AES Solar – Presentation to the Governor's Conference on Energy
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Richmond, VA

October 14, 2010



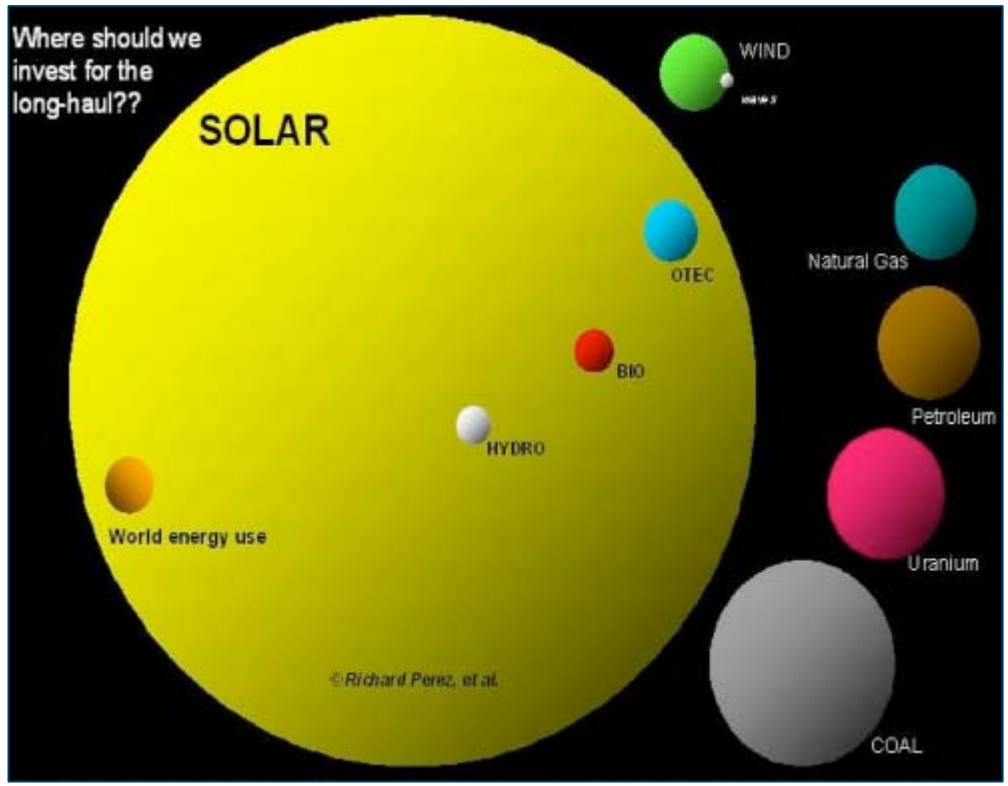
Topics

- ✓ Why Solar Energy?
- ✓ Who is AES Solar?
- ✓ Critical Project Attributes?
- ✓ Policy impact on the Solar PV market?

Why Solar?

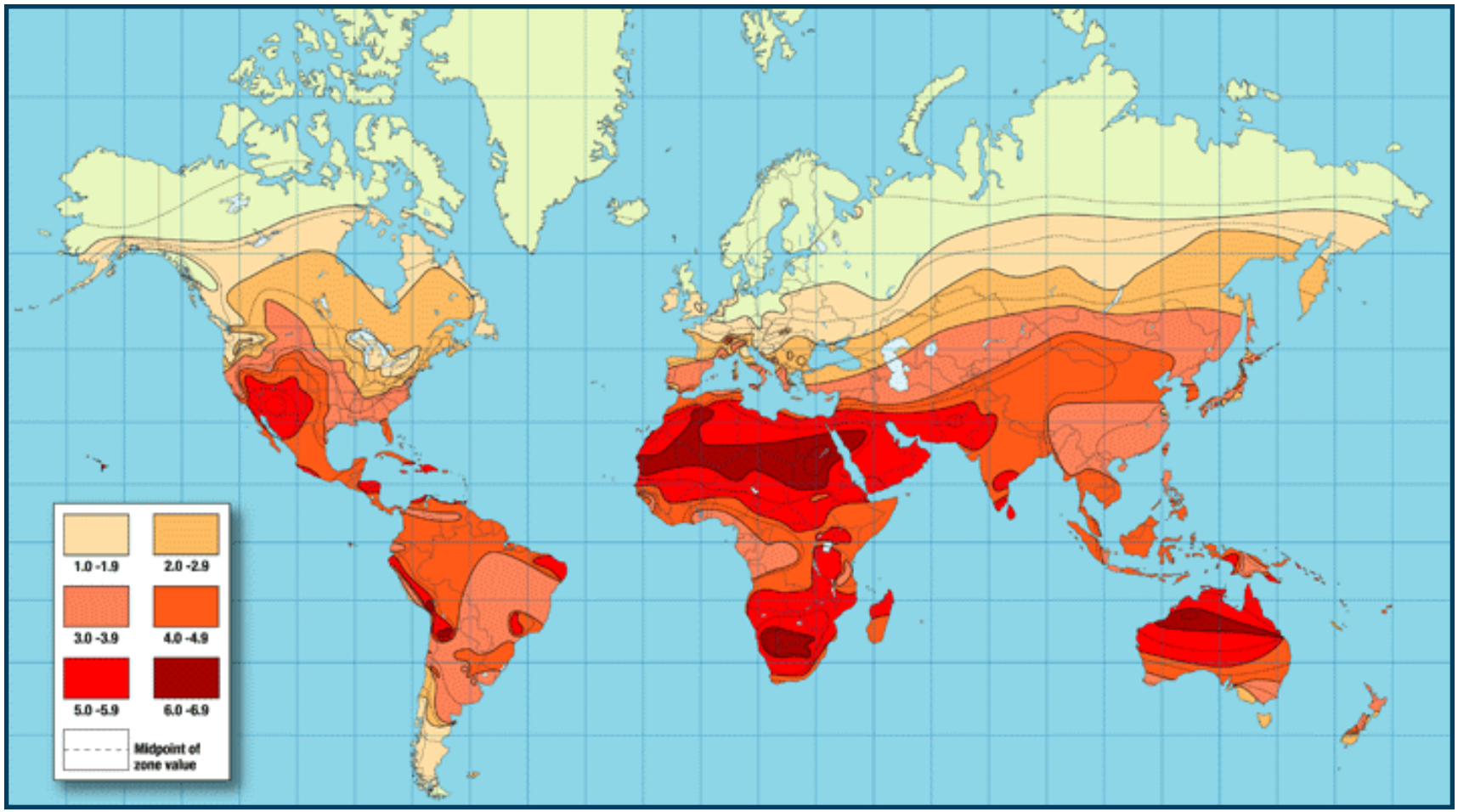
It's a HUGE Resource…

- **Solar "insolation" is free, and it's everywhere.**
- **There is a lot of it, and we're not running out.**



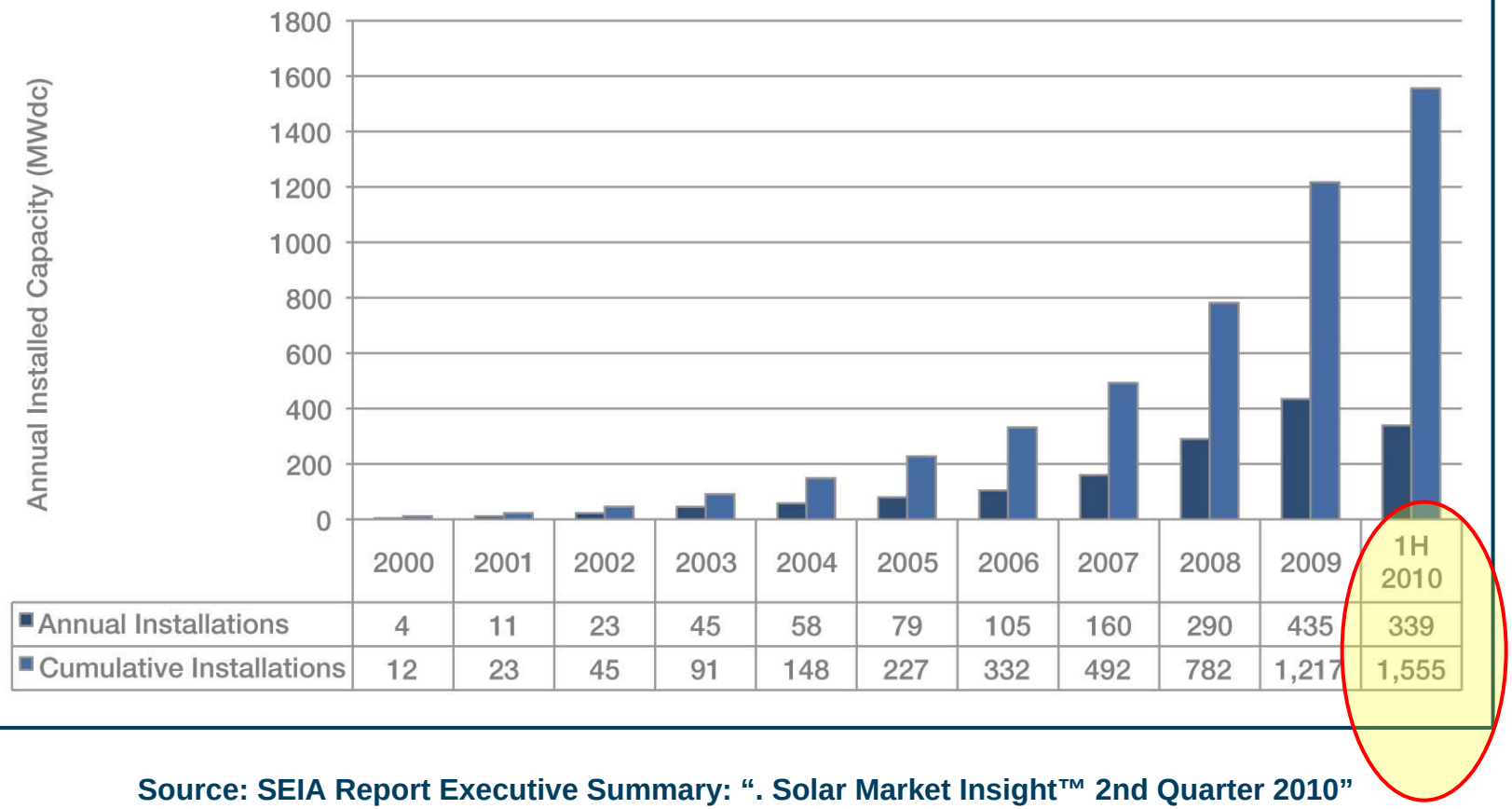
Note: yearly potential is shown for the renewable energies. Total reserves are shown for the fossil and nuclear "use-them, lose-them" resources. World energy use is annual.
Source: http://www.asrc.cestm.albany.edu/perez/

Why Solar?



Why Solar?

Grid-Connected U.S. PV Installed Capacity, 2000-1H 2010



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	1H 2010
Annual Installations	4	11	23	45	58	79	105	160	290	435	339
Cumulative Installations	12	23	45	91	148	227	332	492	782	1,217	1,555

Source: SEIA Report Executive Summary: ". Solar Market Insight™ 2nd Quarter 2010"

Why Solar?

- Utility-scale PV projects are easy to build
- Little heavy construction equipment required
- Projects can be built quickly, in parallel
- Operating and maintenance costs are low (no fuel costs)
- Annual energy output is predictable
- No air or water pollution; no solid waste generation

Why Solar?

Who is AES Solar?

AES Solar Joint Venture (formed in 2008)

- Committed capital: $500 MM from each partner
- Based in Arlington Virginia

AES Corp. is one of the world's largest global power companies

- Based in Arlington Virginia
- Revenues of $14.1 billion (2009) Operations in 29 countries

Riverstone is a private equity firm focused on energy & power

- ~ $17 BB under management in 6 funds
- Largest global renewable energy fund

Goal: To be a leading global developer, owner & operator of utility-scale solar PV

Who is AES Solar?

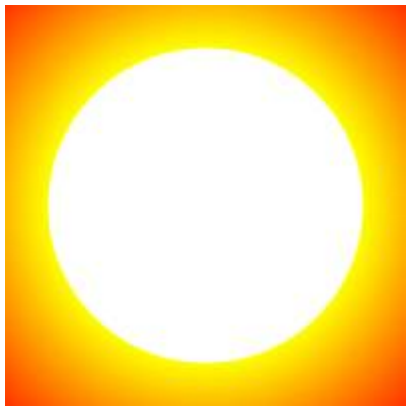
130 MW in Operation and Construction

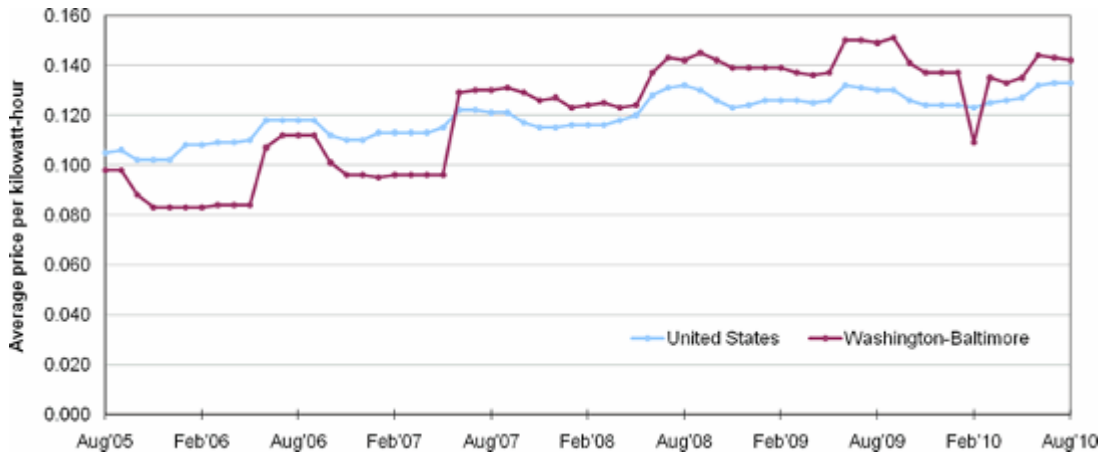
22 MW AES Solar site

Critical Project Attributes?

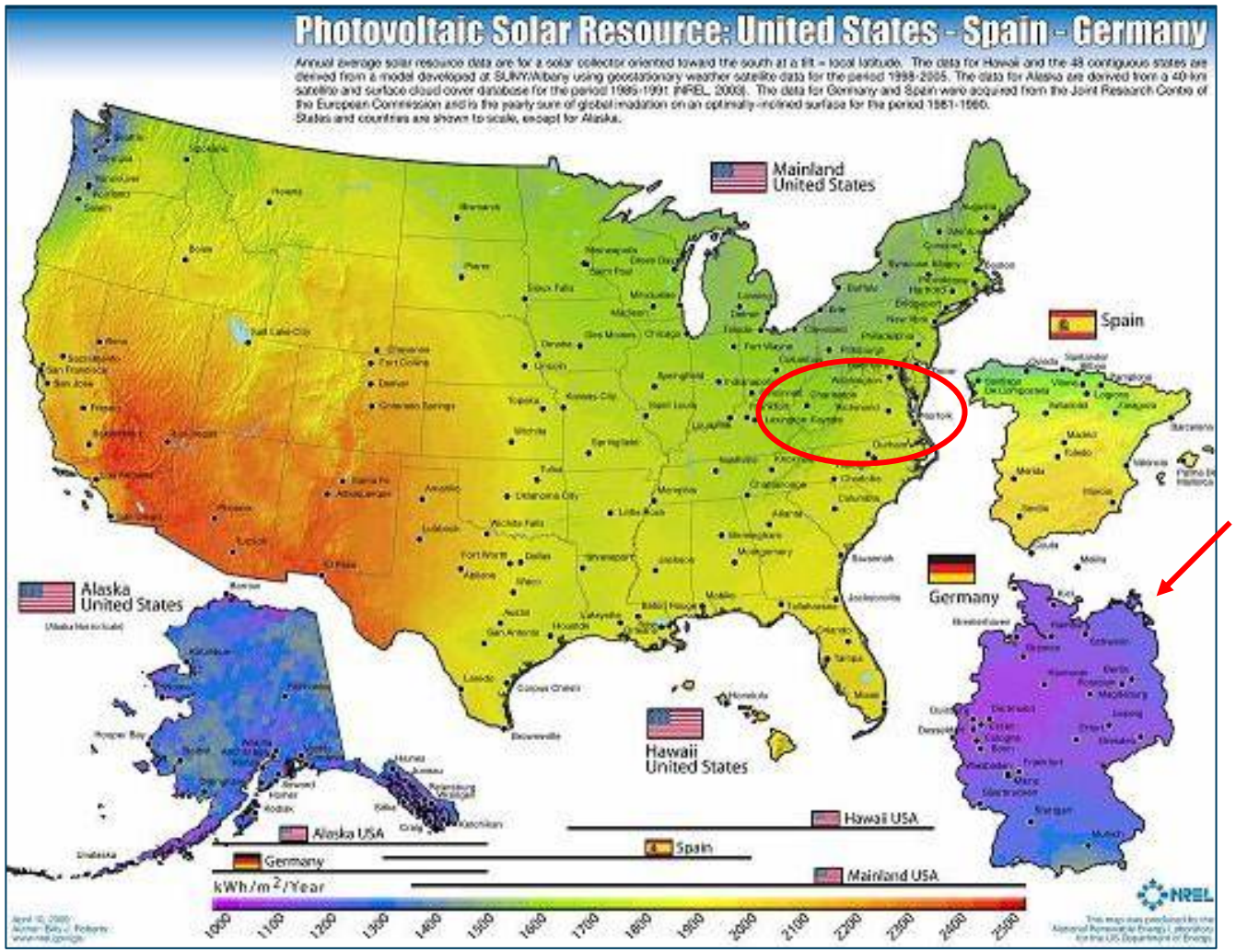
Revenues are driven by two key attributes

- Solar radiation ("insolation") – I.e. location!
- Power Price – I.e. policies to encourage customers to purchase solar power





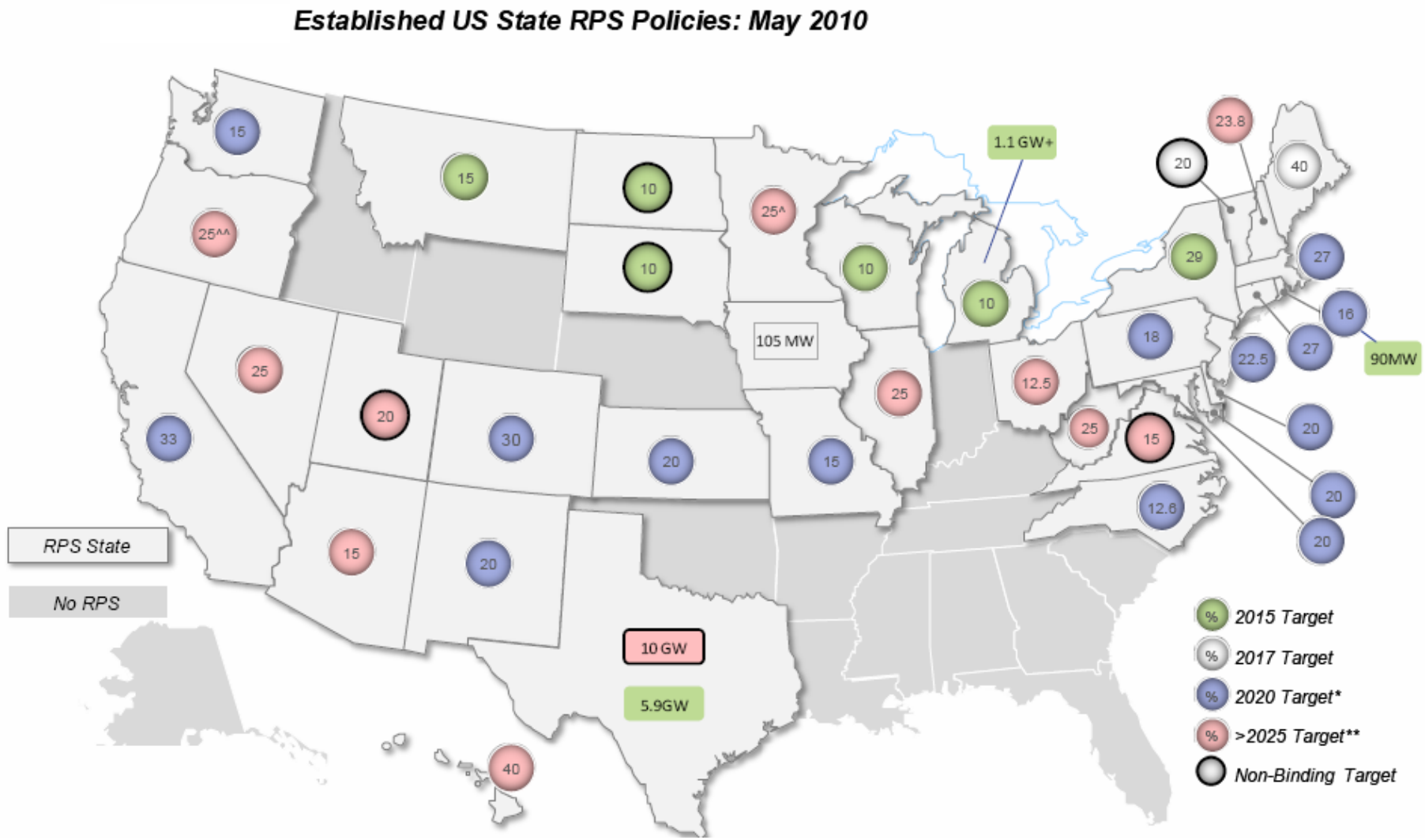
Location



Insolation varies significantly by location.

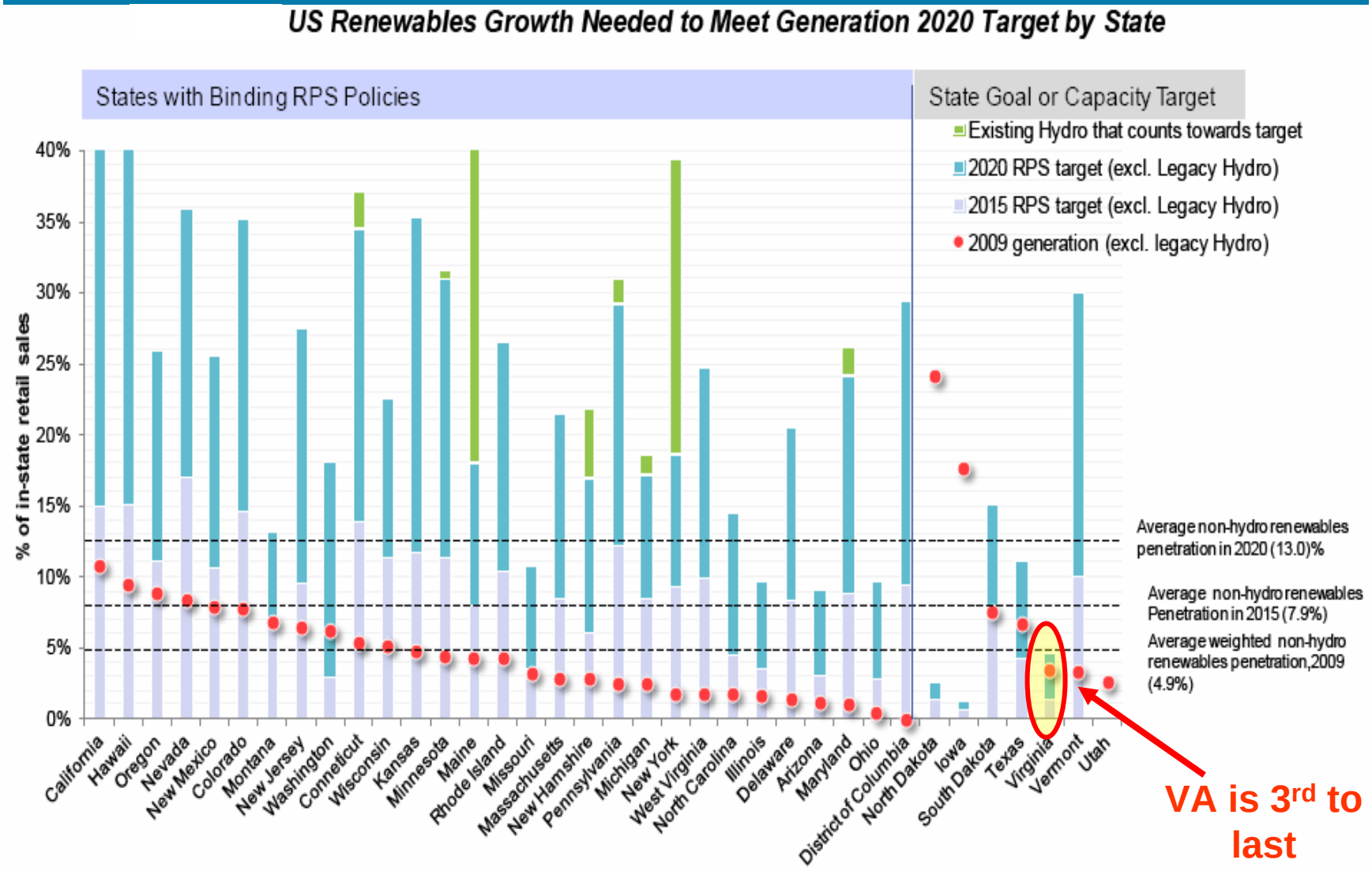
BUT:
Germany, which has the most MW of PV installed, is a lot LESS sunny than VA.

Policies: Renewable Portfolio Standards



Source: Database of State Incentives for Renewable Energy, IHS Emerging Energy Research

Policies: Renewable Portfolio Standards



Source: IHS Emerging Energy Research