

Shaping an effective renewable electricity market

2014 ANNUAL REPORT

RECS
INTERNATIONAL

Building the basis for a demand-driven market

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1 Introduction

At RECS International we are helping to build the foundations of a credible, consumer-driven electricity market. For Europe the issue is no longer just renewables; we have to provide clear information to consumers about all of the electricity products on the grid. For many years our members have worked to achieve this goal, but at this stage in our evolution the next step we need to take is becoming clearer. While there are still some issues to be resolved, the Guarantee of Origin (GO) system in Europe is resilient and reliable. Now it's time to focus our attention on information related to the products delivered with such systems. At RECS International we welcome this challenge. After all, the tools are in place to make the information available. All we have to do is make sure it's put to good use. **Join us in helping consumers to influence the electricity market.**

Claes Hedenström, President of RECS International

A handwritten signature in black ink, which appears to read 'Claes Hedenström'. The signature is stylized and includes a long horizontal flourish at the end.

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2 Our mission

RECS International is a non-profit organization that strives to create an open, pan-European renewable energy market which is facilitated by commonly accepted, harmonized tracking systems.

Our mission is:

- To stimulate renewable energy demand across Europe by adopting harmonized principles and standards for the transparent transfer of information to end-users, and
- To encourage the further generation of emerging renewable energy technologies by increasing competition and cost-efficiency through the expansion of cross-border trade and international cooperation mechanisms.

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3 RECS International is laying the foundations for a new market for electricity products

We work to ensure transparent, reliable standards and best practices that enable reliable consumer choices. We have provided information to governments, standards organizations and NGOs. Our expertise is recognized by CEER, LEED, RE-DISS, the Greenhouse Gas Protocol initiative and the Carbon Disclosure Project, among many other organizations.

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3 RECS International is laying the foundations for a new market for electricity products

One of our primary responsibilities is to inform consumers about ways in which they can make choices in the market. Clear product information is the basis for all consumer-driven markets and we work to provide this clarity on consumers' behalf. As a participant in several international technical working groups and through close cooperation with our members, we aim to provide clear criteria and guidelines in order to help consumers understand their choices in terms of electricity products sold in Europe and around the world.

We encourage market players to deliver better service to their clients. We provide standard contracts and up-to-date news, answer questions, and organize conferences and frequent networking events for all market players. We foster the exchange of information that is needed to improve the workings of the market as well as the services of our members.

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3 RECS International is laying the foundations for a new market for electricity products

Our annual Market Meeting conference is a well-established platform. It includes topical discussions on the best ways to support consumers and how to improve RECS International, an organization which is striving to make this possible.

We believe that consumer choice will be the cornerstone of the electricity market of the future. Today 21% of all European electricity is tracked with Guarantee of Origin certificates. With our members' help and expertise this number will continue to grow year after year, further strengthening the role of consumers in the market.

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4 Market development

The growth in the number of cancelled GOs is quite spectacular. Over the last four years the use of GOs has grown by 16.4%, while total production of renewable electricity grew by 8.2%. It will not be long before demand for GOs catches up with supply.

Overview

- > Issuance and cancellation of EECS-GOs certificates per year of transaction (Figure 1)
- > Total market for renewable GOs in Europe (Figure 2)

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4 Market development

Issuance and cancellation of EECS-GOs certificates per year of transaction

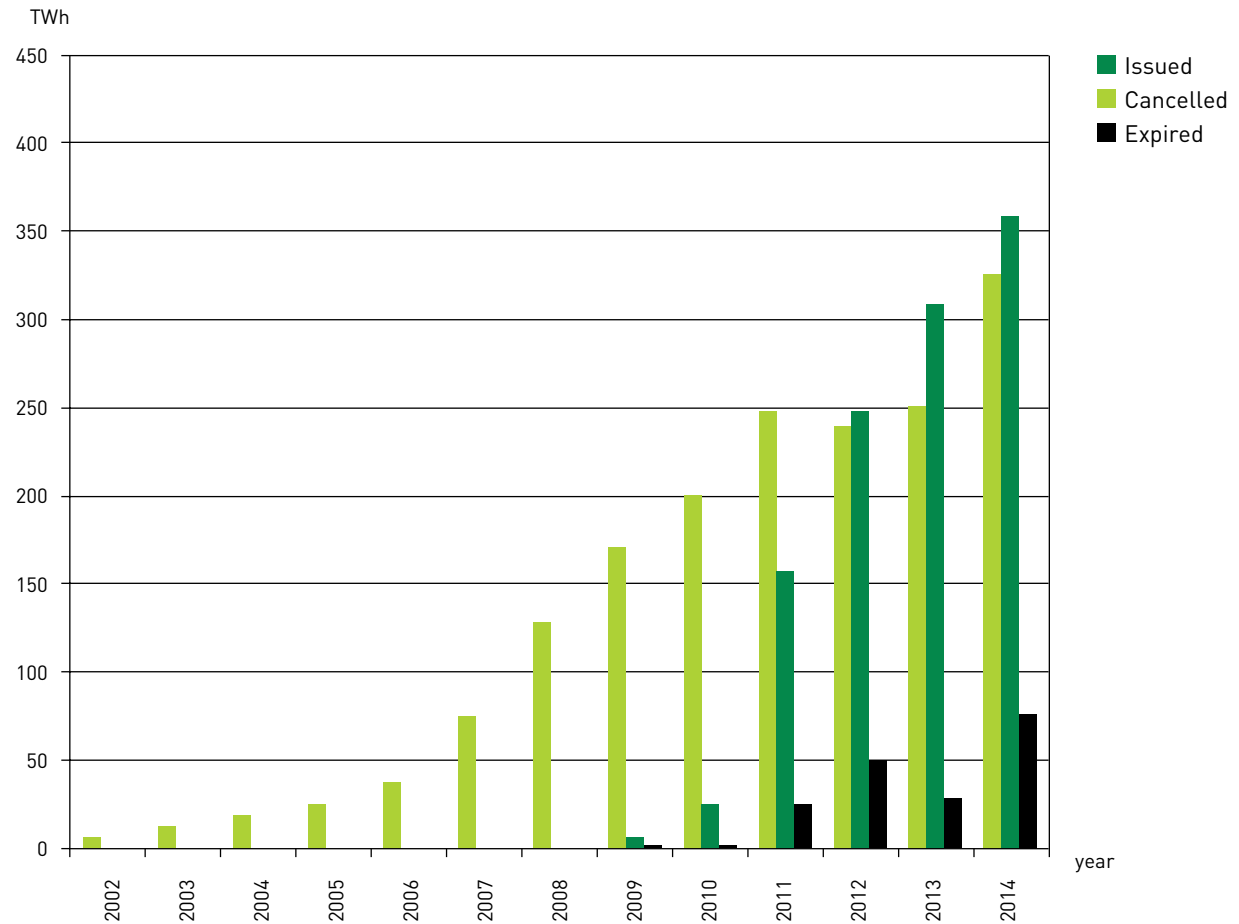


Figure 1 Issuance and cancellation (in TWh)

NB: It can take several months between the production of electricity and the issuance of related certificates. In the early years, registries reported issuance by year of production rather than by the date when the certificate was issued. They also only reported cancellation and expiry for the year in which the certificate was issued and not the year when the associated electricity was produced.

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4 Market development

Total market for renewable GOs in Europe

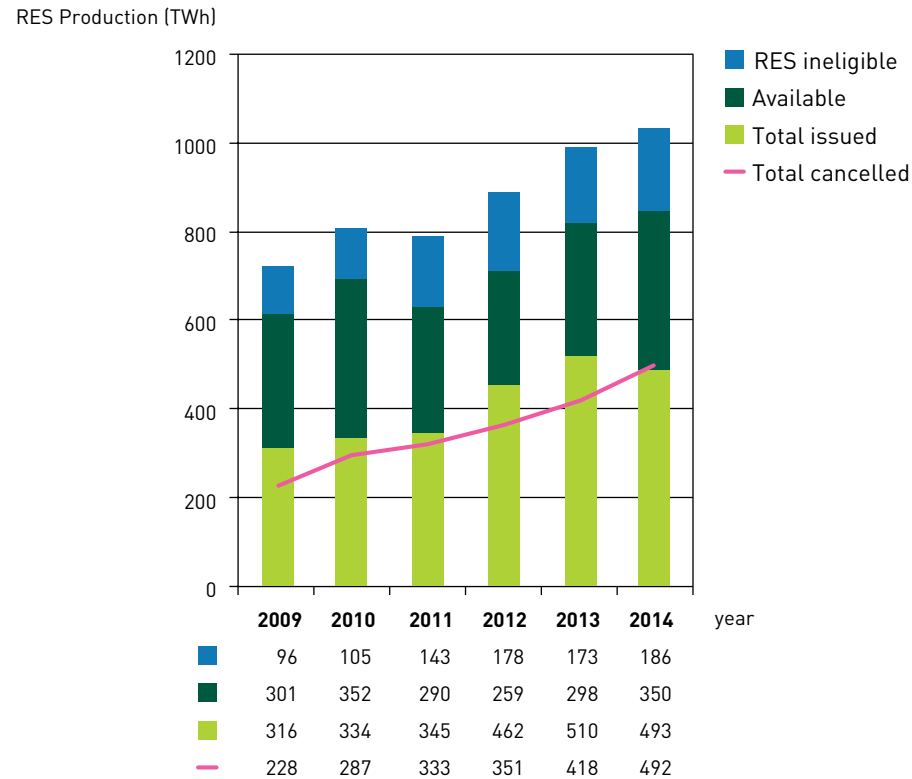


Figure 2 Total market including ineligible GOs

Legend: RES ineligible = Subsidized renewable production that is not eligible for GOs;
 Available = Potential renewable production eligible for GOs issuance;
 Total issued = Total renewable production that is cancelled by GOs;
 Total cancelled = Total number of GOs issued in Europe

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5 Financial overview

RECS International is a financially stable organization. Income received from memberships and events is sufficient to cover the costs of all activities. Our balance sheet indicates that we will continue to be in a good financial position in the years ahead.

Overview

- > Balance sheet
- > Profit and Loss statement

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5 Financial overview*

Balance sheet

Assets

	In Euro	
	2014	2013
Accounts receivable	30,015	2,850
Cash	192,018	248,854
RECS Events receivables	9,680	20,000
Other receivables	19,096	697
Total	250,809	272,401

Liabilities

	In Euro	
	2014	2013
Accumulated results	181,750	166,075
Creditors	4,359	4,540
Other creditors	64,700	101,786
Total	250,809	272,401

* The full compilation report for 2014 is available from the RECS secretariat.

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5 Financial overview*

Profit and Loss statement

Revenue

	In Euro	
	2014	2013
Fees		
<i>Big members</i>	228,525	288,000
<i>Small members</i>	51,700	60,300
<i>Supporting members</i>	5,500	6,500
Other income	3,661	5,681
RECS Good Practice Standard (RGPS)	-	3,000
Total	289,386	363,481

Expenditure

	In Euro	
	2014	2013
Secretariat		
<i>Secretariat</i>	268,997	299,892
<i>Travel & Accommodation</i>	7,825	10,957
<i>Financial & legal expenses</i>	5,321	4,797
<i>Operational costs</i>	3,457	17,113
Meetings	12,011	9,386
PR & communication	9,040	19,014
Special projects	760	14,015
Net loss	18,025-	11,693-
Total	289,386	363,481

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6 RECS International

RECS International is a foundation under Dutch law. The Secretariat organizes an Annual General Meeting and the Board meets with the Advisory Group three times a year.

Overview

- > Board members & Advisory Group members
- > RECS International members

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6 RECS International

Board members

VATTENFALL AB
Claes Hedenström
Sweden

MARKEDSKRAFT
Thomas Eccard
Germany

ECOZH
Tom Lindberg
Norway

VEREIN ECS SWITZERLAND
Louis von Moos
Switzerland

STATKRAFT MARKETS
Marie-Christine Pietsch
Netherlands

E.On
Stefan Ulreich
Germany

Advisory Group members

IBERDROLA GENERACIÓN S.A.U.
Leyre la Casta Spain

VINDENERGI DANMARK AMBA
Niels Dupont Denmark

VERBUND TRADING AG
Claudia Grill Austria

BERGEN ENERGI
Hans-Petter Kildal Norway

AGDER ENERGI VANNSKRAFT AS
Jan-Atle Liodden Norway

VEREIN ECS SWITZERLAND
Louis von Moos Switzerland

LANDSVIRKJUN
Nicholas O'Keeffe Iceland

GREEN ACCESS
Pierre Picard France

HSE D.O.O.
Blanka Povh Slovenia

FORTUM POWER & HEAT
Juha Ruokonen Finland

LUXEMBOURG ENERGY OFFICE S.A.
Roger Rütze Luxembourg

KEEKS LTD
Fiona Santokie United Kingdom

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6 RECS International

Members (2014)



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Members (2014)



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6 RECS International

Members (2014)



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