

AES CORP
 Form 4
 November 17, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Qasim Shahzad

(Last) (First) (Middle)
 4300 WILSON BOULEVARD
 (Street)

ARLINGTON, VA 22203

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 AES CORP [AES]

3. Date of Earliest Transaction (Month/Day/Year)
 11/15/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Executive Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | (A) or (D) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|---|--|-----------------------------------|
| | | | Code | V | Amount | Price | | |
| Common Stock | 11/15/2006 | | M | | 12,222 | \$ 17.125 | D | |
| Common Stock | 11/15/2006 | | M | | 4,646 | \$ 16.81 | D | |
| Common Stock | 11/15/2006 | | S | | 6,868 | \$ 22.473 | D | |
| Common Stock | 11/15/2006 | | S | | 5,000 | \$ 22.333 | D | |
| Common Stock | 11/15/2006 | | S | | 354 | \$ 22.46 | D | |

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| | | | | | | | | |
|--------------|------------|---|-------|---|----------|-----------------------|---|--------------|
| Common Stock | 11/15/2006 | S | 4,646 | D | \$ 22.46 | 0 | D | |
| Common Stock | | | | | | 22,178 ⁽³⁾ | I | by 401k Plan |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price or Amount of Derivative Security (Instr. 3) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Option Grant (Right to buy) | \$ 17.125 | 11/15/2006 | | M | 12,222 | <u>(1)</u> | <u>(1)</u> | Common Stock | 12,222 |
| Stock Option Grant (Right to buy) | \$ 16.81 | 11/15/2006 | | M | 4,646 | <u>(2)</u> | <u>(2)</u> | Common Stock | 4,646 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Qasim Shahzad 4300 WILSON BOULEVARD ARLINGTON, VA 22203 | | | Executive Vice President | |

Signatures

Shahzad Qasim

11/17/2006

**Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This ten year stock option grant was awarded on 02/02/1999 and vested in two equal annual installments such that one half vested on 02/02/2000 and the remaining half vested on 02/02/2001.
 - (2) This ten year stock option grant was awarded on 02/25/2005 and vests in three equal annual installments such that one third vested on 02/25/2006, one third will vest on 02/25/2007, and the remaining third will vest on 02/25/2008.
 - (3) Between 10/12/2006 and 11/17/2006, Mr. Qasim acquired 27 shares of AES Common stock at an average price of \$21.86 pursuant to The AES Retirement Savings Plan. This report is based upon a plan statement dated 11/17/2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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