



Accelerating the  
Future of Energy



# AES

Green Financing  
Framework Reporting



# Green Framework Reporting

September 28, 2023

In November 2020, The AES Corporation (“AES”) launched its first unsecured investment grade bond issuance (the “green bonds”). This inaugural investment grade issuance was also the first use of “green” financing at the Parent Company level. The green bonds were issued under AES’ newly adopted Green Financing Framework, a set of guidelines and commitments for AES’ green financing activities that are consistent with the Green Bond Principles 2018 as published by the International Capital Markets Association.

As of June 30, 2023, the full amount of the \$1.784 billion in net proceeds raised by the green bonds has been allocated to support investment in renewable energy, utility-scale battery storage systems and cutting-edge digital technologies used to reduce emissions and accelerate the adoption of renewables. AES, along with its subsidiaries and affiliates, directly invest in Eligible Projects.

AES is among the top renewable operators in the United States for renewable projects and sustainable technologies. AES Clean Energy will serve as the primary vehicle for future renewable projects domestically and represent one of the top renewable growth platforms in the United States.

The projects financed by AES’ 2020 green bonds and other projects under development will enable AES’ intent to exit coal generation by the end of 2025. <sup>1</sup>

Bonds						
Issuer	CUSIP	Issue Date	Value (\$M)	Maturity Date	Coupon	
The AES Corporation	00130H CD5	12/04/2020	\$800	1/15/2026	1.375%	
The AES Corporation	00130H AS9	12/04/2020	\$1,000	1/15/2031	2.450%	

Projects & Technologies	Type	Ownership	Location	COD/ Contribution	AES Allocation (\$M)	Installed Capacity (MW)	Operating Capacity (MWh)
AES DE Holdings III	Solar	100%	CA, NY, RI, HI	2018	24.9	83	131,420
Simple Energy (Uplight)	Digital	32%	CO	2018	34.7	N/A	N/A
AES DE Holdings V	Solar/Storage	100%	HI	2018/19	21.8	34	61,470
Uplight	Digital	32%	Various	2019	63.8	N/A	N/A
AES DE Holdings VI	Solar/Storage	100%	MA, NY, RI	2019/20	45.0	112	188,272
Eastline	Solar	50%	AZ	2020	5.9	100	273,186
Prevailing Winds	Wind	50%	SD	2020	19.4	200	897,441
Alamitos Energy Center	Storage	65%	CA	2021	16.0	65	150,000
Salt River	Storage	65%	AZ	2020	1.7	-. <sup>2</sup>	-. <sup>2</sup>
Na Pua Makani	Wind	100%	HI	2021	128.0	28	97,779
AES DE Holdings VII	Solar/Storage	100%	MA, NY, IL	2021	14.7	149	26,976
Renewables Acquisitions	Wind/Solar	75%	Various	2021	444.4	612	116,567
Solar Projects	Solar	75%	Various	2021	27.5	454	443,658
Uplight	Digital	32%	Various	2021	59.7	N/A	N/A
AES Ohio Smart Grid	Smart Metering	100%	OH	2021	7.5	N/A	N/A
AES Indiana Smart Grid	Smart Metering	70%	IN	2021	6.7	N/A	N/A
AES Indiana Hardy Hills	Solar	70%	IN	2023	19.6	195	-
5B	Solar EPC	30%	Various	2021	2.5	N/A	N/A

AES Laurel Mountain, LLC	Wind	75%	WV	2022	10.7	99	217,666
Brookwood Drive Solar 1, LLC	Solar + Storage	100%	MA	2022	2.2	7	7,617
BWC Lake Ripple, LLC	Solar + Storage	100%	MA	2022	1.2	3	150
Lancaster Area Battery Storage, LLC	Storage	50%	CA	2022	46.1	127	44,704
Letts Creek Solar, LLC	Solar	75%	MI	2022	12.4	20	N/A
Luna Storage, LLC	Storage	50%	CA	2022	19.2	100	46,045
Mountain View Power Partners, LLC	Wind	75%	CA	2022	15.8	71	63,522
Particle Wave LLC	Solar + Storage	100%	MA	2022	4.7	8	2,667
Pullman Solar, LLC	Solar	75%	MI	2022	11.4	26	960
Randolph Solar 1, LLC	Solar	75%	ME	2022	5.5	6	24
Skipjack Solar Center, LLC	Solar	75%	VA	2022	35.1	225	215,016
West Line Solar, LLC	Solar	50%	AZ	2022	27.7	125	N/A
AES Indiana Hardy Hills	Solar	70%	IN	2022	66.9	195	N/A
AES Ohio Smart Meter	Smart Metering	100%	OH	2022	20.0	N/A	N/A
AES Indiana Smart Meter	Smart Metering	70%	IN	2022	6.5	N/A	N/A
AES Indiana Hardy Hills	Solar	70%	IN	2024	72.0	N/A	N/A
AES Indiana Petersburg Energy Center	Solar	70%	IN	2025	91.0	N/A	N/A
West Haydenville PJ	Solar	100%	MA	2022	1.4	8	13,959
Main Rd	Solar	100%	NY	2022	2.4	6	11,377
Redman North	Solar	100%	NY	2022	9.9	2	3,413
Redman South	Solar	100%	NY	2023	1.5	7	N/A
Laurel Mountain Repower	Wind	75%	WV	2022	8.9	99	259,646
MACOMI	Solar	75%	MI, MA, CO	2023	8.0	93	N/A
Northline	Solar	100%	NY	2023	3.1	6	N/A
Water street	Solar	100%	ME	2022	5.9	6	10,964
McFarland B	Solar	75%	AZ	2024	48.9	379	N/A
Agua Fria	Solar	75%	AZ	2024	6.5	200	N/A
Westwing	Solar	100%	AZ	2023	51.7	80	N/A
Oak ridge	Solar	75%	LA	2023	28.8	260	N/A
Alamitos II BESS	Solar	75%	CA	2024	2.0	82	N/A
Big Island Waikoloa	Solar	100%	HI	2022	28.8	42	111,025
West Oahu Solar (UH)	Solar	100%	HI	2023	17.5	18	N/A
Maui Kuihelani	Solar	100%	HI	2023	32.0	83	N/A
Waiawa Phase 2 Solar	Solar	100%	HI	2023	12.0	59	N/A
AES Mountain View Solar	Solar	100%	HI	2024	5.0	20	N/A
Antelope (Exp. II)	Solar	50%	CA	2018	9.1	105	256,126
Green Beanworks B	Solar	50%	CA	2018	0.4	3	7,415
Highlander	Solar	50%	VA	2020	30.8	516	432,349
AES Indiana Petersburg Energy Center	Solar / Storage	70%	IN	2022	0.5	295	N/A
12963 Main Solar 1, LLC	Solar	100%	NY	2022	1.2	6	6,745

Ryan Road Solar LLC	Solar + Storage	100%	MA	2022	1.5	9	8,624
Grafton	Solar	100%	MA	2022	1.1	3	5,547
Antex 1B	Solar	50%	CA	2022	5.9	22	39,236
Raceway AV	Solar	50%	CA	2024	40.8	159	N/A
Estrella	Solar	50%	CA	2023	18.0	70	N/A
Riverhead	Solar	50%	NY	2019	6.4	20	33,791
Treasure Lane	Solar	100%	ME	2023	0.5	7	N/A
Redman Solar 2, LLC	Solar	100%	NY	2022	1.0	4	8,254
Redman Solar, LLC	Solar	100%	NY	2022	0.4	2	2,759
				Totals	1,784.0	5,722	4,209,380

Technology	Allocation (\$M)	% of Total Issuance
<b>Renewable Energy</b>	\$1,585.1	89.0%
<b>Energy Efficiency (Advanced Metering)</b>	\$40.7	2.0%
<b>Energy Efficiency (Digital)</b>	\$158.2	9.0%
<b>Remaining to be Allocated</b>	\$ -	0.0%

<sup>1</sup> Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

<sup>2</sup> Due to AES Gilbert fire incident in April 2022 there is no installed/operating capacity at this location.

#### Additional Information:

AES Green Financing Framework -

<https://www.aes.com/sites/default/files/2021-02/AES-Green-Financing-Framework.pdf>

AES Sustainability Resources –

<https://www.aes.com/sustainability>

AES SEC Filings –

<https://www.aes.com/investors/reports-filings/sec-documents>

This Green Financing Report dated September 28, 2023 ("Report") by The AES Corporation and its subsidiaries ("AES") is provided for information purposes only pursuant to our Green Financing Framework (the "Framework") and is subject to change without notice. AES does not assume any responsibility or obligation to update or revise any statements in this document, regardless of whether those statements are affected by the results of new information, future events or otherwise. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained herein. No liability whatsoever is or will be accepted by AES for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this document. This Framework contains forward-looking statements within the meaning of the Securities Act of 1933 and of the Securities Exchange Act of 1934. 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' current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, our expectations regarding accurate projections of future interest rates, commodity price and foreign currency pricing, continued normal levels of operating performance and electricity volume at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as the execution of PPAs, conversion of our backlog and growth investments at normalized investment levels, rates of return consistent with prior experience and the COVID-19 pandemic. Actual results and the use of proceeds from any Green Financing 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' filings with the Securities and Exchange Commission (the "SEC"), including, but not limited to, the risks discussed under Item 1A: "Risk Factors" and Item 7: "Management's Discussion & Analysis" in AES' 2022 Annual Report on Form 10-K and in subsequent reports filed with the SEC. Readers are encouraged to read AES' filings to learn more about the risk factors associated with AES' business. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except where required by law.

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Any Stockholder who desires a copy of the Company's 2022 Annual Report on Form 10-K filed March 1, 2023 with the SEC may obtain a copy (excluding the exhibits thereto) without charge by addressing a request to the Office of the Corporate Secretary, The AES Corporation, 4300 Wilson Boulevard, Arlington, Virginia 22203. Exhibits also may be requested, but a charge equal to the reproduction cost thereof will be made.

A copy of the Annual Report on Form 10-K may be obtained by visiting the Company's website at [www.aes.com](http://www.aes.com). AES' execution of the Framework is subject to the risk that AES will be unable to execute its strategy because of economic, market or competitive conditions or other factors. AES does not undertake any obligation to publicly correct or update any forward-looking statement if AES later becomes aware that such statement is not likely to be achieved. Please consult any further disclosures AES makes on related subjects in reports to the SEC.

## Appendix A

# Management's Assertion on the Use of Bond Proceeds

September 28, 2023

We, as members of management of The AES Corporation (the "Company" or "AES"), are responsible for whether the amount equal to net proceeds from the issuance of \$800 million 1.375% senior notes due 2026 and \$1 billion 2.450% senior notes due 2031 issued by The AES Corporation (the "Offering") was fully allocated, during the period from January 1, 2021 to June 30, 2023 (the "Reporting Period"), for the qualifying Eligible Green Projects that meet the Eligibility Criteria (as defined in the Use of Proceeds section of the Offering Memorandum, dated November 19, 2020). The Eligibility Criteria are also set forth below (the "Criteria"). Management of The AES Corporation is also responsible for the assertion, selection of the Criteria and the allocation, during the Reporting Period, of amounts to projects that meet the Criteria.

We assert that the amount equal to net proceeds from the Offering was fully allocated, during the Reporting Period, for the qualifying Eligible Green Projects that meet the Eligibility Criteria.

## Eligible Green Projects

As defined within the Offering Memorandum dated November 19, 2020, Eligible Green Projects are projects that meet the Eligibility Criteria (as defined below), including those for which disbursements were made by AES and its subsidiaries and affiliates within the three years prior to the Offering and include disbursements through the maturity date.

"Eligibility Criteria" means any of the following:

- *Renewable Energy* – Investments in the construction or development of wind and solar renewable energy production, energy storage, and associated transmission and distribution projects located in the United States.
- *Energy Efficiency* – Investments in advanced metering infrastructure including smart electric meters and related communication networks, and investments in digital technologies designed to promote changes in customer behavior leading to improved energy efficiency, including investments in Uplight and predecessor entities. Note that no more than 10% of an amount equal to the net proceeds will be allocated to this category.

Eligible Green Projects exclude the following investments: investments which received an allocation of net proceeds under any other green financing by the Company or any of its subsidiaries; fossil fuel generation and fossil fuel energy efficiency investments; or gas transmission and distribution infrastructure.

## Footnotes:

Note 1: The amount equal to net proceeds from the offering was allocated to one or more eligible green projects with disbursements up to three years prior to the date of the Offering.

Note 2: Net proceeds from the Offering were primarily used to fund the repurchase of outstanding debts.

Management of The AES Corporation



**Building a better  
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## Report of Independent Accountants

To management of The AES Corporation:

We have examined management's assertion, included in Appendix A, that the amount equal to net proceeds from the issuance of \$800 million 1.375% senior notes due 2026 and \$1 billion 2.450% senior notes due 2031 issued by The AES Corporation (the "Company") was fully allocated, during the period from January 1, 2021 through June 30, 2023 (the "Reporting Period"), for qualifying Eligible Green Projects (as defined in the Use of Proceeds section of the Offering Memorandum, dated November 19, 2020) based on the Eligibility Criteria set forth in Appendix A (the "Criteria"). The AES Corporation's management is responsible for the assertion, having a reasonable basis for its assertion, selection of the Criteria and the allocation, during the Reporting Period, of amounts to projects that meet the Criteria. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA"). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of The AES Corporation and to meet our other ethical responsibilities, as applicable for examination engagements set forth in the Preface: Applicable to All Members and Part 1 – Members in Public Practice of the Code of Professional Conduct established by the AICPA.

Our examination was not conducted for the purpose of evaluating (i) whether funds in excess of the net proceeds were allocated to Eligible Green Projects during the Reporting Period, (ii) the amount allocated to each category of Eligible Green Projects during the Reporting Period, (iii) the environmental benefits of the Eligible Green Projects, (iv) conformance of any Eligible Green Projects with any third-party published principles, standards or frameworks, such as the Green Bond Principles, dated June 2021, published by the International Capital Market Association or (v) any information included in the Company's report or on the Company's website, other than management's assertion. Accordingly, we do not express an opinion or any other form of assurance other than on management's assertion included in Appendix A.

In our opinion, management's assertion, included in Appendix A, that the amount equal to net proceeds from the issuance of \$800 million 1.375% senior notes due 2026, and \$1 billion 2.450% senior notes due 2031 was fully allocated during the Reporting Period for the qualifying Eligible Green Projects, is fairly stated, in all material respects.

*Ernst & Young LLP*

September 28, 2023