

**Offshore wind can reduce costs to below €80/MWh by 2025**

Dear Sir,

Ahead of the Energy Council on 6 June, we write to underline the crucial role that offshore wind can play in the European energy system and the commitment the wind energy industry is making to reduce costs.

With the right build out and regulatory framework the industry is confident that it can achieve cost levels below €80/MWh for projects reaching final investment decision in 2025, including the costs of connecting to the grid. This means offshore wind will be fully competitive with new conventional power generation within a decade. The offshore wind industry is on track to achieve its cost reduction ambitions and will be an essential technology in Europe's energy security and decarbonisation objectives.

As an industry, the joint and individual actions taken across the value chain will deliver lasting and tangible advancements that will establish offshore wind as an indispensable source of power generation. We recognise our responsibility to deliver industry and consumers with sustainable, secure and affordable energy. We look to policymakers to match this level of ambition.

This commitment is only possible with a stable, long-term market for renewables in Europe. If the offshore industry is to realise its cost reduction goals, a strong pipeline of projects is needed to scale up offshore deployment and identify efficiencies in the supply chain. Following a record year for installations in 2015, a serious question mark remains over the post-2020 environment for offshore wind. Policymakers at European and national level must set out clear visions for the industry after 2020 with robust laws that give investors peace of mind and visibility well into the future.

In addition to stable regulation, regional cooperation on offshore wind between European countries is of vital importance, particularly in the northern seas. Closer regional cooperation, e.g. on planning, financial and regulatory issues, would help to reduce costs and remove barriers to investment.

We understand that 10 countries in the northern seas are preparing to sign a Memorandum of Understanding and Work Programme on regional cooperation on 6 June at the Energy Council in Luxembourg. We congratulate this political will and commitment to action from the Energy Ministers concerned and Netherlands for the leadership they have shown on this under their Presidency of the EU Council.

Renewables such as offshore wind are steadily displacing conventional forms of power generation. As costs come down rapidly, the wind industry continues to meet its commitments. We now urge Europe's governments to work together to ensure offshore wind can be central to the continent's energy mix in the years to come.

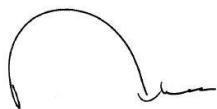
Signed by



**Luis Alvarez Rubio**  
**General Manager**  
**Adwen**



**João Paulo Costeira**  
**Chief Operating Officer Europe & Brazil**  
**EDP Renewables**



**Jeroen de Haas**  
**Chief Executive Officer**  
**Eneco Energie**



**Michael Lewis**  
**Chief Executing Officer**  
**E.ON Climate & Renewables**



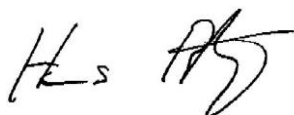
**Anders Sjøe-Jensen**  
**President & CEO Offshore Wind**  
**GE Renewable Energy**



**Xabier Viteri Solaun**  
**Chief Executive Officer**  
**Iberdrola Renovables**



**Jens Tommerup**  
**Chief Executive Officer**  
**MHI Vestas Offshore Wind**



**Hans Bünting**  
**Chief Operating Officer Renewables**  
**RWE Innogy**



**Michael Hannibal**  
**Chief Executive Officer Offshore Wind**  
**Siemens Wind Power**



**Halfdan Brustad**  
**Vice President Renewables Offshore Wind**  
**Statoil**



**Gunnar Groebler**  
**Senior Vice President Business Area Wind,**  
**Vattenfall**

Statement from DONG Energy:

“On 26 May 2016, DONG Energy published an offering circular in connection with the initial public offering and potential listing of its shares on Nasdaq Copenhagen A/S. As of the date hereof, the offering is not completed. Due to applicable rules and regulations, DONG Energy is restricted from making certain public statements until after completion of the offering and, therefore, DONG Energy is not a co-signatory of this statement. DONG Energy remains fully committed to continue to reduce the cost of electricity in line with the rest of the industry.”