

AES CORP
 Form 4
 September 22, 2006

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

OMB APPROVAL

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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)
 09/20/2006

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)
 President, Europe/Africa

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) | 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 09/20/2006 | | M | 14,379 A \$ 13.19 | 14,379 | D | |
| Common Stock | 09/20/2006 | | S | 9,000 D \$ 20.55 | 5,379 | D | |
| Common Stock | 09/20/2006 | | S | 5,379 D \$ 20.5038 | 0 | D | |
| Common Stock | 09/22/2006 | | A | 64 A \$ 20.44 (2) | 32,151 | I | by 401(k) Plan |

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

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(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 Value of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Stock Option Grant (Right to buy) | \$ 13.19 | 09/20/2006 | | M | 14,379 | (1) (1) | Common Stock | 14,379 |

Reporting Owners

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

Signatures

Shahzad Qasim 09/22/2006

**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 10/25/2001 and vested in one year such that the entire grant vested on 10/25/02.

(2) Between 09/13/2006 and 09/22/06, Mr. Qasim acquired 64 shares of AES Common at an average price of \$20.44 pursuant to The AES Retirement Savings Plan. This report is based on a plan statement dated 09/22/2006.

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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