

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

Līhu'e, Kaua'i, HI – 01/10/2017 - Kaua'i Island Utility Cooperative (KIUC) and AES Distributed Energy, Inc. (AES DE), a subsidiary of The AES Corporation (AES), today announced 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 megawatt (MW) solar photovoltaic 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 battery systems in the world.

“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. “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 more than 3.7 million gallons yearly.

“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 value to its customers.”

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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 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, KIUC expects the project to come on line by late 2018.

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.

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.

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