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January 10, 2017

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AES Distributed Energy and KIUC Announce Plan to Construct Innovative Renewable Peaker Plant in Kaua'i Utilizing a Hybrid Solar and Energy Storage System

BOULDER, Colo., – AES Distributed Energy, Inc. (AES DE), a subsidiary of The AES Corporation (AES), and Kaua'i Island Utility Cooperative (KIUC) announced today the execution of a power purchase agreement (PPA) for an innovative plant that will provide solar energy together with the benefits of battery-based energy storage for optimal balancing of generation with peak demand. The project consists of 28 megawatts (MW) solar photovoltaic (PV) and a 20 MW five-hour duration energy storage system.

The system will be located on former sugar land between Lāwa'i and Kōloa on Kaua'i's south shore. It will be the largest solar-plus-utility-scale-battery system in the state of Hawai'i and one of the biggest storage systems in the world.

"We are honored that KIUC has selected AES to help meet their peak demand with a flexible and reliable renewable energy solution," said Woody Rubin, President of AES Distributed Energy. "We are excited to be able to leverage AES' industry-leading energy storage platform, and 20 plus-year history in Hawai'i in order to help KIUC modernize the grid and provide additional value to its customers."

"Energy from the project will be priced at 11 cents per kWh and will provide 11 percent of Kaua'i's electric generation, increasing KIUC's renewable sourced generation to well over 50 percent," said KIUC's President and Chief Executive Officer, David Bissell. He added, "The project delivers power to the island's electrical grid at significantly less than the current cost of oil-fired power and should help stabilize and even reduce electric rates to KIUC's members. It is remarkable that we are able to obtain fixed pricing for dispatchable solar-based renewable energy, backed by a significant battery system, at about half the cost of what a basic direct to grid solar project cost a few years ago." Bissell estimates that the project will reduce KIUC's fossil fuel usage by over 3.7 million gallons yearly.

AES DE will be the long-term owner and operator of the project. The company is committed to providing innovative renewable energy solutions to its utility, corporate and governmental customers. AES continues to pioneer the use of energy storage on the electric grid, starting with the first grid-scale advanced energy storage project installed in 2008. AES now operates one of the largest fleets of battery-based energy storage in the world.

The project is pending state and local regulatory approvals. If approved, the project is expected to come on-line by late 2018.

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About AES Distributed Energy, Inc. and The AES Corporation:

The AES Corporation (NYSE: AES) is a Fortune 200 global power company providing affordable, sustainable energy to 17 countries through its diverse portfolio of distribution businesses as well as thermal and renewable generation facilities. AES Distributed Energy is one of ten businesses that make up the AES U.S. Strategic Business Unit (“SBU”) providing renewable energy solutions to a diverse customer base including utilities, corporations, and governmental entities. With a workforce of 3,600 people, the U.S. SBU is committed to operational excellence and meeting the changing power needs of the United States. To learn more, please visit www.aes.com.

About AES Energy Storage:

[AES Energy Storage](#), a subsidiary of [The AES Corporation](#) (NYSE: AES), is a leader in commercial energy storage solutions, which improve flexibility and reliability of the power system, and provide customers with a complete alternative to traditional peaking power plants. The company’s Advancion® 4 energy storage solution is available for sale to leading utilities, power markets, and independent power producers, and AES Energy Storage and its partners can manage installations from concept to operation with a market-proven solution that integrates best in class battery and power conversion technologies. AES Energy Storage introduced the first grid-scale advanced battery-based energy storage solution in commercial operations in 2008 and operates the largest fleet of battery-based storage assets in service today. AES Energy Storage has a total of 436 MW of interconnected energy storage, equivalent to 872 MW of flexible resource, in operation, construction or late stage development in seven countries. To learn more, please visit www.aesenergystorage.com or [@aes_es](#) on Twitter.

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About KIUC

KIUC is a member-owned cooperative serving 33,000 customers on the island of Kaua’i. Formed in 2002 and governed by a nine-member, elected board of directors, KIUC is one of 930 electric co-ops serving more than 36 million members in 47 states.