



**2014** Financial Statements

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# INDEPENDENT AUDITORS' REPORT

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**To the Shareholders, Board of Shareholders and  
Directors of CPFL Energias Renováveis S.A.**

**São Paulo - SP**

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We have audited the accompanying individual and consolidated financial statements of CPFL Energias Renováveis S.A. (the "Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as of December 31, 2014, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board - IASB, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require 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 Company'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 Company'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**

In our opinion, the individual and the consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of CPFL Energias Renováveis S.A. as of December 31, 2014, and its individual and consolidated financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB.

## **Other matters**

### *Statements of value added*

We have also audited the individual and consolidated statements of value added (“DVA”) for the year ended December 31, 2014, prepared under the responsibility of the Company’s Management, the presentation of which is required by the Brazilian Corporate Law for publicly-traded companies and as supplemental information for IFRS, which do not require a presentation of DVA. These statements were subject to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Sao Paulo, March 2, 2015

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes  
CRC nº 2 SP 011609/O-8

Iara Pasian  
Engagement Partner  
CRC nº 1 SP 121517/O-3

**CPFL ENERGIAS RENOVÁVEIS S.A. AND SUBSIDIARIES**

**BALANCE SHEETS AS AT DECEMBER 31, 2014 AND 2013**

(In thousands of Brazilian reais - R\$)

ASSETS	Note	Company		Consolidated	
		12/31/2014	12/31/2013	12/31/2014	12/31/2013
CURRENT ASSETS					
Cash and cash equivalents	5	280,525	250,402	828,411	731,055
Short-term investments	6.1	-	-	4,888	23,854
Securities	6.2	-	-	436	952
Dividends receivable	11	99,061	-	-	-
Trade receivables	7	33,066	6,470	233,335	209,109
Advances to suppliers		34	5,820	7,105	12,502
Recoverable taxes	8	6,632	3,801	70,875	48,177
Other receivables		9,841	3,094	21,174	14,821
Total current assets		429,159	269,587	1,166,224	1,040,470
NONCURRENT ASSETS					
Escrow deposits	20	213	177	8,006	1,751
Restricted short-term investments	6	-	-	248,127	133,891
Other receivables	9	-	87	76,108	87,873
Deferred taxes	25.2	-	-	5,404	20,004
Recoverable taxes	8	-	-	15,416	26,346
Related parties	10	8,530	126,492	6,281	6,862
Investments	11	6,087,689	4,807,932	-	-
Property, plant and equipment	12	14,165	12,861	6,483,826	5,300,413

ASSETS	Note	Company		Consolidated	
		12/31/2014	12/31/2013	12/31/2014	12/31/2013
Intangible assets	13	7,947	7,475	3,626,484	2,877,626
Total noncurrent assets		6,118,544	4,955,024	10,469,652	8,454,766
TOTAL ASSETS		6,547,703	5,224,611	11,635,876	9,495,236

**CPFL ENERGIAS RENOVÁVEIS S.A. AND SUBSIDIARIES**

**BALANCE SHEETS AS AT DECEMBER 31, 2014 AND 2013**

(In thousands of Brazilian reais - R\$)

LIABILITIES AND EQUITY	Note	Company		Consolidated	
		12/31/2014	12/31/2013	12/31/2014	12/31/2013
<b>CURRENT LIABILITIES</b>					
Trade payables	14	24,871	7,572	106,182	94,063
Borrowings and financing	15	80,585	231,657	354,290	848,661
Debentures	16	212,464	5,065	323,332	40,751
Related parties	10	344,205	50,481	-	-
Dividends payable		-	-	4,000	4,000
Payables from acquisitions	17	66,363	10,477	70,994	10,477
Payroll and related taxes		5,946	5,626	5,946	5,669
Taxes		3,183	2,153	51,951	46,082
Advances from customers	18	-	-	74,297	11,775
Provision for social and environmental costs	19	-	-	6,816	3,016
Other payables		8,071	7,164	22,151	18,314
<b>Total current liabilities</b>		<b>745,688</b>	<b>320,195</b>	<b>1,019,959</b>	<b>1,082,808</b>
<b>NONCURRENT LIABILITIES</b>					
Trade payables	14	-	-	633	-
Borrowings and financing	15	788,089	856,019	3,555,686	2,783,224
Debentures	16	705,268	427,403	1,416,226	1,091,943
Advances from customers	18	-	-	23,843	-
Provision for social and environmental costs and asset decommissioning	19	-	-	49,938	34,471

LIABILITIES AND EQUITY	Note	Company		Consolidated	
		12/31/2014	12/31/2013	12/31/2014	12/31/2013
Provision for labor, tax and civil contingencies	20	3,077	2,547	33,608	26,690
Deferred taxes	25,2	13,518	-	1,167,073	897,285
Allowance for investment losses	11	44,839	53,511	-	-
Payables from acquisitions	17	16,152	-	16,152	-
Other payables		575	575	10,260	575
Total noncurrent liabilities		1,571,518	1,340,055	6,273,419	4,834,188
EQUITY	21				
Paid-in capital		3,390,444	2,907,487	3,390,444	2,907,487
Capital reserves		878,903	604,589	878,903	604,589
Earnings reserves		1,292	1,171	1,292	1,171
Valuation adjustments to equity		47,501	51,114	47,501	51,114
Accumulated losses		(87,643)	-	(87,643)	-
Equity attributable to controlling shareholders		4,230,497	3,564,361	4,230,497	3,564,361
Noncontrolling interest		-	-	112,001	13,879
Total equity		4,230,497	3,564,361	4,342,498	3,578,240
TOTAL LIABILITIES AND EQUITY		6,547,703	5,224,611	11,635,876	9,495,236

**CPFL ENERGIAS RENOVÁVEIS S.A. AND SUBSIDIARIES**  
**STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

(In thousands of Brazilian reais - R\$, except loss for share)

	Note	Company		Consolidated	
		2014	2013	2014	2013
NET OPERATING REVENUE	22	115,777	54,384	1,247,627	1,018,611
COST OF POWER GENERATION	23	(125,245)	(61,228)	(764,323)	(573,548)
GROSS PROFIT (LOSS)		(9,468)	(6,844)	483,304	445,063
OPERATING (EXPENSES) INCOME					
General and administrative	23	(81,683)	(72,548)	(110,516)	(91,656)
Management compensation	10 and 23	(8,905)	(7,755)	(8,905)	(7,755)
Depreciation and amortization	12 and 23	(3,242)	(2,626)	(4,074)	(2,626)
Equity in subsidiaries	11	70,960	134,449	-	-
Amortization of operating right	13 and 23	-	-	(128,530)	(128,277)
Other operating income (expenses), net	23	1	(3)	2	1
Total		(22,869)	51,517	(252,023)	(230,313)
OPERATING INCOME (LOSS) BEFORE FINANCE INCOME (COSTS)		(32,337)	44,673	231,281	214,750
Finance income	24	24,540	17,224	98,991	55,083
Finance costs	24	(160,974)	(116,844)	(463,988)	(314,243)
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(168,771)	(54,947)	(133,716)	(44,410)



	Note	Company		Consolidated	
		2014	2013	2014	2013
Current income tax and social contribution	25	-	-	(55,751)	(47,278)
Deferred income tax and social contribution	25	-	-	22,106	36,671
<b>LOSS FOR THE YEAR</b>		<b>(168,771)</b>	<b>(54,947)</b>	<b>(167,361)</b>	<b>(55,017)</b>
Attributable to the Company's owners		(168,771)	(54,947)	(168,771)	(54,947)
Attributable to noncontrolling interest		-	-	1,410	(70)
<b>LOSS PER SHARE</b>					
Basic (R\$ per share)	21.h	(0.37)	(0.13)	(0.37)	(0.13)
Diluted (R\$ per share)	21.h	(0.44)	(0.23)	(0.44)	(0.23)

**CPFL ENERGIAS RENOVÁVEIS S.A. AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

(In thousands of Brazilian reais - R\$)

	Paid-in capital	Capital reserve		Earnings reserves	
		Share subscription premium	Legal reserve	Unrealized earnings reserve	Earnings retention
BALANCES AS AT DECEMBER 31, 2012	2,675,731	528,988	1,578	7,496	22,492
Public offering on July 17, 2013	222,422	127,578	-	-	-
Supplementary shares of public offering on August 19, 2013	9,334	5,353	-	-	-
Stock issuance costs	-	(36,187)	-	-	-
Realization of reserve of valuation adjustment to equity	-	-	-	-	-
Share-based payment	-	-	-	-	-
Capital payment - noncontrolling interest	-	-	-	-	-
Loss for the year	-	-	-	-	-
Management's proposal - Absorption of loss for the year	-	(21,143)	(1,578)	(7,496)	(22,492)
BALANCES AS AT DECEMBER 31, 2013	2,907,487	604,589	-	-	-
Capital increase on February 28, 2014	551	-	-	-	-
Capital increase on June 26, 2014	355	-	-	-	-

**To be continued**

Share - based payment	Valuation adjustments to equity	Accumulated losses	Equity attributable to the Company's owners	Noncontrolling interest	Total
1,097	53,352	-	3,290,734	10,383	3,301,117
-	-	-	350,000	-	350,000
-	-	-	14,687	-	14,687
-	-	-	(36,187)	-	(36,187)
-	(2,238)	2,238	-	-	-
74	-	-	74	-	74
-	-	-	-	3,566	3,566
-	-	(54,947)	(54,947)	(70)	(55,017)
-	-	52,709	-	-	-
<b>1,171</b>	<b>51,114</b>	<b>-</b>	<b>3,564,361</b>	<b>13,879</b>	<b>3,578,240</b>
-	-	-	551	-	551
-	-	-	355	-	355

Continued

	Paid-in capital	Capital reserve	Earnings reserves		
		Share subscription premium	Legal reserve	Unrealized earnings reserve	Earnings retention
Capital increase on October 1, 2014	481,834	351,829	-	-	-
Capital increase on October 30, 2014	217	-	-	-	-
Realization of reserve of valuation adjustment to equity	-	-	-	-	-
Share-based payment	-	-	-	-	-
Redemption of noncontrolling interest reserve	-	-	-	-	-
Advanced payment of dividends to noncontrolling interest	-	-	-	-	-
Loss for the year	-	-	-	-	-
Management's proposal	-	-	-	-	-
Absorption of loss for the year	-	(77,515)	-	-	-
<b>BALANCES AS AT DECEMBER 31, 2014</b>	<b>3,390,444</b>	<b>878,903</b>	<b>-</b>	<b>-</b>	<b>-</b>

Share - based payment	Valuation adjustments to equity	Accumulated losses	Equity attributable to the Company's owners	Noncontrolling interest	Total
-	-	-	833,663	106,320	939,983
-	-	-	217	-	217
-	(3,613)	3,613	-	-	-
-	-	-	121	-	121
-	-	-	-	(2,185)	(2,185)
-	-	-	-	(7,423)	(7,423)
-	-	(168,771)	(168,771)	1,410	(167,361)
-	-	77,515	-	-	-
1,292	47,501	(87,643)	4,230,497	112,001	4,342,498

# CPFL ENERGIAS RENOVÁVEIS S.A. AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

### FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(In thousands of Brazilian reais - R\$)

	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
CASH FLOW FROM OPERATING ACTIVITIES				
Loss before taxes	(168,771)	(54,947)	(133,716)	(44,410)
Adjustments to reconcile loss before taxes to net cash provided by operating activities:				
Depreciation and amortization	3,242	2,626	432,234	348,355
Write-off of property, plant and equipment	302	125	2,918	1,116
Write-off of intangible assets	350	208	39	626
Allowance for doubtful accounts	102	4	607	1,637
Equity in subsidiaries	(70,960)	(134,449)	-	-
Provision for labor, tax and civil contingencies	652	1,762	2,075	1,900
Adjustment to present value of provision for social and environmental costs and asset decommissioning	-	-	4,620	3,905
Accrued share-based program	121	74	121	74
Inflation adjustment	3,972	(3,019)	1,695	(560)
Provision for losses - Baldin Bioenergia S.A.	-	-	1,981	-
Adjustment to present value - Baldin Bioenergia S.A.	-	-	19,795	-
Financial charges on borrowings, financing and debentures	151,422	111,160	411,953	296,835
(Increase) decrease in operating assets:				
Trade receivables	(26,698)	(1,226)	4,865	(39,848)
Other receivables	(6,660)	(252)	13,937	(4,708)
Recoverable taxes	(1,790)	6,110	(7,492)	1,577

	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Advances to suppliers	5,786	(176)	5,397	(1,432)
Dividends received	280,155	182,828	-	-
Increase (decrease) in operating liabilities:				
Trade payables	17,299	(1,761)	(41,865)	(10,478)
Advances from customers	-	-	86,365	(2,809)
Taxes	1,030	194	(14,413)	(9,704)
Payroll and related taxes	320	896	(3,464)	(3,676)
Payment of social and environmental costs	-	-	(128)	(4,166)
Payment of labor, tax and civil contingencies	(247)	(124)	(317)	(131)
Other payables	907	1,556	(14,755)	(1,593)
Cash provided by operating activities	190,534	111,589	772,648	537,083
Income tax and social contribution paid	-	-	(41,110)	(35,795)
Interest paid	(135,192)	(95,778)	(320,500)	(254,132)
Net cash provided by operating activities	55,342	15,811	411,038	247,156
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of Rosa dos Ventos less net balances of cash acquired in the year	(70,887)	-	(68,464)	-
Acquisition of WF2 less net balances of cash acquired in the year	-	-	139,293	-
Capital increase in subsidiaries	(406,575)	(180,352)	-	-
Securities	-	-	516	1,209

**To be continued**

Continued

	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Short-term investments	-	-	18,966	(23,854)
Restricted short-term investments	-	-	(25,183)	(12,460)
Purchase of property, plant and equipment	(2,714)	(1,172)	(202,186)	(802,071)
Return of advance for purchase of property, plant and equipment	-	-	67,342	-
Escrow deposits	(57)	(112)	(381)	(1,550)
Acquisition of intangible assets	(2,631)	(656)	(2,630)	(1,696)
Related-party debts	289,320	36,227	-	-
Related parties	101,329	(108,546)	-	1,146
Net cash used in investing activities	(92,215)	(254,611)	(72,727)	(839,276)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Financing - net of borrowing costs	308,933	153,717	825,892	1,408,774
Capital increase net of stock issuance costs	1,123	328,500	1,123	328,500
Payment of payables from acquisitions	(14,045)	-	(14,045)	-
Payment of dividends	-	-	(7,423)	-
Payment of financing	(229,015)	(68,137)	(1,046,502)	(1,054,184)
Net cash provided by (used in) financing activities	66,996	414,080	(240,955)	683,090
<b>INCREASE IN CASH AND CASH EQUIVALENTS, NET</b>	<b>30,123</b>	<b>175,280</b>	<b>97,356</b>	<b>90,970</b>
<b>CASH AND CASH EQUIVALENTS</b>				
At the beginning of year	250,402	75,122	731,055	640,085
At the end of year	280,525	250,402	828,411	731,055
<b>INCREASE IN CASH AND CASH EQUIVALENTS, NET</b>	<b>30,123</b>	<b>175,280</b>	<b>97,356</b>	<b>90,970</b>



# CPFL ENERGIAS RENOVÁVEIS S.A. AND SUBSIDIARIES

## STATEMENTS OF VALUE ADDED

### FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(In thousands of Brazilian reais - R\$)

	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
REVENUE				
Sale of power	127,912	59,917	1,334,285	1,086,013
Other revenues	-	9	4,171	1,405
Allowance for doubtful accounts	(102)	(4)	(2,588)	(1,637)
Revenue from construction	2,714	1,172	241,911	874,336
Acquisition of intangible assets	130,524	61,094	1,577,779	1,960,117
INPUTS ACQUIRED FROM THIRD PARTIES (INCLUDING ICMS AND IPI)				
Cost of power purchase and transmission charges	(125,245)	(61,228)	(356,749)	(269,285)
Materials	(2,726)	(1,172)	(163,909)	(653,771)
Outside services	(26,436)	(16,297)	(190,971)	(274,170)
Other operating costs	(6,596)	(5,909)	(19,008)	(11,854)
GROSS VALUE ADDED	(30,478)	(23,512)	847,142	751,038
Depreciation and amortization	(3,242)	(2,626)	(432,234)	(348,355)
WEALTH CREATED BY THE COMPANY	(33,720)	(26,138)	414,908	402,683
WEALTH RECEIVED IN TRANSFER				
Equity in subsidiaries	70,960	134,449	-	-
Finance income	24,540	17,224	98,991	63,604

**To be continued**

Continued

	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
WEALTH FOR DISTRIBUTION	61,780	125,535	513,899	466,287
WEALTH DISTRIBUTED	(61,779)	(125,535)	(513,899)	(466,287)
Direct compensation	(31,025)	(25,562)	(46,486)	(37,565)
Benefits	(8,459)	(15,956)	(8,592)	(16,093)
Income tax and social contribution	-	-	-	-
FGTS	(3,505)	(3,564)	(3,587)	(3,564)
Employees	(42,989)	(45,082)	(58,664)	(57,222)
Federal	(22,961)	(16,094)	(132,388)	(88,268)
State	-	-	(1,075)	-
Municipal	-	(395)	(3,011)	(2,693)
Taxes	(22,961)	(16,489)	(136,474)	(90,961)
Interest	(151,526)	(116,844)	(424,427)	(352,649)
Rental/common area maintenance fees	(3,626)	(2,064)	(20,458)	(20,473)
Other	(9,448)	(3)	(41,236)	1
Compensation to third parties	(164,600)	(118,911)	(486,121)	(373,122)
Loss for the year	(168,771)	(54,947)	(167,361)	(55,017)

# CPFL ENERGIAS RENOVÁVEIS S.A. AND SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE LOSS

### FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(In thousands of Brazilian reais - R\$)

	Company		Consolidated	
	2014	2013	2014	2013
LOSS FOR THE YEAR	(168,771)	(54,947)	(167,361)	(55,017)
Other comprehensive income (loss)	-	-	-	-
COMPREHENSIVE LOSS	(168,771)	(54,947)	(167,361)	(55,017)
Attributable to the Company's owners	(168,771)	(54,947)	(167,771)	(54,947)
Attributable to noncontrolling interest	-	-	1,410	(70)

# CPFL ENERGIAS RENOVÁVEIS S.A. AND SUBSIDIARIES

## NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

((In thousands of Brazilian reais - R\$))

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### 1. GENERAL INFORMATION

CPFL Energias Renováveis S.A. ("CPFL Renováveis" or "Company") is a publicly-held company, headquartered in the city of São Paulo, State of São Paulo, and established to act as a holding company, which is mainly engaged in the following activities, as set forth in its bylaws:

- a) Holding investments in renewable power companies.
- b) Identifying and developing potential power generation resources and operating such resources.
- c) Selling electric power, which comprises the purchase and sale, import and export of electric power to other concessionaires, generators, distributors or consumers that have a free choice of supplier, and operations in the Electric Power Trade Chamber (CCEE).

The direct subsidiary, SPE CPFL Solar 1 Energia S.A., and the indirect subsidiaries, SPE Barra da Paciência Energia S.A., SPE Corrente Grande Energia S.A., SPE Ninho da Águia Energia S.A., SPE Paiol Energia S.A., SPE São Gonçalo Energia S.A. and SPE Várzea Alegre Energia S.A., appointed the Company as their representative before CCEE; therefore, the Company manages their portfolio and generation risk.

On August 19, 2013, the Public Offering was concluded for the primary distribution of 28.0 million common shares, secondary distribution of 43.9 million common shares and supplementary distribution of 1.2 million common shares issued by the Company, all shares registered, free and clear from any burden or encumbrance, launched on June 27, 2013. In total, 73.1 million shares were distributed at fixed price of R\$12.51 each, totaling R\$914,686.

The gross proceeds were as follows: (i) R\$364,687 in the primary and supplementary offerings, which was allocated to the capital account until the price per share equivalent to the equity divided by the total number of shares as at March 31, 2013, the date of the last accounting

disclosure before the Offering, and the remaining net amount was allocated to the capital reserve account; and (ii) R\$549,999 in the secondary offering, upon the sale of 43.9 million common shares by the Company's shareholders. The stock issuance costs total R\$36,187.

As at December 31, 2014, the Company recorded in its individual financial statements negative net working capital in the amount of R\$316,529, arising mainly from related parties loans entered into with its subsidiaries, in December 2014, for working capital. Such amounts will be partially settled in the first quarter of 2015 against dividends receivable and new loans, which are under negotiation.

Most direct and indirect subsidiaries were established or acquired for the special purposes of building and operating small hydroelectric plants ("PCHs"), biomass-fired thermal power plants, wind farms and solar power project, as described in Notes 1.4 to 1.7.

#### 1.1. Association between CPFL Renováveis and Dobrevê

##### ("DESA") - October 1, 2014

As disclosed in the financial statements for the year ended December 31, 2013, on February 17, 2014, CPFL Renováveis and its parent CPFL Geração de Energia S.A. ("CPFL Geração"), a subsidiary of CPFL Energia S.A. ("CPFL Energia"), entered into the association agreement to establish the terms and conditions for the association between DESA and CPFL Renováveis. On April 24, 2014, this association was authorized by ANEEL and, on May 6, 2014, was approved by the Administrative Council for Economic Defense (CADE).

The purpose of the association was to benefit from the experience of both groups (CPFL Renováveis and DESA) in the renewable energy sector and, therefore, improve

the scale gains and synergy through the integration of the activities, resulting in a more efficient structure for the development of the activities.

This association was completed on October 1, 2014, as described below:

At the Extraordinary Shareholders' Meetings, held on September 30, 2014, with approval effective on October 1, 2014, the shareholders of CPFL Renováveis and Arrow – Fundo de Investimentos e Participações ("FIP Arrow"), the sole shareholder of WF2 Holding S.A. ("WF2"), which, in turn, held the total shares issued by DESA, approved the Merger Agreement and the Association Termination Term. Consequently, on October 1, 2014, FIP Arrow transferred the WF2's net assets as capital increase in CPFL Renováveis, which, in turn, issued 61,752,782 new common shares on behalf of FIP Arrow, which became the shareholder of CPFL Renováveis holding ownership interest of 12.27%.

After such capital increase, CPFL Renováveis merged WF2, which was extinguished, and CPFL Renováveis held directly 100% of the shares issued by DESA and, therefore, DESA was controlled by CPFL Renováveis.

The exchange ratio of 100% of the WF2's shares for 12.27% of CPFL Renováveis' shares (after the issuance of the new common shares) was freely negotiated and agreed between the parties and reflects the best estimates of WF2 and CPFL Renováveis. Such amounts took into consideration the economic value of CPFL Renováveis and WF2, as calculated by the companies' management, considering the nature of their activities based on economic, operating and financial assumptions applicable to the companies.

This association between CPFL Renováveis and DESA resulted in a business combination conducted in accordance with CPC 15 (RI) and IFRS 3 (R) – Business Combination, since CPFL Renováveis obtained the control over WF2 through the issuance of new own shares. This association was stated at fair value based on the income approach method. By virtue of such issuance of shares, CPFL Renováveis' shareholders' equity increased by R\$833,663, which reflects the fair value of the shares issued by CPFL Renováveis and transferred to FIP Arrow on the acquisition date.

The CPFL Renováveis' equity increase, on October 1, 2014, was as follows: (i) capital increase in the amount of R\$481,834 upon issuance of 61,752,782 new shares; (ii) recognition of capital reserve in the amount of R\$351,829, corresponding to the amount exceeding the book value per share and the remaining balance of the merged net assets; and (iii) accounting for the fair value of the noncontrolling interests in the amount of R\$106,320.

In the abovementioned association, WF2 (DESA's parent company) was acquired and, on October 1, 2014, the Company merged the WF2's accounting balances, as follows:

<b>WF2 Company 10.01.2014</b>	
Current assets:	
Cash and cash equivalents	43
Recoverable taxes	1,041
Noncurrent assets:	
Investment	719,665
Current liabilities:	
Debentures	94,688
Payables from acquisitions	83,484
Related parties	549
Debentures	75,426
Deferred taxes	13,518
Net assets acquired	453,084

## Additional association information (acquisition of WF2)

### a) Assets acquired and liabilities to be recognized on the acquisition date – preliminary considerations

The total transaction value (fair value of the CPFL Renováveis' shares) was allocated on the acquisition date to the assets acquired and liabilities assumed at fair value, including the intangible assets related to the operating right, which will be paid over the remaining period of the authorizations related to the operation of the wind undertakings and PCHs acquired, based on an average estimated period of 25 years for all undertakings. Consequently, as the total transaction value was temporarily allocated to identified assets and liabilities, no residual value was allocated as goodwill in this transaction.

The Company's management does not expect that the transaction value allocated as operating right will be deductible for tax purposes and, therefore, recorded deferred income tax and social contribution for the difference between the allocated value and the tax basis of this asset.

This initial allocation was based on the Management's analyses until completion of the economic and financial appraisal report. This allocation and, therefore, the initial accounting was temporarily recorded on October 1, 2014, for all items presented below, based on the Management's best estimates:

	<b>WF2 Consolidated 10.01.2014</b>
Current assets:	
Cash and cash equivalents	139,293
Trade receivables	23,576
Recoverable taxes	3,753
Other	4,945
Noncurrent assets:	
Restricted short-term investments	84,830
Escrow deposit	5,368
Recoverable taxes	513
Other	7,553
Property, plant and equipment	1,295,476
Intangible assets	7,937
Intangible assets – concession right	784,460
Current liabilities:	
Trade payables	19,124
Borrowings and financing	52,691
Debentures	50,305

	<b>WF2 Consolidated 10.01.2014</b>
Payables from acquisitions	60,287
Labor lawsuits	3,741
Tax lawsuits	5,541
Other	17,405
Noncurrent liabilities:	
Borrowings and financing	647,576
Debentures	224,411
Payables from acquisitions	27,828
Deferred taxes	13,518
Deferred taxes on concession right	266,716
Provision for contingencies	14,257
Provision for asset decommissioning	4,635
Other	9,686
Net assets acquired	939,983
Noncontrolling interest	(106,320)
Consideration transferred	833,663

The noncontrolling interest above refers to the 40% interest held by Ludes Energética S.A. (PCH) at fair value. The allocation was stated at fair value based on the income approach method.

According to the Management's estimates, the WF2's price allocation report will be concluded by March 2015.

- b) Net cash from the association with DESA (direct subsidiary after WF2 merger)  
As the acquisition was performed by means of exchange of shares, the Company has not performed any cash payment and solely merged the WF2's net cash in the amount of R\$139,293.
- c) Financial information on net operating revenue and net income of DESA (direct subsidiary after WF2's merger) included in the consolidated financial statements on the acquisition year.

		Net operating revenue	Net income
		2014	2014
DESA Consolidated	10/01/2014 to 12/31/2014	48,036	1,880
		<u>48,036</u>	<u>1,880</u>

- d) Combined financial information on net operating revenue and loss for the year had the acquisition occurred at the beginning of the year (January 1, 2014).

		Net operating revenue	Net income
		2014	2014
CPFL Renováveis - historic		1,247,627	(167,361)
Pro-forma adjustment - Consolidated WF2 (i)		101,109	(46,812)
Total		<u>1,348,736</u>	<u>(214,173)</u>

- (i) The pro forma adjustments of the operating revenue consider the addition of the net operating revenue of WF2 for the period it was not consolidated by the Company, from January 1 to September 30, 2014.

The pro forma adjustments of loss for the year consider:

- (i) the addition of WF2's consolidated loss for the period from January 1 to September 30, 2014, in which period WF2 was not consolidated by the Company, in the amount of R\$35,521; (ii) the exclusion of the effects from nonrecurring advisory expenses for the association with this Company, in the amount of R\$8,468; (iii) the inclusion of the amortization of the concession right, net of tax effects, had this association occurred at the beginning of the period (January 1, 2014), in the amount of R\$13,410; and (iv) the inclusion of the financial effects from the debentures performed by WF2 for the acquisition of DESA's noncontrolling interest, in the amount of R\$6,349.

The Company's consolidated financial statements for the year ended December 31, 2014 refer to three months of operation of DESA (direct subsidiary after WF2 merger).

## 1.2. Acquisition of Rosa dos Ventos Geração e Comercialização de Energia S.A. - RDV - 2014

On June 18, 2013, the Company entered into an agreement for the acquisition of 100% of the assets of the wind farms (i) Canoa Quebrada, with installed power capacity of 10.5 MW; and (ii) Lagoa do Mato, with installed power capacity of 3.2 MW, located in the coast of the State of Ceará. Both wind farms are operational and the total energy generated by them was contracted by Eletrobrás through the Alternative Electric Power Source Incentive Program (PROINFA) (physical information and that relating to the energy capacity measurements were not audited by independent auditors).

On February 28, 2014, the Company concluded the acquisition of Rosa dos Ventos. The total acquisition price is R\$103,358, which comprises: (i) the amount of R\$70,296 paid to the seller; (ii) the price adjustment in the amount of R\$634; and (iii) the debt assumption of Rosa dos Ventos in the amount of R\$32,428.

## Additional information on the acquisition of subsidiary Rosa dos Ventos

### a) Counterparties

Rosa dos Ventos 02.28.2014	
Consideration transferred:	
Cash transferred or transferable directly to shareholders	70,296
Adjustment of price paid to sellers according to contractual clause	634
Net cash	70,930

### b) Assets acquired and liabilities assumed on acquisition date

The total consideration transferred (paid) was allocated to assets acquired and liabilities assumed at fair values, including the intangible assets related to the concession right of each permit, which will be amortized over the remaining terms of the permits for the operation of the acquired wind project, considering the estimated average term of 18 years with respect to Rosa dos Ventos. Consequently, as total amount paid was allocated to identifiable assets and liabilities, no residual value was allocated to goodwill in this transaction.

The allocation of the amount paid was supported by economic and financial valuation reports.

CPFL Renováveis' management does not expect the amount allocated as concession right arising on this acquisition to be deductible for tax purposes and, therefore, recognized deferred income tax and social contribution related to the difference between the allocated amount and taxable basis of such assets.

The accounting for the acquisition of Rosa dos Ventos was completed. The assets acquired and liabilities assumed at fair value are presented as follows:

Rosa dos Ventos 02.28.2014	
Current assets:	
Cash and cash equivalents	2,466
Trade receivables	6,122
Recoverable taxes	10
Other	99
Noncurrent assets:	
Restricted short-term investments	4,223
Escrow deposit	307
Deferred taxes	570
Property, plant and equipment	50,102
Intangible assets – concession right	67,741
Current liabilities:	
Trade payables	3
Borrowings and financing	1,960
Provision for contingencies	744
Tax and labor lawsuits	212
Other	878
Noncurrent liabilities:	
Borrowings and financing	32,934
Deferred taxes on concession right	23,032
Provision for asset decommissioning	947
Net assets acquired	70,930
Consideration transferred	70,930



c) Net cash outflow on the acquisition of Rosa dos Ventos

	<b>Rosa dos Ventos 02.28.2014</b>
Consideration in cash	70,930
Less: cash and cash equivalents	(2,466)
Net cash	<u>68,464</u>

d) Financial information on net operating revenue and net income of subsidiary acquired included in the consolidated financial statements on the acquisition year.

	Net operating revenue	Net income
	2014	2014
Rosa dos Ventos 03/01/2014 to 12/31/2014	15,166	7,711
	<u>15,166</u>	<u>7,711</u>

e) Combined financial information on net operating revenue and net income (loss) for the year had the acquisition occurred at the beginning of the year (January 1, 2014)

	Net operating revenue	Net income (loss)
	2014	2014
CPFL Renováveis - history	1,247,627	(167,361)
Pro-forma adjustment - Rosa dos Ventos (i)	2,929	706
Total	<u>1,250,556</u>	<u>(166,655)</u>

(i) The pro forma adjustments of the operating revenue consider the addition of the net operating revenue of subsidiary Rosa dos Ventos for the period it was not consolidated by the Company, from January 1 to February 28, 2014.

The pro forma adjustments of net income (loss) consider: (i) the addition of profit or loss of subsidiary Rosa dos Ventos to the period from January 1 to February 28, 2014, in which period it was not consolidated by the Company, in the amount of R\$1,360; and (ii) the inclusion of the amortization of the concession right, net of tax effects, had the Company been acquired at the beginning of the year (January 1, 2014), in the amount of R\$654.

The Company's consolidated information for the year ended December 31, 2014 refers to ten months of operation of Rosa dos Ventos.

### 1.3. Supplementary disclosure

- The appraisal reports on WF2/DESA's tangible and intangible assets are being prepared; and
- The groups of accounts subject to changes are: property, plant and equipment, intangible assets – concession right, deferred taxes, provision for risks and noncontrolling interest.

### 1.4. Small Hydroelectric Plants - PCHs

As at December 31, 2014, the Company had the following concessions and permits granted by ANEEL to operate hydroelectric power projects:

PCHs	Status	Original resolution	Date	Term	Installed power capacity (MW)**
Aiuruoca	3	Resolution 357	12/22/99	30 years	18.0
Alto Irani	1	Resolution 587	10/29/02	30 years	21.0
Americana	1	Concession Arrangement n°015	11/19/97	30 years	30.0
Andorinhas	1	Decision 1990	11/30/05	Indefinite ***	*** 0.5
Arvoredo	1	Resolution 606	11/5/02	30 years	13.0
Barra da Paciência	1	Resolution 348	12/17/99	30 years	23.0
Boa Vista II	3	In progress*	-	-	29.9
Bonanza	3	Resolution 425	1/30/06	30 years	9.9
Buritis	1	Concession Arrangement n°014	11/19/97	30 years	0.8
Cachoeira Grande	3	Resolution 540	10/14/03	30 years	16.0
Capão Preto	1	Concession Arrangement n°015	11/19/97	30 years	4.3
Cherobim	3	Resolution 573	12/17/01	30 years	25.5
Chibarro	1	Concession Arrangement n°015	11/19/97	30 years	2.6
Cocais Grande	1	Resolution 349	12/22/99	30 years	10.0
Corrente Grande	1	Resolution 17	1/14/00	30 years	14.0
Diamante	1	Ordinance 475	11/13/97	30 years	4.2
Dourados	1	Concession Arrangement n°015	11/19/97	30 years	10.8
Eloy Chaves	1	Concession Arrangement n°015	11/19/97	30 years	18.8
Esmeril	1	Concession Arrangement n°015	11/19/97	30 years	5.0
Figueirópolis	1	Resolution 198	5/4/04	30 years	19.4
Gavião Peixoto	1	Concession Arrangement n°015	11/19/97	30 years	4.8
Guaporé	1	Resolution 1987	11/30/05	Indefinite ***	0.7
Jaguari	1	Concession Arrangement n°015	11/19/97	30 years	11.8
Laranjinha	3	Resolution 440	2/6/06	30 years	3.2
Lençóis	1	Concession Arrangement n°015	11/19/97	30 years	1.7
Ludesa	1	Resolution 705	12/17/02	30 years	30.0
Mata Velha	2	Resolution 262	5/16/02	30 years	24.0
Monjolinho	1	Concession Arrangement n°014	11/19/97	30 years	0.6
Ninho da Águia	1	Resolution 370	12/29/99	30 years	10.0

PCHs	Status	Original resolution	Date	Term	Installed power capacity (MW)**
Novo Horizonte	1	Resolution 652	11/26/02	30 years	23.0
Paiol	1	Resolution 406	8/6/02	30 years	20.0
Penedo	3	In progress*	-	-	17.0
Pinhal	1	Concession Arrangement n°015	11/19/97	30 years	6.8
Pirapó	1	Decision 1989	11/30/05	Indefinite ***	0.8
Plano Alto	1	Resolution 607	11/7/02	30 years	16.0
Saltinho	1	Decision 1988	11/30/05	Indefinite ***	0.8
Salto Góes	1	Resolution 2510	8/10/10	30 years	20.0
Salto Grande	1	Concession Arrangement n°015	11/19/97	30 years	4.6
Santa Cruz	3	Resolution 718	12/17/02	30 years	12.5
Santa Luzia	1	Ordinance 352	12/20/07	35 years	28.5
Santana	1	Concession Arrangement n°015	11/19/97		4.3
São Gonçalo	1	Resolution 13	1/13/00	30 years	11.0
São Joaquim	1	Concession Arrangement n°015	11/19/97	30 years	8.1
Socorro	1	Concession Arrangement n°014	11/19/97	30 years	1.0
Tombo	3	In progress*	-	-	16.0
Três Saltos	1	Concession Arrangement n°014	11/19/97	30 years	0.6
Varginha	1	Resolution 355	12/22/99	30 years	9.0
Várzea Alegre	1	Resolution 367	12/29/99	30 years	7.5
Total					571.0

\* Authorization resolution to be obtained.

\*\* Information not audited by independent auditors.

\*\*\* Water resources equal to or below 1.0 MW are free from concession, permit or authorization, and should only be registered with ANEEL.

(1) - Operation

(2) - Construction

(3) - Preparation

The authorization and concession terms are counted from the signature date of the concession agreements.

## 1.5. Wind power projects

As at December 31, 2014, the Company had the following authorizations granted by ANEEL to operate the wind power projects:

Wind project	Status	Original resolution	Date	Term	Installed power capacity (MW)***
Atlântica I	1	Ordinance 134	2/25/11	35 years	30.0
Atlântica II	1	Ordinance 148	3/3/11	35 years	30.0
Atlântica IV	1	Ordinance 147	3/3/11	35 years	30.0
Atlântica V	1	Ordinance 168	3/21/11	35 years	30.0
Baixa Verde	3	In progress*	-	-	13.8
Bons Ventos	1	Resolution 093	3/7/03	30 years	50.0
Cajueiro	3	In progress*	-	-	29.9
Campos dos Ventos I	2	Resolution 3967	3/26/13	30 years	30.0
Campos dos Ventos II	1	Ordinance 257	4/18/11	35 years	30.0
Campos dos Ventos III	2	Resolution 3968	3/26/13	30 years	30.0
Campos dos Ventos V	2	Resolution 3969	3/27/13	30 years	26.0
Canoa Quebrada	1	Resolution 680	12/10/02	30 years	57.0
Canoa Quebrada (Rosa dos Ventos)	1	REA 329	6/18/02	30 years	10.5
Costa Branca	1	Ordinance 585	10/11/11	35 years	20.7
Costa das Dunas	3	In progress*	-	-	29.9
Curral Velho I	3	In progress*	-	-	26.0
Curral Velho II	3	In progress*	-	-	28.0
Curral Velho IV	3	In progress*	-	-	30.0
Enacel	1	Resolution 625	11/12/02	30 years	31.5
Eurus I	1	PRT 264	4/19/11		30.0
Eurus III	1	PRT 266	4/27/11	35 years	30.0
Eurus VI	1	Ordinance 749	8/24/10	35 years	8.0
Farol de Touros	3	In progress*	-	-	23.0
Figueira Branca	3	In progress*	-	-	13.8

Wind project	Status	Original resolution	Date	Term	Installed power capacity (MW)***
Foz do Rio Choró	1	Resolution 306	6/4/02	30 years	25.2
Icaraizinho	1	Resolution 454	8/27/02	30 years	54.6
Iraúna I	3	In progress*	-	-	19.4
Iraúna II	3	In progress*	-	-	25.9
Iraúna IX	3	In progress*	-	-	25.9
Iraúna X	3	In progress*	-	-	29.2
Iraúna XI	3	In progress*	-	-	24.3
Iraúna XII	3	In progress*	-	-	21.1
Iraúna XIII	3	In progress*	-	-	19.4
Iraúna XIV	3	In progress*	-	-	29.2
Iraúna XV	3	In progress*	-	-	29.2
Iraúna XVI	3	In progress*	-	-	19.4
Iraúna XVII	3	In progress*	-	-	22.7
Juremas	1	Ordinance 556	9/27/11	35 years	16.1
Lagoa do Mato	1	REA 340	6/25/02	30 years	3.2
Macacos	1	Ordinance 557	9/27/11	35 years	20.7
Morro dos Ventos I	1	PRT 664	7/27/10	35 years	28.8
Morro dos Ventos II	2	PRT 373	6/12/12	35 years	28.8
Morro dos Ventos III	1	PRT 685	8/4/10	35 years	28.8
Morro dos Ventos IV	1	PRT 686	8/4/10	35 years	28.8
Morro dos Ventos IX	1	PRT 665	7/27/10		28.8
Morro dos Ventos VI	1	PRT 663	7/27/10	35 years	28.8
Paracuru	1	Resolution 460	8/27/02	30 years	25.2
Pedra Cheirosa	3	In progress*	-	-	27.0
Pedra Cheirosa II	3	In progress*	-	-	24.3
Pedra Preta	1	Ordinance 564	10/11/11	35 years	20.7
Pontal das Falésias I	3	In progress*	-	-	7.2
Pontal das Falésias II	3	In progress*	-	-	9.0
Pontal das Falésias III	3	In progress*	-	-	9.0
Pontal das Falésias IV	3	In progress*	-	-	12.6
Praia da Atalaia	3	In progress*	-	-	151.2
Praia de Bitupitá I	3	In progress*	-	-	30.0

Wind project	Status	Original resolution	Date	Term	Installed power capacity (MW)***
Praia de Bitupitá II	3	In progress*	-	-	28.0
Praia de Bitupitá III	3	In progress*	-	-	12.0
Praia Formosa	1	Resolution 307	6/4/02	30 years	105.0
Santa Clara I	1	Ordinance 609	7/1/10	35 years	30.0
Santa Clara II	1	Ordinance 683	8/4/10	35 years	30.0
Santa Clara III	1	Ordinance 610	7/1/10	35 years	30.0
Santa Clara IV	1	Ordinance 672	7/29/10	35 years	30.0
Santa Clara V	1	Ordinance 838	10/8/10	35 years	30.0
Santa Clara VI	1	Ordinance 670	7/29/10	35 years	30.0
Santa Mônica	2	REA 4592	3/18/14	-	30.0
Santa Úrsula	2	REA 4591	3/18/14	30 years	30.0
São Domingos	3	In progress*	-	-	29.9
Taíba Albatroz	1	Resolution 778	12/23/02	30 years	16.5
Ventos de Gameleira	3	In progress*	-	-	18.4
Ventos de Santo Dimas	2	REA 4562	2/25/14	30 years	30.0
Ventos de São Benedito	2	REA 4563	2/25/14	30 years	28.0
Ventos de São Martinho	2	REA 4572	3/11/14	30 years	28.0
					2,078.4

\* Authorization resolution to be obtained.

\*\* Information not audited by independent auditors.

(1) - Operation

(2) - Construction

(3) - Preparation

The authorization terms are counted from the signature date of the authorizations.

## 1.6 Biomass power projects

As at December 31, 2014, the Company had the following permits granted by ANEEL to operate the biomass power projects:

Biomass project	Status	Original resolution	Date	Term	Installed power capacity (MW)***
Alvorada	1	Resolution 3714	10/29/12	30 years	50.0
Baia Formosa	1	Resolution 259	5/14/02	30 years	40.0
Baldin	1	Resolution 2106	9/22/09	30 years	45.0
Buriti	1	Resolution 2643	12/7/10	30 years	50.0
Coopcana	1	Resolution 3328	07/02/2012	30 years	50.0
Ipê	1	Resolution 2375	4/27/10	30 years	25.0
Lacenas	1	Resolution 117	5/20/99	30 years	40.0
Pedra	1	Ordinance 129	2/24/11	35 years	70.0
Total					370.0

\* Information not audited by independent auditors.

(1) - Operation

The authorization terms are counted from the signature date of the authorizations.

## 1.7 Solar power projects

As at December 31, 2014, the Company had the following permit granted by ANEEL to operate the solar power project:

Solar project	Status	Original resolution	Date	Term	Installed power capacity (MW)***
Solar 1	1	Of.ANEEL n°961/2012	10/29/2012	Indefinite**	1.1
Total					1.1

\* Informação não auditada pelos auditores independentes

\*\*Usina com capacidade reduzida, dispensada de outorga, devendo apenas ser registrado na ANEEL.

(1) - Operation

## 1.8. Shareholders' Agreement

Since August 24, 2011, the Company is governed by a Shareholders' Agreement.

On April 28, 2014, the Company and its shareholders entered into the 7th amendment and restatement to the Shareholders' Agreement in order to align the Company's governance policies with the Initial Public Offering (Note 1), including: (i) changes in the Company's shareholding interest; (ii) adjustments to those clauses no longer applicable to the Shareholders' Agreement; and (iii) implementation of the necessary adjustments to align the Shareholders' Agreement with the Company's current corporate and operating structure.

On October 1, 2014, the Company and its shareholders entered into the 8th amendment and restatement to the Shareholders' Agreement in order to reflect the changes in the Company's ownership structure by virtue of the exclusion of shareholder DEG Deutsche Investitions und Entwicklungsgesellschaft MbH as the Shareholders' Agreement's signatory and inclusion of shareholders Daniel Gallo and Arrow - Fundo de Investimento em Participações in the Shareholders' Agreement, as well as to implement the necessary changes to adjust the Shareholders' Meeting to the Company's current corporate and operating structure.

Currently, the following shareholders are parties to the Shareholders' Agreement holding the respective interests in the voting capital: CPFL Geração de Energia S.A. (51.61%), Arrow - Fundo de Investimento em Participações (12.27%), Pátria Energia - Fundo de Investimento em Participações (4.19%), Secor - LLC (4.82%), Fundo de Investimento em Participações Multisetorial Plus (2.60%), GMR Energia S.A. (1.64%), Fundo de Investimento em Participações Brasil Energia (6.25%), Pátria Energia Renovável - Fundo de Investimento em Participações em Infraestrutura (0.74%) and Daniel Gallo (0.02%), totaling interests of 84.14%.

In summary, the Company's Shareholders' Agreement addresses issues related to vote at General Shareholders' Meetings and Board of Directors' Meetings; shareholders' interests and their representatives in the Company's management bodies; preemptive right to the purchase of shares and certain other restrictions related to the transfer of shares and economic rights attached to the shares held; Company's management and preemptive right in capital increases.



### 1.9. Business segment reporting

The Company presents its financial statements taking into consideration only one operating segment, the generation and sale of electric power generated and purchased under long-term contracts, which account for the Company's total revenue, since the type of services and production processes, type of customers and services, distribution and sale methods, and other aspects, such as regulatory environment, are the same for the different types of power plants (biomass, solar, wind and hydroelectric). This is the method adopted by the Company's Board of Directors to assess the performance of the power plants and allocate the necessary proceeds.

## 2. PRESENTATION OF FINANCIAL STATEMENTS

### 2.1. Statement of compliance

The Company's financial statements comprise:

- The parent's individual financial statements, which have been prepared in accordance with the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB), and the accounting practices adopted in Brazil, identified as Parent.
- The Company's consolidated financial statements, which have been prepared in accordance with the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB), and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the accounting practices adopted in Brazil, identified as Consolidated.

### 2.2. Basis of preparation

The financial statements have been prepared under the historical cost convention and adjusted to reflect the fair values of assets acquired in business combination and also certain financial instruments measured at their fair values when required by relevant standards. The historical cost is generally based on the fair value of the consideration paid in exchange for an asset.

### 2.3. Functional and reporting currency

The individual and consolidated financial statements are presented in Brazilian reais (R\$), which is the functional and reporting currency of the Company.

### 2.4. Statement of value added

The Company has prepared the individual and consolidated statements of value added, as prescribed by CPC 09 - Statement of Value Added, which are presented as an integral part of the financial statements in accordance with the CPCs applicable to publicly-held companies, while under the IFRSs these statements represent additional disclosures

### 2.5. Key estimates and critical accounting judgments

The preparation of financial statements requires the Company's management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.

By definition, the resulting accounting estimates may differ from the respective actual results. Accordingly, the Company's management reviews the adopted estimates and assumptions on an ongoing basis. The adjustments arising from such reviews are recognized in the period estimates are reviewed and also prospectively applied.

The line items that require the adoption of assumptions and estimates that are subject to higher uncertainties and exposed to a risk that could result in a material adjustment if such assumptions and estimates are significantly changed are as follows:

- Allowance for doubtful accounts (Notes 7 and 9)
- Recoverable taxes (Note 8)
- Share-based payment (Note 10.2)
- Property, plant and equipment (Note 12)
- Intangible assets (Note 13)
- Provision for social and environmental costs and asset decommissioning (Note 19)
- Provisions for labor, tax and civil contingencies (Note 20)
- Deferred income tax and social contribution (Note 25.2)
- Financial instruments (Note 26)

### 3. BASIS OF CONSOLIDATION AND INVESTMENTS IN SUBSIDIARIES

The financial statements include the statements of CPFL Renováveis and its subsidiaries, as follows:

Company	Consolidation method	Interest - %		Company	Consolidation method	Interest - %	
		Direct	Indirect			Direct	Indirect
Aiuruoca	Integral	-	100%	Ludesa	Integral	-	60%
Alto Irani	Integral	100%	-	Macacos	Integral	-	95%
Arvoredo	Integral	-	100%	Mata Velha	Integral	-	100%
Atlântica I	Integral	100%	-	Mohini	Integral	-	100%
Atlântica II	Integral	100%	-	Morro do Vento	Integral	-	100%
Atlântica IV	Integral	100%	-	Morro dos Ventos I	Integral	-	100%
Atlântica V	Integral	100%	-	Morro dos Ventos II	Integral	-	100%
Baixa Verde	Integral	95%	-	Morro dos Ventos III	Integral	-	100%
Barra da Paciência	Integral	-	100%	Morro dos Ventos IV	Integral	-	100%
Bio Alvorada	Integral	100%	-	Morro dos Ventos IX	Integral	-	100%
Bio Buriti	Integral	100%	-	Morro dos Ventos VI	Integral	-	100%
Bio Coopcana	Integral	100%	-	Navegantes	Integral	95%	-
Bio Ester	Integral	100%	-	Ninho da Águia	Integral	-	100%
Bio Formosa	Integral	100%	-	Novo Horizonte	Integral	-	100%
Bio Ipê	Integral	100%	-	PaioI	Integral	-	100%
Bio Pedra	Integral	100%	-	PCH Holding	Integral	100%	-
Bioenergia	Integral	100%	-	PCH Holding 2	Integral	100%	-
Bitupitá I	Integral	-	100%	PCH Participações	Integral	41%	59%
Bitupitá II	Integral	-	100%	Pedra Cheirosa I	Integral	-	100%
Bitupitá III	Integral	-	100%	Pedra Cheirosa II	Integral	-	100%
Boa Vista 2	Integral	100%	-	Pedra Preta	Integral	-	95%
Bonanza	Integral	-	100%	Penedo	Integral	100%	-
Bons Ventos	Integral	-	100%	Plano Alto	Integral	100%	-
BVP	Integral	-	100%	Renascer	Integral	-	100%
Cachoeira Grande	Integral	100%	-	Rio Claro	Integral	-	94%
Cajueiro	Integral	95%	-	Rosa dos Ventos	Integral	100%	-

Campos dos Ventos I	Integral	100%	-	Salto Góes	Integral	100%	-
Campos dos Ventos II	Integral	-	100%	Santa Clara I	Integral	100%	-
Campos dos Ventos III	Integral	100%	-	Santa Clara II	Integral	100%	-
Campos dos Ventos IV	Integral	100%	-	Santa Clara III	Integral	100%	-
Campos dos Ventos V	Integral	100%	-	Santa Clara IV	Integral	100%	-
Cherobim	Integral	-	89%	Santa Clara V	Integral	100%	-
Chimay	Integral	-	100%	Santa Clara VI	Integral	100%	-
Cocais Grande	Integral	-	100%	Santa Cruz	Integral	100%	-
Corrente Grande	Integral	-	100%	Santa Luzia	Integral	-	100%
Costa Branca	Integral	-	95%	Santa Mônica	Integral	100%	-
Costa das Dunas	Integral	90%	-	Santa Ursula	Integral	100%	-
Curral Velho I	Integral	-	100%	São Benedito	Integral	100%	-
Curral Velho II	Integral	-	100%	São Domingos	Integral	100%	-
Curral Velho IV	Integral	-	100%	São Gonçalo	Integral	-	100%
DESA Comercializadora	Integral	-	100%	SIIF Cinco	Integral	-	100%
DESA Eólicas	Integral	-	100%	SIIF Desenvolvimento	Integral	9%	91%
DESA PCH 1 Holding	Integral	-	100%	SIIF Energias	Integral	100%	-
Distância	Integral	-	100%	Solar 1	Integral	100%	-
Dobrevê Energia	Integral	100%	-	Sul Centrais Elétricas	Integral	-	100%
Eólica Formosa	Integral	-	100%	T-15	Integral	100%	-
Eólica Holding	Integral	100%	-	Tombo	Integral	100%	-
Eólica Icarazinho	Integral	-	100%	Turbina 16	Integral	100%	-
Eólica Paracuru	Integral	-	100%	Turbina 17	Integral	100%	-
Eurus I	Integral	-	100%	Varginha	Integral	-	100%
Eurus III	Integral	-	100%	Varginha - DESA	Integral	-	94%
Eurus V	Integral	100%	-	Varzea Alegre	Integral	-	100%
Eurus VI	Integral	100%	-	Ventos de Santo Dimas	Integral	100%	-

**To be continued**

**Continued**

Company	Consolidation method	Interest - %		Company	Consolidation method	Interest - %	
		Direct	Indirect			Direct	Indirect
Farol de Touros	Integral	90%	-	Ventos de São Martinho	Integral	100%	-
Figueira Branca	Integral	100%	-	WF Wind Holding V	Integral	-	100%
Figueirópolis	Integral	-	100%	WF Wind Holding VII	Integral	-	100%
Gameleira	Integral	100%	-	WF Wind Holding VIII	Integral	-	100%
Jayaditya	Integral	-	100%	WF Wind Holding X	Integral	-	100%
Juremas	Integral	-	95%	WF Wind Holding XI	Integral	-	100%
Laranjinha	Integral	-	100%	WF1 Holding	Integral	-	100%

The main consolidation criteria are described below:

- a) Elimination of intercompany asset and liability balances between consolidated companies.
- b) Elimination of interest in capital, reserves and retained earnings of subsidiaries.
- c) Elimination of revenue and expense balances arising from intercompany transactions between consolidated companies.
- d) Noncontrolling interest recorded as a separate component of equity in the consolidated financial statements. When noncontrolling shareholders do not have additional obligations in cases where subsidiaries report equity deficiency, provisions are recognized to cover additional liabilities arising from equity deficiency, whose amount is R\$44,839 as at December 31, 2014 (R\$53,511 as at December 31, 2013), recorded in allowance for investment losses in noncurrent liabilities. The amounts of noncontrolling interests in consolidated equity are R\$112,001 as at December 31, 2014 and R\$13,879 as at December 31, 2013.

As at December 31, 2014, the direct subsidiaries that recorded deficit equity are as follows:

Company	12/31/2014	12/31/2013
PCH Holding	44,801	23,381
SIIF Desenvolvimento	-	30,101
Navegantes	38	16
Solar I	-	13
<b>Total</b>	<b>44,839</b>	<b>53,511</b>

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.1. Business combination

In the consolidated financial statements, business acquisitions are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. Acquisition costs are recognized in profit or loss when incurred.

On the acquisition date, the identifiable assets acquired and liabilities assumed are recognized at fair value.

Non-controlling interests that correspond to current interests and give their holders the right to a proportionate share of Company's net assets in the event of liquidation are measured based on the non-controlling interests' proportionate share of identifiable net assets of the acquiree.

The transactions related to the acquisition of Rosa dos Ventos and the association with DESA, referred to in Note 1, were stated under CPC 15 (R1) – Business Combination. The presentation of financial statements, including the recognition of the tax effects of these transactions, is described in Notes 1.1 and 1.2.

### 4.2. Financial instruments

- Financial assets

Initially recognized on the date they are originated or on trading date when the Company or its subsidiaries becomes a party to the underlying contract. The Company ceases to recognize a financial asset when the contractual rights to the asset's cash flows expire or when the risks and rewards of ownership of the financial asset are transferred. The Company and its subsidiaries have the following main financial assets:

a) Financial instruments measured at fair value through profit or loss: assets held for trading or designated as such on initial recognition. The Company and

its subsidiaries manage these assets and make buy or sell decisions based on their fair values according to a documented risk management policy and their investment strategy. These financial assets are recognized at their fair values and changes in fair value are recognized in profit or loss for the year.

The Company's and its subsidiaries' main financial assets classified in this category are as follows: (i) securities and (ii) short-term investments.

b) Loans and receivables: financial assets with fixed or determinable payments that are not quoted in an active market. These are initially recognized at fair value and, after initial recognition, they are valued at the amortized cost using the effective interest method, less impairment losses.

The Company's and its subsidiaries' main financial assets classified in this category are as follows: (i) cash and cash equivalents; (ii) trade receivables; (iii) related parties; (iv) short-term investments; (v) restricted short-term investments; (vi) other receivables; and (vii) dividends receivable.

- Financial liabilities:

Initially recognized on the date they are originated or on trading date when the Company or one of its subsidiaries becomes a party to the underlying contract. The Company and its subsidiaries have the following main financial liabilities:

a) Initially recognized at fair value, less any directly attributable transaction costs, and subsequently recognized at the amortized cost using the effective interest method.

The main financial liabilities classified in this category are as follows: (i) trade payables; (ii) related parties; (iii) borrowings and financing; (iv) debentures; (v) payables for acquisitions; and (vi) advances from customers.

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, there is a legally enforceable right to set off recognized amounts and the intent to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

- Capital  
Common shares are classified in equity. Additional costs directly attributable to share and stock option issuances are recognized as a deduction from equity, net of any taxes.

### 4.3. Share-based compensation plan

The share-based compensation plan for employees and other similar service providers is measured at the fair value of the equity instruments on grant date. Details on the determination of the fair value of these plans are shown in Note 10.2.

The fair value determined on grant date of the equity-settled stock options is recorded as expenses for the year on a straight-line basis over their vesting period, based on the Company's estimates of which options will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company reviews its estimates of the number of equity instruments expected to vest. The impact of the review of the original estimates, if any, is recognized in profit or loss for the period, so that the accumulated expense reflects the estimates reviewed including the corresponding adjustment to equity under the line item that recorded the benefit to employees.

The transactions that result in share-based payments, which are settled using equity instruments, to third parties, except employees and executives, are measured at the fair value of the goods or services received. When the fair value cannot be reliably estimated, the transactions are measured at the fair value of the equity instruments granted on the date goods or services are received.

In the case of the share-based payments settled in cash, a liability is initially recognized, proportionally to the goods or services received. At the end of each year, the liability is adjusted based on its fair value and any changes are recorded in profit or loss for the year.

### 4.4. Leases

At the inception of an agreement it should be determined whether or not it contains a lease. A specific asset is a leased asset if compliance with an agreement depends on the use of such leased asset. The agreement transfers the right to use the asset when the agreement transfers the lessee's right to control the underlying asset.

Leases where the lessor retains substantially all the risks and rewards incidental to ownership are classified as operating leases. Lease payments/receipts under an operating lease are recognized as an expense/income in the income statement on a straight-line basis over the lease term.

Leases that incorporate not only the right to use the leased assets but substantially transfer all the risks and rewards incidental to ownership to the lessee are classified as finance leases.

In finance leases where the Company or one of its subsidiaries is the lessee, assets are capitalized in property, plant and equipment at the inception of the lease as a balancing item to a liability measured at the lower of the leased asset fair value or the present value of the minimum lease payments. Property, plant and equipment is depreciated according to the policy applicable to these assets.

In finance leases where the Company or one of its subsidiaries is the lessee, the investment is initially recognized at the costs incurred in the construction/acquisition of the leased asset.

In both cases, as finance income/costs are recognized in profit or loss for the year over the lease period, so as to permit obtaining a constant rate on the existing investment/liability.

The Company and its subsidiaries carry out operating lease transactions related to the use of the wind farm land

### 4.5. Property, plant and equipment

Property, plant and equipment is carried at acquisition or construction cost less accumulated depreciation and, when applicable, accumulated impairment losses.

It also includes other costs required to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management, the costs of dismantling and removing the item and restoring the site on which it is located, and borrowing costs on qualifying assets.

In the case of replacement of property, plant and equipment components, the new component is recognized at purchase cost (replacement) when it is probable that it will bring economic benefits for the Company and its subsidiaries and if cost can be reliably measured. The amount of the replaced component is written off. Maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis at annual variable rates from 2% to 20%, taking into consideration the economic useful lives of the assets. Assets are depreciated at these rates provided that their useful lives do not exceed the concession/permit periods, in which case they are depreciated over such periods.

Gains and losses on the disposal/write-off of a property, plant and equipment item are calculated by comparing the disposal proceeds with the carrying amount of the property, plant and equipment item, and are recognized at their net amount, in line item "Other income (expenses)".

#### **4.6. Provisions for social and environmental costs**

Considering that: (a) before the PCHs and the wind power plants are placed into service, the Company obtains all the environmental permits and, therefore, has a present obligation to comply with all the obligations set out in such permits to be able to operate; (b) such obligation arises from past events (power plant construction); and (c) it is expected that there will be cash outflows capable of generating future economic benefits, the Company provides for social and environmental costs in current and noncurrent liabilities, and capitalizes such costs over the projects' construction periods. After plant startup, such costs are recognized directly in profit or loss.

The provision was initially measured at fair value and subsequently adjusted to present value and for changes in the amount or timing of estimated cash flows, which is considered adequate to cover the future disbursements of the subsidiaries during the construction and operation phases on the power plants.

#### **4.7. Provisions for asset decommissioning**

Considering that certain subsidiaries, wind farms subject to leased land agreements, assumed the obligation to remove the assets at the end of the contractual period, the provision was initially measured at its fair value and subsequently adjusted to present value and for changes in the amount or timing of estimated cash flows. Asset decommissioning costs are capitalized as part of the carrying amount of the underlying asset and depreciated over the remaining useful life of the asset.

#### **4.8. Intangible assets**

Includes rights acquired in intangible asset such as operation concession rights, software and rights of way.

In the individual financial statements, the operating right and the respective taxes are included in the carrying amount of the investments and are presented as intangible assets and deferred taxes in the consolidated financial statements.

The intangible asset corresponding to the operating right arising from the business combination is amortized over the remaining authorization period.

CPFL Renováveis' management does not expect that the amount allocated as operation right arising on these acquisitions to be deductible for tax purposes and, therefore, recognized deferred income tax and social contribution related to the difference between the allocated amounts and taxable bases of such assets.

## 4.9. Impairment

- Financial assets

A financial asset not measured at fair value through profit or loss is valued at the end of the reporting period to determine whether there is any objective evidence that it is impaired, which can occur after the asset's initial recognition and have an adverse impact on projected future cash flows.

The Company and its subsidiaries test all significant receivables and investment securities held to maturity for impairment, both individually and in aggregate. Held-to-maturity receivables and investments that are not individually significant are collectively assessed for impairment by grouping together securities with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for Management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

The impairment of a financial asset is recognized as follows:

- a) Amortized cost: calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective original interest rate of the financial asset. Losses are recognized in profit or loss and reflected in an allowance account. Interest on an impaired asset continues to be recognized through the reversal of the discount. When a subsequent event indicates the total or partial reversal of impairment, the impairment loss is reversed and recognized in profit or loss.
- b) Available for sale: by the difference between the cost of purchase, net of any reimbursement and amortization of principal, and the current fair value minus any impairment loss on this financial asset previously recognized in profit or loss. Losses are recognized in profit or loss.

- Nonfinancial assets

Nonfinancial assets with indefinite useful lives are annually tested for impairment to analyze whether their carrying amounts do not exceed their realizable amounts. Other assets subject to amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Because it is not separately recognized, goodwill allocated to the carrying amount of an investment in an associate is tested together with the total amount of the investment as if it was a single asset.

Property, plant and equipment items are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

## 4.10. Provisions

Provisions are recognized when there is a present legal or constructive obligation, as a result of a past event, that can be reliably estimated and it is probable an outflow of resources embodying economic benefits will be required to settle the obligation. When applicable, provisions are determined by discounting expected future cash outflows at a rate that takes into consideration current market valuations and liability-specific risks.

## 4.11. Revenue recognition

Operating revenue generated in the normal course of the Company's and its subsidiaries' business is measured at the fair value of the consideration received or receivable. Operating revenue is recognized when there is convincing evidence that the most significant risks and rewards of ownership have been transferred to the buyer, it is probable that future economic benefits will flow to the parent and its subsidiaries, the associated costs can be reliably estimated, and the amount of the operating revenue can be reliably measured.

Revenue from the power generation sales is recognized based on guaranteed energy and at the tariffs specified in the power supply agreements or at prevailing market prices, as applicable.



## 4.12. Income tax and social contribution

Income tax and social contribution expenses are calculated and recognized according to the prevailing tax law and include current and deferred taxes. Income taxes are recognized in the statement of operations, except in those cases they are directly related to items recognized directly in equity, in business combination, or in equity valuation adjustments, net of taxes.

Current tax is the tax payable or receivable/to be offset against profit or taxable loss. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used for tax calculation purposes.

As permitted by tax legislation, certain consolidated subsidiaries opted for taxation based on deemed income. The tax base of income tax and social contribution is calculated at the rate of 32% on gross service revenue and 100% of finance income, on which regular tax rates of 15%, plus a 10% surtax for income tax and 9% for social contribution are applied. As a result, these consolidated companies did not record deferred income tax and social contribution on tax loss carryforwards and temporary differences and are not within the scope of the noncumulative regime for taxes on revenue (PIS and COFINS).

## 4.13. Earnings (loss) per share

Basic earnings (loss) per share are calculated based on the profit or loss for the year attributable to owners of the Company and the weighted average number of common shares outstanding in the respective year.

Diluted earnings (loss) per share are calculated based on the profit or loss for the year attributable to the owners of the Company and the weighted average number of common shares outstanding in the respective year, considering the dilutive effects of convertible instruments (see Note 21(i)).

## 4.14. New and revised standards and interpretations

### **New and revised IFRSs adopted with no material impact on the financial statements**

The new and revised International Financial Reporting Standards (IFRSs) below were adopted in the financial statements. The adoption of these new and revised

IFRSs did not materially impact the amounts reported and/or disclosed for the current and prior years. However, it may affect the recognition of future transactions or agreements.

- New Interpretation - IFRIC 21 - Taxes
- Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities
- Amendments to IAS 32 - Financial Instruments: Offsetting Financial Assets and Financial Liabilities
- Amendments to IAS 36 - Disclosure of Impairment of Non-Financial Assets
- Annual Improvements to the 2010-2012 IFRS Cycle
- Annual Improvements to the 2011-2013 IFRS Cycle

### **New and revised standards and interpretations issued and not yet adopted**

- IFRS 9 - Financial Instruments (3)
- IFRS 15 - Revenue from Contracts with Customers (2)
- Amendments to IFRS 11 - Accounting for Acquisitions of Joint Operations (1)
- Amendments to IAS 16 and IAS 38 – Clarifications on Acceptable Depreciation and Amortization Methods (1)

(1) Effective for annual periods beginning on or after January 1, 2016.

(2) Effective for annual periods beginning on or after January 1, 2017.

(3) Effective for annual periods beginning on or after January 1, 2018.

The Accounting Pronouncements Committee (CPC) has not yet issued the pronouncements and amendments related to the new and revised IFRSs presented above. Because of CPC's and CVM's commitment to keep the set of standards issued up-to-date as changes are made by the International Accounting Standards Board ("IASB"), such standards and amendments are expected to be issued by CPC and approved by CVM by the date they become effective.

The Company's management assessed these new standards and does not expect any significant effects on the amounts reported.

## 5. CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Current				
Cash and banks	1,893	271	124,294	58,008
Short-term investments:				
Bank certificates of deposit (a)	-	-	973	1,862
Investment funds (b)	278,632	250,131	687,159	662,215
Repurchase agreements in debentures (a)	-	-	15,985	8,970
Total cash and cash equivalents	280,525	250,402	828,411	731,055

(a) Short-term investments refer mainly to Bank Certificates of Deposit (CDBs) and repurchase debentures, and yield interest at average rates equivalent to 97.21% of the Interbank Deposit Rate (CDI), on the balance sheet date.

(b) Refer to amounts invested in the Exclusive Fund of CPFL Renováveis, which was established in September 2012 and comprise variable-income investments backed by the CDI mainly in CDBs, federal government bonds, repurchase debentures of large financial institutions and low risk, highly liquid investment funds. This fund yields interest at an average rate equivalent to 100.86% of the CDI on the balance sheet date.

Cash equivalents are held for the purpose of meeting short-term cash commitments and consist of cash, demand deposits, and highly-liquid short-term investments subject to an immaterial risk of changes in value. Comprise financial instruments classified as loans and receivables (Note 26.1) and are carried at cost plus income earned through the end of the reporting period, which corresponds to the fair value of the financial instrument.

## 6. RESTRICTED SHORT-TERM INVESTMENTS AND SECURITIES

Subsidiary	Financial agent	Type of investment	Maturity	Index	Yield	Consolidated	
						12/31/2014	12/31/2013
Arvoredo (a)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	1,633	2,021
Atlântica I (j)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	3,103	-
Atlânticas II (j)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	3,138	-
Atlânticas IV (j)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	3,138	-
Atlânticas V (j)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	3,139	-
Barra da Paciência (a)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	2,654	3,134
Bio Alvorada (i)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	3,349	-
Bio Coopcana (i)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	3,499	-
Bio Formosa (e)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	1,211	2,259
Bio Pedra (e)	Itaú	CDB/repurchase agreement	Sundry	DI	91.32% *	3,835	3,902
Bons Ventos (b)	BNB	LFTs	Indefinite	Sundry	99.00% *	37,665	38,720
Campo dos Ventos II (h)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	3,645	-
Cocais Grandes (a)	Bradesco	CDB	Sundry	DI	99.01% *	1,165	1,554
Corrente Grande (a)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	1,869	2,286
Desa Eólicas (l)	Itaú	(FIC) FEDERAL	Indefinite	Sundry	99.09% *	65,025	-
Eurus I (l)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	2,711	-
Eurus III (l)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	3,175	-
Figueirópolis (n)	Banco do Brasil	Sovereign fund	Indefinite	Sundry	99.98% *	2,642	-
Ludesa (m)	Santander	Public fund	Indefinite	Sundry	97.48% *	3,423	-
Morro dos Ventos I (l)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	4,269	-
Morro dos Ventos III (l)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	4,311	-
Morro dos Ventos IV (l)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	4,027	-
Morro dos Ventos IX (l)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	4,563	-
Morro dos Ventos VI (l)	Itaú	Sovereign fund	Indefinite	Sundry	99.09% *	3,411	-
Ninho da Águia (a)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	1,261	1,535

To be continued

Continued

Subsidiary	Financial agent	Type of investment	Maturity	Index	Yield	12/31/2014	Consolidated
							12/31/2013
Novo Horizonte (k)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	2,579	-
PaioI Energia (a)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	2,665	3,533
PCH Holding (a)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	14,697	18,649
Rosa dos Ventos (g)	BNB	CDB	Aug/28	DI	99.00% *	3,839	-
Salto Góes (f)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	2,960	2,714
Santa Luzia (d)	Banco do Brasil	Public fund	Indefinite	Sundry	90.51% *	7,050	6,541
São Gonçalo (a)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	1,450	1,910
SIIF Energies (c)	BNB	Public fund and CDB	Indefinite	Sundry	97.24% *	38,948	42,015
Varginha (a)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	1,088	1,954
Varzea Alegre (a)	Bradesco	(FIC) FEDERAL	Indefinite	Sundry	99.01% *	990	1,164
Total						248,127	133,891

(\*) Average annual yield, based on the interbank deposit rate (DI).

(a) Refer to reserve accounts set up at the subsidiaries. Under the agreements with the BNDES, 80% of revenue from power sales is allocated to reserve accounts until the full payment of the collateral, which must be equivalent to three-month debt service. As at December 31, 2014, the collateral was fully paid in.

(b) Refer to reserve accounts comprised of Treasury Financial Bills and recognized in the subsidiaries, as set forth in the financing agreement entered into with BNB - Banco do Nordeste do Brasil S.A., BNDES - National Bank of Economic and Social Development and NIB - Nordic Investment Bank and should be kept until the borrowing is repaid. As at December 31, 2014, the collateral was fully paid in.

(c) Refer to reserve accounts recognized in the subsidiaries of the companies controlled by SIIF Énergies, as set forth in the financing agreement entered into with BNB - Banco do Nordeste do Brasil S.A. and the Northeast Development Superintendency (SUDENE) and should be kept until the borrowing of these companies is repaid. As at December 31, 2014, the collateral was fully paid in.

(d) Refer to reserve accounts recognized in subsidiary Santa Luzia, as set forth in the financing agreement entered into with Banco do Brasil S.A. and BNDES, which should correspond to three months of debt service and should be kept until the borrowing of this company is repaid. As at December 31, 2014, the collateral was fully paid in.

(e) Refer to reserve accounts recognized in direct subsidiaries Bio Formosa and Bio Pedra. As set forth in the BNDES agreement, the power sales revenues are allocated to the reserve accounts until collateral is fully paid in, which should correspond to three months of the last debt service. As at December 31, 2014, the collateral was fully paid in.

(f) Refers to reserve account recognized in subsidiary Salto Góes, as set forth in the financing agreement entered into with BNDES, the power sales revenues are allocated to the reserve accounts until collateral is fully paid in, which should correspond to three months of the last debt service plus three months the next falling due debt service. As at December 31, 2014, the collateral was fully paid in.

- (g) Refers to reserve account recognized in subsidiary Rosa dos Ventos, as set forth in the financing agreement entered into with BNB - Banco do Nordeste do Brasil S.A., which should correspond to six months of the last debt service and be maintained until payment of the loan. As at December 31, 2014, the collateral was fully paid in.
- (h) Refers to reserve account of debt service and O&M agreement recognized in subsidiary Campo dos Ventos II, as set forth in the financing agreement entered into with BNDES, which should correspond to three months of the last debt service and three times of the highest monthly installment of the O&M agreement and be maintained until payment of the loan. As at December 31, 2014, the collateral was fully paid in.
- (i) Refer to the reserve accounts recognized in direct subsidiaries Bio Alvorada and Bio Coopcana, as set forth in the financing agreement entered into with BNDES, which should correspond to three months of the last debt service and be maintained until payment of the loan. As at December 31, 2014, the collateral was fully paid in.
- (j) Refers to reserve account of debt service and O&M agreement recognized in subsidiaries Atlântica I, II, IV and V, as set forth in the financing agreement entered into with BNDES, which should correspond to three months of the last debt service and three times of the highest monthly installment of the O&M agreement and be maintained until payment of the loan. As at December 31, 2014, the collateral was fully paid in.
- (k) Refers to the reserve account of debt service recognized in subsidiary Companhia Energética Novo Horizonte, as set forth in the financing agreement entered into with BNDES, which should correspond to three months of the last debt service and be maintained until payment of the loan. As at December 31, 2014, the collateral was fully paid in.
- (l) Refers to the reserve account of debt service and O&M agreement recognized in subsidiaries Eurus I and III, Morro dos Ventos I, III, IV, VI and IX, and to the special reserve account recognized in Desa Eólicas, as set forth in the financing agreement entered into with BNDES, which should correspond to three months of the last debt service and 50% of the semiannual installment of the O&M agreement. In addition, direct subsidiary DESA Eólicas S.A. must recognize the special reserve account to receive the total exceeding funds from its subsidiary's centralized account, until the respective balance is equivalent to the sum of the total balance, which should correspond to three months of the last debt service and be maintained until the payment of the loan. As at December 31, 2014, the collateral was fully paid in.

m) Refers to reserve account of debt service and O&M agreement recognized in subsidiary Ludesa Energética S.A, as set forth in the financing agreement entered into with BNDES, which should correspond to three months of the last debt service and three times of the highest monthly installment of the O&M agreement and be maintained until payment of the loan. As at December 31, 2014, the collateral was fully paid in.

(n) Refers to the reserve account of debt service recognized in subsidiary Companhia Hidroelétrica Figueirópolis, as set forth in the financing agreement entered into with Banco do Brasil, which should correspond to the sum of the three falling due installments of principal and interest of the loan and be maintained until payment of the loan. As at December 31, 2014, the collateral was fully paid in.

The financial instruments relating to these reserve accounts are entered into solely to comply with legal and contractual requirements and are designated as loans and receivables and stated at amortized cost.

The reserve accounts provided in guarantee for the borrowings and financing are presented below by financial institution:

Financial institution	Consolidated	
	12/31/2014	12/31/2013
BNDES	182,403	71,758
BNB	55,463	54,443
NIB	7,619	7,690
Banco do Brasil	2,642	-
Total	248,127	133,891

## 6.1. Short-term investments

SPE	Financial agent	Type of investment	Maturity	Index	Yield	Consolidated	
						12/31/2014	12/31/2013
Bons Ventos	BNB	Public fund	Indefinite	Sundry	77.08%	4,888	23,854
						4,888	23,854

Represent the amount invested in Fundo Aberto BNB FI Curto Prazo. The fund invests in federal government bonds and/or repurchase agreements backed by federal government bonds. This fund yields interest at an average rate equivalent to 77.08% of the CDI on the balance sheet date.

## 6.2. Securities

SPE	Financial agent	Type of investment	Maturity	Index	Yield	Consolidated	
						12/31/2014	12/31/2013
SIIF Energies (a)	BNB	Capitalization bond	Indefinite	TR	100.00%	321	635
Bons Ventos (b)	Sulamérica	Capitalization bond	Indefinite	TR	100.00%	10	9
Bons Ventos (b)	BNB	Capitalization bond	Indefinite	TR	100.00%	-	203
Bons Ventos (b)	Itaú	Capitalization bond	Indefinite	TR	100.00%	105	105
						436	952

(a) Direct subsidiary SIIF Energies has securities with Banco do Nordeste do Brasil S.A. – BNB amounting to R\$321, which yield TR, a managed prime rate, consisting of capitalization certificates with maturities higher than 90 days, high liquidity, and subject to an immaterial risk of changes in value.

(b) Indirect subsidiary Bons Ventos has securities with Sulamerica S.A., Banco do Nordeste do Brasil S.A. - BNB and Banco Itaú amounting to R\$115, which yield TR, consisting of capitalization certificates with maturities higher than 90 days, high liquidity, and subject to an immaterial risk of changes in value.

## 7. TRADE RECEIVABLES

As at December 31, 2014 and 2013, balances refer to receivables from power concessionaires and permittees as shown below:

	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Concessionaires and permittees	33,172	6,474	234,964	210,746
Allowance for doubtful accounts	(106)	(4)	(1,629)	(1,637)
Total	33,066	6,470	233,335	209,109

	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
CCEAR (*)	-	-	40,645	44,803
CER (**)	-	-	38,330	23,625
Free market	33,172	6,474	45,086	37,264
Proinfa	-	-	110,903	105,054
Total	33,172	6,474	234,964	210,746

\* \* Power Sale Agreement in the Regulated Environment

\*\* Reserve Power Agreement

Aging list of trade receivables:

Company		Consolidated	
	Total		Total
Overdue		Overdue	
0 - 15 days	55	0 - 15 days	1,034
16 - 30 days	-	16 - 30 days	91
31 - 45 days	3	31 - 45 days	3,010
Over 45 days	106	Over 45 days	5,050
	<u>164</u>		<u>9,185</u>
Current		Current	
0 - 15 days	17,950	0 - 15 days	28,313
16 - 30 days	14,988	16 - 30 days	91,708
31 - 45 days	70	31 - 45 days	47,537
Over 45 days	-	Over 45 days	58,221
	<u>33,008</u>		<u>225,779</u>
Total	<u>33,172</u>	Total	<u>234,964</u>
Allowance for doubtful accounts	(106)	Allowance for doubtful accounts	(1,629)
Total	<u>33,066</u>	Total	<u>233,335</u>

(\*) Of total overdue amount in the Consolidated, the amount of R\$5,738 has not been paid due to the inconsistent information provided to the public authorities. Such information has been changed and the amount has been fully received in January 2015. The payment of the remaining amount of R\$3,447 is being negotiated.



The allowance for doubtful accounts is broken down as follows:

In 2013:

Company				
Balance as at 12/31/12	Recognition	Reversal	Write-off	Balance as at 12/31/13
-	(4)	-	-	(4)

Consolidated				
Balance as at 12/31/12	Recognition	Reversal	Write-off	Balance as at 12/31/13
-	(1,637)	-	-	(1,637)

In 2014:

Company				
Balance as at 12/31/13	Recognition	Reversal	Write-off	Balance as at 12/31/14
(4)	(102)	-	-	(106)

Consolidated				
Balance as at 12/31/13	Recognition	Reversal	Write-off	Balance as at 12/31/14
(1,637)	(818)	211	615	(1,629)

As at December 31, 2014, trade receivables, in the Consolidated, includes amounts payable by the following agents: (i) R\$110,903 (47% of total) by Centrais Eletricas Brasileiras S.A. - ELETROBRAS, (Proinfra); (ii) R\$52,190 (22% of total) by Electric Power Trade Chamber (CCEE) (R\$38,330 of CER, R\$10,570 of CCEAR and R\$3,290 of free market); (iii) R\$32,225 (14% of total) by CPFL Group (controlling shareholder); and (iv) R\$39,624 (17% of total) by other companies.

The average period for receiving the amounts concerning electric power sale invoices is 45 days from the invoicing date.

In the Consolidated, the allowance for doubtful accounts, in the amount of R\$1,629, refers mainly to payables from the financial settlement of the transactions carried out with CCEE. Such amounts are subject to bilateral negotiations. However, due to the collection uncertainties, the Company recorded an allowance for loss.

## 8. RECOVERABLE TAXES

	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Income tax and social contribution to offset	259	264	36,216	17,743
Withholding income tax (IRRF)	5,270	1,940	22,208	20,719
COFINS	877	1,283	21,474	28,893
PIS	190	279	4,720	6,220
Other	36	35	1,673	948
	6,632	3,801	86,291	74,523
Current assets	6,632	3,801	70,875	48,177
Noncurrent assets	-	-	15,416	26,346
Total	6,632	3,801	86,291	74,523

The balance of "Withholding income tax (IRRF)" refers to withholdings on short-term investments, was generated from the Company's and its subsidiaries' activities and does not rely on legal or administrative decisions to be realized, and is offset against the payment of the related tax.

Balances of recoverable "PIS" and "COFINS" refer basically to credits from public bodies on power sales and acquisition of property, plant and equipment recorded by the SIIF Energies' direct subsidiaries.

## 9. OTHER RECEIVABLES – NONCURRENT

Noncurrent	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Receivables - consortia (a)	-	-	44,245	43,245
Allowance for loss of Baldin Bioenergia S.A. (a)	-	-	(13,838)	(13,838)
Adjustment to present value of Baldin Bioenergia S.A.(a)	-	-	(19,795)	-
Power pre-purchase agreements (a)	-	-	30,138	30,981
Indemnity assets (b)	-	-	13,950	23,950
Prepaid expenses (c)	-	-	15,875	-
Other receivables	-	87	5,533	3,535
<b>Total</b>	<b>-</b>	<b>87</b>	<b>76,108</b>	<b>87,873</b>

(a) Baldin Bioenergia S.A.

In 2008, the Company established the SPE, CPFL Bioenergia S.A., in order to develop, build and operate a biomass thermoelectric plant (sugar cane bagasse), with generation capacity of 45 MW. This consortium was entered into with Baldin Group, through subsidiary Baldin Bioenergia S.A. (non-related party), over a 17-year period.

This transaction is subject to the following legal provisions: (i) CPFL Bioenergia was the primary responsible party for the construction financing and, as a contra entry, Baldin Bioenergia should reimburse the amount corresponding to its interest in the consortium (50%); and (ii) CPFL Bioenergia paid Baldin Bioenergia in advance for future power to be generated by the undertaking (Baldin Group portion), over a 15-year period from the startup of operations.

The management of Baldin Bioenergia S.A. has filed on June 25, 2012 a request for judicial recovery.

On March 8, 2013, the Judicial Recovery Plan was approved; however, certain creditors filed interlocutory appeals challenging some illegalities and, on April 25, 2013, the Court of

Justice of the State of São Paulo suspended the interlocutory appeals filed, i.e., the decision that approved the Plan was suspended until final decision of the interlocutory appeals.

In August 2013, the Judicial Recovery Plan was discontinued by the Court of Justice of the State of São Paulo ("TJ/SP"), which requested a new recovery plan within 60 days. Baldin Bioenergia S.A.'s management filed motions to clarify against such decision, in order to suspend the related effects, including the period to provide a new recovery plan. Accordingly, the TJ/SP decision on the interlocutory appeals and related effects were suspended.

On July 3, 2014, the interlocutory appeals against the TJ/SP decision were not accepted; therefore, the annulment of the recovery plan and the request of a new recovery plan within 60 days (upon resolution at the creditors' meeting within 90 days) were maintained, counted as from the publication of the decision that did not accept the interlocutory appeals. Baldin's management presented the new recovery plan on September 24, 2014, which was submitted for the creditors' approval at the Creditors' General Meeting on October 24, 2014. The plan was not approved on such date because the minimum quorum was not reached; therefore, the new Creditors' General Meeting was scheduled for November 10, 2014 to approve the new recovery plan. On November 22, 2014, the new recovery plan was approved.

CPFL Renováveis elected (but has not documented yet) to subscribe the credits in debentures, in compliance with the following conditions, in accordance with the new recovery plan:

- a new company will be established, "Nova Baldin Participações S.A.", as the new holding of Baldin New Group, in order to directly hold Baldin Bioenergia's shares. Nova Baldin will issue, within six months from its inception date, unsecured debentures corresponding to the total credits held by the creditors. These debentures will be collateralized by Baldin Group's other companies;
- the debentures will be subscribed and paid with secured and unsecured credits by the creditors that elected this option;
- the collaterals from the previous recovery plan will be maintained in this new recovery plan;
- the issuance price of each debenture is R\$1.00 for each R\$1.00 of credit, due within 15 years as from the approval date of the recovery plan on November 22, 2014;
- the creditors will receive the corresponding amounts adjusted at the TR rate, plus simple interest at the rate of 12% per year. The inflation adjustment (TR) will be paid in four annual installments, due each 30th day of June, July, August and September of each crop year. The interest levied on principal will be accumulated, capitalized, included and paid on the maturity date of the debentures; and
- in the event of regular payment (at least the payment of the inflation adjustment (TR)) by Nova Baldin, the credits will be subject to negative goodwill (non-defaulting bonus) at the end of the 15-year period of 90% on interest and 30% on principal.

As at December 31, 2014, the Company's total exposure relating to the operations of Baldin Bioenergia S.A. comprises:

(i) The amount of R\$10,612 includes:

- (1) R\$36,871 of principal, relating to the right of subsidiary CPFL Bioenergia S.A. to receive from Baldin Bioenergia S.A. the investments made to build the cogeneration, biomass-fired thermal power plant (50% of the initial investment);

(2) R\$6,374 of finance charges;

(3) R\$1,000 of credits receivable. The Company, through its subsidiary Bio Energia, acquired, on November 6, 2014, the assignment of receivables without co-obligation, rights, obligations and other covenants from Itaú Unibanco S.A., one of the recovery plan's creditors. The credits amounted to R\$26,100, which discounted at present value, totaled disbursements in the amount of R\$1,000.

(4) (R\$13,838) of allowance for losses in the balance receivable. The Company's management, based on available information on the financial and operational condition of Baldin Bioenergia S.A., has recorded an allowance to cover probable losses in the balance receivable from Baldin Bioenergia S.A. as at December 31, 2014 and 2013, which it believes is sufficient to cover the performance of this balance.

(5) (R\$19,795) of adjustment to present value. Upon approval of the new recovery plan and the expected collection, as at December 31, 2014, the Company recorded the credits receivable at present value, net of provision for losses; and

(ii) The amount of R\$30,138, relates to the power pre-purchase agreement, for which no allowance for loss was recorded, since the thermal generation power plant is operating normally. This balance is performed through monthly supply of sugarcane bagasse by Baldin Group, used for power generation, and delivered to CPFL Bioenergia.

The balance of "Other credits receivable – noncurrent" includes the amount receivable of R\$1,981 arising from the payment to CCEE of the guaranteed output on behalf of Baldin Bioenergia S.A.; considering that this amount is not expected to be received, as at December 31, 2014, the Company recorded a provision for losses of 100% this amount, corresponding to the portion receivable from Baldin Bioenergia S.A. Baldin Bioenergia S.A.

Additionally, the Company has recorded in property, plant and equipment and intangible assets the amount of R\$40,954, relating to the cost incurred with the construction of a thermal cogeneration power plant. The Company did not identify the need to account for an allowance for loss on the realization of this property, plant and equipment, since the thermal cogeneration power plant is operating normally and producing energy.

- (b) The amount of R\$13,950 refers to the indemnity arising from the fair value measurement of contingent liabilities identified in the business combination, according to conditions set out in the purchase and sale agreement of Jantus. The Company's reimbursement is secured by the sellers of Jantus in connection with certain contingencies, if they are identified within the contractual period. These amounts were recorded as a counterpart to provision for contingencies (Note 20).

On June 30, 2014, Bons Ventos has written off the amount receivable of R\$10,000 related to the indemnity arising from the measurement at fair value of contingent liabilities identified in the business combination by virtue of the expiration of the two-year period for indemnity set forth in this subsidiary's purchase and sale agreement. In addition, the respective contingent liabilities were assessed by Bons Ventos' legal counsel and their likelihood of loss was classified as remote. Therefore corresponding write-off was performed.

- (c) Of total amount of R\$15,875: (i) R\$4,570 refers to the long-term prepayments to Eletrobras relating to the Company's subsidiaries under the PROINFA contracts, subject to the Special Incentive Regime for Infrastructure Development (REIDI), allocated to profit or loss as a reduction to revenues for the remaining period of these subsidiaries' authorizations. The short-term portion, in the amount of R\$1,022, is recorded in line item "Other receivables"; (ii) R\$4,841 refers to the recognition of power purchase reimbursement, arising from the non-compliance with the terms agreed by the wind power generator supplier, to be recorded in profit or loss in the next three years; and (iii) R\$6,464 refers to the purchase of raw materials by subsidiary Bio Ester for power generation improvement. This amount will be reimbursed by the project consortium member in 2015.

## 10. RELATED PARTIES

	Company					
	Asset		Liability		Income statement	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Assets						
Current:						
Cash and cash equivalents (Note 5)						
Banco Bradesco	278,860	250,188	-	-	21,542	13,736
	<u>278,860</u>	<u>250,188</u>	<u>-</u>	<u>-</u>	<u>21,542</u>	<u>13,736</u>
Trade receivables (Note 7)						
CPFL Brasil	-	-	-	-	2,490	11,191
Arvoredo	-	-	-	-	-	21
Atlântica I	-	-	-	-	4,389	601
Atlântica II	-	549	-	-	1,016	561
Atlântica IV	-	2,021	-	-	4,811	2,807
Atlântica V	-	-	-	-	1,612	5,170
Barra da Paciência	456	-	-	-	601	-
Bio Alvorada	-	-	-	-	15,390	5,023
Bio Coopcana	-	-	-	-	22,195	5,636
Bio Formosa	-	860	-	-	-	4,614
Bio Energia	-	-	-	-	829	3,581
Bio Buriti	-	-	-	-	-	342
Chimay	-	-	-	-	-	241
Corrente Grande	9,569	-	-	-	9,600	-
Jayaditya	-	-	-	-	6,225	-
Juremas	-	-	-	-	4,320	-
Lacenas	-	-	-	-	-	678
Macacos	-	-	-	-	5,587	-

Mohini	-	49	-	-	-	477
Ninho da Águia	544	-	-	-	552	-
Paíol	15,748	-	-	-	15,891	-
Santa Luzia	-	453	-	-	-	3,352
São Gonçalo	1,735	-	-	-	1,757	-
Solar I	65	-	-	-	65	-
Sul Centrais Elétricas	-	183	-	-	-	800
Varginha	-	-	-	-	-	3
Varzea Alegre	4,529	-	-	-	4,544	-
	32,646	4,115	-	-	101,874	45,098
Due from related parties (a)						
Alto Irani	25	27	-	-	317	309
Arvoredo	729	23	-	-	272	264
Atlântica I	14	-	-	-	233	-
Atlântica II	11	-	-	-	200	-
Atlântica IV	21	-	-	-	222	-
Atlântica V	11	-	-	-	228	-
Barra da Paciência	313	27	-	-	317	308
Bio Alvorada	-	-	-	-	633	-
Bio Coopcana	-	-	-	-	42	-
Bioenergia	11	15	-	-	174	176
Bons Ventos	137	73	-	-	2,256	2,381
Campos dos Ventos I	-	-	-	-	59	-
Campos dos Ventos II	14	-	-	-	145	-
Campos dos Ventos III	88	-	-	-	463	-
Campos dos Ventos V	-	-	-	-	59	-
Chimay	84	92	-	-	1,086	1,057

**To be continued**

Continued

	Company					
	Asset		Liability		Income statement	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Cocais Grande	32	35	-	-	407	396
Corrente Grande	219	23	-	-	271	264
Costa Branca	103	-	-	-	393	-
Desa	1	-	-	-	-	-
Eólica Formosa	53	46	-	-	660	623
Eólica Icaraizinho	74	81	-	-	954	916
Eólica Paracuru	14	46	-	-	332	570
Eurus VI	-	-	-	-	1	-
Jayaditya	46	50	-	-	588	573
Juremas	14	-	-	-	52	-
Macacos	14	-	-	-	52	-
Mohini	49	54	-	-	633	617
Ninho da Águia	200	35	-	-	407	396
Paíol	699	35	-	-	407	396
PCH Holding	-	-	-	-	-	281
Pedra Cheirosa I	25	-	-	-	84	-
Pedra Preta	14	-	-	-	52	-
Plano Alto	89	35	-	-	331	396
Rosa dos Ventos	88	-	-	-	820	-
Salto Goés	21	23	-	-	272	261
Santa Clara I	35	35	-	-	395	173
Santa Clara II	25	27	-	-	204	143
Santa Clara III	28	27	-	-	236	155
Santa Clara IV	14	-	-	-	16	-
Santa Clara V	14	-	-	-	16	-



Santa Clara VI	14	-	-	-	16	-
Santa Luzia	46	-	-	-	177	-
Santa Mônica	-	-	-	-	63	-
Santa Ursula	-	-	-	-	63	-
Santo Dimas	-	-	-	-	63	-
São Benedito	-	-	-	-	63	-
São Domingos	76	-	-	-	407	-
São Gonçalo	42	46	-	-	543	581
São Martinho	76	-	-	-	765	-
Siif Cinco	105	31	-	-	1,083	392
Sul Centrais	56	73	-	-	838	837
Varginha	169	23	-	-	271	264
Várzea Alegre	11	12	-	-	136	132
	3,924	994	-	-	18,777	12,861
Total	315,430	255,297	-	-	142,193	71,695

	Company					
	Asset		Liability		Income statement	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Noncurrent:						
Loans:						
Sul Centrais (b)	4,222	3,908	-	-	314	298
Campos dos Ventos II (d)	-	79,534	-	-	360	1,595
Bio Formosa (d)	-	7,436	-	-	334	1
Bio Alvorada (d)	-	22,345	-	-	959	619
Bio Coopcana (d)	-	6,851	-	-	77	210
Lacenas (d)	-	829	-	-	21	30
Noncontrolling interest (c)	4,308	5,589	-	-	563	1,041
	8,530	126,492	-	-	2,628	3,794
Restricted short-term investments (Note 6)						
Banco Bradesco	-	-	-	-	101	-
	-	-	-	-	101	-
Total	8,530	126,492	-	-	2,729	3,794

	Company					
	Asset		Liability		Income statement	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Liabilities						
Current:						
Loans:						
Alto Irani (d)	-	-	2,980	-	(5)	-
Arvoredo (d)	-	-	6,776	6,327	(449)	(249)
Barra da Paciência (d)	-	-	3,276	3,059	(217)	(121)

Bio Buriti (d)	-	-	11,507	-	(24)	-
Bio Ipê (d)	-	-	11,594	-	(27)	-
Bio Pedra (d)	-	-	21,304	-	(51)	-
Campo dos Ventos I (d)	-	-	8,570	-	(34)	-
Campo dos Ventos III (d)	-	-	7,220	-	(31)	-
Campo dos Ventos V (d)	-	-	8,882	-	(34)	-
Cocais Grande (d)	-	-	4,382	4,092	(291)	(161)
Corrente Grande (d)	-	-	904	844	(60)	(33)
DESA (d)	-	-	-	-	(8)	-
Eólica Formosa (d)	-	-	8,334	-	(16)	-
Eólica Icaraizinho (d)	-	-	39,357	-	(302)	-
Eólica Paracuru (d)	-	-	23,356	-	(148)	-
Eurus VI (d)	-	-	6,702	-	(25)	-
Ninho da Águia (d)	-	-	10,134	9,462	(672)	(373)
Paiol (d)	-	-	3,781	3,530	(251)	(139)
Pedra Cheirosa I (d)	-	-	6,813	-	(16)	-
Pedra Cheirosa II (d)	-	-	6,471	-	(16)	-
Plano Alto (d)	-	-	2,675	-	(5)	-
Rosa dos Ventos (d)	-	-	6,855	-	(16)	-
Santa Clara I (d)	-	-	2,982	-	(7)	-
Santa Clara II (d)	-	-	14,898	-	(58)	-
Santa Clara III (d)	-	-	15,005	-	(54)	-
Santa Clara IV (d)	-	-	21,169	-	(85)	-
Santa Clara V (d)	-	-	4,555	-	(10)	-
Santa Clara VI (d)	-	-	22,256	-	(87)	-
Santa Mônica (d)	-	-	8,378	-	(33)	-
Santa Úrsula (d)	-	-	7,828	-	(32)	-

**To be continued**

Continued

	Company					
	Asset		Liability		Income statement	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
São Benedito (d)	-	-	7,979	-	(32)	-
São Domingos (d)	-	-	7,169	-	(31)	-
São Gonçalo (d)	-	-	3,962	3,699	(263)	(146)
SILF Cinco (d)	-	-	5,125	-	(11)	-
SILF Enérgies do Brasil (d)	-	-	405	1,163	(9)	-
Varginha (d)	-	-	3,228	3,772	(259)	(154)
Varzea Alegre (d)	-	-	1,845	1,723	(122)	(68)
Vento de Santo Dimas (d)	-	-	8,399	-	(33)	-
Vento de São Martinho (d)	-	-	7,149	-	(31)	-
Sub total	-	-	344,205	37,671	(3,855)	(1,444)
T-15 (e)	-	-	-	12,810	-	-
	-	-	344,205	50,481	(3,855)	(1,444)
Trade payables (Note 14)						
Arvoredo	-	-	-	-	-	(210)
Atlântica I	-	-	-	-	-	(990)
Atlântica II	-	-	-	-	-	(1,316)
Atlântica IV	-	-	-	-	-	(2,587)
Atlântica V	-	-	-	-	-	(1,782)
Barra da Paciencia	-	-	-	-	(37)	-
Bio Alvorada	-	-	-	-	(3,117)	(464)
Bio Buriti	-	-	-	-	-	(31)
Bio Coopcana	-	-	-	-	-	(521)
Bio Formosa	-	-	-	-	-	(347)
Bioenergia	-	-	-	-	-	(4,489)
Costa Branca	-	-	-	-	-	(552)

Corrente Grande	-	-	-	-	(38)	-
CPFL Comercialização Brasil	-	-	-	-	(12,944)	-
CPFL Comercialização Cone Sul	-	-	-	-	(122)	-
Lacenas Participações	-	-	-	-	-	(833)
Macacos	-	-	-	-	-	(1,451)
Mohini	-	-	-	-	-	(39)
Ninho da Águia	-	-	-	-	(1)	-
Paiol	-	-	-	-	(50)	-
Plano Alto	-	-	315	-	-	-
Santa Luzia	-	-	-	-	-	(473)
São Gonçalo	-	-	-	-	(25)	-
Sul Centrais	-	-	-	-	-	(267)
Nect consultoria	-	-	166	157	(1,705)	(2,037)
Varginha	-	-	-	178	-	(991)
Várzea Alegre	-	-	-	-	(14)	-
	-	-	481	335	(18,053)	(19,380)
Payables for acquisitions (Note 17)						
Noncontrolling interest	-	-	59,993	4,442	(2,599)	(160)
	-	-	59,993	4,442	(2,599)	(160)
Total	-	-	404,679	55,258	(24,507)	(20,984)
Equity						
Share-based payment (Executive Board)	-	-	1,292	1,171	(121)	(74)
	-	-	1,292	1,171	(121)	(74)
Income statement						
Operating expenses						
Partners' consulting services	-	-	-	-	-	(30)
	-	-	-	-	-	(30)
Total	-	-	-	-	-	(30)

	Consolidated					
	Asset		Liability		Income statement	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Assets						
Current:						
Cash and cash equivalents (Note 5)						
Banco Bradesco	702,548	720,583	-	-	73,304	47,694
	702,548	720,583	-	-	73,304	47,694
Trade receivables (Note 7)						
CPFL Brasil	28,195	22,903	-	-	272,260	220,875
CPFL Geração	2,256	-	-	-	-	-
CPFL Paulista	471	528	-	-	4,580	4,416
CPFL Piratininga	1,218	1,167	-	-	10,217	6,958
Cia de Luz e Força	70	57	-	-	509	212
RGE Rio Grande Energia	15	17	-	-	211	194
	32,225	24,672	-	-	287,777	232,655
Total	734,773	745,255	-	-	361,081	280,349

	Consolidated					
	Asset		Liability		Income statement	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Noncurrent:						
Restricted short-term investments (Note 6)						
Banco Bradesco	36,255	42,713	-	-	3,558	3,249
	36,255	42,713	-	-	3,558	3,249
Loans:						
Noncontrolling interest (c)	6,281	6,862	-	-	864	1,041

	6,281	6,862	-	-	864	1,041
Total	42,536	49,575	-	-	4,422	4,290
Liabilities						
Current						
Trade payables (Note 14)						
CPFL Brasil	-	-	3,669	7,725	(49,947)	-
CPFL Paulista	-	-	349	725	(3,277)	-
CPFL Comercialização Cone Sul	-	-	-	-	(122)	-
CPFL Serviços	-	-	-	126	-	-
Nect consultoria	-	-	166	158	-	(2,037)
RGE Rio Grande Energia	-	-	5	6	(60)	-
	-	-	4,189	8,740	(53,406)	(2,037)
Payables for acquisitions (Note 17)						
Noncontrolling interest	-	-	59,993	4,442	(55,551)	(160)
	-	-	59,993	4,442	(55,551)	(160)
Total	-	-	64,182	13,182	(108,957)	(2,197)
Equity						
Share-based payment (Executive Board)	-	-	1,292	1,171	(121)	(74)
Total	-	-	1,292	1,171	(121)	(74)
Income statement						
Operating expenses						
Partners' consulting services	-	-	-	-	-	(30)
	-	-	-	-	-	(30)
Total	-	-	-	-	-	(30)

- (a) Intragroup receivables: refer to apportionments of operating, maintenance and engineering expenses recorded in "Other receivables" in current assets. Part of the staff of CPFL Renováveis was allocated to plant operation and maintenance and the related costs are collected from subsidiaries under cost sharing agreements.
- (b) Loan between CPFL Renováveis and indirect subsidiary CPFL Sul Centrais, with a one-year term and interest rate of 8% p.a. for advanced settlement of a borrowing from BNDES.
- (c) The Company and a noncontrolling shareholder entered into loan agreement, aiming at extending financing, so that the noncontrolling shareholder was able to pay in its portion of subscribed capital in the SPEs (due to capital increases made by CPFL Renováveis), preventing the dilution of its ownership interest. Agreements were executed in April 2012 and renewed in April 2013, and a new agreement was executed in November 2013 and renewed in 2014, all with one-year term, yielding interest of 8% p.a. plus inflation adjustment based on the IGP-M.
- (d) Loan with CPFL Renováveis, yielding interest of 8% p.a. plus inflation adjustment based on the IGP-M for working capital.
- (e) The balance of R\$12,810 refers to payables to T-15 Energia S.A., as part of the payment from BVP's acquisition, which amount was settled in September 2014.

## 10.1. Subsidiaries' financial information

As set out in letter "b" of item 37 of CPC 18, the summarized financial information on subsidiaries is shown below:

Company	Asset		Liability
	12/31/2014	12/31/2013	12/31/2014
Aiuruoca	14,828	14,311	2
Alto Irani	62,500	64,079	32,403
Arvoredo	93,654	96,103	37,160
Atlântica I	137,138	121,012	87,705
Atlântica II	136,219	113,968	86,767
Atlântica IV	145,140	139,156	87,555
Atlântica V	164,844	217,930	98,107
Baixa Verde	254	291	-
Barra da Paciência	127,609	127,730	65,720
Bio Alvorada	212,327	227,871	97,729
Bio Buriti	141,363	151,834	2,922
Bio Coopcana	168,846	172,094	110,344
Bio Formosa	130,432	146,635	42,510
Bio Ipê	36,229	27,618	7,714

To be continued



Equity		Net revenue		Net revenue (loss)		
12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
23	14,826	14,288	-	-	(22)	(31)
18,448	30,097	45,631	16,255	21,851	9,854	14,825
39,815	56,493	56,288	14,057	12,034	2,926	1,848
115,529	49,433	5,483	16,925	7,572	1,630	(6,140)
110,486	49,452	3,482	13,878	11,875	(2,569)	(8,027)
134,670	57,585	4,486	15,440	7,728	(2,766)	(6,861)
211,419	66,736	6,511	14,534	8,651	(772)	(6,371)
-	254	291	-	-	(37)	(19)
66,731	61,888	60,999	28,923	23,047	14,280	8,876
200,929	114,599	26,942	56,985	23,417	(9,449)	(33,151)
3,434	138,441	148,400	34,766	32,999	5,040	5,187
148,631	58,502	23,463	51,704	25,739	(24,822)	(20,862)
31,574	87,922	115,061	4,456	22,988	(30,481)	(8,106)
837	28,515	26,781	15,302	13,373	5,022	3,181

Continued

Company	Asset		Liability
	12/31/2014	12/31/2013	12/31/2014
Bio Pedra	209,349	209,350	357
Bioenergia	85,115	111,199	55,876
Bitupitá I	11	234	152
Bitupitá II	7	233	48
Bitupitá III	7	233	100
Boa Vista 2	3,045	3,049	86
Bonanza	2,147	-	396
Bons Ventos	803,181	838,241	485,354
BVP	363,087	376,899	8,392
Cachoeira Grande	6,676	7,589	27
Cajueiro	501	507	-
Campos dos Ventos I	15,344	9,701	1,937
Campos dos Ventos II	149,164	236,968	100,829
Campos dos Ventos III	15,025	9,254	1,522
Campos dos Ventos IV	125	127	104
Campos dos Ventos V	15,395	9,720	2,595
Cherobim	1,760	-	-
Chimay	134,227	132,826	20,304
Cocais Grande	49,911	51,235	26,307
Comercializadora de Energia	13	-	-
Companhia Energética Novo Horizonte	150,794	-	51,278
Companhia Hidroelétrica Figueirópolis	139,630	-	45,352
Corrente Grande	97,109	98,081	52,223
Costa Branca	102,590	137,225	74,119
Costa das Dunas	900	921	-
Curral Velho I	2	186	-

	Equity		Net revenue		Net revenue (loss)	
12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
945	208,992	208,405	29,083	37,964	17,602	22,460
68,572	29,239	42,627	19,470	20,219	(18,448)	(2,183)
293	(141)	(59)	-	-	(246)	(56)
287	(41)	(54)	-	-	(205)	(51)
286	(93)	(53)	-	-	(203)	(50)
593	2,959	2,456	-	-	(278)	(151)
-	1,751	-	-	-	(28)	-
520,232	317,827	318,009	163,005	156,707	49,236	52,419
9,719	354,695	367,180	-	-	45,313	49,330
19	6,649	7,570	-	-	79	41
3	501	504	-	-	(2)	(17)
447	13,406	9,254	-	-	258	(74)
181,133	48,335	55,835	16,980	5,120	2,222	(382)
450	13,503	8,804	-	-	95	(294)
4	21	123	-	-	1	(49)
304	12,800	9,416	-	-	265	31
-	1,760	-	-	-	-	-
18,199	113,923	114,627	42,789	36,805	17,174	14,921
26,186	23,603	25,049	6,112	7,949	(164)	1,410
-	13	-	(2,190)	-	(7)	-
-	99,516	-	(14,553)	-	9,345	-
-	94,278	-	(14,553)	-	5,208	-
47,170	44,886	50,911	18,132	12,534	(2,499)	1,178
101,017	28,471	36,208	8,131	501	444	(486)
(1)	900	922	-	-	(22)	(32)
256	2	(70)	-	-	(178)	(67)

Continued

Company	Asset		Liability
	12/31/2014	12/31/2013	12/31/2014
Curral Velho II	28	188	1
Curral Velho IV	5	189	-
Distância	2,539	-	-
Dobrevê	852,807	-	146,975
Eólicas	429,122	-	72,506
Eólica Formosa	450,447	479,737	318,327
Eólica Holding	134,634	178,989	426
Eólica Icaraizinho	288,072	282,138	188,760
Eólica Paracuru	113,048	116,761	74,723
Eurus I	117,730	-	70,861
Eurus III	118,194	-	82,644
Eurus V	112	115	97
Eurus VI	38,643	42,356	1,240
Farol de Touros	331	375	-
Figueira Branca	142	145	-
Gameleira	1,081	1,115	1
Jantus SL	-	-	-
Jayaditya	38,480	42,921	20,111
Juremas	71,932	72,504	54,227
Lacenas	116,045	113,369	60,820
Laranjinha	738	-	132
Ludesa	142,112	-	29,538
Macacos	93,301	97,036	73,419
Mata Velha	103,427	-	1,688
Mohini	73,998	71,247	8,270
Morro do Vento	785	-	-

	Equity		Net revenue		Net revenue (loss)		
	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	
	251	27	(63)	-	-	(173)	(60)
	240	5	(51)	-	-	(175)	(48)
	-	2,539	-	-	-	-	-
	-	705,833	-	-	-	6,129	-
	-	356,616	-	-	-	41,414	-
	367,069	132,120	112,668	95,601	90,580	27,123	22,387
	91,232	134,208	87,757	-	-	7,664	(783)
	194,013	99,312	88,125	64,975	63,625	25,102	25,233
	77,685	38,325	39,076	33,804	32,682	17,745	17,358
	-	46,869	-	(18,267)	-	1,178	-
	-	35,550	-	(18,835)	-	212	-
	4	15	111	-	-	1	(48)
	767	37,403	41,589	4,392	4,531	2,012	2,388
	-	331	375	-	-	(44)	(44)
	32	142	113	-	-	(42)	(124)
	1	1,080	1,114	-	-	(34)	(81)
	-	-	-	-	-	-	8,488
	9,069	18,369	33,852	23,337	22,478	(33,266)	11,261
	47,313	17,706	25,191	10,163	-	978	(86)
	59,223	55,225	54,146	36,937	26,558	19,975	9,976
	-	606	-	-	-	(9)	-
	-	112,575	-	(27,336)	-	(15,756)	-
	63,739	19,883	33,297	13,703	1,317	1,111	(528)
	-	101,739	-	-	-	(191)	-
	4,303	65,728	66,944	35,680	33,282	14,464	18,592
	-	785	-	-	-	-	-

Continued

Company	Asset		Liability
	12/31/2014	12/31/2013	12/31/2014
Morro dos Ventos I	137,088	-	86,884
Morro dos Ventos II	86,503	-	49,990
Morro dos Ventos III	129,869	-	84,165
Morro dos Ventos IV	129,173	-	78,689
Morro dos Ventos IX	143,830	-	89,664
Morro dos Ventos VI	134,201	-	67,086
Navegantes	2	3	45
Ninho da Águia	73,099	76,119	29,168
Paíol	105,816	102,680	76,594
PCH Holding	437,596	448,075	443
PCH Holding 2	200,211	195,198	245,012
PCH Participações	910,893	956,337	226,483
Pedra Preta	92,666	93,660	71,197
Penedo	1,818	1,818	-
Plano Alto	45,359	46,053	25,417
Pedra Cheirosa I	11,574	5,188	67
Pedra Cheirosa II	10,682	5,191	54
Renascer Centrais Eléctricas	584	-	-
Rio Claro	1,056	-	321
Rosa dos Ventos	68,731	-	34,946
Salto Góes	181,321	172,021	88,531
Santa Clara I	145,505	153,010	2,661
Santa Clara II	132,712	132,147	2,641
Santa Clara III	134,278	133,026	2,393
Santa Clara IV	139,163	138,002	3,928
Santa Clara V	138,343	138,306	2,374

	Equity		Net revenue		Net revenue (loss)	
	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014
	-	50,204	-	(22,873)	-	6,040
	-	36,513	-	-	-	(80)
	-	45,704	-	(23,688)	-	(31,345)
	-	50,484	-	(22,729)	-	(29,960)
	-	54,167	-	(24,233)	-	(31,370)
	-	67,116	-	(20,980)	-	(27,383)
	20	(43)	(17)	-	-	(27)
	31,388	43,931	44,731	9,911	9,567	1,979
	64,130	29,222	38,550	25,149	17,584	(3,431)
	499	437,153	447,576	-	-	19,752
	218,579	(44,801)	(23,381)	-	-	(21,628)
	238,879	684,410	717,458	-	-	28,722
	61,616	21,468	32,044	8,427	-	2,033
	10	1,818	1,808	-	-	-
	12,231	19,942	33,822	12,262	16,478	7,083
	5,117	11,506	71	-	-	134
	5,043	10,628	148	-	-	125
	-	584	-	-	-	(1)
	-	735	-	-	-	-
	-	33,785	-	18,095	-	9,021
	77,518	92,790	94,503	17,196	16,750	1,388
	3,037	142,843	149,973	21,868	19,691	9,610
	2,392	130,071	129,755	19,646	18,154	9,673
	2,470	131,885	130,556	21,554	18,123	11,667
	2,555	135,235	135,447	18,703	18,158	9,260
	2,439	135,969	135,867	20,497	18,123	10,997
						9,856

Continued

Company	Asset		Liability
	12/31/2014	12/31/2013	12/31/2014
Santa Clara VI	140,639	137,836	4,692
Santa Cruz	5,818	6,281	13
Santa Luzia	227,239	229,260	113,796
Santa Mônica	14,626	8,352	92
Santa Ursula	13,566	7,713	99
São Benedito	14,108	7,811	97
São Domingos	14,063	7,946	532
São Gonçalo	72,550	71,808	33,534
SIIF Cinco	115,670	123,178	82,233
SIIF Desenvolvimento	1,642	2,255	1,066
SIIF Energies	363,859	453,050	15,929
Solar 1	8,290	8,445	5,392
Sul Centrais Elétricas	27,314	28,274	12,453
T-15	729,808	668,625	456,872
Tombo	937	937	-
Turbina 16	18	20	-
Turbina 17	17	19	-
WF 1 Holding	333	-	-
WF Wind Holding V	179	-	6
WF Wind Holding VII	145	-	2
WF Wind Holding VIII	146	-	2
WF Wind Holding X	-	-	-
WF Wind Holding XI	-	-	-
Varginha - DESA	368	-	35
Varginha	55,617	59,551	26,157
Varzea Alegre	58,391	56,978	28,126
Ventos de Santo Dimas	14,648	8,356	89
Ventos de São Martinho	12,299	7,973	879



	Equity		Net revenue		Net revenue (loss)	
12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
2,391	135,947	135,445	18,133	18,123	8,219	9,924
8	5,806	6,273	-	-	33	19
117,138	113,443	112,122	33,292	34,995	4,821	5,932
7	14,534	8,345	-	-	214	(32)
6	13,467	7,707	-	-	212	(41)
4	14,011	7,807	-	-	229	(19)
6	13,531	7,940	-	-	182	(246)
35,299	39,016	36,509	14,110	10,445	4,753	2,215
91,201	33,437	31,977	26,880	26,149	8,883	8,858
32,356	576	(30,101)	-	-	(1,495)	(1,567)
26,937	347,930	426,113	-	-	74,690	90,373
8,458	2,898	(13)	293	277	20	(100)
9,547	14,861	18,727	6,514	7,036	258	1,688
343,203	272,937	325,422	-	-	(18,884)	35,370
5	937	932	-	-	-	(3)
-	18	20	-	-	(1)	(5)
1	17	18	-	-	(2)	(5)
-	333	-	-	-	9,257	-
-	173	-	-	-	11	-
-	143	-	-	-	9	-
-	144	-	-	-	9	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	333	-	-	-	-	-
27,697	29,460	31,854	10,864	8,688	1,708	1,250
25,662	30,265	31,316	11,128	7,071	126	993
4	14,559	8,352	-	-	231	(27)
6	11,420	7,966	-	-	178	(229)

## 10.2. Share-based payments

The meeting of the Board of Directors held on October 29, 2009 approved the 2009 Program, with the grant of 1,114,938 stock options. On March 9, 2010, the 2010 Program was approved, with the grant of 1,220,791 stock options. On March 1, 2011, the 2011 Program was approved, upon the grant of 2,350,000 call options; every five options confer upon the participant the subscription of one share.

Stock options can only be exercised by the plan's participants if one of two events occurs: (a) initial public offering ("IPO") (primary or secondary) of common shares; and (b) direct or indirect sale to third parties, by any Company's shareholder, of a number of shares representing 10% or more of the Company's issued capital before an IPO is conducted. Upon completion of the Public Offering of Shares on August 19, 2013 (Note 1), the beneficiaries can exercise the options after the vesting period.

The Stock Option Plan's beneficiaries may exercise their options within 10 years from the respective grant date. The vesting of options shall occur in four years, with

disbursements of 25% as of first anniversary, 50% as of second anniversary, 75% as of third anniversary and 100% as of fourth anniversary.

The outstanding stock options to be exercised at the end of 2009, 2010 and 2011 Programs comprise 496,223 shares.

On May 31, 2012, the Company has grouped its shares at the ratio of 5:1. For presentation purposes, the table below considers the reverse split of shares.

Series of options	Number of shares	Grant date	Fair value on grant date R\$	Balance	Exercise price (5 options)
2009 Program					
1 <sup>st</sup> Tranche	55,747	10/29/09	1,83	102	
2 <sup>nd</sup> Tranche	45,026	10/29/09	1,55	70	
3 <sup>rd</sup> Tranche	27,873	10/29/09	1,26	35	
4 <sup>th</sup> Tranche	27,873	10/29/09	1,33	37	
	156,519			244	R\$6.15 at IPCA rate beginning 01/01/2009
2010 Program					
1 <sup>st</sup> Tranche	48,832	3/9/10	2,87	140	
2 <sup>nd</sup> Tranche	32,554	3/9/10	3,01	98	
3 <sup>rd</sup> Tranche	32,554	3/9/10	2,73	89	
4 <sup>th</sup> Tranche	32,554	3/9/10	2,89	94	R\$9.18 at IPCA rate beginning 10/8/2009

	146,494			421	
2011 Program					
1 <sup>st</sup> Tranche	82,500	3/1/11	1,93	159	
2 <sup>nd</sup> Tranche	82,500	3/1/11	2,06	170	
3 <sup>rd</sup> Tranche	82,500	3/1/11	1,83	151	R\$9.18 at IPCA rate beginning 10/8/2009
4 <sup>th</sup> Tranche	75,625	3/1/11	1,94	147	
	323,125			627	
Total	626,138			1,292	

In the year ended December 31, 2014, the Company accrued R\$121 (R\$74 as at December 31, 2013) in line item "Management compensation".

In 2013, no option was exercised.

On February 28, 2014, some beneficiaries exercised their Company's stock options, upon capital increase, in the amount of R\$551, and issuance of 61,304 new shares (see Note 21 (a)). Out of the new shares issued, 45,027 shares refer to the 1st and 2nd tranches of 2009 program and 16,277 shares refer to the 1st tranche of 2010 program.

On June 26, 2014, a specific beneficiary exercised the Company's stock option, upon capital increase, in the amount of R\$355, and issuance of 42,882 new shares (see Note 21.(a)). The new shares issued refer to all tranches of 2009 program.

On October 30, 2014, a specific beneficiary exercised the Company's stock option, upon capital increase, in the amount of R\$217, and issuance of 25,729 new shares (see Note 21.(a)). The new shares issued refer to all tranches of 2009 program.

On December 31, 2014, the options exercised resulted in the issuance of 129,915 Company's new shares. The stock options not exercised total 496,223 shares.

### 10.3. Key management personnel

The key management personnel compensation for the year ended December 31, 2014 totaled R\$8,905 (R\$7,755 in 2013), as follows:

	Company/Consolidated	
	12/31/2014	12/31/2013
Short-term employee benefits		
Wages and fees	4,282	4,126
Related taxes and benefits	1,772	1,664
Variable compensation:		
Share-based payment	121	74
Profit sharing	2,387	1,891
Other	343	-
<b>Total</b>	<b>8,905</b>	<b>7,755</b>

The Shareholders' Meeting, held on April 28, 2014, authorized the Company's annual compensation, in the amount of R\$8,450, for the year ended 2014. The unauthorized exceeding amount of R\$455 refers to severance pay from dismissal of the Company's statutory officers.

The Company and its subsidiaries do not have any other postemployment obligations and do not grant any other long-term benefits, such as length-of-service leave allowance or other seniority benefits. The Company and its subsidiaries do not grant either any severance benefits to senior management members other than those prescribed by the labor law prevailing in Brazil.

## 11. INVESTMENTS

Investments are broken down as follows:

	Consolidated	
	12/31/2014	12/31/2013
Permanent ownership interests under the equity method of accounting:		
At the subsidiary's equity	4,163,553	3,284,267
Advances for future capital increase	123,290	172,833
Operation right of generation activity - authorization, gross of taxes	1,800,846	1,350,832
<b>Total investment</b>	<b>6,087,689</b>	<b>4,807,932</b>

	Company	
	12/31/2014	12/31/2013
Composition of equity in subsidiaries:		
Equity in subsidiaries	129,633	193,907
Amortization of interest capitalization	(1,365)	(1,365)
Amortization of authorization right (i)	(87,579)	(88,210)
Deferred taxes (i)	30,271	30,117
<b>Subtotal</b>	<b>(57,308)</b>	<b>(58,093)</b>
<b>Total</b>	<b>70,960</b>	<b>134,449</b>

(i) Net R\$ 57,308 (Note 11) – Operation right, net of deferred taxes.

Equity interests held in direct and indirect subsidiaries:

General information:

Direct subsidiaries	Number of shares (thousand)	Interest in capital - %	Equity deficit 12/31/2014	Profit/loss for the period	Interest in equity (equity deficit)		Equity in subsidiaries	
					12/31/2014	12/31/2013	12/31/2014	12/31/2013
Alto Irani	1,510	100%	30,097	9,854	30,097	45,631	9,854	14,825
Atlântica I	125,404	100%	49,433	1,630	49,433	5,483	1,630	(6,140)
Atlântica II	118,568	100%	49,452	(2,569)	49,452	3,482	(2,569)	(8,027)
Atlântica IV	118,916	100%	57,585	(2,766)	57,585	4,486	(2,766)	(6,861)
Atlântica V	139,087	100%	66,736	(772)	66,736	6,511	(772)	(6,371)
Baixa Verde	54	95%	255	(37)	241	276	(35)	(18)
Bio Alvorada	41,020	100%	114,599	(9,449)	114,599	26,942	(9,449)	(33,151)
Bio Buriti	144,825	100%	138,441	5,040	138,441	148,400	5,040	5,187
Bio Coopcana	35,891	100%	58,502	(24,822)	58,502	23,463	(24,822)	(20,862)
Bio Energia	46,288	100%	29,239	(18,448)	29,239	42,627	(18,448)	(2,183)
Bio Formosa	126,910	100%	87,922	(30,481)	87,922	115,061	(30,481)	(8,106)
Bio Ipe	26,241	100%	29,484	5,022	29,484	27,811	5,022	3,181
Bio Pedra	204,972	100%	212,956	17,602	212,956	212,617	17,602	22,460
Boa Vista 1	-	0%	-	(3)	-	12	(3)	(5)
Boa Vista 2	2,938	100%	2,959	(278)	2,959	2,456	(278)	(151)
Cachoeira Grande	7,632	100%	6,649	79	6,649	7,570	79	41
Cajueiro	47	95%	501	(3)	476	479	(3)	(15)
Campos dos Ventos I	8,139	100%	13,406	258	13,406	9,254	258	(73)
Campos dos Ventos III	7,953	100%	13,503	95	13,503	8,804	95	(293)
Campos dos Ventos IV	64	100%	21	1	21	123	1	(50)
Campos dos Ventos V	7,845	100%	12,800	265	12,800	9,416	265	31

To be continued

Continued

Direct subsidiaries	Number of shares (thousand)	Interest in capital - %	Equity deficit 12/31/2014	Profit/loss for the period	Interest in equity (equity deficit)		Equity in subsidiaries	
					12/31/2014	12/31/2013	12/31/2014	12/31/2013
Costa Branca	14,566	0%	28,471	444	-	-	-	(380)
Costa das Dunas	61	90%	900	(22)	810	830	(20)	(28)
Dobrevé Energia	12,020,176	100%	637,995	689	637,995	-	689	-
Eólica Holding	14,082	100%	134,209	7,664	134,209	87,757	7,664	(782)
Eurus V	57	100%	15	1	15	111	1	(48)
Eurus VI	36,495	100%	37,772	2,012	37,772	41,981	2,012	2,388
Farol de Touros	54	90%	331	(44)	298	338	(40)	(39)
Figueira Branca	47	100%	142	(42)	142	113	(42)	(124)
Gameleira	855	100%	1,080	(34)	1,080	1,114	(34)	(81)
Jantus	-	0%	-	-	-	-	-	(1,165)
Juremas	14,075	0%	17,706	978	-	-	-	(68)
Lacenas	43,455	100%	55,226	19,975	55,226	54,146	19,975	9,976
Macacos	15,417	0%	19,883	1,111	-	-	-	(375)
PCH Holding	436,180	100%	437,153	19,752	437,153	447,576	19,752	26,946
PCH Participações	67,153,569	41%	684,438	28,722	280,620	294,158	11,776	13,910
Pedra Preta	14,594	0%	21,468	2,033	-	-	-	(67)
Pedra Cheirosa I	11,423	100%	11,503	185	11,503	-	134	-
Pedra Cheirosa II	10,466	100%	10,628	177	10,628	-	125	-
Penedo	2,000	100%	1,818	-	1,818	1,808	-	(11)
Plano Alto	1,337	100%	19,942	7,083	19,942	33,822	7,083	10,813
Rosa dos Ventos	40	100%	31,983	7,711	31,983	-	7,711	-
Salto Góes	74,919	100%	92,790	1,388	92,790	94,503	1,388	5,388
Santa Clara I	139,189	100%	146,656	9,609	146,656	154,024	9,609	8,986
Santa Clara II	136,697	100%	133,507	9,672	133,507	133,406	9,672	9,631
Santa Clara III	136,697	100%	134,850	11,666	134,850	133,706	11,666	9,519
Santa Clara IV	136,697	100%	137,578	9,259	137,578	137,934	9,259	9,953
Santa Clara V	136,697	100%	138,176	10,996	138,176	137,789	10,996	9,925

Santa Clara VI	136,697	100%	137,713	8,218	137,713	137,743	8,218	9,856
Santa Cruz	6,703	100%	5,806	33	5,806	6,273	33	19
Santa Mônica	8,163	100%	14,534	214	14,534	8,345	214	(32)
Santa Ursula	7,521	100%	13,467	212	13,467	7,707	212	(41)
São Benedito	7,620	100%	14,011	229	14,011	7,807	229	(19)
São Domingos	8,071	100%	13,531	182	13,531	7,940	182	(246)
SIIF Desenvolvimento	1,958	9%	576	(1,495)	53	-	(297)	-
SIIF Energies	327,895	100%	242,402	81,355	242,402	309,722	81,355	96,761
Solar	4	100%	2,898	20	2,898	-	20	-
T-15	9,969,135	100%	272,936	(18,884)	272,936	325,422	(18,884)	35,370
Tombo	1,239	100%	937	-	937	932	-	(2)
Turbina 16	34	100%	18	(2)	18	20	(2)	(4)
Turbina 17	27	100%	16	(2)	16	18	(2)	(5)
Ventos de Santo Dimas	8,200	100%	14,559	231	14,559	8,352	231	(27)
Ventos de São Martinho	8,090	100%	11,420	178	11,420	7,966	178	(230)
Subtotal					4,163,553	3,284,267	151,283	209,086
Navegantes	308	95%	(40)	(27)	(38)	(16)	(22)	(27)
PCH Holding 2	4,977	100%	(44,801)	(21,628)	(44,801)	(23,381)	(21,628)	(13,485)
SIIF Desenvolvimento	1,958	9%	-	-	-	(30,101)	-	(1,567)
Solar	4	100%	-	-	-	(13)	-	(100)
					4,118,714	3,230,756	129,633	193,907

Indirect subsidiaries	Number of shares (thousand)	Interest in capital - %	Equity deficit 12/31/2014	Profit/loss for the period	Interest in equity (equity deficit)		Equity in subsidiaries	
					12/31/2014	12/31/2013	12/31/2014	12/31/2013
Aiuruoca	21,303	100%	14,826	(22)	14,826	14,288	(22)	(31)
Arvoredo	45,995	100%	56,493	2,926	56,493	56,288	2,926	1,848
Barra da Paciência	31,264	100%	61,888	14,280	61,888	60,999	14,280	8,876
Bitupitá I	164	100%	(141)	(246)	(141)	(59)	(246)	(56)
Bitupitá II	219	100%	(41)	(205)	(41)	(54)	(205)	(51)
Bitupitá III	164	100%	(93)	(203)	(93)	(53)	(203)	(50)
Bonanza	2,032	100%	1,751	(28)	1,751	-	(28)	-
Bons Ventos	233,067	100%	317,827	49,236	317,827	318,009	49,236	52,419
BVP	311,106	100%	354,695	45,313	354,695	367,180	45,313	49,330
Campos dos Ventos II	13,049	100%	48,335	2,222	48,335	55,835	2,222	(382)
Cherobim	1,010	11%	1,760	-	194	-	-	-
Chimay	85,538	100%	113,923	17,174	113,923	114,627	17,174	14,921
Cocais Grande	15,377	100%	23,603	(164)	23,603	25,049	(164)	1,410
DESA Comercializadora de Energia	100	100%	13	(7)	13	-	(7)	-
Companhia Energética Novo Horizonte	96,536	100%	99,516	9,345	99,516	-	9,345	-
Companhia Hidroelétrica Figueirópolis	34,559	100%	94,278	4,047	94,278	-	4,047	-
Corrente Grande	27,521	100%	44,886	(2,499)	44,886	50,911	(2,499)	1,178
Costa Branca	14,566	95%	28,471	444	27,047	36,208	422	(81)
Curra Velho I	155	100%	2	(178)	2	(70)	(178)	(67)
Curra Velho II	150	100%	27	(173)	27	(63)	(173)	(60)
Curra Velho IV	145	100%	5	(175)	5	(51)	(175)	(48)
Distância	2,522	100%	2,539	-	2,539	-	-	-
DESA Eólicas	255,648	100%	356,616	41,414	356,616	-	41,414	-
Eólica Formosa	92,900	100%	132,120	27,123	132,120	112,668	27,123	22,387
Eólica Icarazinho	57,930	100%	99,312	25,102	99,312	88,125	25,102	25,233
Eólica Paracuru	22,230	100%	38,325	17,745	38,325	39,076	17,745	17,358
Eurus I	30,835	100%	46,869	1,178	46,869	-	1,178	-



Eurus III	22,184	100%	35,550	212	35,550	-	212	-
Jayaditya	17,691	100%	18,369	(33,266)	18,369	33,852	(33,266)	11,261
Juremas	14,075	95%	17,706	978	16,821	25,191	929	(13)
Laranjinha	1,017	100%	606	(9)	606	-	(9)	-
Ludesa	68,540	60%	112,575	6,040	45,030	-	2,416	-
Macacos	15,417	95%	19,883	1,111	18,889	33,297	1,055	(127)
Mata Velha	10,322	100%	101,739	(191)	101,739	-	(191)	-
Mohini	59,933	100%	65,728	14,464	65,728	66,944	14,464	18,592
Morro do Vento	1,200	100%	785	-	785	-	-	-
Morro dos Ventos I	42,635	100%	36,513	(80)	36,513	-	(80)	-
Morro dos Ventos II	3,916	100%	50,204	6,040	50,204	-	6,040	-
Morro dos Ventos III	36,703	100%	45,704	7,656	45,704	-	7,656	-
Morro dos Ventos IV	41,433	100%	50,484	7,231	50,484	-	7,231	-
Morro dos Ventos VI	62,312	100%	54,167	7,137	54,167	-	7,137	-
Morro dos Ventos IX	45,666	100%	67,116	6,402	67,116	-	6,402	-
Ninho da Água	33,897	100%	43,931	1,979	43,931	44,731	1,979	2,391
Paiol	27,428	100%	29,222	(3,431)	29,222	38,550	(3,431)	6,539
PCH Participações	67,153,569	59%	684,410	28,722	403,802	423,300	16,946	20,016
Pedra Preta	14,594	95%	21,468	2,033	20,395	32,044	1,931	(14)
Renascer Centrais Elétricas	1,500	100%	584	(1)	584	-	(1)	-
Rio Claro	371	6%	735	-	44	-	-	-
Santa Luzia	89,288	100%	113,443	4,821	113,443	112,122	4,821	5,932
São Gonçalo	28,734	100%	39,016	4,753	39,016	36,509	4,753	2,215
SIIF Cinco	24,030	100%	33,437	8,883	33,437	31,977	8,883	8,858
SIIF Desenvolvimento	1,958	91%	576	(1,495)	523	-	(1,358)	-
SUL Centrais Elétricas	14,183	100%	14,861	258	14,861	18,727	258	(1,688)
WF 1 Holding	9,903	100%	333	9,257	333	-	9,257	-
WF Wind Holding V	1,504	100%	173	11	173	-	11	-
WF Wind Holding VII	1,327	100%	143	9	143	-	9	-
WF Wind Holding VIII	1,504	100%	144	9	144	-	9	-
Varginha - DESA	1	6%	333	-	20	-	-	-
Varginha	20,692	100%	29,460	1,708	29,460	31,854	1,708	1,250
Varzea Alegre	24,644	100%	30,265	126	30,265	31,316	126	993

Changes in the investments in the year ended December 31, 2013 and 2014 – Company:

Company	Balance as at 12/31/12	Capital increase (decrease)	Amortization of interest capitalization	Transfer of investment	Merger	Equity in subsidiaries	Dividends paid	Balance as at 12/31/13
Alto Irani	37,826	-	-	-	-	14,825	(7,020)	45,631
Atlântica I	11,623	-	-	-	-	(6,140)	-	5,483
Atlântica II	11,509	-	-	-	-	(8,027)	-	3,482
Atlântica IV	11,347	-	-	-	-	(6,861)	-	4,486
Atlântica V	12,882	-	-	-	-	(6,371)	-	6,511
Baixa Verde	294	-	-	-	-	(18)	-	276
Bio Alvorada	26,653	33,440	-	-	-	(33,151)	-	26,942
Bio Buriti	147,217	-	-	-	-	5,187	(4,004)	148,400
Bio Coopcana	26,449	17,876	-	-	-	(20,862)	-	23,463
Bio Energia	44,810	-	-	-	-	(2,183)	-	42,627
Bio Formosa	122,822	345	-	-	-	(8,106)	-	115,061
Bio Ipe	29,495	-	(61)	-	-	3,181	(4,804)	27,811
Bio Pedra	194,613	-	(249)	-	-	22,460	(4,207)	212,617
Boa Vista 1	17	-	-	-	-	(5)	-	12
Boa Vista 2	2,607	-	-	-	-	(151)	-	2,456
Cachoeira Grande	7,529	-	-	-	-	41	-	7,570
Cajueiro	494	-	-	-	-	(15)	-	479
Campos dos Ventos I	14,237	(4,910)	-	-	-	(73)	-	9,254
Campos dos Ventos III	14,193	(5,096)	-	-	-	(293)	-	8,804
Campos dos Ventos IV	173	-	-	-	-	(50)	-	123
Campos dos Ventos V	14,589	(5,204)	-	-	-	31	-	9,416
Costa Branca	13,347	5,913	-	(18,880)	-	(380)	-	-
Costa das Dunas	858	-	-	-	-	(28)	-	830
Eólica Holding	13,881	2,783	-	71,875	-	(782)	-	87,757
Eurus V	159	-	-	-	-	(48)	-	111
Eurus VI	41,240	-	(23)	-	-	2,388	(1,624)	41,981
Farol de Touros	377	-	-	-	-	(39)	-	338
Figueira Branca	237	-	-	-	-	(124)	-	113
Gameleira	1,195	-	-	-	-	(81)	-	1,114
Jantus	255,179	-	-	(255,179)	1,165	(1,165)	-	-
Juremas	13,083	3,041	-	(16,056)	-	(68)	-	-
Lacenas	44,170	-	-	-	-	9,976	-	54,146
Macacos	13,813	4,760	-	(18,198)	-	(375)	-	-

Navegantes	11	-	-	16	-	(27)	-	-
PCH Holding (**)	442,833	-	-	5,099	-	26,946	(27,302)	447,576
PCH Participações	280,220	28	-	-	-	13,910	-	294,158
Pedra Preta	13,516	5,292	-	(18,741)	-	(67)	-	-
Penedo	1,819	-	-	-	-	(11)	-	1,808
Plano Alto	25,761	-	-	-	-	10,813	(2,752)	33,822
Salto Góes	89,115	-	-	-	-	5,388	-	94,503
Santa Clara I	154,583	-	(238)	-	-	8,986	(9,307)	154,024
Santa Clara II	134,478	-	(215)	-	-	9,631	(10,490)	133,406
Santa Clara III	134,164	82	(185)	-	-	9,519	(9,874)	133,706
Santa Clara IV	138,341	-	(146)	-	-	9,953	(10,212)	137,934
Santa Clara V	138,305	-	(138)	-	-	9,925	(10,303)	137,789
Santa Clara VI	138,174	-	(110)	-	-	9,856	(10,177)	137,743
Santa Cruz	6,254	-	-	-	-	19	-	6,273
Santa Mônica	8,377	-	-	-	-	(32)	-	8,345
Santa Ursula	7,748	-	-	-	-	(41)	-	7,707
São Benedito	7,826	-	-	-	-	(19)	-	7,807
São Domingos	8,186	-	-	-	-	(246)	-	7,940
SIIF Energies	-	-	-	283,713	-	96,761	(70,752)	309,722
Solar	87	-	-	13	-	(100)	-	-
T-15	290,052	-	-	-	-	35,370	-	325,422
Tombo	934	-	-	-	-	(2)	-	932
Turbina 16	23	1	-	-	-	(4)	-	20
Turbina 17	23	-	-	-	-	(5)	-	18
Ventos de Santo Dimas	8,379	-	-	-	-	(27)	-	8,352
Ventos de São Martinho	8,196	-	-	-	-	(230)	-	7,966
Subtotal investments	3,166,323	58,351	(1,365)	33,662	1,165	208,959	(182,828)	3,284,267
PCH Holding 2 (*)	(9,896)	-	-	-	-	(13,485)	-	(23,381)
Navegantes (*)	-	-	-	(16)	-	-	-	(16)
SIIF Desenvolvimento (*)	-	-	-	(28,534)	-	(1,567)	-	(30,101)
Solar (*)	-	-	-	-	-	-	-	(13)
Total investments	3,156,427	58,351	(1,365)	5,099	1,165	193,907	(182,828)	3,230,756

(\*) Allowance for investment losses, amount reclassified to noncurrent liabilities.

(\*\*) Transfer to intangible assets of operating right.

Company	Balance as at 12/31/13	Capital increase (decrease)	Amortization of interest capitalization	Transfer of investment	Corporate reorganization	Acquisition (Note 1.1) (Note 1.1 and 1.2)	Equity in subsidiaries	Dividends paid	Dividends payable	Balance as at 12/31/2014
Alto Irani	45,631	-	-	-	-	-	9,854	(3,000)	(22,388)	30,097
Atlântica I	5,483	42,320	-	-	-	-	1,630	-	-	49,433
Atlântica II	3,482	48,539	-	-	-	-	(2,569)	-	-	49,452
Atlântica IV	4,486	55,865	-	-	-	-	(2,766)	-	-	57,585
Atlântica V	6,511	60,997	-	-	-	-	(772)	-	-	66,736
Baixa Verde	276	-	-	-	-	-	(35)	-	-	241
Bio Alvorada	26,942	97,106	-	-	-	-	(9,449)	-	-	114,599
Bio Buriti	148,400	(8,200)	-	-	-	-	5,040	(6,799)	-	138,441
Bio Coopcana	23,463	59,861	-	-	-	-	(24,822)	-	-	58,502
Bio Energia	42,627	5,060	-	-	-	-	(18,448)	-	-	29,239
Bio Formosa	115,061	7,135	-	-	-	-	(30,481)	-	(3,793)	87,922
Bio Ipe	27,811	166	(61)	-	-	-	5,022	(3,454)	-	29,484
Bio Pedra	212,617	13,153	(249)	-	-	-	17,602	(30,167)	-	212,956
Boa Vista 1	12	-	-	-	(9)	-	(3)	-	-	-
Boa Vista 2	2,456	781	-	-	-	-	(278)	-	-	2,959
Cachoeira Grande	7,570	(1,000)	-	-	-	-	79	-	-	6,649
Cajueiro	479	-	-	-	-	-	(3)	-	-	476
Campos dos Ventos I	9,254	3,894	-	-	-	-	258	-	-	13,406
Campos dos Ventos III	8,804	4,604	-	-	-	-	95	-	-	13,503
Campos dos Ventos IV	123	-	-	-	-	-	1	-	(103)	21
Campos dos Ventos V	9,416	3,387	-	-	-	-	265	-	(268)	12,800
Costa das Dunas	830	-	-	-	-	-	(20)	-	-	810
Dobrevê Energia	-	-	-	-	-	637,306	689	-	-	637,995
Eólica Holding	87,757	38,788	-	-	-	-	7,664	-	-	134,209
Eurus V	111	-	-	-	-	-	1	-	(97)	15
Eurus VI	41,981	(3,471)	(23)	-	-	-	2,012	(2,727)	-	37,772
Farol de Touros	338	-	-	-	-	-	(40)	-	-	298
Figueira Branca	113	71	-	-	-	-	(42)	-	-	142
Gameleira	1,114	-	-	-	-	-	(34)	-	-	1,080
Lacenas	54,146	3,099	-	-	-	-	19,975	(6,319)	(15,675)	55,226
PCH Holding	447,576	264	-	-	-	-	19,752	(30,439)	-	437,153
PCH Participações	294,158	(7,403)	-	-	-	-	11,776	(17,911)	-	280,620

Pedra Cheirosa I	-	11,250	-	-	119	-	134	-	-	11,503
Pedra Cheirosa II	-	10,303	-	-	200	-	125	-	-	10,628
Penedo	1,808	10	-	-	-	-	-	-	-	1,818
Plano Alto	33,822	-	-	-	-	-	7,083	(2,000)	(18,963)	19,942
Rosa dos Ventos	-	-	-	-	-	26,221	7,711	(1,949)	-	31,983
Salto Góes	94,503	-	-	-	-	-	1,388	(776)	(2,325)	92,790
Santa Clara I	154,024	(7,441)	(238)	-	-	-	9,609	(9,298)	-	146,656
Santa Clara II	133,406	-	(215)	-	-	-	9,672	(9,356)	-	133,507
Santa Clara III	133,706	-	(185)	-	-	-	11,666	(10,337)	-	134,850
Santa Clara IV	137,934	-	(146)	-	-	-	9,259	(9,469)	-	137,578
Santa Clara V	137,789	-	(138)	-	-	-	10,996	(10,471)	-	138,176
Santa Clara VI	137,743	-	(110)	-	-	-	8,218	(8,138)	-	137,713
Santa Cruz	6,273	(500)	-	-	-	-	33	-	-	5,806
Santa Mônica	8,345	5,975	-	-	-	-	214	-	-	14,534
Santa Ursula	7,707	5,548	-	-	-	-	212	-	-	13,467
São Benedito	7,807	5,975	-	-	-	-	229	-	-	14,011
São Domingos	7,940	5,409	-	-	-	-	182	-	-	13,531
SIIF Energies	309,722	309	-	-	(29,592)	-	81,355	(117,545)	(1,847)	242,402
SIIF Desenvolvimento	-	-	-	256	94	-	(297)	-	-	53
Solar	-	2,891	-	-	(13)	-	20	-	-	2,898
T-15	325,422	-	-	-	-	-	(18,884)	-	(33,602)	272,936
Tombo	932	5	-	-	-	-	-	-	-	937
Turbina 16	20	-	-	-	-	-	(2)	-	-	18
Turbina 17	18	-	-	-	-	-	(2)	-	-	16
Ventos de Santo Dimas	8,352	5,976	-	-	-	-	231	-	-	14,559
Ventos de São Martinho	7,966	3,276	-	-	-	-	178	-	-	11,420
Subtotal investments	3,284,267	474,002	(1,365)	256	(29,201)	663,527	151,283	(280,155)	(99,061)	4,163,553
Navegantes (*)	(16)	-	-	-	-	-	(22)	-	-	(38)
PCH Holding 2 (*)	(23,381)	208	-	-	-	-	(21,628)	-	-	(44,801)
Solar (*)	(13)	-	-	-	13	-	-	-	-	-
SIIF Desenvolvimento (*)	(30,101)	1,169	-	(256)	29,188	-	-	-	-	-
Total investments	3,230,756	475,379	(1,365)	-	-	663,527	129,633	(280,155)	(99,061)	4,118,714

(\*) Allowance for investment losses, amount reclassified to noncurrent liabilities.

## Operating rights, net of tax effects

As at December 31, 2013 and 2014, the Company recorded a balance of operating rights held by the following SPEs:

Company	Balance as at 12/31/12	Amortization	Price adjustment	Transfer	Balance as at 12/31/13
Aiuruoca	24,163	(1,804)	-	(1,702)	20,657
Alto Irani	107,493	(5,236)	-	-	102,257
Arvoredo	22,419	(1,384)	-	-	21,035
Atlântica I	308	-	-	-	308
Atlântica II	308	-	-	-	308
Atlântica IV	308	-	-	-	308
Atlântica V	308	-	-	-	308
Baixa Verde	3,200	-	-	-	3,200
Barra da Paciência	30,950	(1,404)	-	(2,156)	27,390
Boa Vista 2	48,873	-	-	-	48,873
Cachoeira Grande	1,752	-	-	-	1,752
Cajueiro	4,890	-	-	-	4,890
Campos dos Ventos I	3,227	-	-	-	3,227
Campos dos Ventos II	5,578	-	-	-	5,578
Campos dos Ventos III	3,227	-	-	-	3,227
Campos dos Ventos IV	3,227	-	-	-	3,227
Campos dos Ventos V	3,227	-	-	-	3,227
Cocais Grande	17,245	(1,064)	-	-	16,181
Corrente Grande	19,125	(890)	-	(1,241)	16,994
Costa Branca	32,311	-	-	-	32,311
Costa das Dunas	1,851	-	-	-	1,851
Eólica Formosa	142,323	(7,065)	-	-	135,258
Eólica Icaraizinho	219,468	(11,252)	-	-	208,216
Eólica Paracuru	145,056	(7,168)	-	-	137,888

Eurus V	3,227	-	-	-	3,227
Eurus VI	1,289	(43)	-	-	1,246
Farol de Touros	2,144	-	-	-	2,144
Figueira Branca	1,608	-	-	-	1,608
Gameleira	2,144	-	-	-	2,144
Juremas	25,551	-	-	-	25,551
Lacenas	11,706	(599)	(1,313)	-	9,794
Macacos	33,471	-	-	-	33,471
Ninho da Águia	17,245	(1,064)	-	-	16,181
Paiol	34,490	(2,128)	-	-	32,362
Pedra Preta	33,475	-	-	-	33,475
Penedo	24,210	-	-	-	24,210
Plano Alto	80,031	(3,952)	-	-	76,079
Salto Góes	36,591	(1,323)	-	-	35,268
Santa Clara I	5,144	(168)	-	-	4,976
Santa Clara II	5,144	(168)	-	-	4,976
Santa Clara III	5,144	(168)	-	-	4,976
Santa Clara IV	5,144	(168)	-	-	4,976
Santa Clara V	5,144	(168)	-	-	4,976
Santa Clara VI	5,144	(168)	-	-	4,976
Santa Cruz	850	-	-	-	850
Santa Mônica	5,963	-	-	-	5,963
Santa Ursula	5,963	-	-	-	5,963
São Benedito	5,963	-	-	-	5,963
São Domingos	5,963	-	-	-	5,963
São Gonçalo	18,969	(1,168)	-	-	17,801
SIIF Cinco	86,183	(4,264)	-	-	81,919
SIIF Desenvolvimento	48,726	(3,508)	-	-	45,218
Tombo	17,493	-	-	-	17,493
Varginha	15,520	(964)	-	-	14,556
Varzea Alegre	12,935	(805)	-	-	12,130
Ventos de Santo Dimas	5,963	-	-	-	5,963
Ventos de São Martinho	5,963	-	-	-	5,963
Total operation right, net of deferred taxes	1,415,337	(58,093)	(1,313)	(5,099)	1,350,832

Company	Balance as at 12/31/13	Addition	Write-off	Amortization	Transfer	Balance as at 12/31/14
Aiuruoca	20,657	-	-	3,742	(2,000)	22,399
Alto Irani	102,257	-	-	(6,195)	(3,243)	92,819
Arvoredo	21,035	-	-	(1,209)	(1,265)	18,561
Atlântica I	308	-	-	(8)	-	300
Atlântica II	308	-	-	(8)	-	300
Atlântica IV	308	-	-	(8)	-	300
Atlântica V	308	-	-	(8)	-	300
Baixa Verde	3,200	-	-	-	1,661	4,861
Barra da Paciência	27,390	-	-	(2,138)	(539)	24,713
Boa Vista 2	48,873	-	-	-	-	48,873
Cachoeira Grande	1,752	-	-	-	(1)	1,751
Cajueiro	4,890	-	-	-	1,710	6,600
Campos dos Ventos I	3,227	-	-	-	(415)	2,812
Campos dos Ventos II	5,578	-	-	(228)	-	5,350
Campos dos Ventos III	3,227	-	-	-	(415)	2,812
Campos dos Ventos IV	3,227	-	-	-	(415)	2,812
Campos dos Ventos V	3,227	-	-	-	(415)	2,812
Cocais Grande	16,181	-	-	(930)	(973)	14,278
Corrente Grande	16,994	-	-	(1,301)	(363)	15,330
Costa Branca	32,311	-	-	(714)	841	32,438
Costa das Dunas	1,851	-	-	-	(49)	1,802
Dobrevê Energia S.A.	-	462,938	-	(4,242)	-	458,696
Eólica Formosa	135,258	-	-	(7,305)	1,936	129,889
Eólica Icarazinho	208,216	-	-	(11,246)	3,010	199,980
Eólica Paracuru	137,888	-	-	(7,447)	1,192	131,633
Eurus V	3,227	-	-	-	-	3,227
Eurus VI	1,246	-	-	(36)	(417)	793
Farol de Touros	2,144	-	-	-	138	2,282
Figueira Branca	1,608	-	-	-	-	1,608



Gameleira	2,144	-	-	-	-	2,144
Juremas	25,551	-	-	(590)	693	25,654
Lacenas	9,794	-	-	(533)	155	9,416
Macacos	33,471	-	-	(772)	908	33,607
Ninho da Águia	16,181	-	-	(930)	(973)	14,278
Paiol	32,362	-	-	(1,860)	(1,947)	28,555
Pedra Cheirosa I	23,799		(171)	1,625	342	25,594
Pedra Cheirosa II	21,419		(154)	1,463	307	23,036
Pedra Preta	33,475	-	-	(771)	908	33,612
Penedo	24,210	-	-	-	-	24,210
Plano Alto	76,079	-	-	(4,220)	136	71,995
Rosa dos Ventos	-	44,709	-	(2,032)	-	42,677
Salto Goes	35,268	-	-	(1,573)	169	33,864
Santa Clara I	4,976	-	-	(142)	-	4,834
Santa Clara II	4,976	-	-	(142)	-	4,834
Santa Clara III	4,976	-	-	(142)	-	4,834
Santa Clara IV	4,976	-	-	(142)	-	4,834
Santa Clara V	4,976	-	-	(142)	1	4,835
Santa Clara VI	4,976	-	-	(142)	-	4,834
Santa Cruz	850	-	-	-	-	850
Santa Mônica	5,963	-	-	-	-	5,963
Santa Ursula	5,963	-	-	-	-	5,963
São Benedito	5,963	-	-	-	-	5,963
São Domingos	5,963	-	-	-	-	5,963
São Gonçalo	17,801	-	-	(1,023)	(1,071)	15,707
SIIF Cinco	81,919	-	-	(4,424)	2,000	79,495
Tombo	17,493	-	-	-	-	17,493
Varginha	14,556	-	-	(837)	(876)	12,843
Várzea Alegre	12,130	-	-	(698)	(730)	10,702
Ventos de Santo Dimas	5,963	-	-	-	-	5,963
Ventos de São Martinho	5,963	-	-	-	-	5,963
Total operation right, net of deferred taxes	1,350,832	507,647	(325)	(57,308)	-	1,800,846

The amount will be amortized over the remaining period of the related permits/concessions, as from the date the projects go into service.

As at December 31, 2014, the Company did not identify any event that would result in the need to recognize an allowance for impairment losses.

## Mergers

### a) Jantus

On March 26, 2013, the Company's Extraordinary Shareholders' Meeting approved the merger of its wholly-owned subsidiary Jantus S.L., under the Merger Agreement and Appraisal Report on the Merger, also approved on this date, as previously recommended by the Company's Board of Directors at the meeting held on November 29, 2012.

As determined by CVM, under CIRCULAR LETTER/CVM/SEP/GEA-1/No. 725/12, the Company was released to, according to CVM Resolution 559, of November 18, 2008, comply with the provisions set forth in article 264 of the Brazilian Corporate Law and CVM Instruction 319/99.

Jantus S.L. held, directly or indirectly, 100% of the capital of SIF Energias do Brasil Ltda. and SIF Desenvolvimento de Projetos de Energia Eólica Ltda., which were, after the merger, directly controlled by the Company. As a result of this merger, Jantus was terminated, its total shares held by the Company were cancelled and the Company's capital remained unchanged.

### b) SPE Boa Vista 1

On October 15, 2014, the shareholders approved, at the Extraordinary General Meeting, the merger of SPE Boa Vista 1 Energia S.A. ("Boa Vista 1") into its minority shareholder PCH Holding S.A., under the terms of the Protocol of Merger and Justification and Appraisal Report, which were also approved on such date. As a result of the merger, SPE Boa Vista 1 was extinguished, and the PCH Holding's capital was increased by R\$11, upon the issuance of 10,767 new common shares.

As the Company controlled Boa Vista 1, the new shares were issued on behalf of CPFL Renováveis to replace the shares held in the acquiree's capital.

## Transfer of corporate agreements

Restructuring of companies under common control, therefore, stated at book value.

a) On October 18, 2013, CPFL Renováveis transferred the shareholding control of subsidiaries SPE Pedra Preta Energia S.A., SPE Juremas Energia S.A., SPE Macacos Energia S.A. and SPE Costa Branca Energia S.A. to Eólica Holding S.A., direct subsidiary of CPFL Renováveis, in order to finance the respective BNDES projects.

b) On February 28, 2014, CPFL Renováveis and SIF Energias do Brasil Ltda. ("SIF Energias") increased the capital in SIF Desenvolvimento de Projetos de Energia Eólica Ltda. ("SIF Desenvolvimento"), in the amount of R\$1,169 and R\$469, respectively, by using the balance of advance for future capital increase (AFAC). Due to this increase, CPFL Renováveis, which previously held 99.99% in SIF Desenvolvimento's capital, became the holder of 86.93% and SIF Energias became the holder of 13.07%. Following this operation, SIF Energias performed a new capital contribution in SIF Desenvolvimento, in the amount of R\$30,533, relating to outstanding loans and apportionment of receivables. Due to this increase, SIF Energias became the SIF Desenvolvimento's controlling shareholder, holding an interest ownership of 90.84%, and CPFL Renováveis became the holder of 9.16% in SIF Desenvolvimento. Considering that CPFL Renováveis is the SIF Energias' controlling shareholder, holding interest ownership of 99.99%, it also became the SIF Desenvolvimento's indirect controlling shareholder.

### Advances for future capital increase - (a)

	Company	
	Assets	
	12/31/2014	12/31/2013
Alto Irani	1,541	1,541
Atlântica I	-	5,194
Atlântica II	87	1,753
Atlântica IV	1,875	9,172
Atlântica V	4,918	19,780
Bio Alvorada	-	8,524
Bio Coopcana	6,664	10,970
Boa Vista II	25	591
Campos dos Ventos I	28	432
Campos dos Ventos III	86	447
Campos dos Ventos V	-	318
CPFL Bioenergia	50	3,499
Eólica Holding	25	91,232
Figueira Branca	-	32
Navegantes	45	20
PCH Holding 2	3,019	143
PCH Participações	-	34
Penedo	-	10
São Domingos	338	-
São Martinho	385	-
Lacenas	-	5,098
T-15	103,209	10
Tombo	-	5
Solar I	-	2,891
SIIF Desenvolvimento	995	1,097
SIIF Ernegies	-	10,000
Turbina 17	-	1
Bitupitá I	-	3

Bitupitá III	-	2
Curra Velho I	-	11
Curra Velho II	-	14
Curra Velho IV	123,290	172,833

(a) Balances related to capital contributions as advances for future capital increases in its subsidiaries. These balances are estimated to be settled through March 31, 2015.

### Dividends receivable

As at December 31, 2014, the Company's dividends receivable from the SPEs are as follows:

	Company	
	Assets	
	12/31/2014	12/31/2013
Alto Irani	22,388	-
Bio Formosa	3,793	-
Campos dos Ventos IV	103	-
Campos dos Ventos V	268	-
Eurus V	97	-
Lacenas	15,675	-
Plano Alto	18,963	-
Salto Góes	2,325	-
SIIF Energies	1,847	-
T-15	33,602	-
	99,061	-

## 12. PROPERTY, PLANT AND EQUIPMENT

Company	Land	Buldings, construction works and improvements	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Total
Balance as at 12/31/2012	3,446	776	5,219	460	816	1,733	12,450
Historical cost	3,446	871	5,845	573	1,139	1,733	13,607
Accumulated depreciation	-	(95)	(626)	(113)	(323)	-	(1,157)
Additions	-	-	-	-	-	1,172	1,172
Write-offs	-	-	-	(165)	-	-	(165)
Transfers	367	730	499	179	229	(2,684)	(680)
Depreciation	-	(53)	(425)	(78)	(80)	-	(636)
Write-off of depreciation	-	-	-	40	-	-	40
Transfer - depreciation	-	45	345	39	251	-	680
Balance as at 12/31/2013	3,813	1,498	5,638	475	1,216	221	12,861
Historical cost	3,813	1,601	6,344	587	1,368	221	13,934
Accumulated depreciation	-	(103)	(706)	(112)	(152)	-	(1,073)
Average depreciation rate - %	-	3 to 4	5 to 6	17 to 18	7 to 8	-	

Company	Land	Buldings, construction works and improvements	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Total
Balance as at 12/31/2013	3,813	1,498	5,638	475	1,216	221	12,861
Historical cost	3,813	1,601	6,344	587	1,368	221	13,934
Accumulated depreciation	-	(103)	(706)	(112)	(152)	-	(1,073)
Additions	-	-	-	-	-	2,714	2,714
Write-offs	-	-	(371)	(180)	(11)	-	(562)
Transfers	-	1,305	594	-	158	(2,057)	-
Depreciation	-	(360)	(565)	(82)	(101)	-	(1,108)
Write-off of depreciation	-	-	175	75	10	-	260
Balance as at 12/31/2014	3,813	2,443	5,471	288	1,272	878	14,165
Historical cost	3,813	2,906	6,567	407	1,515	878	16,086
Accumulated depreciation	-	(463)	(1,096)	(119)	(243)	-	(1,921)
Average depreciation rate - %	-	3 to 4	5 to 6	17 to 18	7 to 8	-	

Company	Land	Reservoirs, dams and water mains	Buldings, construction works and improvements
Balance as at 12/31/2012	77,043	715,263	480,581
Historical cost	79,961	895,702	587,782
Accumulated depreciation	(2,918)	(180,439)	(107,201)
Additions	-	-	-
Write-offs	-	-	-
Transfers	5,489	(90,188)	200,826
Transfers - Other assets	-	820	(147,743)
Reversal of social and environmental and asset decommissioning costs	-	-	(17,747)
Depreciation	(3,123)	(28,222)	(35,631)
Write-off of depreciation	-	-	-
Transfer - Depreciation	-	(581)	37,858
Balance as at 12/31/2013	79,409	597,092	518,144
Historical cost	85,450	806,334	623,118
Accumulated depreciation	(6,041)	(209,242)	(104,974)
Average depreciation rate - %	3 to 4	3 to 4	3 to 4

(\*) The amount of R\$26,603 refers to the transfer of R\$11,353 from intangible assets and of R\$15,250 from recoverable taxes.

Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Total
2,770,915	976	4,271	585,297	4,634,346
3,197,193	1,161	6,033	585,297	5,353,129
(426,278)	(185)	(1,762)	-	(718,783)
-	-	2	874,334	874,336
(1,071)	(190)	-	-	(1,261)
445,726	270	(119)	(562,004)	-
163,539	14	69	7,817	24,516
-	-	-	-	(17,747)
(148,030)	(318)	(685)	-	(216,009)
103	42	-	-	145
(35,568)	-	378	-	2,087
3,195,614	794	3,916	905,444	5,300,413
3,805,387	1,255	5,985	905,444	6,232,973
(609,773)	(461)	(2,069)	-	(932,560)
5 to 6	17 to 18	7 to 8	-	

<b>Consolidated</b>	<b>Land</b>	<b>Reservoirs, dams and water mains</b>	<b>Buildings, construction works and improvements</b>
Balance as at 12/31/2013	79,409	597,092	518,144
Historical cost	85,450	806,334	623,118
Accumulated depreciation	(6,041)	(209,242)	(104,974)
<b>Additions</b>	-	-	-
Additions to social and environmental and asset decommissioning costs	-	-	9,193
Acquisition of Rosa dos Ventos/DESA (Note 1)	48,644	180,642	70,343
Write-offs (**)	(1,772)	-	(12,723)
Transfers	500	(3,768)	159,978
Transfer - Depreciation	-	94	(3,692)
Transfers - other assets (*)	(24)	162	(7,468)
Depreciation	(3,161)	(31,803)	(29,274)
Depreciation write-off	-	-	-
<b>Balance as at 12/31/2014</b>	<b>123,596</b>	<b>742,419</b>	<b>704,501</b>
Historical cost	132,798	983,370	842,441
Accumulated depreciation	(9,202)	(240,951)	(137,940)
Average depreciation rate - %	3 to 4	3 to 4	3 to 4

(\*) The amount of R\$16,402 refers to the transfer from property, plant and equipment to intangible assets.

(\*\*) The amount of R\$98,933 mainly refers to the write-off of property, plant and equipment, out of which R\$5,020 refers to the investment in the Bio Formosa's plant and R\$23,424 refers to the construction of Bio Alvorada's transmission line. Both amounts will be reimbursed, both by the Bio Formosa's accredited member and the power distributor responsible for the distribution in the region where Bio Alvorada operates. The amount of R\$67,342 refer to the reimbursement of advances to suppliers due to the termination of the agreement with the equipment supplier.



Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Total
3,195,614	794	3,916	905,444	5,300,413
3,805,387	1,255	5,985	905,444	6,232,973
(609,773)	(461)	(2,069)	-	(932,560)
-	-	-	241,911	241,911
-	-	-	-	9,193
715,585	93	241	330,030	1,345,578
(14,422)	(180)	(11)	(69,825)	(98,933)
1,001,427	3	503	(1,141,647)	16,996
(13,399)	(1)	2	-	(16,996)
(5,381)	-	(3)	(3,688)	(16,402)
(233,157)	(173)	(595)	-	(298,163)
142	75	12	-	229
4,646,409	611	4,065	262,225	6,483,826
5,502,596	1,171	6,715	262,225	7,731,316
(856,187)	(560)	(2,650)	-	(1,247,490)
5 to 6	17 to 18	7 to 8	-	

As at December 31, 2014, the Company recorded a balance of construction in progress held by the following SPEs:

Construction in progress	Net balance		Estimated date of start-up of activities (**)
	12/31/2014	12/31/2013	
Aiuruoca	13,753	14,295	(*)
Alto Irani	261	87	Under operation
Arvoredo	387	2,827	Under operation
Atlântica I	-	81,907	Under operation
Atlântica II	-	77,221	Under operation
Atlântica IV	-	102,328	Under operation
Atlântica V	-	201,770	Under operation
Baixa Verde	142	142	(*)
Bio Buriti	3,777	25	Under operation
Bio Formosa	4,570	8,363	Under operation
Bio Pedra	1,435	2,119	Under operation
Bioenergia	1,795	1,501	Under operation
Bitupitá I	-	222	(*)
Bitupitá II	-	221	(*)
Bitupitá III	-	221	(*)
Boa Vista 2	1,606	1,606	(*)
Cachoeira Grande	6,513	6,517	(*)
Cajueiro	115	115	(*)
Campo dos Ventos I	6,435	7,642	1Q16
Campo dos Ventos III	7,473	7,852	1Q16
Campo dos Ventos V	6,197	7,384	1Q16
Campos dos Ventos II	524	1,767	Under operation
Cherobim	1,747	-	(*)
Chimay	2,411	4,136	Under operation
Costa Branca	-	118,638	Under operation
Costa das Dunas	331	331	(*)
CPFL Renováveis	878	220	Under operation
Curral Velho I	-	185	(*)

Curral Velho II	-	185	(*)
Curral Velho IV	-	183	(*)
Farol de Touros	173	173	(*)
Figueira Branca	94	94	(*)
Gameleira	551	551	(*)
Jayaditya	253	3,265	Under operation
Juremas	-	46,005	Under operation
Lacenas	86	7,683	Under operation
Macacos	-	60,504	Under operation
Mata Velha	77,635	-	1Q16
Mohini	627	2,521	Under operation
Morro dos Ventos I	4,189	-	Under operation
Morro dos Ventos II	51,222	-	1Q16
Pedra Cheirosa I	4,668	4,544	1Q18
Pedra Cheirosa II	4,109	4,109	1Q18
Pedra Preta	-	58,264	Under operation
Penedo	985	985	(*)
Rosa dos Ventos	349	-	Under operation
Salto Góes	363	-	Under operation
Santa Clara I	734	9,951	Under operation
Santa Cruz	5,699	5,692	(*)
Santa Mônica	6,093	7,644	3Q16
Santa Ursula	5,560	6,979	3Q16
Santo Dimas	6,079	7,654	3Q16
São Benedito	5,960	7,026	3Q16
São Domingos	6,757	7,640	3Q16
São Martinho	4,991	7,621	3Q16
Sul Centrais	1,783	1,601	Under operation
Tombo	933	933	(*)
Varginha	227	773	Under operation
Other projects	11,755	3,222	
Total	262,225	905,444	

(\*) Project in preparation phase

(\*\*) Information not audited by independent auditors

(a) Out of the amount of R\$262,225 related to the construction in progress, R\$24,649 refers to improvements in assets under operation in order to optimize the power generation.

At the end of the permit period, the permits of the PCHs and wind farms may be renewed at the Concession Grantor's discretion. The permits of the PCHs, if not renewed, must be returned to the Concession Grantor at the end of their respective permit periods.

In the year ended December 31, 2014, the Company did not identify any event that would result in the need to recognize an allowance for impairment losses.

In the year ended December 31, 2014, depreciation expenses were recorded in the amount of R\$298,163 (consolidated), of which R\$296,223, classified in "Costs of power generation", under "Depreciation and amortization", and R\$1,940 (Company), classified in "General and administrative expenses", under "Depreciation and amortization".

As at December 31, 2014, total property, plant and equipment provided in guarantee to financial institutions amounts to R\$3,625,028, relating to FINAME loan and financing agreements (see Note 15).

## Start-up of operations

### a) Bio Coopcana

Upon permit granted by Decision 2988/13 issued by the National Electric Power Agency (ANEEL) and according to Resolution 3328/12, of August 28, 2013, Usina Termelétrica Movidà à Biomassa Coopcana ("UTE Coopcana"), located in the Municipality of São Carlos do Ivaí, State of Paraná, started its operations.

UTE Coopcana, with installed capacity of 50 MW, sold its power in the Free Market over a supply period of 21 years and with an average of 18 MW of contracted power.

### b) Campo dos Ventos II

Upon issuance of ANEEL Resolution 3333 on October 3, 2013, Parque Eólico Campo dos Ventos II, with installed capacity of 30 MW, located in the Municipality of João Câmara, State of Rio Grande do Norte, under the 2010 Reserve Energy Auction (LER), started its activities on September 27, 2013.

Because the transmission lines for connection to the Basic Grid were not concluded through the start-up of activities, these developments cannot generate and supply power temporarily. In this regard, ANEEL Decision 3333 provided for the business cash flow. Accordingly, based on such Decision, Campo dos Ventos will receive the respective fixed earnings according to Subclause 5.12 of the Reserve Power Contract (CER), and the payment obligations under the Transmission System Use Agreements (CUST) were maintained.

Upon permit granted by Decision 4706/14 issued by the National Electric Energy Agency (ANEEL), with installed capacity of 30 MW, beginning December 5, 2014, the wind farm Campo dos Ventos II started their operations, when the power generated by this plant was fully available to the system.

### c) Bio Alvorada

Upon permit granted by Decision 3769/13 issued by the National Electric Power Agency (ANEEL) and according to Resolution 3714/13, of November 9, 2013, Usina Termelétrica Movidà à Biomassa Alvorada ("UTE Alvorada"), located in the Municipality of Araporã, State of Minas Gerais, started its operations.

UTE Alvorada, with installed capacity of 50 MW, sold its power in the Free Market over a supply period of 20 years and with an average of 18 MW of contracted power.

### d) Atlântica Wind Power Group

Upon permit granted by Decision 681/14 issued by the National Electric Energy Agency (ANEEL) on March 22, 2014, Parque Eólico Atlântica IV S.A. started its operations,

which is the last company comprising the Atlântica Wind Power Group in operation. The Atlântica Wind Power Group comprises Atlântica I Parque Eólico S.A., Atlântica II Parque Eólico S.A., Atlântica IV Parque Eólico S.A. and Atlântica V Parque Eólico S.A., located in the Municipality of Palmares do Sul, State of Rio Grande do Sul, with installed capacity of 120 MW. From November 2013 to April 2014, the companies comprising Atlântica Wind Power Group has been gradually started their operations.

e) Santa Clara Group

On July 1, 2012, the plants comprising Santa Clara Group received the respective certificates to start up their operations beginning July 1, 2012, acting as the sellers in the 2nd Auction for contracting of Reserve Power, held in 2009, according to the Auction Notice 003/2 009-ANEEL.

Because the transmission lines for connection to the Basic Grid were not concluded until start-up of operations, these plants were temporarily unable to generate and supply electric power. Due to this extraordinary event, ANEEL Decision 2117, of June 26, 2012, was issued to resolve the cash flow matter, which was ratified on October 1, 2012. Under this Decision, Santa Clara was entitled to receive the respective fixed revenues according to Subclause 5.12 of the Reserve Power Agreement (CER) and the payment obligations under the Transmission System Use Agreements (CUST) were maintained. The plants comprising the Santa Clara Group recognized their revenues beginning July 2012.

Upon permit granted by Decisions 792/14 and 899/14 issued by the National Electric Energy Agency (ANEEL), with installed capacity of 118 MW, beginning March 29, 2014, and 70 MW, beginning April 3, 2014, respectively, the wind farms Santa Clara I, Santa Clara II, Santa Clara III, Santa Clara IV, Santa Clara V, Santa Clara VI and Eurús IV ("Santa Clara Group") started their operations, when the power generated by these plants was fully available to the system.

f) Complexo Macacos

According to Decision 3796/13, issued by the National Electric Power Agency (ANEEL), on November 12, 2013, Centrais Geradoras Eólicas - EOLs Juremas, Macacos, Pedra Preta and Costa Branca (Complexo Macacos) will start its activities on April 1, 2014, and the initial supply date of the Power Purchase Agreements under the Regulated Environment (CCEARs) relating to the these plants was changed from November 1, 2013 to April 1, 2014. The 20-year supply period was maintained.

ANEEL Decision 1642/14, of June 3, 2014, postponed the start-up of operations and the supply period of the CCEARs related to Complexo Macacos, from April 1, 2014 to May 1, 2014.

According to Decisions 1550/14, 1614/14, 1895/14 and 1896/14, issued on May 16 and 22, 2014 and June 18, 2014, respectively, issued by the National Electric Power Agency (ANEEL), the Complexo Macacos' generating units are authorized to start up their operations beginning May 1, 2014.

Because the transmission lines for connection to the Basic Grid were not concluded until start-up of operations, these plants were temporarily unable to generate and supply electric power. However, Complexo Macacos was entitled to receive the respective fixed revenues according to Subclause 5.12 of the Regulated Environment Electricity Sale Agreements (CCEAR) and the payment obligations under the Transmission System Use Agreements (CUST) were maintained.

Upon permit granted by Decisions 4656/14, 4706/14 and 4766/14 issued by the National Electric Energy Agency (ANEEL), with installed capacity of 41.4 MW, beginning December 3, 2014, 16.1 MW, beginning December 4, 2014, and 20.7 MW, beginning December 11, 2014, respectively, the wind farms Costa Branca, Pedra Preta, Juremas and Macacos ("Complexo Macacos I") started their operations, when the power generated by this plants was fully available to the system.

g) Complexo DESA Eurús

According to Decisions 1817/13 and 1818/13, issued on June 13, 2014, issued by the National Electric Power Agency (ANEEL), EOL Eurus I and EOL Eurus III ("Complexo DESA Eurus"), located in the Municipality of João Câmara, State of Rio Grande do Norte, owned by DESA Eurus I S.A. and DESA Eurus III S.A., are authorized to start up their operations beginning January 1, 2014.

Because the transmission lines for connection to the Basic Grid were not concluded until start-up of operations, these plants were temporarily unable to generate and supply electric power. However, Complexo DESA Eurus was entitled to receive the respective fixed revenues according to Subclause 5.12 of the Regulated Environment Electricity Sale Agreements (CCEAR) and the payment obligations under the Transmission System Use Agreements (CUST) were maintained.

Upon permit granted by Decision 4656/14 issued by the National Electric Energy Agency (ANEEL), with installed capacity of 60 MW, beginning December 3, 2014, the wind farms Eurus I and Eurus III started their operations, when the power generated by this plants was fully available to the system.

### 13. INTANGIBLE ASSETS

Intangible assets are broken down as follows:

Company	
Other intangible assets	
Balance as at 12/31/2013	9,017
Historical cost	10,159
Accumulated amortization	(1,142)
Additions	656
Amortization	(1,990)
Write-off	(208)
Balance as at 12/31/2013	7,475
Historical cost	10,607
Accumulated amortization	(3,132)
Average annual amortization rate - %	20

Company	
Other intangible assets	
Balance as at 12/31/2014	7,475
Historical cost	10,607
Accumulated amortization	(3,132)
Additions	2,631
Amortization	(2,134)
Write-off	(25)
Balance as at 12/31/2013	7,947
Historical cost	13,213
Accumulated amortization	(5,266)
Average annual amortization rate - %	20

	Consolidated		
	Acquired from business combinations	Other intangible assets	Total
Balance as at 12/31/2012	2,981,122	41,121	3,022,243
Historical cost	3,139,298	45,713	3,185,011
Accumulated amortization	(158,176)	(4,592)	(162,768)
Additions	-	1,696	1,696
Amortization	(128,277)	(4,069)	(132,346)
Write-off	(1,988)	(626)	(2,614)
Transfer (*)	-	(9,217)	(9,217)
Transfer - Depreciation (*)	-	(2,136)	(2,136)
Balance as at 12/31/2013	2,850,857	26,769	2,877,626
Historical cost	3,137,310	37,566	3,174,876
Accumulated amortization	(286,453)	(10,797)	(297,250)
Average annual amortization rate - %	3 to 4	9 to 10	

(\*) The amount of R\$11,353 refers to the transfer from property, plant and equipment.

	Consolidated		
	Acquired from business combinations	Other intangible assets	Total
Balance as at 12/31/2013	2,850,857	26,769	2,877,626
Historical cost	3,137,310	37,566	3,174,876
Accumulated amortization	(286,453)	(10,797)	(297,250)
Acquisition of Rosa dos Ventos/DESA (Note 1)	852,201	7,937	860,138
Additions	3,798	2,630	6,428
Amortization	(128,530)	(5,541)	(134,071)
Write-off		(39)	(39)
Transfer		1,066	1,066
Transfer - Depreciation		(1,066)	(1,066)
Transfer - Other assets (*)		16,402	16,402
Balance as at 12/31/2014	3,578,326	48,158	3,626,484
Historical cost	3,993,309	65,562	4,058,871
Accumulated amortization	(414,983)	(17,404)	(432,387)
Average annual amortization rate - %	3 to 4	9 to 10	

(\*) The amount of R\$16,402 refers to the transfer from property, plant and equipment to intangible assets.

The Company recorded a balance of operating rights held by the following SPEs:

In 2013:

	Consolidated			
	Balance as at 12/31/2012	Write-off	Amortization	Balance as at 12/31/2013
Aiuruoca	49,394	-	(2,834)	46,560
Alto Irani	159,784	-	(7,962)	151,822
Arvoredo	35,674	-	(2,054)	33,620
Atlântica I	468	-	-	468
Atlântica II	468	-	-	468
Atlântica IV	469	-	-	469
Atlântica V	468	-	-	468
Baixa Verde	5,057	-	-	5,057
Barra da Paciência	63,114	-	(3,626)	59,488
Boa Vista II	74,049	-	-	74,049
Bons Ventos	738,085	-	(35,853)	702,232
Cachoeira Grande	2,654	-	-	2,654
Cajueiro	7,899	-	-	7,899
Campos dos Ventos I	3,227	-	-	3,227
Campos dos Ventos II	5,576	-	-	5,576
Campos dos Ventos III	3,227	-	-	3,227
Campos dos Ventos IV	3,227	-	-	3,227
Campos dos Ventos V	3,227	-	-	3,227
Cocais Grande	27,441	-	(1,574)	25,867
Corrente Grande	38,418	-	(2,210)	36,208
Costa Branca	49,482	-	-	49,482
Costas das Dunas	5,278	-	-	5,278
Eurus V	3,225	-	-	3,225
Eurus VI	1,290	-	(42)	1,248
Farol de Touros	4,060	-	-	4,060
Figueira Branca	2,436	-	-	2,436
Siif Cinco	131,598	-	(6,780)	124,818
Gameleira	3,248	-	-	3,248
Eólica Icaraizinho	332,431	-	(17,112)	315,319



Juremas	40,751	-	-	40,751
Lacenas	17,692	(1,988)	(951)	14,753
Macacos	53,384	-	-	53,384
Ninho da Águia	27,441	-	(1,575)	25,866
Paiol	54,882	-	(3,159)	51,723
Eólica Paracuru	220,931	-	(11,376)	209,555
PCH Holding 2	85,360	-	(2,813)	82,547
Pedra Preta	53,390	-	-	53,390
Penedo	36,682	-	-	36,682
Plano Alto	118,765	-	(6,024)	112,741
Eólica Formosa	216,874	-	(11,160)	205,714
Salto Goes	55,442	-	(2,002)	53,440
Santa Clara I	5,145	-	(169)	4,976
Santa Clara II	5,145	-	(169)	4,976
Santa Clara III	5,145	-	(169)	4,976
Santa Clara IV	5,145	-	(169)	4,976
Santa Clara V	5,145	-	(168)	4,977
Santa Clara VI	5,145	-	(169)	4,976
Santa Cruz	1,288	-	-	1,288
Santa Mônica	5,963	-	-	5,963
Santa Ursula	5,963	-	-	5,963
São Benedito	5,963	-	-	5,963
São Domingos	5,963	-	-	5,963
São Gonçalo	30,185	-	(1,731)	28,454
Siif Desenvolvimento	74,651	-	(3,840)	70,811
Tombo	26,505	-	-	26,505
Varginha	24,696	-	(1,419)	23,277
Várzea Alegre	20,581	-	(1,167)	19,414
Ventos de Santo Dimas	5,963	-	-	5,963
Ventos de São Martinho	5,963	-	-	5,963
Authorization right	2,981,122	(1,988)	(128,277)	2,850,857

In 2014:

	Consolidated				
	Balance as at 12/31/2013	Addition	Amortization	Transfer	Balance as at 12/31/2014
Aiuruoca	46,560	-	5,670	-	52,230
Alto Irani	151,822	-	(8,507)	(4,437)	138,878
Arvoredo	33,620	-	(2,298)	(1,265)	30,057
Atlântica I	468	-	(12)	-	456
Atlântica II	468	-	(12)	-	456
Atlântica IV	469	-	(12)	-	457
Atlântica V	468	-	(12)	-	456
Baixa Verde	5,057	41	-	2,661	7,759
Barra da Paciência	59,488	-	(4,066)	(2,239)	53,183
Boa Vista 2	74,049	-	-	-	74,049
Bons Ventos	702,232	-	(36,380)	(192)	665,660
Cachoeira Grande	2,654	-	-	(1)	2,653
Cajueiro	7,899	90	-	2,710	10,699
Campos dos Ventos I	3,227	-	-	(415)	2,812
Campos dos Ventos II	5,576	-	(228)	-	5,348
Campos dos Ventos III	3,227	-	-	(415)	2,812
Campos dos Ventos IV	3,227	-	-	(415)	2,812
Campos dos Ventos V	3,227	-	-	(415)	2,812
Cocais Grande	25,867	-	(1,768)	(973)	23,126
Corrente Grande	36,208	-	(2,475)	(1,363)	32,370
Costa Branca	49,482	841	(1,082)	841	50,082
Costas das Dunas	5,278	179	-	(349)	5,108
Dobrevê Energia	-	784,460	(7,016)	-	777,444
Eólica Formosa	205,714	-	(11,169)	1,936	196,481
Eólica Icaraizinho	315,319	-	(17,119)	3,010	301,210
Eólica Paracuru	209,555	-	(11,377)	1,192	199,370
Eurus V	3,225	-	-	-	3,225
Eurus VI	1,248	-	(36)	(417)	795

Farol de Touros	4,060	138	-	138	4,336
Figueira Branca	2,436	-	-	-	2,436
Gameleira	3,248	-	-	-	3,248
Juremas	40,751	693	(893)	693	41,244
Lacenas	14,753	-	(458)	543	14,838
Macacos	53,384	908	(1,170)	908	54,030
Ninho da Águia	25,866	-	(1,768)	(973)	23,125
Paíol	51,723	-	(3,536)	(1,947)	46,240
Santa Luzia	82,547	-	(2,824)	(2)	79,721
Pedra Cheirosa I	37,269	-	2,537	342	40,147
Pedra Cheirosa II	33,542	-	2,283	307	36,133
Pedra Preta	53,390	908	(1,167)	908	54,039
Penedo	36,682	-	-	-	36,682
Plano Alto	112,741	-	(6,059)	136	106,818
Rosa dos Ventos	-	67,741	(3,079)	-	64,662
Salto Goes	53,440	-	(2,004)	169	51,605
Santa Clara I	4,976	-	(142)	-	4,834
Santa Clara II	4,976	-	(142)	-	4,834
Santa Clara III	4,976	-	(142)	-	4,834
Santa Clara IV	4,976	-	(142)	-	4,834
Santa Clara V	4,977	-	(142)	1	4,836
Santa Clara VI	4,976	-	(142)	-	4,834
Santa Cruz	1,288	-	-	-	1,288
Santa Mônica	5,963	-	-	-	5,963
Santa Ursula	5,963	-	-	-	5,963
São Benedito	5,963	-	-	-	5,963
São Domingos	5,963	-	-	-	5,963
São Gonçalo	28,454	-	(1,945)	(1,071)	25,438
Siif Cinco	124,818	-	(6,778)	2,000	120,040
Tombo	26,505	-	-	-	26,505
Varginha	23,277	-	(1,591)	(876)	20,810
Várzea Alegre	19,414	-	(1,327)	(730)	17,357
Ventos de Santo Dimas	5,963	-	-	-	5,963
Ventos de São Martinho	5,963	-	-	-	5,963
Authorization right	2,850,857	855,999	(128,530)		3,578,326

In the year ended December 31, 2014, in Consolidated, amortization expenses on the operating right was recorded in the amount of R\$128,530 (R\$128,277 in 2013), classified in "Operating expenses".

In the year ended December 31, 2014, the amortization expenses from other intangible assets amounted to R\$5,541 (Consolidated), of which R\$3,407 (Consolidated) was recorded under "Power generation costs" in line item "Depreciation and amortization", and R\$2,134 (Company/Consolidated) was recorded under "General and administrative expenses" in line item "Depreciation and amortization".

The balance of intangible assets is amortized over the remaining period of the related concession rights of the projects, on a straight-line basis after the start-up of activities.

As at December 31, 2014, the Company did not identify any event that would result in the need to recognize an allowance for impairment losses on intangible assets.

## 14. TRADE PAYABLES

	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
<b>Current</b>				
Power supply	17,639	3,596	30,451	31,580
Power grid use charges	-	-	3,272	585
Materials and services	7,232	3,976	72,459	61,898
<b>Total</b>	<b>24,871</b>	<b>7,572</b>	<b>106,182</b>	<b>94,063</b>
<b>Noncurrent</b>				
Materials and services	-	-	633	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>633</b>	<b>-</b>

CPFL Renováveis enforces its financial risk management policies to ensure that all obligations are paid in accordance with the originally agreed terms and conditions.

## 15. BORROWINGS AND FINANCING

Measured at cost	Current charges	Current
Brazilian currency		
BNDES - Power increases	-	-
BNDES - Investment	2,418	78,167
Financial institutions	-	-
<b>Total</b>	<b>2,418</b>	<b>78,167</b>

Balance as at 12/31/2012	Disbursements
988,500	153,717

Company							
12/31/14			Current charges	12/31/13			
Principal				Principal			
Total current	Noncurrent	Total	Current	Total current	Noncurrent	Total	
-	-	-	6	1,229	1,235	-	1,235
80,585	788,089	868,674	2,449	77,799	80,248	856,019	936,267
-	-	-	174	150,000	150,174	-	150,174
80,585	788,089	868,674	2,629	229,028	231,657	856,019	1,087,676

Company					
Interest	Borrowing cost	Amortization of borrowing cost	Amortization	Interest payment	Balance as at 12/31/2013
69,011	-	-	(68,137)	(55,415)	1,087,676

Balance as at 12/31/2013	Disbursements	Interest	Borrowing cost	Amortization of borrowing cost
1,087,676	10,348	64,844	(115)	3

#### Consolidated

Balance as at 12/31/2012	Disbursements	Interest	Borrowing cost	Amortization of borrowing cost
3,199,001	1,408,774	250,497	-	1,932

#### Consolidated

Balance as at 12/31/2013	Acquisition RDV	Acquisition DESA	Disbursements	Interest
3,631,885	34,894	700,267	527,307	267,442

#### Consolidated

Measured at cost	12/31/2014			
	Current charges	Principal		
		Current	Total current	Noncurrent
BNDES - Power increases	-	-	-	-
BNDES - Investment	9,165	277,304	286,469	2,873,621
Financial institutions	4,204	63,617	67,821	682,065
Total	13,369	340,921	354,290	3,555,686

**Amortization**

(229,015)

**Interest payment**

(65,067)

**Balance as at 12/31/2014**

868,674

**Amortization**

(1,026,293)

**Interest payment**

(202,026)

**Balance as at 12/31/2013**

3,631,885

**Borrowing cost**

(115)

**Amortization of  
borrowing cost**

1,658

**Amortization**

(1,010,586)

**Interest payment**

(242,776)

**Balance as at 12/31/2014**

3,909,976

**12/31/2013****Principal****Total**

-

3,160,090

749,886

3,909,976

**Current charges**

6

16,698

10,591

27,295

**Current**

1,229

456,581

363,556

821,366

**Total current**

1,235

473,279

374,147

848,661

**Noncurrent**

-

2,103,867

679,357

2,783,224

**Total**

1,235

2,577,146

1,053,504

3,631,885

**Stated at cost****12/31/2014****12/31/2013****Domestic currency**

BNDES - installed capacity increase

Banco do Brasil e Itaú (\*)

**BNDES/BNB/FINEP/NIB - Investment**

FINEM I	321,088	352,829
FINEM II	28,605	31,997
FINEM III (*)	565,890	605,263
FINEM V	101,723	113,106
FINEM VI	83,741	76,673
FINEM VII	174,388	194,041
FINEM VIII	79,066	50,811
FINEM IX	39,581	46,994
FINEM X	811	1,108
FINEM XI (*)	126,670	138,101

**To be continued**



Annual interest	Payment conditions	Collaterals
TJLP + 3.1% to 4.3%	72 to 75 monthly installments from September 2007 to July 2008	Surety and guarantee of CPFL Energia and promissory note
TJLP + 1.95%	168 monthly installments from October 2009 to July 2011	PCH Holding as joint debtor, guarantee letter
TJLP + 1.90%	144 monthly installments beginning June 2011	Guarantee of CPFL Energia, assets under conditional sale and collateral assignment of credit rights
TJLP + 1.72%	192 monthly installments beginning May 2013	Guarantee of CPFL Energia, pledged shares, assets under conditional sale and collateral assignment of credit rights
TJLP + 2.8% and 3.4%	143 months beginning December 2011	PCH Holding 2 and CPFL Renováveis as joint debtors
TJLP + 2.05%	173 to 192 monthly installments from October 2013 to April 2015	Pledged shares of CPFL Renováveis, assignment of receivables
TJLP + 1.92 %	156 monthly installments from October 2010 to September 2023	Pledged shares, assets under conditional sale, conditional sale of machinery and equipment
TJLP + 2.02%	192 installments beginning January 2014	Pledged shares, SPE reserve account and assignment of receivables
TJLP + 2.15%	120 installments beginning May 2010	Pledge of subsidiary's shares, conditional sale of machinery and equipment, mortgage of properties and guarantee letter
TJLP	84 installments beginning October 2010	Pledged shares, collateral assignment, conditional sale of machinery and equipment
TJLP + 1.87% to 1.9%	108 to 168 monthly installments from January 2012 to January 2013	Guarantee of CPFL Energia, pledged shares, assets under conditional sale and collateral assignment of credit rights

Continued

Stated at cost	12/31/2014	12/31/2013
FINEM XII	357,620	333,745
FINEM XIII	315,596	-
FINEM XIV	19,707	-
FINEM XV	45,973	-
FINEM XVI	525,540	-
FINAME I (*)	163,476	190,396
FINAME II	25,917	31,168
FINAME III	115,623	129,659
FINEP I (*)	2,383	2,507
FINEP II (*)	10,255	-
FINEP III	6,945	-
Bridge BNDES II	-	84,507
Bridge BNDES III	-	194,242
Bridge BNDES IV	49,492	-
<b>Financial institutions:</b>		
BNB	117,516	133,194
BNB	169,300	175,695

Annual interest	Payment conditions	Collaterals
TJLP and TJLP + 2.18%	192 installments beginning July 2014	Guarantee of CPFL Energia, pledged shares, assets under conditional sale and collateral assignment of credit rights
TJLP + 2.02% to 2.18%	192 installments beginning November 2014	"Pledged shares of SPE, pledged machinery and equipment, conditional sale
TJLP + 3.50%	120 installments beginning June 2007	Pledged shares, pledged credit rights, collateral transfer of machinery and equipment to be acquired with the operation funds
Fixed 5.5% and TJLP + 3.44%	From 101 to 139 monthly installments beginning September 2011	Intervening consenting party's pledged shares, assignment of credit rights, pledged emerging rights under ANEEL authorization and SPE's reserve account
TJLP + 2.18%	192 monthly installments beginning September 2011	Intervening consenting party's pledged shares, collateral assignment of credit rights, collateral transfer of machinery and equipment, pledged emerging rights under ANEEL authorization, reserve account of the SPEs and Desa Eólica's intervening consenting party
Fixed 5.5%	102 to 108 monthly installments from January 2012 to August 2020	Guarantee of CPFL Energia, pledged shares, assets under conditional sale and collateral assignment of credit rights
Fixed 4.5%	102 monthly installments beginning June 2011	Guarantee of CPFL Energia, pledged shares, assets under conditional sale and collateral assignment of credit rights
Fixed 2.5%	96 to 108 installments beginning January 2014 and February 2015	"Pledged shares of CPFL Renováveis, pledged shares, SPE's reserve account and assignment of receivables
Fixed 3.5%	61 monthly installments beginning October 2014	Bank guarantee letter
TJLP - 1%	85 monthly installments beginning June 2017	Bank guarantee letter
TJLP + 3%	73 monthly installments beginning July 2015	Bank guarantee letter
TJ6 + 3.02 %	Single installment in September 2014	SPE's pledged shares
TJLP + 3.02 %	Single installment in September 2014	SPE's pledged shares
TJLP + 2.40 %	Single installment in January 2016	Bank guarantee letter
Fixed between 9.5% and 10% p.a. and discount for timely payment of 15%	168 monthly installments from January 2009 to 2028	Conditional sale, parent's shares and guarantee of SIF Energy
Fixed 10% p.a. and discount for timely payment of 15% and 25%	222 monthly installments from May 2010 to October 2029	Guarantee of CPFL Energia

## Continued

BNB II	32,591	-
Banco do Brasil	36,739	-
NIB	73,677	79,109
Banco Safra	-	27,713
HSBC	320,063	343,190
Banco do Brasil - Promissory note	-	144,428
Banco Itaú - Promissory note (*)	-	150,174
	<b>3,909,976</b>	<b>3,631,885</b>

(\*) Loans recorded in the Company.

## Main changes in the year

### Domestic currency

#### Investment:

FINEM VI - In the year December 31, 2014, subsidiary Salto Góes disbursed R\$9,667. In the year-end, the BNDES financing was fully disbursed.

FINEM XII - In the year ended December 31, 2014, indirect subsidiaries Campo dos Ventos II, Macacos, Costa Branca, Juremas and Pedra Preta disbursed the amount of R\$22,758 of the BNDES financing. In this same year, the subsidiaries have remaining balance to be disbursed in the amount of R\$33,129.

BNDES II and III (bridge loan) - In 2013, BNDES approved the financing in the amount of R\$263,714, allocated to the subsidiaries comprising the Atlânticas wind power group. In the year ended December 31, 2014, this financing was settled with the long-term loan entered into with BNDES.

FINEM XIII - In the year ended December 31, 2014, the subsidiaries comprising the Atlânticas wind power group entered into long-term loans with BNDES in the amount of R\$314,991. In this same year, the subsidiaries have remaining balance to be disbursed in the amount of R\$64,957.

FINAME III - In the year ended December 31, 2014, subsidiaries Coopcana and Alvorada disbursed the amount of R\$31,543 of the BNDES financing and, at the end of the year, the balance was fully disbursed. Bio Ester has the remaining balance to be disbursed in the amount of R\$938.

FINEM XIV, FINEM XV, FINEM XVI, BNDES IV (bridge loan), FINEP III - In the year ended December 31, 2014, these debt balances were consolidated in the Company's

Fixed 9.5% p.a. and discount for timely payment of 25%	228 monthly installments from July 2009 to July 2028	Guarantee, assets under conditional sale and collateral assignment of credit rights
Fixed 10% p.a. and discount for timely payment of 15%	132 monthly installments beginning June 2010	Pledged shares, pledged emerging rights under ANEEL authorization and pledged credit rights, revenue assignment, bank guarantee letter, security insurance and SPE's reserve account
IGPM + 8.63% p.a.	Interest and principal repaid on a quarterly basis from June 2011 to September 2023	No collaterals
CDI+ 0.4%	Annual installments through December 2014	No collaterals
CDI + 0.5%	8 annual installments beginning June 2013	Shares sold
108.5% of CDI	Single installment in January 2014	Shares sold
CDI + 105%	Semiannual installment through June 2014	No collaterals

financial statements, beginning October 1, 2014, arising from the association with DESA, for the financing of projects related to the small hydroelectric plants and wind farms.

### Financial institutions:

Banco do Brasil (promissory notes) - In July 2014, the remaining balance of the promissory notes issued by subsidiaries Atlântica I, Atlântica II, Atlântica IV and Atlântica V were settled against the funds from the new issuance under the same conditions, in the amount of R\$138,000. This operation is not subject to covenants.

BNB II - Subsidiary Rosa dos Ventos, acquired in February 2014, had these operations, which

were consolidated in the Company's financial statements beginning March 1, 2014. BNB (working capital) - The working capital transaction was settled in July 2014 with own funds.

Banco Itaú (promissory notes) - In June 2014, the remaining balance of the promissory notes issued by CPFL Energias Renováveis was fully settled.

Banco do Brasil (FCO) - In the year ended December 31, 2014, this debt balance was consolidated in the Company's financial statements, beginning October 1, 2014, arising from the association with DESA, for the financing of projects related to the small hydroelectric plants.

Long-term borrowings and financing payment schedule is as follows:

Company	
Maturity	Amount
2016	78,167
2017	79,019
2018	79,627
2019	79,545
2020	79,135
2021 to 2025	260,847
2026 to 2030	131,749
Total	788,089

Consolidated	
Maturity	Amount
2016	399,016
2017	349,195
2018	359,961
2019	372,377
2020	374,377
2021 to 2025	1,149,195
2026 to 2030	551,119
Total	3,555,686

## Covenants

The loan and financing agreements are subject to certain covenants and clauses, including those requiring the maintenance of certain financial ratios within specific parameters by the Company and/or its subsidiaries. In the year ended December 31, 2014, these agreements are subject to the following covenants:

### FINEM I

- Maintenance of a Debt Coverage Ratio of 1.2 during the debt amortization period.
- Maintenance of a Leverage Ratio above or equal to 25% during the debt amortization period.

### FINEM VI

- Maintenance of a Debt Coverage Ratio of 1.2 during the debt amortization period.
- Maintenance of a Leverage Ratio above or equal to 25% during the debt amortization period.

On December 1, 2014, the Company obtained a Debt Coverage Ratio calculation waiver from BNDES for the year ended December 31, 2014.

### FINEM II and FINAME II

- Restriction to the distribution of dividends if the Leverage Ratio is not above or equal to 1.0 and the General Debt Ratio is not below or equal to 0.8.

### FINEM III

- Maintenance of the Equity/(Equity + Net Bank Debt) Ratio above 0.28 and calculated in the consolidated annual financial statements of CPFL Energia, over the agreement.
- Maintenance of the Net Bank Debt/EBITDA Ratio below or equal to 3.75 and calculated in the consolidated annual financial statements of CPFL Energia, during the debt amortization period.

On December 30, 2014, CPFL Energia obtained a Net Bank Debt/EBITDA calculation waiver from BNDES for the year ended December 31, 2014 relating to FINEM III.

## **FINEM V**

- Maintenance of a Debt Coverage Ratio of 1.2 during the debt amortization period.
- Maintenance of a Leverage Ratio above or equal to 30% during the debt amortization period.

In December, 2014, the Company obtained a Debt Coverage Ratio calculation waiver from Banco do Brasil for the year ended December 31, 2014.

## **FINEM VII and X**

- Maintenance of a Debt Coverage Ratio of 1.2 during the debt amortization period.
- Maintenance of minimum balances in a reserve account.
- Distribution of dividends limited to the Total Required Ratio divided by the Equity ex-Dividends below 2.33.

## **FINEM VIII e FINAME III**

- Maintenance of a Debt Coverage Ratio above or equal to 1.2 over the agreement.
- Maintenance of the Net Bank Debt/EBITDA Ratio below or equal to 7.5 in 2013, 6.0 in 2014, 5.6 in 2015, 4.6 in 2016 and 3.75 in 2017 onwards and calculated in the consolidated financial statements of CPFL Renováveis, over the agreement.
- Maintenance of the Equity/(Equity + Net Bank Debt) Ratio above or equal to 0.41 between 2013 and 2016 and 0.45 in 2017 onwards calculated in the consolidated financial statements of CPFL Renováveis, over the agreement.

On December, 2014, subsidiaries Bio Alvorada and Bio Coopcana obtained a Debt Coverage Ratio and Debt Coverage Ratio/EBITDA calculation waiver from the parent company for the year ended December 31, 2014.

## **FINEM IX and FINEM XIII**

- Maintenance of a Debt Coverage Ratio above or equal to 1.3 over the agreement.

## **FINEM XI and FINAME I**

- Maintenance of the Net Bank Debt/EBITDA Ratio below or equal to 4.0 and calculated in the consolidated annual financial statements of CPFL Energia S.A., during the debt amortization period.

On December 30, 2014, the CPFL Energia obtained a Net Bank Debt/EBITDA calculation waiver from BNDES for the year ended December 31, 2014 relating to FINEM XI and FINAME I.

## **FINEM XII**

- Maintenance of a Debt Coverage Ratio above or equal to 1.3 during the debt amortization period and over the agreement.
- Maintenance of a Consolidated Debt Coverage Ratio above or equal to 1.3 and calculated in the consolidated financial statements of Eólica Holding, during the debt amortization period and over the agreement.

## **FINEM XIV**

- Semiannual maintenance of a Leverage Ratio based on an Equity/Total Assets Ratio above or equal to 30% of the total project investment, as well as Debt Coverage Ratio above or equal to 1.3 during the debt amortization period.

## **FINEM XV**

- Quarterly maintenance of a Leverage Ratio based on an Equity/Total Assets Ratio above or equal to 25% (twenty-five percent).
- Quarterly maintenance of a Debt Service Coverage Ratio (DSCR) of, at least, 1.2 during the debt amortization period.

## **FINEM XVI**

- Semiannual maintenance of a Leverage Ratio based on an Equity/Total Assets Ratio above or equal to 30% of the total project investment, as well as Debt Coverage Ratio above or equal to 1.3 during the debt amortization period.

## **HSBC**

- Annual maintenance of a Debt Service Coverage Ratio (DSCR) above or equal to 1.2 during the debt amortization period. Annual maintenance of a Consolidated Debt Service Coverage Ratio above or equal to 1.3 calculated in the Desa Eólicas' consolidated financial statements. The first calculation must be performed through September 2015.

## NIB

- Semiannual maintenance of a Debt Coverage Ratio of 1.2 during the debt amortization period.
- Maintenance of the Total Debt and Equity Ratio above or equal to 30% during the debt amortization period.
- Maintenance of a Leverage Ratio above or equal to 1.7 during the debt amortization period.

## Banco do Brasil

- Annual maintenance of a Debt Service Coverage Ratio (DSCR) of, at least, 1.2 during the debt amortization period.

The Company and its subsidiaries' management monitors these ratios systematically and constantly to make sure the requirements are met.

According to the Company and its subsidiaries' management, all covenants and clauses were properly complied as at December 31, 2014

## 16. DEBENTURES

		Outstanding debentures	Annual interest	Effective rate	Payment conditions	Collaterals
1 <sup>st</sup> issuance - Renováveis	Single series	43,000	CDI + 1.7%	CDI + 1.82%	Annual principal payable beginning May 2015 and semiannual interest paid beginning November 2012	Collateral assignment of dividends of BVP and PCH Holding
2 <sup>nd</sup> issuance - Renováveis	Single series	300,000	114% of CDI	115.43% of CDI	Annual principal payable beginning March 2017 and semiannual interest paid beginning September 2014	Unsecured
"1 <sup>st</sup> issuance - WF2"	Single series	12	CDI + 1.5%	CDI + 1.5%	Principal and interest payable in March 2015	Unsecured
"2 <sup>nd</sup> issuance - WF2"	Single series	20	CDI + 2.0%	CDI + 2.0%	Principal and interest payable in November 2015	Unsecured



Company

Current charges	12/31/14				Current charges	12/31/13			
	Current	Total current	Noncurrent	Total		Current	Total current	Noncurrent	Total
5,795	21,500	27,295	406,385	433,680	5,065	-	5,065	427,403	432,468
9,603	-	9,603	298,883	308,486	-	-	-	-	-
2,984	30,000	32,984	-	32,984	-	-	-	-	-
10,582	132,000	142,582	-	142,582	-	-	-	-	-
<u>28,964</u>	<u>183,500</u>	<u>212,464</u>	<u>705,268</u>	<u>917,732</u>	<u>5,065</u>	<u>-</u>	<u>5,065</u>	<u>427,403</u>	<u>432,468</u>

Company			
Balance as at 12/31/2012	Disbursements	Interest	Borrowing cost
430,682	-	41,667	-

Company			
Balance as at 12/31/2013	Merger WF2	Issuances	Interest
432,468	170,114	300,000	85,911

CPFL Renováveis		Outstanding debentures	Annual interest	Effective rate	Payment conditions	Collaterals
1 <sup>st</sup> issuance - SIIF	1 <sup>st</sup> to 12 <sup>th</sup> series	432.299.666	TJLP + 1%	TJLP + 1% + 0.60%	39 semiannual consecutive installments beginning 2009	Conditional sale
1 <sup>st</sup> issuance - Renováveis	Single series	43.000	CDI + 1.7%	CDI + 1.82%	9 annual installments payable beginning May 2015 and semiannual interest paid beginning November 2012	Collateral assignment of dividends of BVP and PCH Holding
1 <sup>st</sup> issuance - PCH Holding 2	Single series	1.581	CDI + 1.6%	CDI + 1.8%	9 annual installments payable between 2015 and 2023 and monthly interest beginning June 2015	Guarantee of CPFL Renováveis
2 <sup>nd</sup> issuance - Renováveis	Single series	300.000	114% of CDI	115.43% of CDI	5 annual installments payable beginning 2017 and semiannual interest paid beginning September 2014	Unsecured
1 <sup>st</sup> issuance - WF2	Single series	12	CDI + 1.5%	CDI + 1.5%	Principal and interest payable in March 2015	Unsecured
2 <sup>nd</sup> issuance - WF2	Single series	20	CDI + 2.0%	CDI + 2.0%	Principal and interest payable in November 2015	Unsecured
1 <sup>st</sup> issuance - Dobrevê	Single series	20	CDI + 1.75%	CDI + 1.75%	3 semiannual installments payable beginning May 2016 and semiannual interest payable beginning November 2013	Unsecured
2 <sup>nd</sup> issuance - Dobrevê	Single series	65	CDI + 1.34%	CDI + 1.34%	3 semiannual installments payable beginning April 2018 and semiannual interest payable beginning April 2018	Unsecured

Amortization of borrowing cost	Amortization	Interest payment	Balance as at 12/31/2013
482	-	(40,363)	432,468

Borrowing cost	Amortization of borrowing cost	Amortization	Interest payment	Balance as at 12/31/2014
(1,300)	664	-	(70,125)	917,732

Consolidated									
12/31/14					12/31/13				
Charges	Current	Total current	Noncurrent	Total	Charges	Current	Total current	Noncurrent	Total
798	36,641	37,439	463,749	501,187	814	34,872	35,686	474,171	509,857
5,795	21,500	27,295	406,385	433,680	5,065	-	5,065	427,402	432,467
57,991	8,701	66,692	148,164	214,856	-	-	-	190,370	190,370
9,603	-	9,603	298,883	308,486	-	-	-	-	-
2,984	30,000	32,984	-	32,984	-	-	-	-	-
10,581	132,000	142,581	-	142,581	-	-	-	-	-
716	-	716	35,000	35,716	-	-	-	-	-
6,022	-	6,022	64,045	70,067	-	-	-	-	-
94,490	228,842	323,332	1,416,226	1,739,558	5,879	34,872	40,751	1,091,943	1,132,694

**Consolidated**

<b>Balance as at 12/31/2012</b>	<b>Disbursements</b>	<b>Interest</b>	<b>Borrowing cost</b>
1,119,957	-	90,472	-

**Consolidated**

<b>Balance as at 12/31/2013</b>	<b>Association DESA</b>	<b>Issuances</b>	<b>Interest</b>
1,132,694	274,716	300,000	144,590

**Main changes in the year****Domestic currency**

- Public offering for distribution of the 2<sup>nd</sup> issuance of simple debentures

On April 1, 2014, the Company concluded the public offering for distribution of the 2<sup>nd</sup> issuance of simple, unsecured, non-convertible debentures in single series.

The Company issued 300,000 debentures, at par value of R\$1 each, in the amount of R\$300,000, subject to interest calculated based on the accumulated variation of 114% of the daily average Interbank Deposit (DI) rate. The maturity is seven years, subject to annual increasing amortization.

The Company's net proceeds from this issuance will be allocated according to its cash and/or investment needs.

- On October 1, 2014, the Company merged the balance of the first and second issuance of WF2's debentures arising from their association. The net proceeds from these issuances were allocated to the acquisition of shares in new companies, development of new businesses, project financing and cash reimbursement.

The long-term debenture estimated payment schedule is as follows:

**Amortization of borrowing cost**

2,262

**Amortization**

(27,891)

**Interest payment**

(52,106)

**Balance as at 12/31/2013**

1,132,694

**Borrowing cost**

(1,300)

**Amortization of borrowing cost**

2,498

**Amortization**

(35,916)

**Interest payment**

(77,724)

**Balance as at 12/31/2014**

1,739,558

Company	
Maturity	Amount
2016	43,000
2017	73,000
2018	124,500
2019	124,500
2020	124,500
2021 to 2025	215,768
2026 to 2030	
<b>Total</b>	<b>705,268</b>

Consolidated	
Maturity	Amount
2016	105,841
2017	135,841
2018	213,170
2019	207,490
2020	185,819
2021 to 2025	476,238
2026 to 2030	91,827
<b>Tottol</b>	<b>1,416,226</b>

## Covenants

In the year ended December 31, 2014, the issuance of debentures is subject to certain covenants and clauses, including those requiring the maintenance of the following financial ratios:

### 1<sup>st</sup> issuance - CPFL Renováveis

- Maintenance of a Debt Coverage Ratio above or equal to 1.00.
- Maintenance of a Debt Coverage Ratio above or equal to 1.05.
- Maintenance of the Net Bank Debt/EBITDA Ratio below or equal to 7.5 in 2013, 6.5 in 2014, 5.6 in 2015, 5.4 in 2016, 4.6 in 2017, 4.0 in 2018 and 2019 and 3.75 in 2020 onwards.
- Maintenance of the Net Financial Expense/EBITDA Ratio above or equal to 1.75.

### 2<sup>nd</sup> issuance - CPFL Renováveis

- Manutenção de Índice de Dívida Líquida/EBITDA inferior ou igual a 6,5 para 2014, 5,6 para 2015, 5,4 para 2016, 4,6 para 2017, 4,0 para 2018 e 2019 e 3,75 a partir de 2020.

### 1<sup>st</sup> issuance - PCH Holding 2

- Maintenance of a Debt Coverage Ratio of subsidiary Santa Luzia above or equal to 1.2 beginning September 2014.
- Maintenance of the Net Bank Debt/EBITDA Ratio below or equal to 7.5 in 2013, 6.5 in 2014, 5.6 in 2015, 5.4 in 2016 and 4.60 in 2017, 4.0 in 2018 and 2019, and 3.75 in 2020 onwards..

### 2<sup>nd</sup> issuance - Dobrevê Energia S/A

- Maintenance of the Net Debt/Dividends Received below or equal to 5.5 in 2014, 5.5 in 2015, 4.0 in 2016, 3.5 in 2017 and 3.5 in 2018.

The Company and its subsidiaries' management monitors these ratios systematically and constantly to make sure the requirements are met.

According to the Company and its subsidiaries' management, all covenants and clauses were properly complied as at December 31, 2014.

## 17. PAYABLES FOR ACQUISITIONS

As at December 31, 2014 and 2013, payables for acquisitions are broken down as follows:

	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Campo dos Ventos I (a)	717	692	717	692
Campo dos Ventos IV (a)	717	692	717	692
Campo dos Ventos V (a)	717	692	717	692
São Benedito (a)	704	659	704	659
São Domingos (a)	703	660	703	660
Santa Ursula (a)	703	660	703	660
Santa Mônica (a)	703	660	703	660
Ventos de São Martinhos (a)	703	660	703	660
Ventos de Santo Dimas (a)	703	660	703	660
Navegantes (b)	1,551	1,480	1,551	1,480
Cajueiro (b)	1,552	1,481	1,552	1,481
Baixa Verde (b)	1,552	1,481	1,552	1,481
Renascer Centrais (c)	-	-	3,350	-
PCH Mata Velha (d)	-	-	1,281	-
Acquisition of noncontrolling interest (e)	71,490	-	71,490	-
<b>Total</b>	<b>82,515</b>	<b>10,477</b>	<b>87,146</b>	<b>10,477</b>
Current	66,363	10,477	70,994	10,477
Noncurrent	16,152	-	16,152	-
<b>Total</b>	<b>82,515</b>	<b>10,477</b>	<b>87,146</b>	<b>10,477</b>

- (a) Includes R\$6,370 relating to the acquisition of the wind farms located in the State of Ceará and State of Rio Grande do Norte. The amount will be payable when these wind farms are placed into operation and will be subject to inflation adjustment (IGP-M and IPCA).
- (b) The Company has entered into a commitment with the noncontrolling shareholder relating to the additional payment on the purchase of some SPEs, contingent on the operation of the wind farms for participation in power auctions to build projects. Should the transaction be completed, the Company should disburse up to 2015 the amount of R\$4,655, adjusted for inflation based on the IGP-M.
- (c) Includes R\$3,350 relating to the acquisition of this SPE, arising from the association with DESA, which will be paid upon obtaining of the necessary licenses for the implementation of the plant.
- (d) Includes R\$1,281 relating to the acquisition of the rights for installation license, basic project and other studies and rights related to this PCH, arising from the association with DESA. This amount will be payable when the PCH is placed into operation.
- (e) The amount of R\$71,490 relates to the merger of WF2 (Note 1.1) on October 1, 2014. On January 31, 2014, the share purchase and sale agreement and other covenants was entered into WF2 Holding S.A. and the non-controlling shareholders of Dobrevê Energia S.A., namely: AKKA Fundo de Investimento em Participações, URBIS Fundo de Investimento em Participações and PYXIS Fundo de Investimento em Participações, holding 21.14% of Dobrevê Energia S.A.'s total and voting capital.

Under this agreement, the noncontrolling shareholders sold the total shares (21.14% of Dobrevê Energia S.A.'s voting capital) at the price corresponding to the total amount of R\$203,000, under the terms and conditions set forth in this agreement.

The remaining amount of R\$71,490, as at December 31, 2014, will be settled in five quarterly installments, and the last installment will mature on January 29, 2016. The value of each quarterly installment will be adjusted at the CDI rate, plus 1.2% per year, calculated on a proportional basis.

## 18. ADVANCES FROM CUSTOMERS

As at December 31, 2014 and 2013, in the Consolidated, the balances refer to advances from customers related to the advanced revenues without the actual power or service supply, as follows:

	Consolidated	
	12/31/2014	12/31/2013
CCEAR*	30,803	9,620
CER**	26,590	1,339
Free market	3,719	784
Proinfa	30,395	32
Transmission line rental (***)	6,633	-
<b>Total</b>	<b>98,140</b>	<b>11,775</b>
Current liabilities	74,297	11,775
Noncurrent liabilities	23,843	-
	<b>98,140</b>	<b>11,775</b>

\* Regulated Environment Electricity Sale Agreement

\*\* Reserve Electric Power Agreement

\*\*\* Transmission line rental received in advance

As at December 31, 2014, the balance of advances from customers, in the Consolidated, includes amounts paid by the following agents: (i) R\$30,395 (31% of total) from Centrais Elétricas Brasileiras S.A - Proinfa; (ii) R\$7,996 (8% of total) from Amazonas Distribuidora de Energia S.A. – CCEAR; (iii) R\$26,694 (27% of total) from Electric Power Trade Chamber (CCEE), R\$26,590 of CER and R\$104 of free market; and (iv) R\$33,055 (34% of total) from large distributors.

## 19. PROVISIONS FOR SOCIAL AND ENVIRONMENTAL COSTS AND ASSET DECOMMISSIONING – CONSOLIDATED

In 2013:

Consolidated					
Balance as at 12/31/2012	Recognition (reversal) of provision	Acquisition	Payment	Adjustment to present value	Balance as at 12/31/2013
55,495	(17,747)	-	(4,166)	3,905	37,487

In 2014:

Consolidated					
Balance as at 12/31/2013	Recognition (reversal) of provision	Acquisition of Rosa dos Ventos/ Association with Desa	Payment	Adjustment to present value	Balance as at 12/31/2014
37,487	9,193	5,582	(128)	4,620	56,754

### 19.1. Provisions for social and environmental costs

As at December 31, 2014, the total balance of line item "Provision for social and environmental costs" amounted to R\$6,816 (R\$3,016 as at December 31, 2013) recognized in current liabilities and R\$6,909 (R\$4,970 as at December 31, 2013) recognized in noncurrent liabilities.

### 19.2. Provisions for asset decommissioning

In the year ended December 31, 2014, the main provisions recorded as a contra entry to property, plant and equipment resulted from:

- (i) Additions: Campos dos Ventos II R\$233, Complexo Atlântica R\$5,532 and Complexo Macacos R\$3,736;
- (ii) Acquisition: Rosa dos Ventos R\$947; and
- (iii) Association: Complexo Morros dos Ventos R\$1,549 and Complexo DESA Eurus R\$537.

As at December 31, 2014, the total balance of the provision for asset decommissioning was R\$43,029 (R\$29,501 as at December 31, 2013), recorded as noncurrent liabilities.



## 20. PROVISION FOR LABOR, TAX AND CIVIL CONTINGENCIES

The Company and its subsidiaries are parties to labor, social security, tax, civil, and environmental lawsuits and administrative proceedings.

Based on the opinion of its legal counsel, the Company's management recognizes a provision for risks when the likelihood of an unfavorable outcome is assessed as probable.

The provision for labor, tax and civil contingencies is broken down as follows:

	Company					12/31/2013
	12/31/2012	Provision	Reversal	Payment	Adjustment	
Labor	211	345	(83)	(124)	13	362
Civil	606	1,500	-	-	44	2,150
Other contingent liabilities	35	-	-	-	-	35
Total	852	1,845	(83)	(124)	57	2,547
Escrow deposits	(65)	(137)	26	7	(8)	(177)

	Company							
	12/31/2012	Provision	Reversal	Payment	Adjustment	Acquisition of Rosa dos Ventos	Acquisition of DESA	12/31/2013
Labor	362	567	(177)	(187)	19	-	-	584
Civil	2,150	865	(603)	(60)	106	-	-	2,458
Other contingent liabilities	35	-	-	-	-	-	-	35
	2,547	1,432	(780)	(247)	125	-	-	3,077
Escrow deposits	(177)	(84)	27	-	21	-	-	(213)

Consolidated							
	12/31/2012	Provision	Reversal	Payment	Adjustment	Transfer	12/31/2013
Labor	256	500	(129)	(131)	16	-	512
Civil	620	1,529	-	-	44	-	2,193
Tax	-	-	-	-	-	-	-
Other contingent liabilities	23,985	-	-	-	-	-	23,985
Total	24,861	2,029	(129)	(131)	60	-	26,690
Escrow deposits	(201)	(1,569)	34	7	(22)	-	(1,751)

Consolidated								
	12/31/2013	Provision	Reversal	Payment	Adjustment	Acquisition of Rosa dos Ventos	Acquisition of DESA	12/31/2014
Labor	512	1,836	(247)	(236)	51	-	-	1,916
Civil	2,193	1,089	(603)	(81)	108	744	14,257	17,707
Other contingent liabilities	23,985	-	(10,000)	-	-	-	-	13,985
Total	26,690	2,925	(10,850)	(317)	159	744	14,257	33,608
Escrow deposits	(1,751)	(408)	27	-	(199)	(307)	(5,368)	(8,006)

On the date of Jantus acquisition, the Company recognized contingent liabilities measured at their fair values on the business combination, amounting to R\$13,985, of which R\$13,950 relating to Jantus and R\$35 relating to ERSA and CPFL joint venture, arising from labor, tax and civil contingencies. The Company also recognized an asset to be compensated of R\$13,950 equivalent to the liability (Note 9), pursuant to contractual requirements.

On June 30, 2014, Bons Ventos has written off the amount receivable of R\$10,000 related to the indemnity arising from the measurement at fair value of contingent liabilities identified in the business combination by virtue of the expiration of the two-year period for indemnity set forth in certain purchase and sale agreements entered into by this subsidiary. The balancing item to this amount is the provision for risks. The respective contingent liabilities were assessed by Bons Ventos' legal counsel and their likelihood of loss was classified as remote, which were subsequently reversed.

The Company recognized, on the date of acquisition of Rosa dos Ventos and on the date of association with DESA, contingent liabilities stated at fair value in the business combination, in the amount of R\$744 and R\$14,257, respectively, arising from labor, tax and civil risks.

Risks whose likelihood of loss is assessed as possible:

## Civil

As at December 31, 2014, subsidiaries were parties to 38 civil (2013 – 21 lawsuits) and environmental lawsuits and environmental administrative proceedings, whose likelihood of loss is assessed as possible, in the total estimated amount of R\$156,990; therefore, no provision was recognized. The civil lawsuits in progress mainly relate to: (i) indemnity for expropriation or right of way; (ii) arbitration procedure (commenced at the end of December 2014), requesting the indemnity for losses related to the non-compliance with contractual clauses, in the adjusted lawsuit value of R\$150,000; (iii) review of the lease agreement, discussion related to the effective period of the environmental licenses and necessary procedures for obtaining such licenses; and (iv) public civil action, in the adjusted lawsuit value of R\$1,000, whose subject matter is the discussion about the effective period of the operation license granted to PCH Ludesa.

## Labor

As at December 31, 2014, subsidiaries were parties to 79 labor lawsuits and labor administrative proceedings (2013 – 107 labor lawsuits and labor administrative proceedings) in the total estimated amount of R\$3,584, whose likelihood of loss is assessed as possible by the Company's outside legal counsel. Therefore, no provision was recognized.

Labor lawsuits and labor administrative proceedings generally address claims relating to outside service providers.

## Tax

As at December 31, 2014, subsidiaries were parties to 23 tax lawsuits and tax administrative proceedings (2013 – 12 tax lawsuits and tax administrative proceedings), in the total estimated amount of R\$146,036, whose likelihood of loss is assessed as possible by the Company's outside legal counsel. Therefore, no provision was recognized.

## Other

As at December 31, 2014, the Company and its subsidiaries are parties to regulatory claims relating to the collection of the ESS charge, as set forth in CNPE Resolution 3, of March 6, 2013, whereby the Company and its subsidiaries, through the Brazilian Association of Independent Power Producers (APINE) and Brazilian Association of Clean Power Generation (ABRAGEL), obtained the preliminary injunction that suspended the collection of such charge. The amount involved totals R\$12,642, of which R\$11,631 refers to the CPFL Renováveis Group's companies and R\$1,011 refers to DESA's companies, which were consolidated in the Company's financial statements beginning October 1, 2014. According to the Company's external legal advisors, the likelihood of loss is possible; therefore, no provision was recorded.

## 21. EQUITY

### a) Capital

As at December 31, 2014, subscribed and paid-in capital is R\$3,390,444 (R\$2,907,487 as at December 31, 2013), represented by 503,308,389 (441,425,692 as at December 31, 2013) registered common shares, without par value. Each share entitles its holder to one vote in Shareholders' Meetings.

The Board of Directors' Meeting, held on July 17, 2013, approved the Company's capital increase, in the amount of R\$350,000, in connection with the Public Offering of Shares, upon the issuance of 27,977,618 common shares. The amount of R\$222,422 was allocated to the capital account and the remaining amount of R\$127,578 was allocated to the capital reserve account.

The Board of Directors' Meeting, held on August 19, 2013, approved the Company's capital increase, upon the issuance of 1,174,045 shares for distribution in the Public Offering of Shares, at the issuance price of R\$12.51. Out of the total amount of R\$14,687, R\$9,334 was allocated to the capital account and the remaining amount of R\$5,353 was allocated to the capital reserve account.

The Board of Directors' Meeting, held on February 28, 2014, approved the Company's capital increase, in the amount of R\$551, upon the issuance of 61,304 shares, at the issuance price set forth in the Company's Stock Option Plan approved by the Company's General Meeting held on October 29, 2009, by virtue of the exercise of the corresponding stock options, by certain beneficiaries under the Stock Option Plan. The new shares issued were subscribed and paid, through issuance, by the respective subscribers, of promissory notes on behalf of the Company.

The Board of Directors' Meeting, held on June 26, 2014, approved the Company's capital increase, in the amount of R\$355, upon the issuance of 42,882 shares, at the issuance price set forth in the Company's Stock Option Plan approved by the Company's General Meeting held on October 29, 2009, by virtue of the exercise of the corresponding stock

options, by certain beneficiaries under the Stock Option Plan. The new shares issued were subscribed and paid, through issuance, by the respective subscribers, of promissory notes on behalf of the Company.

The Extraordinary General Meeting, held on September 30, 2014, effective beginning October 1, 2014, approved, by virtue of the merger of WF2 Holding S.A. into the Company, the Company's capital increase, in the amount of R\$481,834, upon the issuance of 61,752,782 shares, at the issuance price of R\$ 8.41 each, which were subscribed and paid by the WF2 Holding S.A.'s management, by its sole shareholder, upon the transfer of its equity to the Company, as well as the recognition of the capital reserve in the amount of R\$37,435. In addition, the Company recorded in the capital reserve account the amount of R\$314,394 (net) relating to the fair value calculated under CPC 15 – Business Combination.

The Board of Directors' Meeting, held on October 30, 2014, approved the Company's capital increase, in the amount of R\$217, upon the issuance of 25,729 shares, at the issuance price set forth in the Company's Stock Option Plan approved by the Company's General Meeting held on October 29, 2009, by virtue of the exercise of the corresponding stock options, by certain beneficiary under the Stock Option Plan. The new shares issued were subscribed and paid, through issuance, by the respective subscriber, of promissory notes on behalf of the Company.

### b) Shareholding structure

The Company's shareholding structure is as follows:

	12/31/2014		12/31/2013	
	Common	%	Common	%
CPFL Geração de Energia S.A.	259,748,799	51.61%	259,748,799	58.84%
Secor LLC	24,255,307	4.82%	24,255,307	5.49%
Patria Energia Fundo de Invest. Em Participações	21,064,242	4.19%	21,064,242	4.77%
Pátria Energia Renovável - Fundo de Investimento em Participações Infraestrutura	3,699,532	0.74%	3,699,532	0.84%
Fundo de Invest. Partic. Brasil Energia	31,439,288	6.25%	31,439,288	7.12%
DEG - Deutsche Investitions Und Ent MBH	6,499,722	1.29%	6,499,722	1.47%
Fundo de Invest. Partic. Multisetorial Plus	13,104,207	2.60%	13,104,207	2.97%
Previ	31,974,420	6.35%	31,974,420	7.24%
GMR Energia S.A.	8,230,323	1.64%	8,498,104	1.93%
Arrow – Fundo de Investimento em Participações	61,752,782	12.27%	-	0.00%
Daniel Gallo	41,539,767	8.24%	41,142,071	9.33%
Other	503,308,389	100%	441,425,692	100%

On March 28, 2013, CPFL Energia, in order to centralize the power generation activities in CPFL Geração, performed the partial spun-off of CPFL Brasil and transferred to CPFL Geração the assets and liabilities related to the investment of 27.51% held by CPFL Brasil in the Company. As a result, CPFL Geração, previously holding 35.49% of the Company's capital, became the holder of 63% of the Company's capital, prior to the Company's Public Offering of the Shares.

On August 19, 2013, the Public Offering was concluded for the primary distribution of 27,977,618 common shares, secondary distribution of 43,964,828 common shares and supplementary distribution of 1,174,045 million common shares issued by the Company, all shares registered, free and clear from any burden or encumbrance, launched on June 27, 2013. In total, 73.1 million shares were distributed at fixed price

of R\$12.51 each, totaling R\$914,686. The gross proceeds were as follows: (i) R\$364,687 in the primary and supplementary offerings, which was allocated to the capital account until the price per share equivalent to the equity divided by the total number of shares as at March 31, 2013, the date of the last accounting disclosure before the Offering, and the remaining net amount was allocated to the capital reserve account; and (ii) R\$549,999 in the secondary offering, upon the sale of 43.9 million common shares by the Company's shareholders. The borrowing costs total R\$36,187.

On October 1, 2014, the association between CPFL Renováveis and DESA (see Note 1.1.) was concluded. FIP Arrow (WF2's sole shareholder) transferred the WF2's net assets as capital contribution to CPFL Renováveis and became the CPFL Renováveis' shareholder holding an interest of 12.27%. The capital increase resulted from the following: (i) capital increase in the amount of R\$481,834, upon issuance of 61,752,782 new shares; (ii) recognition of capital reserve in the amount of R\$351,829.

#### c) Capital reserve

As at December 31, 2014 and 2013, the capital reserve is broken down as follows:

	Goodwill on issuance of shares	CPC 15 Fair value	Total
Balance as at 12.31.2012 (a)	-	528,988	528,988
Public offering of shares (b)	96,744	-	96,744
Offset of losses (d)	(21,143)	-	(21,143)
Balance as at 12.31.2013	75,601	528,988	604,589
<b>Association with DESA: (c)</b>			
(i) Recognition of reserve	37,435	-	37,435
(ii) Fair value	-	349,915	349,915
(iii) Changes in equity - merger	(35,521)	-	(35,521)
Offset of losses (d)	(77,515)	-	(77,515)
Balance as at 12.31.2014	-	878,903	878,903

(a) Refers to the contra entry to the fair value allocated to intangible assets – operation/authorization right arising from the business combination – reverse acquisition in August 2011.

(b) Refers to the amount exceeding the book value per share calculated in the Public Offering of shares in July 2013, including the supplementary shares in August 2013, net of share issuance costs.

(c) Refers to the amount exceeding the book value per share of CPFL Renováveis arising from the association with DESA in October 2014.

(d) Refers to the absorption of losses for the year. In 2013, the amount of R\$21,143 was absorbed and, in 2014, the amount of R\$77,515 was absorbed, as proposed by Management.

d) Earnings reserve - legal

As provided for by Article 193 of Law 6404/76, 5% of net income for the year must be used to recognize a legal reserve, which cannot exceed 20% of capital.

As at December 31, 2013, the Company offset the loss for the year against legal reserve, in the amount of R\$1,578, as prescribed by article 189 of Law 6404/76.

e) Earnings reserve - earnings retention

The main objective of the earnings retention reserve is to meet the investment plans forecast in the capital budget to expand generation capacity, focused on SHP, wind and biomass projects. Capital budget was approved at the AGM.

As at December 31, 2013, the Company offset the loss for the year against earnings retention reserve, in the amount of R\$22,492, as prescribed by article 189 of Law 6404/76.

f) Unrealized earnings reserve

In any given year when mandatory dividends, calculated as prescribed by the Company's Bylaws, exceed the realized portion of profit for the year, the Shareholders' Meeting can, as proposed by management bodies, allocate profit surplus to the unrealized earnings reserve.

The portion of profit for the year that exceeds the positive share of profits of subsidiaries is considered realized.

In 2013, the Company received the amount of R\$182,828 from its subsidiaries as dividends, relating to 2012, and advanced dividends, relating to 2013, for the realization of unrealized earnings reserve.

As at December 31, 2013, the Company offset the loss for the year against unrealized earnings reserve, in the amount of R\$7,496, as prescribed by article 189 of Law 6404/76.

g) Dividends

Under the Bylaws, shareholders are entitled to minimum dividends of 25% of net income adjusted according to Brazilian Corporate Law.

h) Earnings per share

Basic earnings per share are calculated by means of the profit for the period attributable to owners of the Company and the weighted average number of common shares outstanding in the related period.

Diluted earnings per share are calculated based on profit for the period attributable to the owners of the Company and the weighted average number of common shares outstanding in the period, considering the dilutive effects of convertible instruments.

In compliance with CPC 41, equivalent to IAS 33 - Earnings per Share, the following table reconciles profit (loss) for the period with the amounts used to calculate the basic and diluted earnings (loss) per share.

	Company	
	2014	2013
<b>A. Basic earnings (loss) per share</b>		
<b>Numerator</b>		
Loss available to common shareholders (in thousands of R\$)	(168,771)	(54,947)
<b>Denominator</b>		
Weighted average number of common shares	456,899,443	425,505,767
Basic loss per share (R\$ per share)	(0.37)	(0.37)
<b>B. Diluted loss per share</b>		
<b>Numerator</b>		
Loss available to common shareholders (in thousands of R\$)	(168,771)	(54,947)
Dilution from convertible debentures	(31,497)	(42,371)
Loss available to common shareholders	(200,268)	(97,318)
<b>Denominator</b>		
Weighted average number of common shares	456,899,443	425,505,767
Basic loss per share (R\$ per share)	(0.44)	(0.23)

Under CPC 41 – Earnings per Share, the calculation of the weighted average number of shares considered the capital increases on July 17, 2013, August 19, 2013, February 28, 2014, June 26, 2014 and October 30, 2014.

The dilutive effect of the numerator used to calculate diluted earnings per share takes into consideration the dilutive effects of convertible debentures issued by Company's subsidiaries (Note 16). These instruments reduce the profits available for owners of the Company. The effects have been calculated based on the assumption that such debentures would be converted into the subsidiaries' common shares at the beginning of the period.

- i) Valuation adjustments to equity  
 Certain projects were valued at their deemed cost. The net asset appreciation balance, amounting to R\$56,973 (original amount), was recognized in line item "Valuation adjustments to equity". As at December 31, 2014, the balance was R\$47,501.
- j) Dividend distribution  
 Shareholders are entitled to minimum mandatory dividends equivalent to 25% of net income for the year, adjusted as prescribed by Article 202 of Law 6404/76. Under CPC 24 - Events after the Reporting Period and ICPC 08 - Accounting for Proposed Dividend Payment, only mandatory minimum dividend can be accrued. Proposed but not yet approved dividends can only be recognized as liabilities in the financial statements after approved by the competent body.

No dividends were paid through December 31, 2014.

	Company	
	2014	2013
Loss for the year	(168,771)	(54,947)
(+) Realization of equity valuation adjustments	3,613	2,238
Adjusted loss (a)	(165,158)	(52,709)
(-) Legal reserve (based on adjusted net income)	-	-
Dividend calculation basis	(165,158)	(52,709)
Mandatory minimum dividends - 25%, before recognition of unrealized earnings reserve (b)	-	-
<b>Unrealized earnings:</b>		
Equity in subsidiaries (Note 11)	129,633	193,907
Unrealized profit (c)	(129,633)	(193,907)
Income for the income, corresponding to mandatory minimum dividends payable (a) - (c) = (d)	-	-
Recognition of unrealized earnings reserve (b) - (d)	-	-

k) Acquisition of own shares (Complexo Macacos)

At the Extraordinary General Meeting, held on February 24, 2014, the subsidiaries comprising Complexo Macacos (Juremas, Costa Branca, Macacos and Pedra) approved the acquisition of their own shares, to be held in treasury, without reduction of the respective capital and by using the capital reserve of each subsidiary.

This operation was carried out based on the carrying amount on the acquisition date. The amount of R\$25,007 was paid to controlling shareholder Complexo Macacos - Eólica Holding S.A. and the amount of R\$1,315 was paid to noncontrolling shareholder.

There was no impact in CPFL Renováveis' indirect interest.



## 22. NET OPERATING REVENUE

Revenue is recognized according to the contracts entered into.

	Company		Consolidated	
	2014	2013	2014	2013
Revenue from sale of power	127,912	59,917	1,334,285	1,086,013
Other revenues	-	9	4,171	1,405
Gross revenue	127,912	59,926	,338,456	1,087,418
Deductions from gross revenue Pis/Cofins	(12,135)	(5,542)	(87,392)	(67,038)
ICMS	-	-	(1,075)	-
Regulatory charges	-	-	(2,362)	(1,769)
Net operating revenue	<u>115,777</u>	<u>54,384</u>	<u>1,247,627</u>	<u>1,018,611</u>

Below is the segregation of revenues by type of contract:

	Company		Consolidated	
	2014	2013	2014	2013
CCEAR*	-	-	221,911	143,049
CER**	-	-	213,501	163,369
Free market	127,912	59,917	419,508	327,923
Proinfra	-	-	479,365	451,672
Total	<u>127,912</u>	<u>59,917</u>	<u>1,334,285</u>	<u>1,086,013</u>

\* Regulated Environment Electricity Sale Agreement

\*\* Reserve Electric Power Agreement

The revenues from customers accounting for 10% or more of the Company's total revenues are as follows: Eletrobras – R\$479,365 (36%) and CPFL Group – R\$287,777 (22%).

The power sale contracts of the Company's subsidiaries in operation as at December 31, 2014 have the following characteristics:

Project/SPE	Type	Contracted energy (MWh)	Contracted price (R\$/MWh)*	Adjustment index	Adjustment month
Alto Irani	Proinfa	13.5	217.41	IGPM	June
Americana	Free market	5.9	212.00	IPCA	January
Andorinhas	Free market	0.4	201.27	IGPM	January
Arvoredo	CCEAR	7.0	199.88	IPCA	**
Atlântica I	CCEAR	13.1	174.69	IPCA	November
Atlântica II	CCEAR	12.9	174.69	IPCA	November
Atlântica IV	CCEAR	13.0	174.69	IPCA	November
Atlântica V	CCEAR	13.7	174.69	IPCA	November
Baia Formosa	CCEAR	11.0	217.41	IPCA	***
Barra da Paciência	Free market	14.8	200.10	IPCA	January
Bio Alvorada	Free market	18.0	151.33	IPCA	January
Bio Buriti	Free market	21.0	195.54	IGPM	January
Bio Coopcana	Free market	18.0	151.33	IPCA	January
Bio Energia	Free market	11.9	196.42	IGPM	January
Bio Ester	CCEAR	7.0	207.18	IPCA	***
Bio Ester	Free market	4.2	125.55	IPCA	January
Bio Ipê	Free market	8.2	195.54	IGPM	January
Bio Pedra	CER	24.4	180.65	IPCA	March
Bons Ventos	Proinfa	15.9	369.50	IGPM	March
Buritis	Free market	0.4	212.00	IPCA	January
Campos dos Ventos II	CER	14.0	160.99	IPCA	September
Canoa Quebrada	Proinfa	22.9	337.79	IGPM	June
Canoa Quebrada - RV	Proinfa	3.3	371.02	IGPM	March
Capão Preto	Free market	2.3	212.00	IPCA	January
Chibarro	Free market	1.7	212.00	IPCA	January
Cocais Grande	Proinfa	5.0	217.41	IGPM	June
Corrente Grande	Free market	8.4	200.10	IPCA	January
Costa Branca	CCEAR	9.8	168.77	IPCA	November
Diamante	Free market	1.6	186.92	IGPM	January

Dourados	Free market	7.0	212.00	IPCA	January
Eloy Chaves	Free market	11.6	212.00	IPCA	January
Enacel	Proinfa	10.0	379.34	IGPM	June
Esmeril	Free market	2.9	212.00	IPCA	January
Eurus I	CER	14.5	158.50	IPCA	August
Eurus III	CER	15.0	158.49	IPCA	August
Eurus VI	CER	3.0	196.76	IPCA	July
Figueirópolis	Proinfa	12.5	212.47	IGPM	March
Foz do Rio Choró	Proinfa	7.4	374.55	IGPM	August
Gavião Peixoto	Free market	3.8	212.00	IPCA	January
Guaporé	Free market	0.6	201.27	IGPM	January
Icaraizinho	Proinfa	21.5	331.98	IGPM	March
Jaguari	Free market	4.5	212.00	IPCA	January
Juremas	CCEAR	7.5	175.99	IPCA	November
Lagoa do Mato - RV	Proinfa	1.4	327.14	IGPM	March
Lençóis	Free market	1.0	212.00	IPCA	January
Ludesa	Proinfa	16.7	214.28	IGPM	June
Ludesa	Free market	3.8	190.53	IGPM	*****
Macacos	CCEAR	9.7	175.99	IPCA	November
Monjolinho	Free market	0.4	181.23	IPCA	Abril
Morro dos Ventos I	CER	13.0	198.13	IPCA	July
Morro dos Ventos III	CER	13.0	198.09	IPCA	July
Morro dos Ventos IV	CER	13.0	198.10	IPCA	July
Morro dos Ventos IX	CER	14.0	198.11	IPCA	July
Morro dos Ventos VI	CER	13.0	198.14	IPCA	July
Ninho da Águia	Free market	4.2	200.10	IPCA	January
Novo Horizonte	Free market	9.3	141.11	IGPM	*****
Paiol	Free market	10.9	200.08	IPCA	January
Paracuru	Proinfa	11.8	327.14	IGPM	March
Pedra Preta	CCEAR	10.1	168.77	IPCA	November
Pinhal	Free market	3.7	212.00	IPCA	January

**To be continued**

## Continued

Pirapó	Free market	0.6	201.27	IGPM	January
Plano Alto	Proinfa	10.0	217.41	IGPM	June
Praia Formosa	Proinfa	1.8	376.84	IGPM	July
Praia Formosa - A	Proinfa	1.5	374.55	IGPM	August
Praia Formosa - B	Proinfa	3.7	373.55	IGPM	September
Praia Formosa - C	Proinfa	21.1	371.02	IGPM	March
Saltinho	Free market	0.7	201.27	IGPM	January
Salto Góes	CCEAR	11.1	188.15	IPCA	**
Salto Grande	Free market	2.6	212.00	IPCA	January
Santa Clara I	CER	13.0	196.76	IPCA	July
Santa Clara II	CER	12.0	196.76	IPCA	July
Santa Clara III	CER	12.0	196.76	IPCA	July
Santa Clara IV	CER	12.0	196.76	IPCA	July
Santa Clara V	CER	12.0	196.76	IPCA	July
Santa Clara VI	CER	12.0	196.76	IPCA	July
Santa Luzia	CCEAR	14.0	199.88	IPCA	**
Santa Luzia	Free market	4.0	224.60	IPCA	August
Santana	Free market	2.6	212.00	IPCA	January
São Gonçalo	Free market	6.4	200.10	IPCA	January
São Joaquim	Free market	5.1	212.00	IPCA	January
Socorro	Free market	0.3	212.00	IPCA	January
Solar	Free market	0.2	182.93	IPCA	January
Taíba Albatroz	Proinfa	6.6	336.73	IGPM	March
Três Saltos	Free market	0.5	212.00	IPCA	January
Varginha	CCEAR	4.0	199.88	IPCA	**
Várzea Alegre	Free market	4.8	200.10	IPCA	January
Total		748.7			

(\*) Reference date: 12/31/2014

(\*\*) The agreement is adjusted on the purchaser's tariff adjustment date (distributor)

(\*\*\*) Change in price arising from the adjustment to fixed revenues under the agreement

(\*\*\*\*) The agreement is adjusted on the purchaser's tariff adjustment date (free consumers).

## 23. COST OF POWER GENERATION AND GENERAL AND ADMINISTRATIVE EXPENSES

	Company		Consolidated	
	2014	2013	2014	2013
Cost:				
Cost of power purchase (a)	(125,245)	(61,193)	(297,881)	(225,878)
Transmission system use charges	-	(35)	(56,506)	(41,638)
Cost of power plant operation	-	-	(71,129)	(47,596)
Materials	-	-	(6,153)	(13,345)
Personnel costs	-	-	(13,862)	(12,035)
Leases	-	-	(11,176)	(9,301)
Depreciation and amortization	-	-	(299,630)	(217,452)
Other operating costs	-	-	(7,986)	(6,303)
<b>Total</b>	<b>(125,245)</b>	<b>(61,228)</b>	<b>(764,323)</b>	<b>(573,548)</b>
General and administrative expenses:				
Personnel expenses	(44,906)	(47,879)	(46,331)	(47,879)
Occupancy expenses	(3,626)	(2,064)	(7,248)	(4,540)
Material	(1,067)	(870)	(1,238)	(1,275)
Allowance for doubtful accounts	(102)	(4)	(2,588)	(1,637)
Professional services	(25,384)	(16,297)	(39,651)	(30,155)
Taxes and fees	(164)	(395)	(3,011)	(2,693)
Other	(6,434)	(5,039)	(10,449)	(3,477)
<b>Total</b>	<b>(81,683)</b>	<b>(72,548)</b>	<b>(110,516)</b>	<b>(91,656)</b>
Management compensation	(8,905)	(7,755)	(8,905)	(7,755)
Depreciation and amortization	(3,242)	(2,626)	(4,074)	(2,626)
Amortization of operation right	-	-	(128,530)	(128,277)
Other operating income (expenses), net	1	(3)	2	1
<b>Total</b>	<b>(93,829)</b>	<b>(82,932)</b>	<b>(252,023)</b>	<b>(230,313)</b>

(a) The Company and certain subsidiaries adhered to the Power Reallocation Mechanism (MRE). In the first six-month period of 2013 and 2014, the participants of this mechanism did not generate the volume of physical guarantee for the period due to unfavorable weather conditions. Accordingly, the MRE's participants purchased power in the spot market at the Difference Settlement Price (PLD).

In addition, due to the delayed start-up of some plants in the first six-month of 2014 (Note 12), the Company and its subsidiaries entered into power purchase agreements to comply with their obligations. In the fourth quarter of 2014, by virtue of the agreement entered into with the equipment supplier, the Company's subsidiaries recorded indemnity as power purchase reimbursement, in the amount of R\$28,964.

## 24. FINANCE INCOME (COSTS)

	Company		Consolidated	
	2014	2013	2014	2013
Finance income:				
Income from short-term investments	21,764	13,727	87,131	46,794
Inflation adjustment gains	680	379	1,720	1,002
Adjustment to present value	-	-	5,838	5,274
Other	2,096	3,118	4,302	2,013
<b>Total</b>	<b>24,540</b>	<b>17,224</b>	<b>98,991</b>	<b>55,083</b>
Finance cost:				
Interest on borrowings and debentures	(151,422)	(111,160)	(416,188)	(345,163)
Capitalized interest in property, plant and equipment	-	-	4,235	48,328
Bank guarantee, commissions and brokerage fees	(10)	(211)	(1,355)	(1,969)
Inflation adjustment losses	(118)	(386)	(151)	(427)
Adjustment to present value	-	-	(4,620)	(3,905)
Adjustment to present value - Baldin Bioenergia S.A.	-	-	(19,795)	-
Other interest	(736)	(1,587)	(1,600)	(160)
IOF	(1,944)	-	(3,081)	-
Other	(6,744)	(3,500)	(21,433)	(10,947)
<b>Total</b>	<b>(160,974)</b>	<b>(116,844)</b>	<b>(463,988)</b>	<b>(314,243)</b>

## 25. INCOME TAX AND SOCIAL CONTRIBUTION

### 25.1. Current income tax and social contribution

The Company's management adopted the deemed income regime to calculate the income tax and social contribution of its subsidiaries in operation, except for SPEs Bons Ventos, Formosa, Icaraizinho, Atlântica Group and Complexo Macacos which adopted the taxable income regime. The regime adopted by

the Company and for SPEs under construction and startup (development) phase was the taxable income regime.

The table below shows the reconciliation of tax effects on income before income tax and social contribution at statutory tax rates for the Company and the consolidated effects for the relevant years.

	Company			
	2014	2014	2013	2013
	IR	CS	IR	CS
Loss before income tax and social contribution	(168,771)	(168,771)	(54,947)	(54,947)
Statutory rate	25%	9%	25%	9%
Expected income tax and social contribution income at statutory rates	42,193	15,189	13,737	4,945
<b>Reconciliation to statutory rate (effects of application of tax rates):</b>				
Exclusion - equity in subsidiaries (Note 11)	32,408	11,667	48,477	17,452
Other permanent exclusions (additions)	(1,825)	(657)	(1,278)	(460)
<b>Tax incentives of IRPJ deduction (operating income)</b>				
Credits arising from temporary differences and tax losses not recognized due to the uncertain realization	(72,776)	(26,199)	(60,936)	(21,937)
Income tax and social contribution – income (expense)	-	-	-	-
Taxes - current	-	-	-	-
Taxes - deferred	-	-	-	-
Taxes, net	-	-	-	-
Effective rate - %	0.0%	0.0%	0.0%	0.0%

	Consolidated			
	2014	2014	2013	2013
	IR	CS	IR	CS
Loss before income tax and social contribution	(133,716)	(133,716)	(44,410)	(44,410)
Statutory rate	25%	9%	25%	9%
Expected income tax and social contribution income at statutory rates	33,429	12,034	11,103	3,997
Reconciliation to statutory rate (effects of application of tax rates): Other permanent exclusions (additions)				
Other permanent exclusions (additions)	(1,743)	(628)	2,144	(434)
Tax incentives of IRPJ deduction (operating income)	17,827	-	13,300	-
Credits arising from temporary differences and tax losses not recognized due to the uncertain realization	(78,050)	(28,098)	(60,298)	(21,123)
Utilization of credits	3,136	1,129	4,569	1,645
Tax loss carryforwards	-	-	8,260	2,974
Reversal of tax effects - taxable income	25,573	8,743	32,404	11,667
Taxation at deemed cost. based on the gross sales revenues for purposes of calculation	(17,504)	(9,493)	(13,181)	(7,634)
Income tax and social contribution – income (expense)	(17,332)	(16,313)	(1,699)	(8,908)
Taxes - current	(33,586)	(22,165)	(29,093)	(18,185)
Taxes - deferred	16,254	5,852	27,394	9,277
Taxes. net	(17,332)	(16,313)	(1,699)	(8,908)
Effective rate - %	13.0%	12.2%	3.8%	20.1%



## 25.2. Deferred income tax and social contribution

Deferred income tax and social contribution are recorded to reflect future tax effects attributable to temporary differences between the tax base of assets and liabilities and their respective carrying amounts. Additionally, some subsidiaries of SIIF Énergias and Bons Ventos Participações S.A. (BVP), which recognized tax under the taxable income regime, record tax credits on tax loss carryforwards. Tax credits were computed based on statutory rates for companies taxed under the taxable income regime.

Indirect subsidiaries Eólica Formosa Geração e Comercialização de Energia S.A. and Bons Ventos Geradora de Energia S.A. recorded deferred income tax assets related to tax loss carryforwards taking into account their expected future earnings, based on the acquisition of the SIIF Énergias and BVP economic group by the Company and the resulting restructuring process of these subsidiaries' debts, aimed at reducing their finance costs.

The balances of deferred taxes are reported in the balance sheet at their net amounts, at the level of the legal entity. Deferred taxes are broken down as follows:

	Consolidated					
	12/31/2014			12/31/2013		
	CSLL	IRPJ	Total	CSLL	IRPJ	Total
<b>Temporarily nondeductible differences</b>						
<b>Deferred taxes - assets:</b>						
Fair value of property, plant and equipment (depreciation of assets)	25,725	71,458	97,183	27,050	75,137	102,187
Tax loss carryforwards	2,911	8,089	11,000	5,295	14,709	20,004
<b>Total assets</b>	<b>28,636</b>	<b>79,547</b>	<b>108,183</b>	<b>32,345</b>	<b>89,846</b>	<b>122,191</b>
<b>Deferred taxes - liabilities:</b>						
Appreciation arising from determination of deemed cost	6,477	17,992	24,469	6,970	19,360	26,330
Appreciation of assets received from former ERSA	89,885	249,679	339,564	93,120	258,667	351,787
Intangible assets - concession/operation right Jantus, Santa Luzia, Complexo Atlântica, BVP, Rosa dos Ventos and Desa	224,868	624,634	849,502	155,471	431,862	587,333

**To be continued**

Continued

	Consolidated					
	12/31/2014			12/31/2013		
	CSLL	IRPJ	Total	CSLL	IRPJ	Total
RTT tax x corporate depreciation	11,329	31,470	42,799	9,006	25,016	34,022
Capital gain	3,578	9,940	13,518	-	-	-
Total liabilities	336,137	933,715	1,269,852	264,567	734,905	999,472
	307,501	854,168	1,161,669	232,222	645,059	877,281

Expected recovery	Consolidated
2015	14,324
2016	7,834
2017	5,580
2018	5,580
2019	5,580
2020 to 2024	27,899
2025 to 2029	27,899
2030 to 2034	13,487
Total	108,183

- a) Summary - presentation in the balance sheet - Consolidated  
The balance of deferred taxes is presented in the balance sheet at their net amounts at the level of the legal entity. Deferred taxes are broken down as follows:

	Consolidated	
	12/31/2014	12/31/2013
Total assets	108,183	122,191
Total liabilities	(1,269,852)	(999,472)
	(877,281)	(1,161,669)
Classified:		
Net assets	5,404	20,004
Net liabilities	(1,167,073)	(897,285)
	(1,161,669)	(877,281)

b) Changes in the balances of deferred taxes

	Asset			Liability		
	CSLL	IRPJ	Total	CSLL	IRPJ	Total
Balance as at 12.31.2012	3,298	8,193	11,491	245,150	680,949	926,099
Deferred taxes	(824)	(2,288)	(3,111)	(7,454)	(20,704)	(28,158)
Deferred tax credits	3,077	8,547	11,624	-	-	-
Write-off of intangible assets - operation right - Laceras	-	-	-	(179)	(497)	(676)
Reclassification to taxes payable	-	-	-	1	19	20
Balance as at 12.31.2013	5,552	14,452	20,004	237,518	659,767	897,285

	Asset			Liability		
	CSLL	IRPJ	Total	CSLL	IRPJ	Total
Balance as at 12.31.2013	5,552	14,452	20,004	237,518	659,767	897,285
Deferred taxes	(2,383)	(6,621)	(9,004)	(8,234)	(22,875)	(31,109)
Association with Desa	-	-	-	70,601	196,115	266,716
Acquisition of Rosa dos Ventos	-	-	-	6,097	16,935	23,032
Merger of WF2 (*)	-	-	-	3,578	9,940	13,518
Fair value of property, plant and equipment - Rosa dos Ventos	-	-	-	(151)	(420)	(571)
Noncontrolling interest - reverse merger	-	-	-	1,005	2,793	3,798
Reclassification assets x liabilities	(1,481)	(4,115)	(5,596)	(1,481)	(4,115)	(5,596)
Balance as at 12.31.2014	1,688	3,716	5,404	308,933	858,140	1,167,073

(\*) This balance resulted from the merger of WF2 and refers to deferred taxes from gain on ownership interest in prior years, which will be performed in the eventual disposal of the investment.

### 25.3. Tax credits

The Company and its subsidiaries recognize unrecorded tax losses on the following reference amounts:

	Company	Consolidated
Tax losses as at December 31, 2014	601,332	1,280,700
Tax loss carryforwards as at December 31, 2014	601,332	1,280,700

Tax loss carryforwards is offset at the maximum rate of 30% of annual taxable income, with no statutes of limitation.

The Company and its subsidiaries record tax loss carryforwards and temporary differences at the end of the reporting periods. Management's decision not to recognize future tax benefits is based on (i) the fact that the Company is a holding, whose profit or loss derives mainly from equity in subsidiaries; and (ii) the lack of a history of taxable income to date that supports the recognition of deferred tax assets.

## 26. FINANCIAL INSTRUMENTS

### Capital risk management

The Company manages its capital in order to ensure that the group companies can continue as going concerns, at the same time as they maximize the return to all stakeholders by optimizing debt and equity balance.

The Company adopts the Short-term Investments and Fund Management Policy. The cash exposure ceiling per financial institution eligible under this new policy is limited to 30% of total cash, resulting in a higher dilution of financial exposure, with a consequent risk reduction and a low impact on return on cash.

The Company and its subsidiaries conduct transactions with financial instruments. These financial instruments are managed through operating strategies and internal control that aim at liquidity, profitability and security. The control policy consists of permanently monitoring the market rates. The Company and its subsidiaries do not make speculative investments in derivatives or any other risk assets.

The estimated realizable amounts of the Company and its subsidiaries' financial assets and financial liabilities have been determined using available market inputs and appropriate valuation techniques. However, considerable judgment was required to interpret market inputs and then develop the most appropriate fair value estimates. Therefore, the estimates provided herein are not necessarily indicative of the amounts that could be realized in a current exchange market. The use of different market methodologies may have a significant effect on the estimated realizable values.

### 26.1. Classifications of financial instruments

Financial instruments are classified as follows:

- a) Financial assets, classified in the following categories: (i) loans and receivables; (ii) measured at fair value through profit or loss; (iii) held to maturity; and (iv) available for sale. Classification is made according to the following criteria:
  - (i) Loans and receivables  
Financial assets with fixed or determinable payments, which are not quoted in an active market. These financial assets are stated at historical cost under the amortized cost method.

The Company's main financial assets classified in this category are as follows:

- Cash and cash equivalents (Note 5)
- Restricted short-term investments (Note 6)
- Trade receivables (Note 7)

- Other receivables (Note 9)
- Related parties (Note 10)
- Dividends receivable (Note 11)

(ii) Measured at fair value through profit or loss  
 Consist of financial assets: (1) held for short-term trading; (2) stated at fair value to match the effects of the recognition of income and expenses to obtain more significant and consistent accounting information; or (3) derivatives. Financial assets at fair value through profit or loss are stated at fair value and any gains or losses are recognized in profit or loss.

- Securities (Note 6.2)
- Short-term investments (Note 6.1)

(iii) Held-to-maturity  
 Correspond to non-derivative financial assets with fixed or determinable payments, with defined maturities, which the Company has the positive intention and ability to hold to maturity. The financial assets classified in this category are stated at historical cost under the amortized cost method.

The Company does not have financial assets classified under this category.

(iv) Available-for-sale  
 Refer to financial assets that do not fall under any of the categories above or that are designated as available for sale. These financial assets are stated at their fair values and any change in fair value in subsequent measurements is recognized as balance item of equity.

The Company does not have financial liabilities classified under this category.

b) Financial liabilities, classified in the following categories: (i) measured at fair value through profit or loss; and (ii) other financial liabilities. Classification is made according to the following criteria:

(i) Measured at fair value through profit or loss  
 Consist of financial liabilities: (1) held for short-term trading; (2) stated at fair value to match the effects of the recognition of income and expenses to obtain more significant and consistent accounting information; or (3) derivatives. These liabilities are recognized at their fair values and any resulting gains or losses are recognized in profit or loss.

The Company does not have financial liabilities classified in this category.

(ii) Other financial liabilities  
 Any other financial liabilities that are not classified in the categories above. Financial liabilities classified in this category are recognized and amortized basically under the amortized cost method.

The main financial liabilities classified in this category are as follows:

- Related parties (Note 10)
- Trade payables (Note 14)
- Borrowings and financing (Note 15)
- Debentures (Note 16)
- Payables for acquisitions (Note 17)
- Advances from customers (Note 18)

The fair value of financial instruments recorded at amortized cost was estimated based on available market quotations or the use of valuation techniques, including the present value of future cash flows. However, the methods and assumptions used for the disclosure of fair values are based on management judgments. Thus, the estimated fair values do not necessarily reflect the amounts that would be received or paid in case of immediate settlement of these instruments. The use of different market methodologies or assumptions might have a material effect on the estimated fair values.

The methodologies used were as follows:

- Cash and cash equivalents, restricted short-term investments, short-term receivables, trade receivables, other receivables, trade payables and other short-term liabilities: due to the short-term nature of these balances, the amounts recorded approximate their fair values on the balance sheet date.
- Short- and long-term borrowings and financing and debentures:

		Consolidated	
		12/31/2014	
		Carrying amount	Fair value
Stated at cost			
Domestic currency			
BNDES - investment	Level 2	3,196,832	2,708,988
Financial institutions	Level 2	713,144	626,224
Debentures	Level 2	1,739,558	1,207,802
Total		5,649,534	4,543,014

The fair value of a security corresponds to its value at the maturity date (redemption value), discounted to present value using a discount (relating to the security maturity date) obtained using the market interest curve, in Brazilian reais.

- Related-party transactions: due to the specific characteristics of the agreements entered into by the Company and its subsidiaries, amongst which is the fact that the AFACs do not yield interest or have maturity date, the amounts recorded approximate their fair values on the balance sheet date.

## 26.2. Assets recorded at fair value in the balance sheet

The Company and its subsidiaries classify their financial instruments that are measured at fair value after their initial recognition into Levels 1 to 3, as described below, based on the observable level of fair value:

- Level 1 fair value measurements are obtained based on prices quoted (unadjusted) in active markets for identical assets and liabilities.
- Level 2 fair value measurements are obtained based on other variables besides quoted prices included in Level 1, which are directly observable for an asset or a liability (i.e., as prices) or indirectly observable (i.e., based on prices).
- Level 3 fair value measurements are obtained based on valuation techniques that include variables for an asset or a liability, but which are not based on observable market inputs (unobservable inputs).

The Company and its subsidiaries classify their securities and short-term investments amounting to R\$436 and R\$4,888, respectively, as at December 31, 2014 (R\$952 and R\$23,854, respectively, as at December 31, 2013) as Level 2 fair value measurements.

## 26.3. Considerations on risks

### Credit risk

Arises from the possibility that the Company and its subsidiaries incur losses as a result of default by its counterparties or financial institutions that are depositaries of funds or financial investments. To mitigate these risks, the Company and its subsidiaries analyze the financial position of its counterparties, set credit limits, and constantly monitor the outstanding positions. Concerning the financial institutions, the Company and its subsidiaries only conduct transactions with financial institutions highly rated by credit rating agencies.

As at December 31, 2014, the balance of trade receivables, in the Consolidated, includes amounts payable by the following agents: (i) R\$110,903 (47% of total) from Centrais Elétricas Brasileiras S.A. - ELETROBRAS (Proinfra); (ii) R\$52,190 (22% of total) from the Electric Power Trade Chamber (CCEE) (R\$38,330 of CER, R\$10,570 of CCEAR and R\$3,290 of free market); (iii) R\$32,225 (14% of total) from CPFL group (controlling shareholder); and (iv) R\$39,624 (17% of total) from other companies.

### Capital structure risk (or financial risk)

Arises from the choice made by the Company and its subsidiaries between own capital (capital contributions and earnings retention) and capital from third parties to finance their operations (capital structure). In order to reduce the liquidity risks and

to optimize the weighted average cost of capital, the Company and its subsidiaries constantly monitor the levels of indebtedness according to the market standards and the compliance with covenants set forth in loan agreements, financing and debentures.

### Interest rate risk

Arises from the possibility of the Company and its subsidiaries incurring losses due to fluctuations in interest rates applied on their financial assets and financial liabilities. To mitigate this risk, the Company and its subsidiaries try to diversify their borrowings into fixed and floating rates.

### Interest rate risk sensitivity analysis

In accordance with CVM Instruction 475, of December 17, 2008, the Company analyzed its financial instruments to illustrate its sensitivity to changes in market variables.

Assuming: (i) that the exposure scenario for financial instruments indexed to

variable interest rates as at December 31, 2014 is maintained and that the related annual indices prevailing as at December 31, 2014 remain constant (CDI at 11.57% p.a., TJLP at 5.0% p.a., IGPM at 3.67% p.a. and TR at 0.86% p.a.); (ii) a 25% increase in current indices; and (iii) a 50% increase in current indices. Scenario "(1)" is the one that best reflects Management's expectations for the possible impacts on the transactions described.

According to the projection, the effects arising from the application of these scenarios on the finance income (costs), in the Consolidated, for the next 12 months would be as follows:

Instruments	Index	Exposure	Scenario I	Increase by 25%	Increase by 50%
Financial asset					
CDB/Debentures/Public Notes	CDI	101,072	11,368	14,210	17,052
Securities	TR	436	4	5	6
Investment in funds*	CDI	856,060	99,901	124,876	149,852
		957,568	111,273	139,091	166,910
Financial liability					
Borrowings and financing - BNDES, FINEP, FCO, FNE and FDNE	TJLP+1.92%	(3,358,363)	(232,433)	(274,413)	(316,392)
Borrowings and financing - NIB	IGPM+8.63%	(74,196)	(9,365)	(10,106)	(10,846)
Borrowings and financing, and debentures	CDI+1.33%	(1,566,223)	(204,376)	(250,280)	(296,183)
Subtotal		(4,998,782)	(446,175)	(534,798)	(623,422)
Variation		(4,041,214)	(334,902)	(395,707)	(456,513)

(\*) The investment in funds are subject to fixed interest rate; the average interest rate was 100.48% of DI

As at December 31, 2014, total borrowing cost amounts to R\$26,728.

The Company and its subsidiaries have a liability exposure since they hold more financial liabilities than financial assets; accordingly, the sensitivity analysis of financial instruments is conducted taking into consideration an economic downturn and the increase in interest rates.

### Risk of accelerated maturities of borrowings and financing

The occurrence of default events in some of the Company's and its subsidiaries' debt instruments may characterize the accelerated maturity of other debt instruments. The risk of accelerated maturity arising from the noncompliance with financial covenants linked to the group's debts is described in Notes 15 and 16.

## 26.4. Liquidity analysis

The Executive Committee has ultimate responsibility for the management of the liquidity risk and has prepared an appropriate liquidity risk management model to manage funding requirements and short-, medium- and long-term liquidity management.

The Company manages the liquidity risk by maintaining reserves, bank and other credit facilities to raise new borrowings that it considers appropriate, based on the continuous monitoring of budgeted and actual cash flows, and the combination of the maturity profiles of financial assets and financial liabilities.

The tables include interest and principal cash flows. For cash flows based on floating rates, the undiscounted amount was based on the interest curves at yearend. Contractual maturity is based on the nearest date on which the Company and its subsidiaries should settle the related obligations.

Company							
12/31/2014	Less than 1 month	1 to 3 months	3 months to 1 year	1-3 years	4-5 years	Over 5 years	Total
Trade payables	23,777	780	-	-	-	-	24,557
Borrowings and financing - principal and charges	11,206	22,011	97,971	248,781	231,116	602,209	1,213,292
Debentures - principal and charges	-	52,750	254,077	285,671	369,453	401,955	1,363,906
Payables from acquisitions	-	-	-	11,025	-	-	11,025
<b>Total</b>	<b>34,983</b>	<b>75,541</b>	<b>352,048</b>	<b>545,477</b>	<b>600,569</b>	<b>1,004,164</b>	<b>2,612,780</b>



Consolidated							
12/31/2014	Less than 1 month	1 to 3 months	3 months to 1 year	1-3 years	4-5 years	Over 5 years	Total
Trade payables	104,475	3,885	633	-	-	-	108,993
Borrowings and financing - principal and charges	44,531	91,674	472,514	1,210,682	1,089,021	2,683,907	5,592,328
Debentures - principal and charges	-	52,750	389,530	461,806	624,991	878,995	2,408,071
Regulatory fees	198	-	-	-	-	-	198
Payables from acquisitions	-	-	-	15,656	-	-	15,656
<b>Total</b>	<b>149,204</b>	<b>148,309</b>	<b>862,677</b>	<b>1,688,144</b>	<b>1,714,011</b>	<b>3,562,902</b>	<b>8,125,246</b>

As at December 31, 2014, the Company recorded in its individual financial statements negative net working capital in the amount of R\$316,529, arising mainly from the loans entered into with its subsidiaries, in December 2014, for working capital. Such amounts will be partially settled in the first quarter of 2015 against dividends receivable and new loans, which are under negotiation..

## 27. INSURANCE

The Company contracts insurance for risk-exposed assets to cover probable losses in light of the nature of its business.

Plants under construction have individual insurance policies since each construction site has different features and timetables. The Company normally takes out insurance for all value at risk (total estimated project value) as maximum indemnity limit since it

cannot determine a percentage of the construction work that will have maximum loss in case of a catastrophe.

The operating risk and general civil liability insurance policy normally consolidated plants that are in operation by generation type (small hydroelectric plants, biomass thermal plants, wind farms and solar plants).

The determination of higher value plant is a market practice to stipulate the maximum indemnity limit of the operating risk policy since contracting as limit the total amount at risk characterizes a less probable or null situation, where all plants would show total loss in the same period. Therefore, it is better to ensure a limit that is sufficient to fully cover the higher value plant in case of a disaster or any other lower value plant in the policy. In case of using all policy limit, the insurance market offers risk recovery mechanisms by paying a proportional premium.

Description	Insurance line	Maximum coverage - Consolidated 12/31/14
Property, plant and equipment	Operating risks – property damages, loss on profits and engineering risks	3,211,584
Civil liability	Civil construction, facilities and assembling, Power Distribution Concessionaires or other	118,000
Vehicles	Comprehensive coverage	460
Persons	Group life and personal accidents	84,035
Other	Guarantee insurance, D&O and other	165,593
Total		3,579,672

## Claim

- Bio Alvorada  
In June 2013, the gas pipeline of Bio Alvorada's boiler was damaged during the construction tests, impacting the boiler structure and system. The construction is covered by a policy against engineering risks and loss on profits. The insurance company authorized the payment of indemnity for property damages in the amount of R\$5,933 in 2014.

On December 26, 2014, based on the expert analysis and claim regulation, the insurance company recognized the amount of R\$3,000 relating to the total partial losses reported and calculated up to date for the coverage of Bio Alvorada's loss of profits. This amount was recorded as indemnity revenue in its profit or loss and was received on January 29, 2015.

On February 20, 2015, the insurance company concluded the calculation of the total losses for the coverage of the loss of profits resulting from Bio Alvorada's claim, representing an additional amount payable of R\$4,326 (net of franchise).

This amount was recorded in its profit or loss in February 2015 and was received in the same month.

- Bio Coopcana  
In May 2014, the coils of Bio Coopcana's generator were burnt during the plant's activities. The plant is covered by the equipment warranty provided by the supplier, the guarantee insurance issued by the supplier on behalf of CPFL Renováveis and the insurance policy against operating risks contracted by CPFL Renováveis. The probable cause of this claim is being analyzed both by the supplier and the expert engaged by CPFL Renováveis. As at December 31, 2014, the generator has already been repaired by the supplier.

The assumptions adopted for insurance coverage, due to its nature, are not included in the audit scope. Accordingly, they were not audited by our independent auditors.

## 28. COMMITMENTS

### 28.1. Lease

Leases are classified as operating leases when lease terms do not substantially transfer all risks and rewards of ownership to the lessee. Operating lease payments are recognized as expenses on a straight-line basis over the agreement period.

As at December 31, 2014, the Company and its subsidiaries entered into land lease agreements broken down as follows:

	Ref.	Agreement execution	Area (ha)	Term	Adjustment index	R\$ thousand Payment Year - 2014
Eólica Santa Clara	2	39508	2.079	28 years	IGP-M	2,050.0
Eólica Bons Ventos	2	38961	437	28 years	IGP-M	2,992.0
Eólica Formosa	2	37165	1.094	28 years	IGP-M	1,450.0
Eólica Icaraizinho	2	37165	423	28 years	IGP-M	1,024.0
Eólica Paracuru	2	37226	107	28 years	IGP-M	450.0
Eólica Campo dos Ventos II	2	39965	183	37 years	IGP-M	379.0
Projeto EOL Bloco Norte e Sul	1	39722	3.300	37 years	IGP-M	21.0
Projeto EOL Campos dos Ventos	1	39539	3.206	37 years	IGP-M	20.0
Projeto EOL Royale	1	40483	701	25 years	IPCA	7.0
Projeto Pé de Serra	1	40725	2.974	35 years	IPCA	98.4
Projeto Pedra Cheirosa	1	39934	809	28 years	IGP-M	6.6
Projeto Serra dos Ventos	1	41061	2.144	35 years	IPCA	0.8
Eólica Bom Conselho	1	41061	3.088	35 years	IPCA	9.9
Eólica Serra Grande	1	41061	602	35 years	IPCA	1.2
Projeto Serra das Vacas	1	41061	451	35 years	IPCA	16.0
Projeto Saloá	1	41061	1.138	35 years	IPCA	44.9
Projeto Serra do Angelim	1	40725	3.447	35 years	IPCA	82.0
Projeto Tapuia	1	40848	1.852	35 years	IPCA	9.9
Projeto EOL Achado	1	41214	797	35 years	IPCA	24.5
Projeto EOL Olhos D'água	1	41000	1.350	35 years	IPCA	49.4
Projeto EOL Rodoleiro	1	41000	865	35 years	IPCA	25.4
Projeto EOL Palmeiras	1	41091	417	35 years	IPCA	8.9
Projeto EOL Farroupilha	1	41030	303	35 years	IPCA	9.4
Projeto EOL Canguçu	1	41153	2.365	35 years	IPCA	18.9
Projeto EOL Cerquinha	1	41153	680	35 years	IPCA	18.9
Projeto EOL Cristais	1	41183	5.072	35 years	IPCA	88.6
Projeto EOL Dourados	1	41183	1.820	35 years	IPCA	77.5
Projeto EOL Esplanada	1	41183	2.900	35 years	IPCA	35.8

To be continued

Continued

	Ref.	Agreement execution	Area (ha)	Term	Adjustment index	R\$ thousand Payment Year - 2014
Projeto EOL Jussara	1	41183	5,050	35 years	IPCA	119.1
Projeto EOL São Nicolau	1	41122	1,965	35 years	IPCA	47.7
Projeto EOL Tarumã	1	41153	2,136	35 years	IPCA	21.7
Projeto EOL Sossego	1	41183	1,500	35 years	IPCA	26.7
Projeto EOL Sucesso	1	41183	1,101	35 years	IPCA	4.7
Projeto EOL Ventania	1	41000	1,712	35 years	IPCA	43.3
Projeto EOL Santana	1	41214	1,560	35 years	IPCA	61.9
Projeto EOL Taipa	1	41061	3,270	35 years	IPCA	53.8
Projeto EOL Tangará	1	41153	4,596	35 years	IPCA	17.5
EOL Atlântica	2	41153	2,314	35 years	IGP-M	1,964.0
SPE Costa Branca	2	39661	322	25 years	IGP-M	822.0
SPE Juremas	2	39661	217	25 years	IGP-M	95.0
SPE Macacos	2	39661	88	25 years	IGP-M	120.0
SPE Pedra Preta	2	39661	145	25 years	IGP-M	107.0
SPE Baixa Verde	2	39661	239	25 years	IGP-M	5.2
SPE Cajueiro	2	39661	238	25 years	IGP-M	5.2
SPE Navegantes	2	39934	208	25 years	IGP-M	5.2
Eólica Vitória dos Palmares	2	40513	9,694	37 years	IGP-M	58.2
Eólica Irauna	2	40513	1,225	37 years	IGP-M	7.4
Eólica Pedra Grande	2	40513	3,277	37 years	IGP-M	19.7
Eólica Jandaíra	2	40513	4,871	37 years	IGP-M	29.2
Eólica Morro dos Ventos	1	40513	19,067	37 years	IGP-M	470.7
					<b>TOTAL</b>	<b>13,125</b>

Notes (amounts in Brazilian reais - R\$):

1. Pre-operating stage: monthly amounts of R\$1.0 to R\$3.0 per hectare.
2. Operating stage: monthly amounts based on the gross power revenue.

Below is the lease payment schedule:

Consolidated			
Maturity	Fixed	Floating	Total
2015	4,158	11,073	15,231
2016	4,126	13,061	17,187
2017	4,274	14,674	18,948
2018	4,562	15,326	19,888
2019	4,711	16,019	20,730
2020 to 2024	19,366	79,923	99,289
2025 to 2029	18,850	78,797	97,647
2030 to 2034	18,850	60,340	79,190
2035 to 2039	18,850	40,219	59,069
2040 to 2044	18,850	40,219	59,069
2045 to 2049	17,792	13,737	31,529
2050 to 2054	3,241	-	3,241
	<b>137,630</b>	<b>383,388</b>	<b>521,018</b>

## 28.2. Business acquisition commitment (additional price)

The Company has entered into a commitment with the noncontrolling shareholder relating to the additional payment on the purchase of SPES Cajueiro Energia S.A. and Baixa Verde Energia S.A., contingent on the operation of the wind farms for participation in power auctions to build projects. Should the transaction be completed, the Company should disburse up to 2015 the amount of R\$4,655, adjusted for inflation based on the IGP-M. This amount is recorded as liabilities in "Payables for acquisitions".

DESA has an amount payable of R\$3,350 relating to the acquisition of Renascer Centrais Elétricas, which will be paid upon obtaining of the necessary licenses for the implementation of the plant.

In addition, DESA has an amount payable of R\$1,281 relating to the acquisition of the rights for installation license, basic project and other studies and rights related to PCH Mata Velha.

The abovementioned amounts were consolidated in the Company beginning October 1, 2014, after the association with DESA.

## 28.3. Other commitments

The Company's commitments related to the long-term agreements for the construction of plants and maintenance and operation services are as follows:

R\$ thousand	2015	2016	2017	2018	2019	2020 onwards	Total
Rentals	1,359	168	48	-	168	48	1,575
Plant construction agreements	172,977	827,565	48,793	73	73	-	1,049,481
Plant maintenance and operation service agreements	72,817	37,796	29,407	25,688	24,353	187,202	377,263
Distribution and transmission system use charges	69,358	82,135	82,135	83,326	83,326	2,799,791	3,200,071
Administrative services	2,581	2,761	246	-	-	-	5,588
Total	319,092	950,425	160,629	109,087	107,752	2,986,993	4,633,978

## 29. PENSION PLAN

The Company offers its employees benefits such as life insurance, health care and optional supplementary private pension plan, among others, under the defined contribution regime. These benefits are accounted for on an accrual basis and discontinued when employment is terminated.

In July 2012 the Company entered into a Free Benefit Generation Plan with Bradesco Vida e Previdência S.A. The plan comprises the Unrestricted Benefits Generating Plan (PGBL), regulated by the Private Insurance Authority (SUSEP). The Free Benefit Generation Plan is a parity contribution plan since the Sponsor is limited to the amount that it accepted to contribute to the fund and the post-employment benefit received by the employee is determined by the amount of contributions paid by the sponsor and the employee, plus the returns on investments. As a result, the actuarial risk that benefits may be lower than expected and the investment risk (risks that assets invested may be insufficient to cover the expected benefits) are borne by the employee since the selection of the type of income for the employee contribution is free. As at December 31, 2014, the balance of contribution payable by the Company is R\$145. In the year ended December 31, 2014, the Company recognized an expense of R\$1,362.

## 30. NON-CASH TRANSACTIONS AND OTHER INFORMATION

Transactions arising from business combinations:	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Deferred tax assets (liabilities)	-	-	(303,266)	675
Investment	448,460	-	-	-
Property, plant and equipment	-	-	1,345,578	-
Concession right	562,453	(1,408)	852,201	(1,988)

Borrowings, financing and debentures	-	-	(1,009,877)	-
Other	-	-	19,957	-
<b>Total</b>	<b>1,010,913</b>	<b>(1,408)</b>	<b>904,593</b>	<b>(1,313)</b>
Compensation transferred through capital increase	939,983	-	833,663	-
Compensation paid	70,930	(1,408)	70,930	(1,313)
Transactions arising from WF2 merger:				
Cash and cash equivalents	43	-	-	-
Investment	719,665	-	-	-
Debentures	(170,114)	-	-	-
Payables from acquisitions	(83,484)	-	-	-
Deferred tax liabilities	(13,518)	-	-	-
Other	492	-	-	-
Merged net assets	453,084	-	-	-
Other transactions:				
Provision for social and environmental costs capitalized in property, plant and equipment	-	-	9,193	-
Reversal of provision for social and environmental costs	-	-	-	17,747
Capitalized financial charges	-	-	4,235	48,328
Transfer between property, plant and equipment and intangible assets	-	-	16,402	11,353
Reversal of contingent assets against contingent liabilities	-	-	10,000	-
Transfer between property, plant and equipment and other credits	-	-	28,444	-
Transfer between property, plant and equipment and recoverable taxes	-	-	-	15,250
Trade payables - property, plant and equipment	-	-	35,490	23,937
Realization of noncontrolling interest capital reserve against receivables	-	-	2,185	-
Transfer between related parties and other credits	-	-	740	-
Reclassification of deferred taxes	-	-	-	20
Capitalization of future capital increases	49,543	-	-	-
Related parties	-	3,566	-	3,566
Deferred income tax - noncontrolling interest	-	-	3,798	-

**To be continued**

Continued

Transactions arising from business combinations:	Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Merger of related-party balances	-	-	-	1,165
Capitalization of loan	19,261	-	-	-

### 31. LAW 12,783 (PROVISIONAL ACT 579/2012) – RENEWAL OF CONCESSIONS AND OTHER ISSUES

On September 11, 2012, the Federal Government issued Provisional Act 579, converted into Law 12,783 on January 13, 2013, which provides for the power generation, transmission and distribution concessions, relating to concession agreements entered into before 1995 on the reduction of sector charges, tariff moderation and other measures.

In an analysis conducted by the Company's management, it understands that such Law will not directly affect the Company's and its subsidiaries' business (assessment of assets and measurement of revenues) since the maturity of concessions and permits granted by ANEEL only occur after 2027 and, also power sale agreements were entered into through Proinfa, Reserve Energy, CCEAR and bilateral agreements (free market), whose terms are mostly between 15, 20 and 30 years.

Management also understands that, indirectly, if the Company's concessions and permits are given the same treatment as those under the Law, profits from business may ultimately be decreased in the future.

### 32. LAW 12,973 OF MAY 14, 2014

Law 12,973 of May 14, 2014 (converted from Provisional Act 627, of November 11, 2013) and Normative Instruction 1,422, of December 19, 2013, issued by the Brazilian Federal Revenue, changed the federal tax rules, including the revocation of the Temporary Taxation Regime (RTT).

The adoption of these provisions is mandatory beginning 2015, and early adoption is permitted beginning 2014.

The Company's management evaluated the impacts and concluded that the best initial adoption date is January 1, 2015. Based on the analysis, the Company believes that there are no significant effects to be considered in the financial statements.

### 33. SUBSEQUENT EVENT

#### 1<sup>st</sup> issuance of promissory notes – Mata Velha

On January 15, 2015, indirect subsidiary Mata Velha performed the 1<sup>st</sup> issuance of promissory notes, acquired by Banco Votorantim, in the amount of R\$50,000, at finance cost of CDI + 0.70% p.a., falling due on July 14, 2015. The purpose of this issuance was to reinforce this subsidiary's cash needs until the funds from the BNDES financing are disbursed.

### 34. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Executive Board on March 2, 2015.



# CPFL ENERGIAS RENOVÁVEIS S.A.

NIRE 3530033581-3 – CVM 20540

CNPJ/MF nº 08.439.659/0001-50

## MINUTES OF THE FISCAL COUNCIL MEETING HELD ON MARCH 18, 2015

**Date and Time:** held on March 18, 2015, at 02:00 p.m., at the Company's registered office, located at Avenida Dr. Cardoso de Melo, 1184, 7th floor, Vila Olímpia, Postal Code 04548-004, in the city of São Paulo, state of São Paulo.

**Attendance:** All members of the Fiscal Council: Mr. Adalgiso Fragoso de Faria, Mrs. Helena Kerr do Amaral and Mr. José Roberto de Mattos Curan.

**Call:** Made via electronic mail by the Chairman of the Fiscal Council.

**Panel:** Chairman: Mr. José Roberto de Mattos Curan; and Mrs. Erika Cristiane Diogo Patara, Secretary.

**Agenda:** Examine and give an opinion on: (i) the annual management report; and (ii) the Financial statements for the year ended December 31, 2014.

**Decisions unanimously made:** The fiscal council members unanimously and with no exception decided what follows:

(i) The Fiscal Council members appreciated the Annual Management Report, and unanimously decided that it appropriately reflects the company's performance in the period.

(ii) After presenting the Company's consolidated financial statements for the fiscal year ended 12/31/2014, the fiscal council members were made aware of the results of the independent auditing job on the aforementioned financial statements and the relevant audit opinion, with no exception. After appreciating the matter, and based on clarifications made by the Company's management and by the representatives of the external audit, and also considering the opinion of the independent accounts of Deloitte, dated March 2, 2015, the Fiscal Council issued the opinion that the financial statements and other papers provided

as for in article 133 of Law 6.404/1976 regarding the fiscal year ended 12/31/2014, are in conditions to be appreciated by the Company's Shareholders' Meeting according to the opinion attached hereto (Exhibit I).

**CLOSING AND RECORDING OF THE MINUTES:** having no further business, the Chairman offered the floor to whoever wished to speak and, as nobody did, he declared the work completed, and adjourned the meeting for the time necessary to draw up these minutes, which after resuming the meeting were read, approved and signed by all those present.

São Paulo, March 18, 2015

### Panel:

\_\_\_\_\_  
José Roberto de Mattos Curan  
Chairman

\_\_\_\_\_  
Erika Cristiane Diogo Patara  
Secretary

### Members present:

\_\_\_\_\_  
Adalgiso Fragoso de Faria

\_\_\_\_\_  
Helena Kerr do Amaral

\_\_\_\_\_  
José Roberto de Mattos Curan

# EXHIBIT I – OPINION OF THE FISCAL COUNCIL

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The undersigned members of the Fiscal Council of CPFL Energias Renováveis S.A., in compliance with legal and statutory provisions, and as provided for in items II, III and VII of article 163 of Law 6.404/76, examined and analyzed the Financial Statements and the Annual Management Report for the year ended December 31, 2014, taking into considerations clarifications made by the Management, and the opinion without exceptions of Deloitte Touche Tohmatsu Auditores Independentes, and unanimously and without restraints state that the abovementioned documents are in conditions to be examined by the Shareholders' General Meeting.

São Paulo, March 18, 2015.

José Roberto de Mattos Curan  
**Chairman of the Fiscal Council**

Helena Kerr do Amaral  
**Fiscal Council Member**

Adalgiso Fragoso de Faria  
**Fiscal Council Member**

## OFFICERS' STATEMENT ON THE FINANCIAL STATEMENTS

The Company's officers hereby state that they have examined, discussed and reviewed all information comprised in the Company's Financial Statements and agree with the opinion by the Company's Independent Accountants, Deloitte Touche Tohmatsu Auditores Independentes referenced in the Independent Accountants' Report shown below.

André Dorf  
**Chief Executive Officer**

João Miguel Mongelli Martin  
**Engineering and Works & Maintenance and Operation Officer**

Carlos Wilson Silva Ribeiro  
**Financial and Investor Relations Officer**

Alessandro Gregori Filho  
**New Businesses Officer**

Marcio Antonio Severi  
**Institutional Officer for Energy Regulation and Trade**

São Paulo, March 2, 2015

## OFFICERS' STATEMENT ON THE INDEPENDENT ACCOUNTANTS OPINION

The Company's officers hereby state that they have examined, discussed and reviewed all information comprised in the Company's Financial Statements and agree with the opinion by the Company's Independent Accountants, Deloitte Touche Tohmatsu Auditores Independentes referenced in the Independent Accountants' Report shown below.

André Dorf  
**Chief Executive Officer**

João Miguel Mongelli Martin  
**Engineering and Works & Maintenance and Operation Officer**

Carlos Wilson Silva Ribeiro  
**Financial and Investor Relations Officer**

Alessandro Gregori Filho  
**New Businesses Officer**

Marcio Antonio Severi  
**Institutional Officer for Energy Regulation and Trade**

São Paulo, March 2, 2015