



certiq

2014 Annual Report

A pair of hands is shown holding a network cable connector. The connector is white with a grey plastic shell and has several gold-colored pins visible. The background is a light, textured surface with some faint, colorful lines. The text "INVISIBLE CHANGES" is overlaid on the image in a large, bold, sans-serif font. The word "INVISIBLE" is in a light grey color, and "CHANGES" is in a dark brown color.

**INVISIBLE
CHANGES**



CertiQ B.V. 2014 Annual Report

1	Preface	3
2	Corporate Governance	5
3	Results for 2014	7
3.1	Key figures	7
3.2	Guarantees of Origin imported and exported	9
3.3	Operational affairs	12
3.4	Customer satisfaction survey	12
3.5	Financial results	13
4	Financial statements for 2014	15
	Appendix: CertiQ works together with...	28
	Contact details and publication details	31

(clickable table of content)

In the event of discrepancies or ambiguity between the original Dutch version of the 2014 Annual Report of CertiQ BV and this English translation, the Dutch text shall prevail.



1 Invisible changes

With effect from 1 January 2015 the Minister of Economic Affairs gave TenneT TSO B.V. the mandate as the Issuing Body for the certification of green electricity and sustainable heat. As a result of the amendment of the 1998 Electricity Act, which came into force on 1 January 2015, as well as green energy and high-efficient co-generation (HEC), the issuance of Guarantees of Origin for sustainably generated energy is now also regulated. 2014 was, therefore, centred around the preparations for this mandate. The mandate means that the Minister of Economic Affairs is responsible for the issuance of Guarantees of Origin for renewable electricity and heat and for HEC. CertiQ B.V. (hereafter CertiQ) performs the related tasks on behalf of TenneT TSO B.V. In 2014 most of the work was performed "under the bonnet" of CertiQ with the aim of ensuring a smooth transition, so that as much as possible remains unchanged for the participants.

In 2014 we prepared not only our systems and processes, but also looked at our efficiency and effectiveness. In that context, we viewed the result of the "SEO Economisch Onderzoek"¹ report at the end of December with due pride. This report assessed the effectiveness and the efficiency of the implementation of the Guarantee of Origin regulation as "good". That – and the results of the customer satisfaction survey that we carried out in 2014 – makes us even more passionate to further develop and improve our services.

Important developments in 2014 were the public debates on transparency and the value to society of the Guarantees of Origin that are increasingly being applied internationally as part of the (sustainable) energy market. In order to satisfy this need, CertiQ has extended its monthly statistics to include country-specific information.

For the first time in many years, we saw in 2014 a decline in the number of cancellations, from 40 Terawatt hours (TWh) to 38 TWh, with 11.6 TWh relating to Guarantees of Origin coming from green electricity generated in the Netherlands. That means that this share increased by 6 percent from 25 percent in 2013 to 31 percent in 2014. For the first time in many years, the import of Guarantees of Origin did not increase; it reduced from 40 TWh to 32 TWh, which is approximately the same level as in 2012. As was the case in 2013, there was a decline in the Guarantees of Origin issued for electricity. This trend is largely the result of a lower use of biomass in the production of electricity.

Exports increased, partly as a result of the increase in Guarantees of Origin for fossil fuel. There is demand for this mainly in countries, such as Austria, that require full disclosure for all forms of electricity. The issuance of Guarantees of Origin for non-sustainable energy (coal and gas) quadrupled to 1,040 GWh in 2014.

Finally, in 2014 the issuance of certificates for sustainable heat passed the TWh for the first time, from 489 GWh in 2013 to 1,181 GWh in 2014.

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

Ir. B.G.M. Voorhorst
On behalf of TenneT TSO B.V.

¹ SEO-rapport 2014-38 "Beleidsdoorlichting Energiebeleid 2007 t/m 2012"





2 Corporate Governance

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 2014 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 the Corporate Governance chapter in the [Annual Report for 2014](#) of TenneT Holding B.V.





3 Results 2014

3.1 Key figures

At the end of 2014, a total of 12,096 production plants for sustainable electricity were registered with CertiQ, which is 2.5 percent less than in 2013. Their combined capacity amounted to more than 8.4 GW, compared to 8.8 GW in 2013. This decrease in capacity is primarily the result of the deregistration of a large biomass co-firing installation. However, for wind and solar energy in particular, we have noticed that smaller installations are being replaced by installations with a larger capacity.

As at 31 December 2014, 148 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 Guarantees of Origin**

	31 December 2014	31 December 2013
Number of electricity production plants	12,096	12,401
Number of heat production plants	148	98
Number of traders	81	74

In 2014, CertiQ issued Guarantees of Origin for a total of 11.5 TWh of sustainable electricity generated in the Netherlands. These certificates relate predominantly to generation in 2014, with a smaller contribution from generation in previous years. CertiQ issued Guarantees of Origin for a total of 1.2 TWh of heat.

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

Table 2 **Guarantees of Origin issued in 2013 and 2014 per TWh**

Guarantees of Origin (TWh) issued in	2014	2013
Electricity:		
Biomass	5.7	6.4
Wind	5.6	5.5
Hydro-electric	0.1	0.1
Solar	0.1	0.1
Total	11.5	12.1
Heat:		
Biomass	0.9	0.3
Geothermal	0.3	0.2
Total	1.2	0.5

The issuance of Guarantees of Origin for sustainable electricity decreased by 5 percent in 2014 compared to 2013. This was partially compensated by the issuance of Guarantees of Origin for sustainable heat, which amounted to approximately 1.2 TWh. The volume of electricity contributed by the energy source biomass declined by 11.3 percent compared to 2013. The volume of electricity contributed by the energy source wind increased by 2.1 percent.

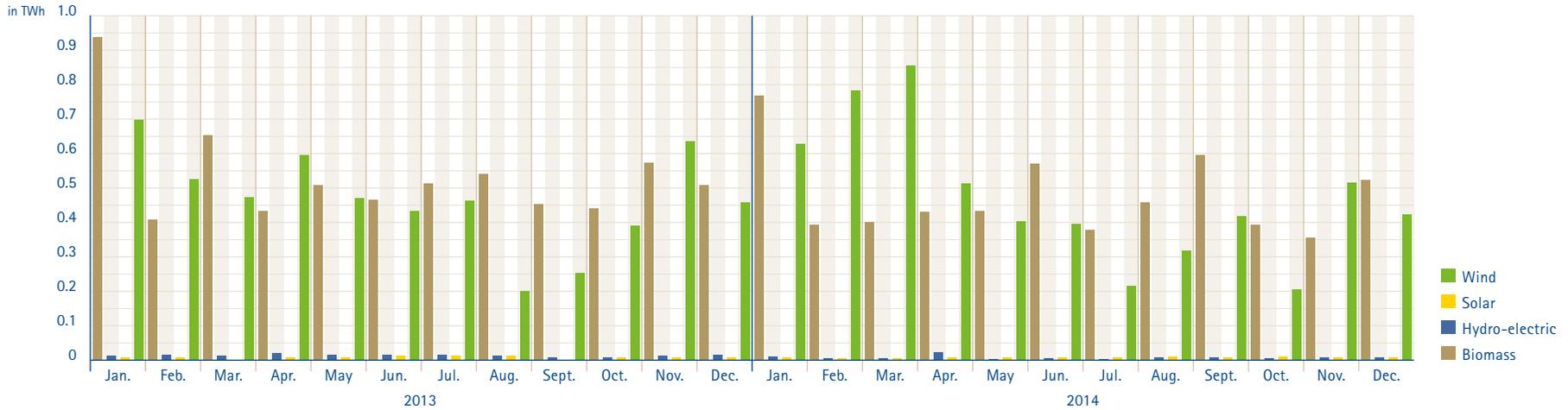
In the year under review, the number of cancelled certificates at CertiQ (i.e. the total consumption of sustainable energy in the Netherlands by private and industrial users) declined from 40.0 TWh in 2013 to 37.9 TWh in 2014. This is a decline of 5.2 percent.



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

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

Figure 1 Issued certificates for Dutch renewable electricity





3.2 Guarantees of Origin imported and exported

In the year under review, the imports of sustainable electricity declined by 7.3 TWh to a total of 32.5 TWh. In 2014 exports increased to 7.0 TWh.

Table 3 Overview of imports and exports

Import / Export in TWh	2014	2013
Import	32.5	39.8
Export	7.0	6.2

Figure 2 shows that the certificates imported in 2014 again related mainly to hydro-electric power.

Figure 2 Import of renewable electricity

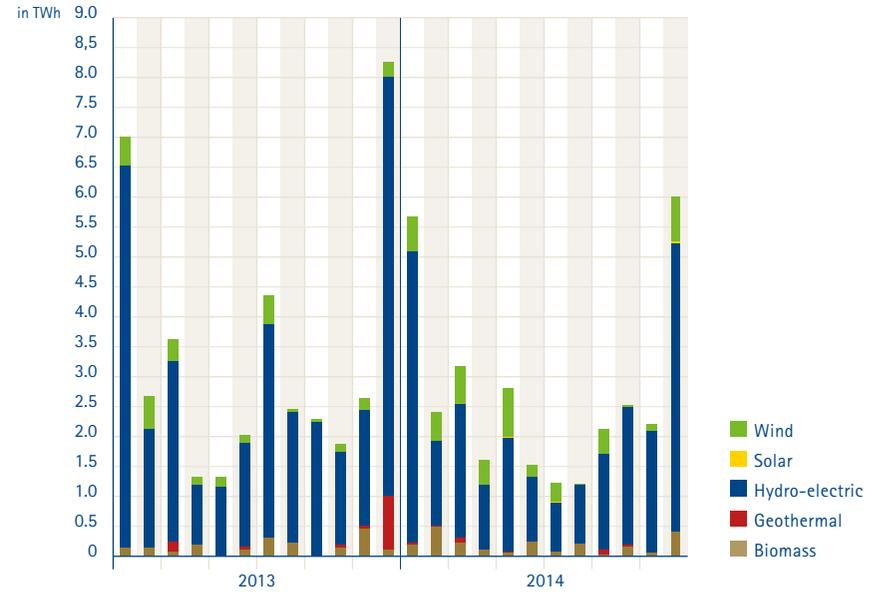
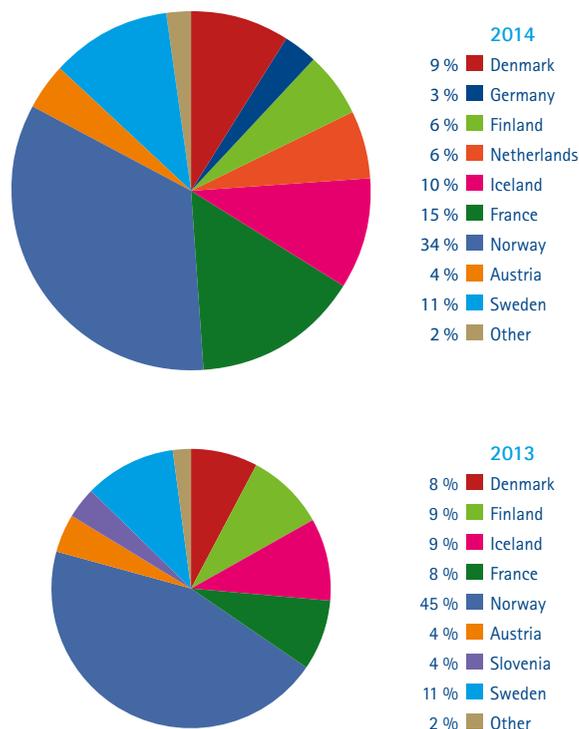




Figure 3 Imports of Guarantees of Origin by country of origin



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 and 2014 were originally issued.

This figure shows that in 2014 the Guarantees of Origin were imported from a greater number of different countries than in the previous year. In particular the Guarantees of Origin from Norway had to make way for Guarantees of Origin from France. This development seems to be the consequence of an increase in the number of members of the Association of Issuing Bodies².

² The latest member list of the Association of Issuing Bodies can be found [here](#). In the Appendix 'CertiQ works together with...' more information can be found on the Association of Issuing Bodies.

Figure 4 Exports of Guarantees of Origin by destination

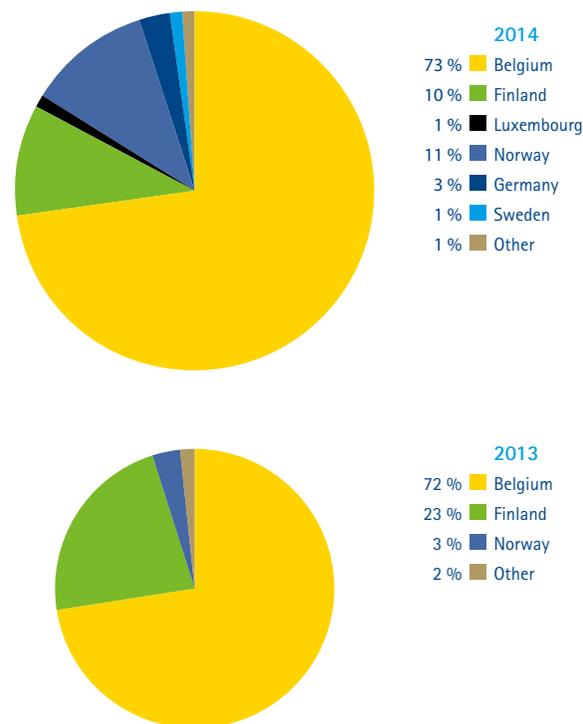


Figure 4 shows to which countries Guarantees of Origin were exported in 2013 and 2014. This figure also shows that international trade is becoming more widespread.



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

	2014	2013
Certificates issued	11.4	12.1
Imports	32.5	39.8
Increase in the stock of certificates	43.9	51.9
Domestic transfers	8.5	10.2
Cancellations	37.9	40.0
Certificates issued for electricity used on-site	0.8	0.8
Exports	7.0	6.2
Expired	1.0	1.4
Decrease in the stock of certificates	46.7	48.4
Change in the stock of certificates	-/-2.8	+3.5

For the last few years, CertiQ has also issued certificates on request for electricity generated from conventional sources (gas and coal). Table 5 depicts an overview of the activities relating to this kind of certificate.

Table 5 Changes in stock of Guarantees of Origin for conventional electricity in GWh

	2014	2013
Certificates issued	1,040.4	224.6
Imports	-	-
Increase in the stock of certificates	1,040.4	224.6
Domestic transfers	440.0	54.6
Cancellations	54.6	-
Certificates issued for electricity used on-site	42.4	-
Exports	945.0	170.0
Expired	-	-
Decrease in the stock of certificates	1,042.0	170.0
Change in the stock of certificates	-/-1.6	+54.6



3.3 Operational affairs

Efficiency increased by 45 percent

Based on the initial experiences with the issuance of Guarantees of Origin for heat in 2013, we were able to further standardise our processes in 2014. This was necessary because of the significant increase in the number of registered heat production plants. Biomass activities have also increased in recent years. Our aim was to deal with this growth with our current staff, in which we succeeded. At the end of 2013, the "CertiQ in Orde!" project was initiated with the objective of improving the quality and efficiency of the primary process with the aid of an operational management system. This has led to the following successes. The output of the primary processes increased by 45 percent in 2014. The primary processes were carried out by 3.7 fte at the end of 2014, while at the start of 2014 this was done by 4.5 fte. Part of this headcount was deployed for short-term projects such as the Customer satisfaction survey (see paragraph 3.4). In addition, an annual saving of more than 800 hours was achieved as a result of process improvements. Although the "CertiQ in Orde!" project has been completed, process improvement has become an integral continuous process in our work, which enables us to continue to improve and ensure the quality of our services in the future.

Figure 5 shows the increase in efficiency. The efficiency percentage indicates the relationship between work volume and occupation level.

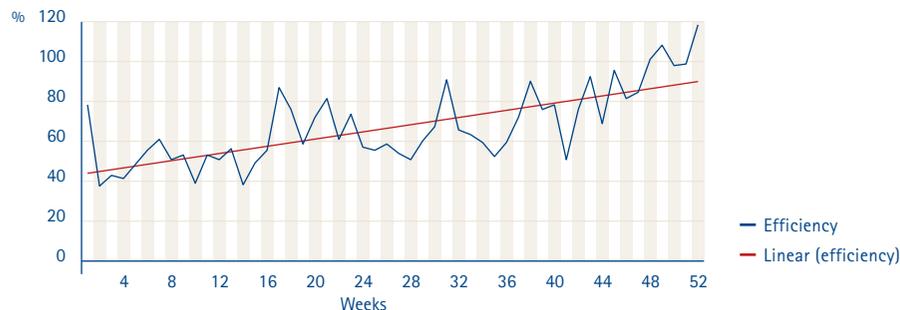
3.4 Customer satisfaction survey

Customers value CertiQ with a 6.6

In September 2014, Customeyes carried out a customer satisfaction survey on behalf of CertiQ. General satisfaction with CertiQ scored 6.6. In 2010 this score was 6.7. The satisfaction level was measured on the basis of factors determining CertiQ's success of its core services as well as the conditions which have to be satisfied in order to be able to create added value for its customers. The core values for our services are: 'expertise', 'reliability' and 'clarity'. These values are also integrated in our mission and vision. With respect to the core values of 'expertise' and 'reliability' we meet the expectations of our customers. A point for attention is 'clarity'. Customers are reasonably satisfied, but improvements can be made. The added value we provide is 'thinking with and proactively informing the customer'; however, in the opinion of our customers improvements can also be made here. Based on this valuable information, we decided to improve our core service provision first. The answers to the open questions provided insight on the areas in which we could improve our clarity. The following points for improvement have been formulated:

- Improving the identification of relevant information on our website for our different types of customers;
- Informing our customers in a more proactive manner about the status of the questions they have asked us;
- Providing more clarity in our communication on the regulatory reporting obligations for producers generating energy from biomass.

Figure 5 Efficiency





3.5 Financial results

The financial income and expenditure for 2014 (x EUR 1,000) can be summarised as follows:

	2014	2013
Invoiced revenue	1,957	2,050
To be settled in tariffs	487	345
Release of myCertiQ I investment contribution	150	150
Other income	88	98
	2,682	2,643
Operating costs	2,677	2,637
Operating results	5	6
Financial income and expenses	-5	-6
Result	-	-

Invoiced revenue in 2014 was 4.7 percent lower than in 2013. The tariffs remained unchanged compared to 2013. 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 measures are:

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

The operating costs increased by 1.5 percent compared to 2013. The most important developments relating to the operating costs can be summarised as follows:

- lower wage costs because of one outstanding vacancy;
- higher depreciation costs caused by the capitalisation of the Business Objects (BO) reporting project (data warehouse) in January 2014 on the one hand and the website being fully amortised in September 2014 on the other;
- higher costs for general management;
- lower costs for process automation.

CertiQ sets its tariffs on a cost-recovery basis. Any difference between CertiQ's invoiced revenues and operating costs is cleared by settling it in tariffs in later years. As at 31 December 2014 this difference amounted to EUR 487 thousand.

At the end of 2014, the balance 'to be settled in tariffs' amounted to EUR 494 thousand. In 2012, following consultation with the Participants' Council in 2011, an amount of EUR 750 thousand was deducted from this balance and allocated to investment contributions. 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.





4 Financial statements for 2014

Balance sheet as at 31 December 2014, after appropriation of profits	16
Profit and loss account for 2014	17
General notes	17
Principles for the valuation of the assets and liabilities	18
Principles for the determination of the result	19
Financial instruments and risk management	19
Notes to the balance sheet as at 31 December 2014, after appropriation of profits	20
Notes to the profit and loss account for 2014	22
Additional notes for 2014	24
Other information	24
Independent auditor's opinion	25



Balance sheet as at 31 December 2014 after appropriation of profits (x EUR 1,000)

Assets	Ref.	31 December 2014	31 December 2013
Fixed assets	1		
Intangible fixed assets		1,734	2,326
		<u>1,734</u>	<u>2,326</u>
Current assets			
Receivables	2		
Accounts receivable and other receivables		365	507
		<u>365</u>	<u>507</u>
		2,099	2,833

Liabilities	Ref.	31 December 2014	31 December 2013
Equity	3		
Paid up capital		18	18
		<u>18</u>	<u>18</u>
Long term liabilities	4		
Investment contributions		263	413
Government investment subsidies		29	43
		<u>292</u>	<u>456</u>
Current liabilities	5		
Accounts payable		7	8
Associated companies		1,072	1,140
Prepayments received		658	1,145
Accrued liabilities		52	66
		<u>1,789</u>	<u>2,359</u>
		2,099	2,833



Profit and loss account for 2014 (x EUR 1,000)

	Ref.	2014	2013
Revenue	6		
Revenue		2,444	2,395
Other operating income		238	248
		<u>2,682</u>	<u>2,643</u>
Operating costs	7		
Wages, salaries and social security costs		1,000	1,045
Amortisation of intangible fixed assets		643	633
Other operating costs		1,034	959
		<u>2,677</u>	<u>2,637</u>
Operating result		5	6
Financial income and expenses	8		
Interest received/paid		-5	-6
Result after tax		-	-

General notes

Nature of the business activities

TenneT, the Dutch 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 B.V. to set up this system and implement the activities associated with it.

CertiQ does this by facilitating the trade in sustainably generated energy through 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, biomass and geothermal. 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 Dutch Civil Code ('Burgerlijk Wetboek'), the notes to the relevant account in the financial statements explain the nature of the assessments and estimates, including the corresponding assumptions.



Principles for the valuation of the assets and liabilities

General

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch 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 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 historical acquisition cost or production cost, after deducting linear amortisation 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 net 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 net book value of the asset concerned will not be recognised for a value higher than the net 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 fair 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 fair value is determined on the basis of the net present value of the expected receivables, and adjustments are made according to the effective interest method in the profit and loss account. Provisions for bad debts are subtracted from the net book value of the receivable.

Cash and cash equivalents

Cash and cash equivalents 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 account 'to be settled in tariffs' and used for investments in (intangible) fixed assets. An annual amount equal to the depreciation cost is released and recognised under Other operating income. The current part of the investment contributions is recognised under Current liabilities.



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

Current liabilities

Upon initial entry, Current liabilities are carried at nominal value. After initial recognition those are carried at amortised cost price.

Current liabilities comprise the accounts 'to be settled in tariffs' and the current part of the 'Investment contributions' and 'Government investment subsidies'. 'To be settled 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 the determination of the result

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 costs 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 settled in the tariffs of subsequent years.

Other operating income comprises the annual release of 'Investment contributions' and 'Government investment subsidies'.

Operating costs

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

Amortisation of intangible fixed assets

The amortisation 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 charged are allocated pro rata 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 settled 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. TenneT does not have the intention to make a claim on the current account and is sufficiently solvent.

Notes to the balance sheet as at 31 December 2014 after appropriation of profits (x EUR 1,000)

1 Fixed assets

Intangible fixed assets

The website, the E-certification system (myCertiQ I), the sustainable heat system (myCertiQ II) and the BO reporting project are recognised under Intangible fixed assets. An amortisation period of three years applies to the website. The website was fully amortised in 2014. An amortisation period of five years is applicable to myCertiQ I, myCertiQ II and the BO reporting project.

The BO reporting project was commissioned in January 2014.

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

	Intangible fixed assets	Intangible fixed assets under construction	Total
Purchase price:			
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
Capitalisations	-	-	-
Taken into service	51	-	51
As at 31 December 2014	3,182	-	3,182
Amortisation:			
As at 31 December 2012	172	-	172
Amortisation for the year	633	-	633
As at 31 December 2013	805	-	805
Amortisation for the year	643	-	643
As at 31 December 2014	1,448	-	1,448
Net book values:			
As at 31 December 2012	2,659	287	2,946
As at 31 December 2013	2,326	-	2,326
As at 31 December 2014	1,734	-	1,734



2 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 account.

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

	2014	2013
Accounts receivable	309	207
Receivables from Associated companies	37	-
Other receivables	19	43
Invoices to be sent	-	257
Total	365	507

3 Equity

Paid up capital

The authorised capital of the company amounts to EUR 90 thousand, 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 thousand be deducted from 'to be settled in tariffs', as stated below. The balance of this account 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 2014, this account amounted to EUR 263 thousand.

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 thousand 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 2014 this account amounted to EUR 29 thousand. 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 only comprise debts 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 percent.

Prepayments received

This relates to the difference between Invoiced revenue and Operating costs of CertiQ (EUR 658 thousand), which will be settled 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. Moreover, '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 settled in the tariffs for subsequent years, can be specified as follows (x EUR 1,000):

	2014	2013
To be settled in tariffs	-494	-981
Investment contributions	-150	-150
Government investment subsidies	-14	-14
Balance as at 31 December	-658	-1,145

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 2014 (x EUR 1,000)

6 Revenue

In the year under review, participants were invoiced on the basis of authorised tariffs. The amount needed to cover costs amounted to EUR 2,682 thousand, of which EUR 487 thousand is covered by a release of the 'to be settled in tariffs' account on the liability side of the balance sheet.

Revenue

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):

	2014	2013
Certificate cancellations	1,107	1,171
To be settled in tariffs	487	345
Certificate transfers/imports/exports	407	441
Issuance of certificates	377	371
Membership fees	66	67
Total	2,444	2,395

Other operating income

Other operating income comprises the release of the investment contribution for myCertiQ I, pro rata to the depreciation of the asset for which the investment contribution is intended, and 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).



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

	2014	2013
Release of myCertiQ I investment contribution	150	150
Other income	88	98
Total	238	248

7 Operating costs

Wages, salaries and social security costs

The company does not employ any employees. In 2014, the average number of hired employees amounted:

- Hired from TenneT: 12 fte (2013: 12 fte);
- Hired from third parties: 0.9 fte (2013: 1.2 fte).

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

	2014	2013
Hired from TenneT	966	993
Hired from third parties	34	52
Total	1,000	1,045

Amortisation of intangible fixed assets

The increase in the amortisation of intangible fixed assets is caused by the BO reporting project, commissioned in January 2014.

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 increased mainly because of additional audit costs, the costs for advice on the CertiQ improvement process ("CertiQ in Orde!") and the hiring of temporary staff.

8 Financial income and expenses

Interest paid

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



Additional notes for 2014

Off-balance sheet rights and obligations

CertiQ is part of a fiscal entity with TenneT Holding B.V. and its subsidiaries, for company tax and value added 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 value added tax liabilities of the whole fiscal entity.

CertiQ has concluded two agreements to hire staff from other employers. These involve an agreement for the structural provision of legal advice (term: January - December 2015) for which the costs amount to approximately EUR 57 thousand and an agreement for external technical advice (term: January - December 2015) for which the costs amount to approximately EUR 86 thousand. These agreements stipulate the rate per hour and/or day 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 needs to be disclosed in these financial statements.

Arnhem, 23 March 2015

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

Ir. B.G.M. Voorhorst
On behalf of TenneT TSO B.V.

Other information

Appropriation of profits

The appropriation of profits as stipulated in article 29 of the Articles of Association reads as follows:

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 free 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 for 2014 of CertiQ B.V., Arnhem, which comprise the balance sheet as at December 31, 2014, 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, 2014 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, 23 March 2015

Ernst & Young Accountants LLP

Original was signed by A.E. Wijnsma RA





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 B.V. 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 \(RVO\)](#)

The 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 1998 Electricity Act 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.

[Producers](#)

Producers generate electricity or heat and supply it to the grid, or consume it on site. CertiQ certifies the energy produced in order to make the origin of the energy transparent and traceable.

[Traders](#)

Traders enter into agreements with producers in connection with the purchase of Guarantees of Origin or other certificates. A producer 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 has 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 CBS on a monthly basis, in accordance with an agreement concluded between TenneT/CertiQ and CBS. CBS processes the data for its publications.



Appendix: Figures 1a en 1b

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

Figure 1a Certificates issued for Dutch sustainable electricity in TWh (hydro-electric and solar)

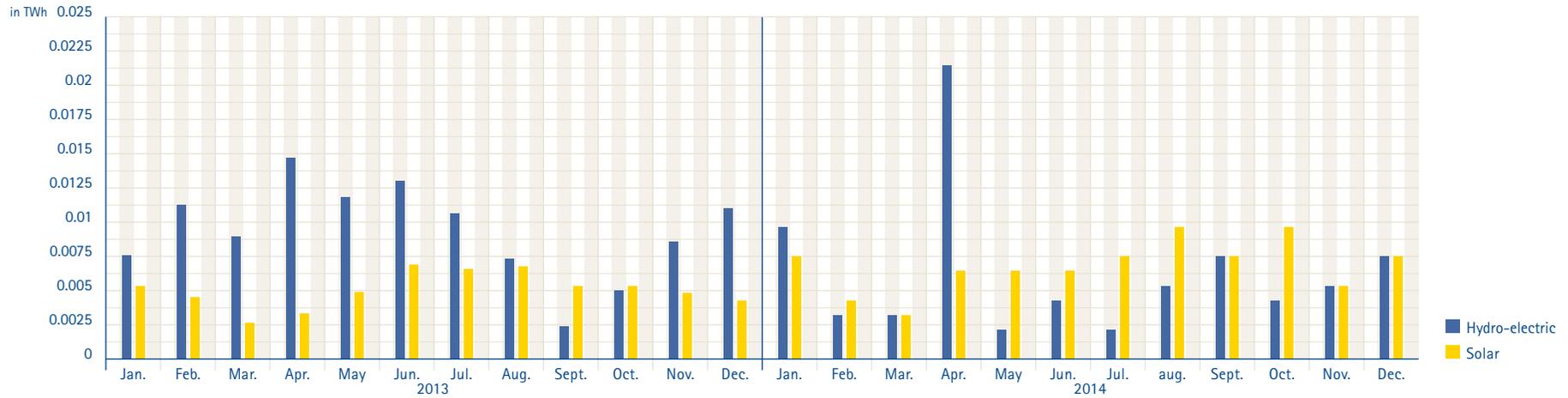
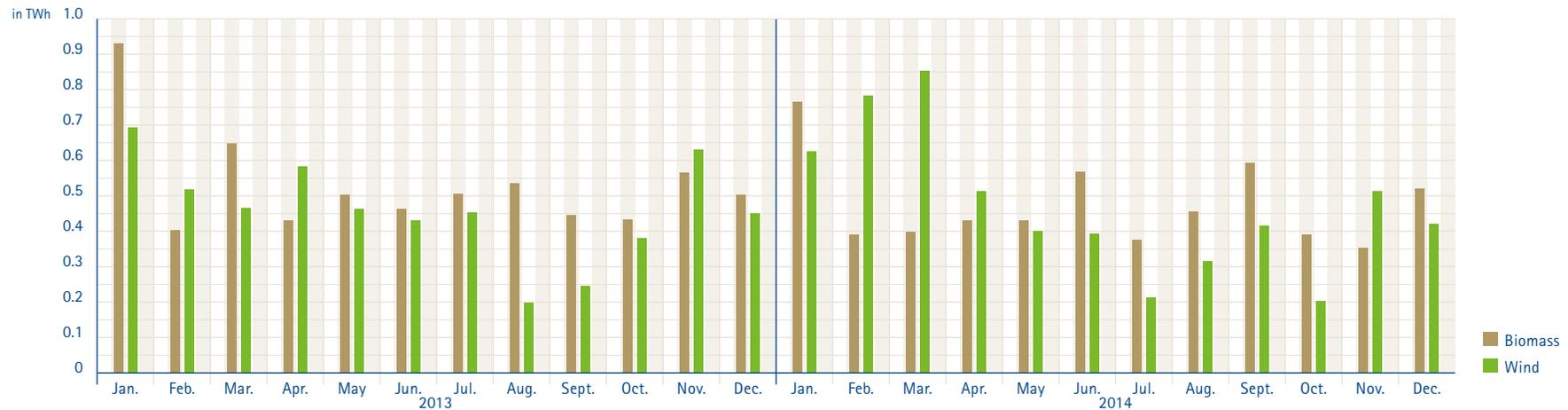


Figure 1b Certificates issued for Dutch sustainable electricity in TWh (biomass and wind)





certiq

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

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