

SUTTER ENERGY CENTER
COMBINED CYCLE GAS TURBINE GENERATING FACILITY
CAPACITY CONTRACT OPPORTUNITY
AUGUST 6, 2010

REQUEST FOR OFFERS

Calpine Corporation owns and operates the nominal 550 MW natural gas fired, air cooled Sutter Energy Center (Sutter) located west of Yuba City in Sutter County, California. Sutter consists of two Siemens 501FD 1 combustion turbine generators and one Siemens Westinghouse BB33/65CC steam turbine generator in a combined cycle configuration.

Sutter is interconnected to the Western Area Power Administration (Western) system and holds 500 MW of Network Integration Transmission Service rights . The facility is connected to the 230kV bus at Western's O'Banion substation located in the Sacramento Municipal Utility District (SMUD) /Western control area. Currently, all of Sutter's output is dynamically scheduled to the CAISO pursuant to the CAISO's pilot pseudo-tie program. This arrangement allows deliveries to loads in and outside the CAISO controlled grid while exempting certain CAISO export charges.

Calpine is actively pursuing a new transmission configuration for Sutter, which would physically remove Sutter from the SMUD/Western control area and directly interconnect the facility as a resource on the CAISO controlled grid. Specifically, Calpine is seeking to effect a direct interconnection to the Pacific Gas and Electric Company (PG&E) Table Mt. – Tesla 500 kV line located less than two miles from the facility . Calpine would then terminate its existing interconnection arrangements with Western. The consequence of these actions would be that any future contracting from Sutter for deliveries outside of the CAISO controlled grid would constitute CAISO exports and most likely be burdened with CAISO export fees. The purpose of this RFO is to solicit interest from parties who would like to contract for capacity products from Sutter for energy delivery either within the SMUD/Western control area or into the CAISO controlled grid pursuant to the existing pseudo -tie arrangements. If sufficient capacity from the facility can be contracted for a term of three years or longer, Calpine would consider either abandoning or delaying its efforts to seek a new interconnection to the PG&E system.

Calpine Energy Services, L.P. (“CES”) on behalf of Calpine's Sutter Energy Center is seeking offers from qualified parties to purchase unit contingent capacity and all associated energy from one or both combustion turbines and their associated combined cycle capability for a term of three years or longer. Offers submitted in response to this RFO must include pricing in the form of a monthly capacity payment . Attached are a form of term sheet and a table of technical specifications. Until such time as a final written agreement is executed, there is no binding contract to sell any product and Calpine shall be free to market and/or sell the same products to third parties.

We ask that those qualified parties wishing to pursue possible contracting arrangements provide indicative responses to this solicitation setting forth both material terms and pricing no later than Friday, September 3, 2010 to Sutter2010RFO@calpine.com.

Please contact Ian Bodley at (925) 557-2255 with any questions.

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SAMPLE TERM SHEET

Seller: Calpine Energy Services, L.P.

Buyer: _____

Product: Unit Contingent Capacity

Term: Start Date: _____ End Date: _____ (min 3 years)

Guaranteed Heat Rate: _____ [Parties to discuss mutually agreeable mechanism.]

Capacity Payment: \$ _____/kW-mo

Start Charge: \$12,855.00/start per turbine (up to thirty consecutive hours)

Fired Hour Charge: \$394.00/fired hour per turbine

Variable O&M: \$0.50/MWh (non fuel)

Fuel Manager: Seller

Fuel Price: PG&E City Gate Gas Daily Midpoint plus PG&E LDC plus \$0.02 MMBtu fuel service fee

Energy Payment: For each MWh of Energy produced (Guaranteed Heat Rate x Fuel Price +Variable O&M Charge)

Minimum Run Time: 4 hours per gas turbine start

Minimum Down Time: 4 hours

Dispatch Notice: Buyer will have the right to dispatch by providing a dispatch notice to Seller electronically. All dispatches must be within the operational parameters of the unit(s) and consistent with all control area, WECC and NERC protocols. To be further defined in a definitive agreement.

Starts/Day and Maximum Starts: One (1) start per day per gas turbine, with a maximum of 15 cold starts per term and a maximum of 80 hot, warm or cold starts per year on the steam turbine.

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Start Condition	Cold	Warm	Hot
Prior Down Time (hours)	> 60	12-60	<12
Time to Full Load (hours)	5	4	3
Start-up Fuel Burn (MMBtu) to Minimum Load with one CTG	3,300	2,800	2,000
Estimated Ramp Energy (MWh) to Minimum Load with one CTG	300	260	210

Note: The above start-up time and fuel burn applies to the first gas turbine and steam turbine start-up. The 2nd gas turbine start-up requirements are the same as a Hot Start. Due to air permit restrictions more than one gas turbine cannot be started or be shut down simultaneously. The turbines must start and shutdown one turbine at a time.

Form of Documentation: TBD

Credit Support: TBD

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TECHNICAL SPECIFICATIONS

Summary of Sutter

Type:	Combined Cycle
Configuration:	2x2x1
Status:	Operating
COD:	July 2001
Owner:	Calpine Corporation
Lead Construction Contractor:	Bechtel

Production Summary

Avg Ambient Temperature	
Plant Baseload Capacity:	540 MW
Net Baseload Unadjusted Heat Rate:	7,200 BTU / kWh (HHV)
Avg Annual Temp:	62 deg F
Hot Month	
Plant Peak Capacity:	500 MW
Baseload Capacity @ Summer Temp:	480 MW
Hottest Month Avg High Temp:	96 deg F
AGC Capable:	Yes

CTG 1&2 Summary

CT Manufacturer:	Siemens Westinghouse
Model:	501F-D1
CT Fuel #1:	Natural Gas
NOx Control Method:	DLN Technology
Inlet Fogging:	Yes
Steam Injection:	Yes
Gen Manufacturer / Model:	SW AeroPac 40
Generator Serial#:	1-S-94P0060
Gen Voltage:	18 kV
Gen MVA Rating:	250 MVA
Gen Cooling:	Air
CTG Controls Manufacturer / Model:	Westinghouse WDPF - Integrated

HRSG 1&2 Summary

HRSG Manufacturer:	Vogt-NEM
Number of Pressures:	3
Duct Burner:	Yes
SCR Catalyst:	Yes
CO Catalyst:	Yes
CEMS Manufacturer / Model:	CISCO
NOx Limit:	2.5 ppmvd @ 15% O2
CO Limit:	4 ppmvd @ 15% O2

STG Summary

Manufacturer:	SW
Model:	BB33/65
Turbine Speed:	3,600 rpm
Pressure Levels	High, Intermediate and Low
Reheat:	Yes
Gen Manufacturer / Model:	SW AeroPac 40
Gen Voltage:	18 kV
Gen MVA Rating:	250 MVA
Gen Cooling:	Air
STG Controls Manufacturer / Model:	Westinghouse WDPF - Integrated

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