

AES CORP  
Form 10-K  
February 26, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the Fiscal Year Ended December 31, 2014

-OR-

TRANSITION REPORT FILED PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
COMMISSION FILE NUMBER 1-12291

THE AES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

4300 Wilson Boulevard Arlington, Virginia

(Address of principal executive offices)

Registrant's telephone number, including area code: (703) 522-1315

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock, par value \$0.01 per share

AES Trust III, \$3.375 Trust Convertible Preferred Securities

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Edgar Filing: AES CORP - Form 10-K

(Do not check if a smaller  
reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates on June 30, 2014, the last business day of the Registrant's most recently completed second fiscal quarter (based on the adjusted closing sale price of \$15.32 of the Registrant's Common Stock, as reported by the New York Stock Exchange on such date) was approximately \$10.17 billion.

The number of shares outstanding of Registrant's Common Stock, par value \$0.01 per share, on February 18, 2015 was 702,634,251

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of Registrant's Proxy Statement for its 2015 annual meeting of stockholders are incorporated by reference in Parts II and III

---

THE AES CORPORATION  
 FISCAL YEAR 2014 FORM 10-K  
 TABLE OF CONTENTS

<u>Glossary of Terms</u>	1
<u>PART I</u>	4
<u>ITEM 1. BUSINESS</u>	5
<u>Overview</u>	5
<u>Our Organization and Segments</u>	11
<u>Customers</u>	50
<u>Employees</u>	50
<u>Executive Officers</u>	50
<u>How to Contact AES and Sources of Other Information</u>	52
<u>ITEM 1A. RISK FACTORS</u>	52
<u>ITEM 1B. UNRESOLVED STAFF COMMENTS</u>	67
<u>ITEM 2. PROPERTIES</u>	67
<u>ITEM 3. LEGAL PROCEEDINGS</u>	68
<u>ITEM 4. MINE SAFETY DISCLOSURES</u>	71
<u>PART II</u>	72
<u>ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</u>	72
<u>Recent Sale of Unregistered Securities</u>	72
<u>Purchases of Equity Securities by the Issuer and Affiliated Purchasers</u>	72
<u>Market Information</u>	72
<u>Dividends</u>	72
<u>Holders</u>	72
<u>ITEM 6. SELECTED FINANCIAL DATA</u>	73
<u>ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	74
<u>Overview of Our Business</u>	74
<u>Review of Consolidated Results of Operations</u>	77
<u>Non-GAAP Measures</u>	84
<u>Capital Resources and Liquidity</u>	98
<u>Critical Accounting Policies and Estimates</u>	107
<u>New Accounting Pronouncements</u>	111
<u>ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	111
<u>ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</u>	114
<u>ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u>	177
<u>ITEM 9A. CONTROLS AND PROCEDURES</u>	177
<u>ITEM 9B. OTHER INFORMATION</u>	178
<u>PART III</u>	179
<u>ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</u>	179
<u>ITEM 11. EXECUTIVE COMPENSATION</u>	179
<u>ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</u>	179
<u>ITEM 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS, AND DIRECTOR INDEPENDENCE</u>	180
<u>ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	180

<u>PART IV</u>	<u>181</u>
<u>ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</u>	<u>181</u>
<u>SIGNATURES</u>	<u>184</u>

---

## GLOSSARY OF TERMS

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below:

Adjusted EPS	Adjusted Earnings Per Share, a non-GAAP measure
Adjusted PTC	Adjusted Pretax Contribution, a non-GAAP measure of operating performance
AES	The Parent Company and its subsidiaries and affiliates
ANEEL	Brazilian National Electric Energy Agency
APS	Attributed Profit System
ASEP	National Authority of Public Services
BACT	Best Available Control Technology
BART	Best Available Retrofit Technology
BNDES	Brazilian Development Bank
BOT	Build, Operate and Transfer
BOT Company	AES-VCM Mong Duong Power Company Limited
BTA	Best Technology Available
CA	Commercial Availability
CAA	United States Clean Air Act
CAIR	Clean Air Interstate Rule
CAMMESA	Wholesale Electric Market Administrator in Argentina
CCB	Coal Combustion Byproducts
CCGT	Combined Cycle Gas Turbine
CDEC	Economic Load Dispatch Center
CDI	Brazilian equivalent to LIBOR
CDPQ	La Caisse de depot et placement du Quebec
CDEEE	Dominican Corporation of State Electrical Companies
CEEE	Companhia Estadual de Energia
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act of 1980 (also known as "Superfund")
CESCO	Central Electricity Supply Company of Orissa Ltd.
CFB	Circulating Fluidized Bed Boiler
CFE	Federal Commission of Electricity
CND	National Dispatch Center
CNE	National Energy Commission
CO <sub>2</sub>	Carbon Dioxide
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPCN	Certificate of Public Convenience and Necessity
CPI	United States Consumer Price Index
CREG	Energy and Gas Regulation Commission
CRES	Competitive Retail Electric Service
CSAPR	Cross-State Air Pollution Rule
CVA	Credit Valuation Adjustment
CWA	U.S. Clean Water Act
DAREM	Kazakhstan regulator
DG Comp	Directorate-General for Competition of the European Commission
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DP&L	The Dayton Power & Light Company
DPL	DPL Inc.
DPLE	DPL Energy, LLC
DPLER	DPL Energy Resources, Inc.

DPP	Dominican Power Partners
ECCRA	Environmental Compliance Cost Recovery Adjustment
ED	East Kazakhstan Ecology Department
EGCO Group	Electricity Generating Public Company Limited
ELV	Emission Limit Values
EMIR	European Market Infrastructure Regulation
EOOD	Single person private limited liability company in Bulgaria
EPA	United States Environmental Protection Agency
EPC	Engineering, Procurement, and Construction
EPIRA	Electric Power Industry Reform Act of 2001

ERC	Energy Regulatory Commission
ESO	Electricity System Operator
ESP	Electric Security Plan
ESP	Electric Service Plan
ESPS	Existing Source Performance Standards
EU ETS	European Union Greenhouse Gas Emission Trading Scheme
EURIBOR	Euro Inter Bank Offered Rate
EUSGU	Electric Utility Steam Generating Unit
EVN	Vietnam Electricity
EVP	Executive Vice President
EWG	Exempt Wholesale Generators
FAC	Fuel Adjustment Charges
FCA	Federal Court of Appeals
FERC	Federal Energy Regulatory Commission
FONINVEMEM	Fund for the Investment Needed to Increase the Supply of Electricity in the Wholesale Market
FPA	Federal Power Act
GAAP	Generally Accepted Accounting Principles in the United States
GEL	General Electricity Law
GHG	Greenhouse Gas
GNPIPD	Gross National Product - Implicit Price Deflator
GSA	Gas Supply Agreement
GWh	Gigawatt Hours
HAP	Hazardous Air Pollutant
HLBV	Hypothetical Liquidation Book Value
ICC	International Chamber of Commerce
ICM	Industrial and Commerce Ministry
IDEM	Indiana Department of Environmental Management
IED	Industrial Emission Directive
IFC	International Finance Corporation
IOA	Investment Obligation Agreement
IPALCO	IPALCO Enterprises, Inc.
IPL	Indiana, Indianapolis Power & Light Company
IPP	Independent Power Producers
IRT	Annual Tariff Adjustment in Brazil
ISO	Independent System Operator
IURC	Indiana Utility Regulatory Commission
KPI	Key Performance Indicator
kWh	Kilowatt Hours
LIBOR	London Inter Bank Offered Rate
LNG	Liquefied Natural Gas
MACT	Maximum Achievable Control Technology
MATS	Mercury and Air Toxics Standards
MINT	Kazakhstan Ministry of Industry and New Technology
MISO	Midcontinent Independent System Operator, Inc.
MME	Ministry of Mines and Energy
MRE	Energy Reallocation Mechanism
MW	Megawatts
MWh	Megawatt Hours

Edgar Filing: AES CORP - Form 10-K

NCRE	Non-conventional Renewable Energy
NEK	Natsionala Elektricheska Kompania (state-owned electricity public supplier in Bulgaria)
NERC	North American Electric Reliability Corporation
NESHAP	National Emissions Standards for Hazardous Air Pollutants
NGCC	Natural Gas Combined Cycle
NIE	Northern Ireland Electricity
NODA	Notice of Data Availability
NOV	Notice of Violation
NO <sub>x</sub>	Nitrogen Dioxide
NPDES	National Pollutant Discharge Elimination System

2

---



NSPS	New Source Performance Standards
NSR	New Source Review
NYISO	New York Independent System Operator, Inc.
NYSE	New York Stock Exchange
O&M	Operations and Maintenance
ONS	National System Operator
OPGC	Odisha Power Generation Corporation
Parent Company	The AES Corporation
PCB	Polychlorinated biphenyl
Pet Coke	Petroleum Coke
PIS	Partially Integrated System
PJM	PJM Interconnection, LLC
PM	Particulate Matter
PPA	Power Purchase Agreement
PREPA	Puerto Rico Electric Power Authority
PRP	Potentially Responsible Parties
PSU	Performance Stock Unit
PUCO	The Public Utilities Commission of Ohio
PURPA	Public Utility Regulatory Policies Act
QF	Qualifying Facility
RC&OA	Retail Competition and Open Access
RCRA	Resource Conservation and Recovery Act
RGGI	Regional Greenhouse Gas Initiative
RMRR	Routine Maintenance, Repair and Replacement
RPM	Reliability Pricing Model
RSU	Restricted Stock Unit
RTO	Regional Transmission Organization
SADI	Argentine Interconnected System
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SBU	Strategic Business Unit
SCE	Southern California Edison
SCJ	Superior Court of Justice
SEC	United States Securities and Exchange Commission
SEM	Single Electricity Market
SEN	National Power System
SEWRC	Bulgaria's State Energy and Water Regulatory Commission
SIC	Central Interconnected Electricity System
SIE	Superintendence of Electricity
SIN	National Interconnected System
SING	Northern Interconnected Electricity System
SIP	State Implementation Plan
SNE	National Secretary of Energy
SO <sub>2</sub>	Sulfur Dioxide
SPP	Southwest Power Pool Electric Energy Network
SSO	Standard Service Offer
SSR	Service Stability Rider
TA	