Perspectives on Energy Storage at AES

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The AES Corporation
Safe Harbor Disclosure

Certain statements in the following presentation regarding AES’s business operations may constitute “forward-looking statements.” Such forward-looking statements include, but are not limited to, those related to future earnings growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES’s current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to accurate projections of future interest rates, commodity prices and foreign currency pricing, continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth from investments at investment levels and rates of return consistent with prior experience. For additional assumptions see the Appendix to this presentation. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES’s filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2013, as well as our other SEC filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
AES footprint provides a platform for solving power challenges.

Our mission is to improve lives by providing safe, reliable and sustainable energy solutions in every market we serve.

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<tr>
<th>Key</th>
<th>18,000 Global workforce</th>
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<td>36 GW Generating Capacity</td>
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<td>8 Utility companies</td>
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<td>$16 Billion Annual Revenue</td>
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AES Headquarters  AES Operations
About The AES Corporation

Mission: Improving lives through safe, reliable and sustainable energy solutions.

Diversity Across Markets, Fuels & Technology

- 19 countries
- 36,000 MW generation
- 8 utility companies
- 11 million customers
- $40 billion assets
- $16 billion revenues
- 18,000 global workforce

Dependable Provider to Utilities and Power Systems
AES serves utility markets with 200 MW+ of power plant equivalent resource serving globally recognized customers.

Customers:

- AES Carina @ IPL
  - World’s first grid Lithium-ion battery
  - Feb 2008

- 24 MW Los Andes, Chile
  - 2009

- 40 MW Angamos, Chile
  - 2012

- 16 MW Johnson City, NY
  - 2010

- 64 MW Laurel Mtn, WV
  - 2011

- 40 MW Cochrane
  - Approved
  - 2015 COD

- 40 MW Tait
  - Sep 2013 COD

- 40 MW Tait
  - Sep 2013 COD
Batteries on the grid? Yes.

- Cells
- Vehicle Sub-Modules
- Trays
- Racks
- Grid Storage Arrays

40 MW Resource - 800,000 Cells
First commercial Lithium–ion MW scale resource

Initial project in 2008 led to over 100MW of energy storage in Chile
First commercial Lithium–ion MW scale resource

Initial project leading to over 100MW of energy storage in Chile

AES Energy Storage has a clear market-leadership position, grid-scale project experience, and the deep financial backing needed to continue to expand at a fast rate in the energy storage industry.

24 MW Los Andes Resource
Atacama, Chile
Established, Award-Winning Grid Storage Offering

Over 200 MW in operation and construction

“AES Energy Storage has a clear market-leadership position, grid-scale project experience, and the deep financial backing needed to continue to expand at a fast rate in the energy storage industry”
Adding System Reliability with Wind

Saved PJM customers $20M in 2013
Tait: 40 MW of Frequency regulation reserves serving PJM Interconnection markets

**Frequency Regulation**

- COD: Sep-2013
- Size: 40 MW
- Revenue Model: Freq Reg. ($/MW-Hr)
- Equivalent Availability: 97%

- Frequency Regulation resources
- Operating range of +20MW to -20MW
- Precise response to 4 second AGC
- 800,000 Battery Cells
- Location: Ohio, USA
Energy Storage is a dependable, cost-competitive solution to support policy objectives.

Increasing demands from renewable targets...

Induced retirements from emissions controls...

Energy Storage
Scalable, Dependable, Affordable

64 MW AES Laurel Mountain Battery Array
Competitively bid into PJM Interconnection
Over 30 GW of simple cycle gas in next 10 years

AES ES Tait Array at peaking facility
Advanced alternative and complement to transmission, generation, and distribution.
Many markets are procuring storage for system reliability, renewable integration, & grid resilience

Islands & constrained power systems seeking fast, flexible power

- Long Island – procuring 150MW
- Puerto Rico – storage requirement for renewables
- California – regulatory target for 1,325MW by 2020
- Hawaii – active solicitation for 200MW
- Ontario – procuring 50MW
- United Kingdom – storage in new capacity mechanism
- Germany – solar storage incentives
- Italy – 75MW of storage projects at Terna
- Japan – extensive wind storage, incentives for installation
- Philippines – reviewing storage for system security
- Chile – storage for Ancillary Services
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Thank you.