

All interested parties

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Dear stakeholder

KPMG report on Offshore Transmission: An Investor Perspective

We are very pleased to be able to share this independent report produced for us by KPMG.

As the offshore transmission regime has developed over the last few years we have seen an increasing interest from a range of stakeholders in the commercial framework applicable to OFTOs. We commissioned this report in order to help provide all interested parties, but particularly those considering investing in the regime, a single point of reference that provides an overview of the OFTO asset class from an investor's perspective.

As the regime develops further, we recognise the need for evolution of the framework such that it continues to attract the significant sums of investment required in offshore transmission networks whilst also delivering value for money for consumers and developers. We have recently issued a consultation on potential adjustments to the commercial and licence framework applicable to the first Generator Build and OFTO Build projects and would encourage all those with an interest in offshore transmission to share their views to enable the ongoing development of the regime.

Yours sincerely

Robert Hull
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