLP
Original has been signed by A.E. Wijnsma



Appendix: CertiQ works together with...

CertiQ has active partnerships with a number of parties in the sustainable energy sector. To name a few:

TenneT TSO B.V.

TenneT TSO BV is Europe's first cross-border electricity transmission system operator. With 20,000 kilometres of high voltage lines and 35 million end-users in the Netherlands and Germany, TenneT ranks among the top five grid operators in Europe. Their focus is to develop a Northwest European energy market and to integrate renewable energy. On behalf of the Ministry of Economic Affairs, TenneT established the E-certification system for renewable energy. CertiQ manages this system, which is linked to TenneT's electronic infrastructure, on behalf of TenneT. TenneT is the only shareholder in its subsidiary CertiQ.

Netherlands Enterprise Agency (RVO)

RVO (formerly NL Agency) implements government policies on innovation and sustainable development and is part of the Ministry of Economic Affairs. RVO manages, amongst others, the SDE(+) and MEP subsidy schemes, which subsidise the generation of renewable energy that is certified by CertiQ.

Ministry of Economic Affairs

The Ministry of Economic Affairs is responsible for, amongst others, policy making in relation to sustainably generated electricity. CertiQ consults regularly with the Ministry to align its policies regarding developments that affect CertiQ.

Authority for Consumers & Markets (ACM)

ACM (formerly the Office of Energy Regulation of the Netherlands Competition Authority, NMa) is the regulator for the Dutch energy sector. Its duties include supervising the correct implementation of and compliance with the Electricity Act of 1998 and statutory schemes implemented by CertiQ.

Regional grid operators

Regional grid operators are responsible for the transmission of electricity over the public electric grid. In relation to CertiQ, the grid managers are responsible for assessing applications to register generating plants and for periodically submitting electricity production metering data to CertiQ.

Metering companies

Metering companies are responsible for installing and maintaining electricity meters, collecting the data from the meters and submitting this information to the regional grid operator.

Electricity producers

The producers generate electricity and supply it to the electric grid, or consume it on site. CertiQ issues Guarantees of Origin for renewable electricity. In addition, CertiQ can issue Guarantees of Origin for electricity generated in high-efficiency Combined Heat and Power plants. For electricity from other sources, CertiQ can, on request, issue energy labelling certificates.

Traders

Traders enter into agreements with producers in connection with the purchase of Guarantees of Origin or other certificates. A producer of sustainable electricity informs CertiQ of the trader it does business with. CertiQ credits the corresponding Guarantees of Origin to the account of this trader. A trader can trade the certificates or use them as proof of delivery to end-users.

Energy suppliers

Energy suppliers are companies that purchase energy (including grey and green power) and sell it to commercial and private users. It is therefore the energy supplier who has the supply contract with the electricity customer. Every energy supplier in the Netherlands that wishes to supply green electricity must have a certificate account with CertiQ.



Participants' Council

CertiQ established the Participants' Council for an optimal alignment with the needs of its participants. Its members represent the interests of all participants in the E-certification system. The Participants' Council comprises producers, traders (including foreign traders operating in the Netherlands) and representatives of several large energy suppliers. In drawing up its annual plan, CertiQ explicitly takes into account the Council's advice.

Association of Issuing Bodies (AIB)

The AIB is an international partnership of certification management bodies, of which CertiQ is a member. The members of the AIB issue Guarantees of Origin and/or RECS certificates. The AIB seeks to standardise certification systems to facilitate international trade. For this purpose it has developed a common standard: the EECS Standard. In its new Renewable Energy Directive of 2009, the European Commission made many elements of the EECS mandatory.

Statistics Netherlands (CBS)

CertiQ sends statistics on the electricity generation it has certified to the CBS on a monthly basis, in accordance with an agreement concluded between TenneT/CertiQ and the CBS. The CBS processes the data for its publications.



Appendix: Figure 1a and 1b

[Click here to return to figure 1](#)

Figure 1a Certificates issued for Dutch sustainable electricity

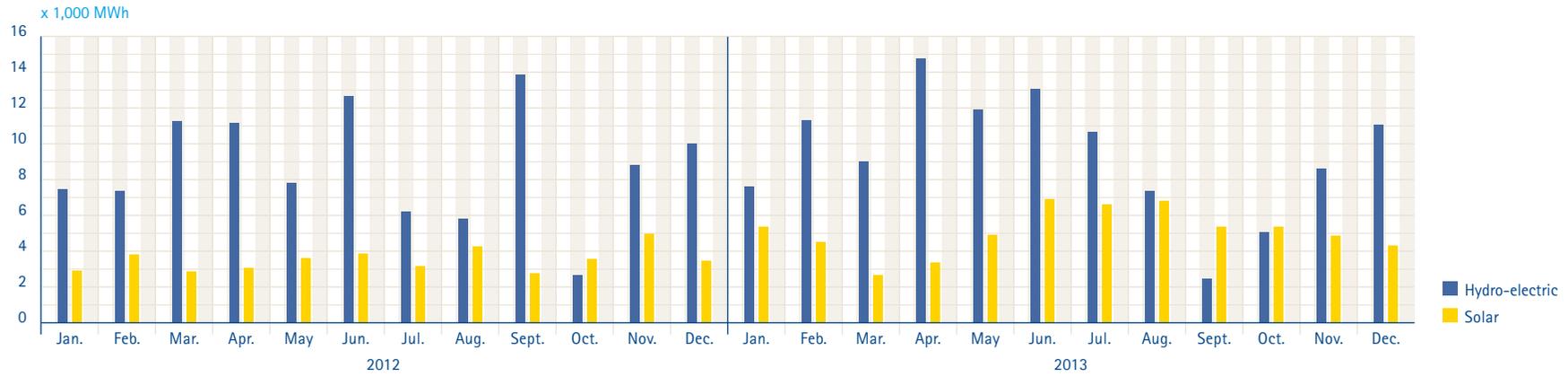
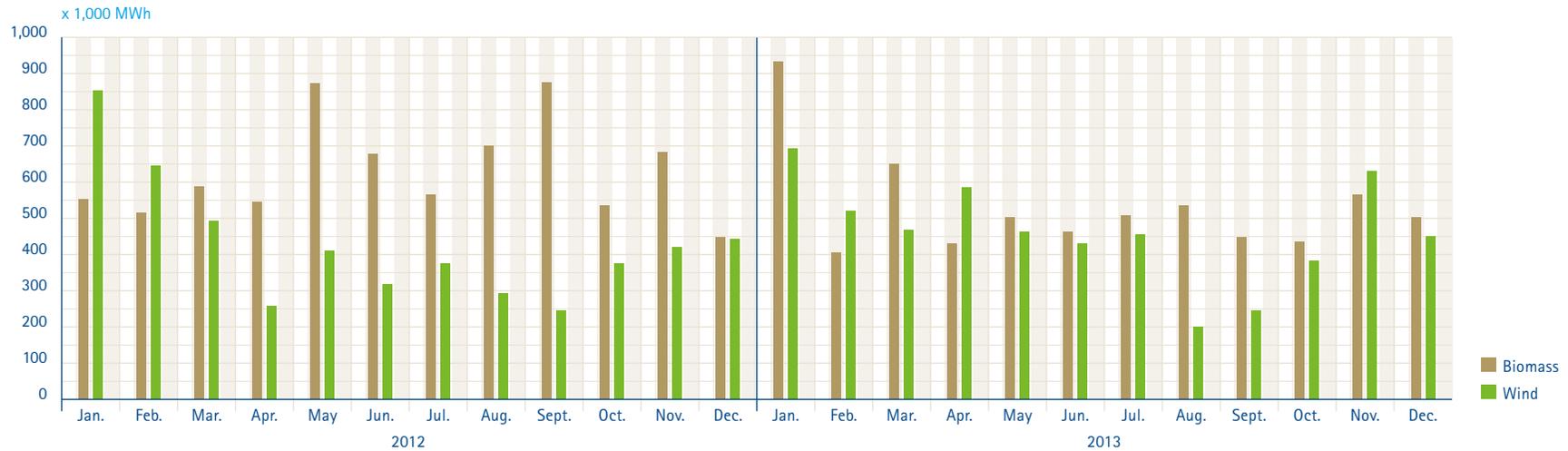


Figure 1b Certificates issued for Dutch sustainable electricity





certiq

CertiQ BV is a subsidiary of TenneT TSO BV, the Dutch Transmission System Operator and network manager of the national electric grid.

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©	This annual report is a digital publication by CertiQ B.V., Arnhem
Text	Jan van der Lee (CertiQ), Ben Voorhorst (TenneT),
Design	Loep ontwerp, Arnhem, the Netherlands
Published	April 2014