

December 13, 2007

Calpine Corporation
717 Texas Avenue
Houston, TX 77002

Attention: Ms. Lisa Donahue
Senior Vice President and Chief Financial Officer
Mr. Zamir Rauf
Senior Vice President, Finance

Amended and Restated Commitment Letter

Ladies and Gentlemen:

We are pleased to confirm the arrangements under which Goldman Sachs Credit Partners L.P. (“**GSCP**”), Credit Suisse (“**CS**”), Credit Suisse Securities (USA) LLC (“**CS Securities**” and, together with CS and their respective affiliates, “**Credit Suisse**”), Deutsche Bank Securities Inc. (“**DBSI**”), Deutsche Bank Trust Company Americas (“**DBTCA**” and, together with DBSI and their respective affiliates, “**Deutsche**”) and Morgan Stanley Senior Funding, Inc. (“**Morgan Stanley**”; and, together with GSCP, Credit Suisse, Deutsche, collectively, the “**Commitment Parties**”) are exclusively authorized by Calpine Corporation, a debtor-in-possession under Chapter 11 of the United States Bankruptcy Code (the “**Company**”), to act as joint lead arrangers and joint bookrunners, in connection with, and commit to provide the financing for, certain transactions described herein, in each case on the terms and subject to the conditions set forth in this letter and the attached Annexes A, B, C and D hereto (collectively, this “**Commitment Letter**”). This Commitment Letter, including Annexes A, B, C and D attached hereto, upon the occurrence of the Effective Date (as hereinafter defined), amends and restates and supersedes in its entirety that certain commitment letter (including Annexes A, B, C and D thereto), dated June 20, 2007 (the “**Original Commitment Letter**”), and the consent letter dated December 3, 2007 relating thereto, in each case among the Commitment Parties and the Company. The Company and certain of its domestic subsidiaries are debtors and debtors-in-possession (collectively, the “**Debtors**”) operating under the oversight of the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) in jointly administered cases under Chapter 11 of the United States Bankruptcy Code (the “**Bankruptcy Cases**”). You have further informed the Commitment Parties that the Debtors intend to emerge from the Bankruptcy Cases pursuant to a plan of reorganization and a related disclosure statement, originally filed with the Bankruptcy Court on June 20, 2007 (including all exhibits thereto, and as each has been and may hereafter be amended, supplemented or otherwise modified from time to time, the “**Plan of Reorganization**” and the “**Disclosure Statement**”, respectively). You have further advised the Commitment Parties that the Debtors are party to an existing \$5.0 billion debtor-in-possession financing facility (as amended, supplemented or otherwise modified from time to time, the “**Existing DIP Facility**”), which is convertible at the Company’s option into an exit financing facility for the Company and certain of its subsidiaries as of the effective date of the Plan of Reorganization, having the terms and conditions set forth in Exhibit I to the Existing DIP Facility (as amended, supplemented or otherwise modified from time to time, the “**Existing Exit Facility**”; together with the Existing DIP Facility, the “**Existing Facilities**” (it being understood and agreed that for purposes of determining the terms and provisions of the documentation for the Additional Facility, the Bridge Facility and the Refinancing Facility (in such case, to the extent that the Commitment Parties shall not have been relieved from their respective commitments as a result of the agreement by lenders under the Existing DIP Facility to convert their Existing DIP Facility loans into a portion of the Refinancing Facility), references in this Commitment Letter to the Existing Exit Facility shall not be deemed to include any amendment,

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supplement or other modification of the Existing Exit Facility after June 20, 2007 (other than the Amendment and amendments, supplements or modifications consented to by the Commitment Parties (such consent not to be unreasonably withheld or delayed)) that is material and adverse to the interests of the Commitment Parties with respect to the Additional Facility or the Bridge Facility)).

In connection with the emergence of the Company from the Bankruptcy Cases, you have advised us of the following financing needs:

first priority senior secured credit facilities consisting of (i) first priority secured term loans to the reorganized Company (the "**Borrower**") in the aggregate principal amount of \$6.3 billion, having the terms described in the Summary of Terms and Conditions attached hereto as Annex B (collectively, the "**First Lien Long-Term Facilities Term Sheet**"), with (a) \$2.3 billion of such term loans representing additional borrowings (the "**Additional Facility**") in excess of the "First Priority Term Loans" under (and as defined in) the Existing DIP Facility and the Existing Exit Facility and (b) \$4.0 billion of such term loans (such amount (first allocated to the Additional Facility and only if in excess thereof to the Refinancing Facility) to be reduced by (i) the principal amount of any repayments of "First Priority Term Loans" under the Existing DIP Facility made (or offered to be made) after the date hereof and prior to the Closing Date other than (x) scheduled amortization and (y) any repayment actually made from the proceeds of the sale of any of the US\$144,250,000 aggregate principal amount of the 8 1/2% Senior Notes due May 1, 2008 issued by Calpine Canada Energy Finance ULC, and held as treasury bonds by Calpine Corporation (US\$134,250,000 principal amount) and Quintana Canada Holdings, LLC (US\$10,000,000) and (ii) the aggregate committed amount of the CDH L/C Facility (as hereinafter defined) if same is entered into on or prior to the Closing Date), representing loans to refinance (the "**Refinancing Facility**" and, together with the Additional Facilities, the "**Term Facilities**") such "First Priority Term Loans", with any portion of such Refinancing Facility in excess of the amounts required for such refinancing representing additional borrowings, (ii) a first priority secured revolving credit facility to the Borrower of \$1.0 billion (the "**Revolving Facility**" together with the Term Facilities, the "**First Lien Long-Term Facilities**") (it being understood any lenders party to the Existing DIP Facility immediately prior to the Amendment Effective Date (as defined below) may elect to continue their loans and commitments under the Existing DIP Facility as loans and commitments under the applicable First Lien Long-Term Facilities pursuant to the Amendment referenced below or on other terms reasonably satisfactory to GSCP), and (iii) a first priority secured bridge facility to the Borrower of up to \$300 million, having the terms set forth on Annex D (the "**First Lien Bridge Facility Term Sheet**"; and, together with the First Lien Long-Term Facilities Term Sheet, the "**Term Sheets**", and such facility being referred to herein as the "**Bridge Facility**" and, together with the First Lien Long-Term Facilities, the "**Facilities**").

You have also advised us that you contemplate that the Term Facilities and the Bridge Facility will be incorporated into the credit agreement for the Existing DIP Facility by means of an amendment thereto (the "**Amendment**") (i) modifying Exhibit I to the credit agreement for the Existing DIP Facility to give effect to the differences between, on the one hand, the terms of the Existing Facilities as of immediately prior to such Amendment and, on the other hand, the terms of the Facilities set forth in this Commitment Letter, and to permit the borrowing of the Additional Facility and of the portion of the Refinancing Facility representing additional borrowings, so that (x) the Additional Facility shall be funded and become effective and (y) the Refinancing Facility shall be deemed funded (to the extent of the portion thereof required to refinance the "First Priority Term Loans" under the Existing DIP Facility) or be funded and become effective, in each case upon satisfaction or waiver of the same conditions (except as provided in the Term Sheets) under which the Existing Exit Facility would have become effective but for the Amendment, (ii) adding documentation relating to the Bridge Facility (permitting the Bridge Facility

to be funded and become effective on the Closing Date upon satisfaction or waiver of the same conditions (except as provided in the Term Sheets) under which the Existing Exit Facility would have become effective but for the Amendment) that is substantially identical to the corresponding documentation for the Term Facilities, as amended by the Amendment, with changes reasonably necessary to give effect to the terms set forth in the First Lien Bridge Facility Term Sheet, (iii) providing that the Revolving Facility outstanding immediately prior to giving effect to the Amendment shall continue in full force and effect immediately after giving effect to the Amendment without modification except as expressly set forth in the Term Sheets and except as otherwise set forth in the Amendment, (iv) modifying guarantees, security documents and the collateral agency and intercreditor agreement to equally and ratably secure all of the Facilities and other liens as may be mutually agreed, and (v) otherwise reasonably satisfactory to you and GSCP. At GSCP's option, the Bridge Facility may be incorporated in the Amendment (and be evidenced by the aforementioned credit documentation) or may be evidenced by a separate credit agreement and related documentation meeting the relevant requirements set forth in the Commitment Papers.

GSCP, CS Securities, DBSI and Morgan Stanley are pleased to confirm their respective several (and not joint) commitment to act, and you hereby appoint GSCP, CS Securities, DBSI and Morgan Stanley to act, as joint lead arrangers and joint bookrunners (collectively, the **"Joint Lead Arrangers"**). GSCP is pleased to confirm its commitment to act, and you hereby appoint GSCP to act, as sole syndication agent in connection with the First Lien Long-Term Facilities and the Bridge Facility and to act as sole administrative agent (the **"Administrative Agent"**), in GSCP's discretion, either for the First Lien Long-Term Facilities or the Bridge Facility upon the funding of such Facilities and one of the other Joint Lead Arrangers as determined by you will act as sole administrative agent for the other Facility. The Commitment Parties are also pleased to confirm their respective several (and not joint) commitments to provide the Borrower, in the aggregate, the full \$300.0 million principal amount of the Bridge Facility, the full \$2.3 billion of the Additional Facility and the full \$4.0 billion of the Refinancing Facility, in each case on the terms and subject to the conditions contained in the Commitment Papers (as defined below), with (x) GSCP providing 40% of the Bridge Facility, the Additional Facility and the Refinancing Facility and each of CS, DBTCA and Morgan Stanley providing 20% of the Bridge Facility, the Additional Facility and the Refinancing Facility. You agree that GSCP shall be the sole party with "first-left" placement on all marketing and other materials or documentation used or distributed in connection with the Facilities and will have the responsibilities and privileges associated with such "first-left" placement.

The Commitment Parties are also pleased to confirm their respective several (and not joint) commitment based on the amount of each Commitment Party's pro rata commitment under the Bridge Facility, the Additional Facility and the Refinancing Facility to cause the Amendment to become effective in the event the Borrower does not get the requisite consent from the lenders under the Existing DIP Facility to cause the Amendment to become effective; provided that, in furtherance thereof (and without limiting the generality of the foregoing commitments), the Commitment Parties agree (i) in consultation with you, to take all actions necessary to cause the Amendment to become effective, including refinancing or purchasing (as determined by the Commitment Parties) a sufficient amount of term loans under the Existing DIP Facility to cause the Amendment to be approved by a requisite vote from the lenders (after giving effect to such refinancing or purchase) under the Existing DIP Facility and become effective and (ii) to pay all compensation to such lenders and to the market necessary to cause the Amendment to become effective (with such compensation to be paid from such amounts payable or otherwise available to the Commitment Parties in accordance with the Commitment Papers). In furtherance of the foregoing, each of the Commitment Parties agrees to affirmatively consent to the Amendment in respect of the full amount of their loans and commitments under the Existing DIP Facility by executing and delivering the Amendment prior to any deadline for voting thereon. Our fees for services related to the First Lien Long-Term Facilities and the Bridge Facility are set forth in a separate amended and restated fee letter (the **"Fee Letter"**) and, together with the Commitment Letter and the other amended and restated letter entered into by the Commitment Parties and the Company and dated the date hereof (the **"Flex Letter"**), the

“**Commitment Papers**”) entered into by the Company and the Commitment Parties and dated the date hereof.

The commitments of the Commitment Parties are subject, in their reasonable discretion, to the following conditions: (i) there shall not have been, since December 31, 2006, any material adverse change in or affecting the business, financial position or results of operations of the Company and its subsidiaries (it being understood that the continuation and prosecution of the Bankruptcy Cases, and the filing, solicitation of approvals and negotiation of the Plan of Reorganization for the Bankruptcy Cases shall not constitute such a change) (the condition described in this clause (i) is referred to herein as the “**MAE Condition**”); (ii) the Company being assigned a corporate credit rating by Standard & Poor’s Ratings Group, a division of The McGraw Hill Corporation (“**S&P**”), a corporate family rating by Moody’s Investor Services, Inc. (“**Moody’s**”) and the Facilities being assigned and maintaining a credit rating by Moody’s and S&P (it being understood and agreed that the Company shall only be required to use commercially reasonable efforts to obtain a credit rating on the Bridge Facility), (iii) the approval by the Bankruptcy Court (pursuant to one or more orders in substantially the form attached hereto as Annex E and otherwise in form and substance reasonably satisfactory to GSCP and the Company; such order or orders, the “**Approval Order**”) of the First Lien Long-Term Facilities and the Bridge Facility and the transactions contemplated by the Commitment Papers, (iv) your compliance in all material respects with your obligations under paragraphs seven through thirteen (inclusive) of this letter, and the Fee Letter and Flex Letter, and (v) satisfaction of the conditions precedent described in the Commitment Letter. The commitments of the Commitment Parties are also subject, in their reasonable discretion, to the satisfactory negotiation, execution and delivery of customary and appropriate loan documents relating to the First Lien Long-Term Facilities and the Bridge Facility including, without limitation, the amendment contemplated hereby and credit agreements, guarantees, security agreements, intercreditor agreements, pledge agreements, real property security agreements, opinions of counsel and other related definitive documents (collectively, the “**Loan Documents**”) to be based upon the documentation governing the Existing Exit Facility and consistent with the terms set forth in the Commitment Papers (and satisfying any express requirements in the Commitment Papers); provided that the parties hereto hereby agree that (x) the terms and provisions of the Additional Facility and, if required by GSCP, the Bridge Facility will be contained in the credit agreement and loan documents for the Existing Exit Facility, and the amendments giving effect to such terms and provisions of the Additional Facility and, if applicable, the Bridge Facility shall be contained in the Amendment, and (y) if the terms and provisions of the Bridge Facility are not set forth in the credit agreement and loan documents for the Existing Exit Facility (as amended by the Amendment), they shall be set forth in a separate credit agreement and loan documents for the Bridge Facility which shall be substantially identical to the credit agreement and loan documents for the First Lien Long-Term Facilities (with changes reflecting the terms of the Bridge Facility as contained herein and in Annex D), in each case, with exhibits and schedules thereto that correspond to the exhibits and schedules that are part of the documentation for the Existing Exit Facility. Our commitments are also conditioned upon and made subject to our not becoming aware after the date hereof of any new or inconsistent information or other matter not previously disclosed to us relating to the Company or the transactions contemplated by the Commitment Papers that is material and adverse relative to the information or other matters disclosed to us prior to the date hereof.

Reasonably promptly after execution and delivery of the Commitment Papers (the “**Commencement Date**”), you agree in consultation with GSCP to solicit the lenders under the Existing DIP Facility to consent to the Amendment. The date that the Amendment becomes effective in accordance with its terms shall be the “**Amendment Effective Date**”.

GSCP intends and reserves the right to syndicate the First Lien Long-Term Facilities and the Bridge Facility to the Lenders (as defined in Annexes B and D) and you acknowledge and agree that GSCP will commence such syndication efforts promptly upon the execution and delivery of the Commitment Papers

by the Commitment Parties. GSCP will select the Lenders to the Term Facilities and the Bridge Facility after consultation with the Company. GSCP will, in consultation with the Company, lead the syndication, including determining the timing of all offers to potential Lenders, any title of agent or similar designations or roles awarded to any Lender and the acceptance of commitments, the amounts offered and the compensation provided to each Lender from the amounts to be paid to GSCP pursuant to the terms of the Commitment Papers. GSCP will, in consultation with the Company, determine the final commitment allocations under each of the First Lien Long-Term Facilities and the Bridge Facility and will notify the Company of such determinations. The foregoing provisions of this paragraph are subject to the right of the lenders under the Existing DIP Facility to continue, in whole or in part, their loans and commitments under the Existing DIP Facility as loans and commitments under the applicable First Lien Long-Term Facilities, subject to the timing and process requirements as determined by GSCP. The Company agrees to use commercially reasonable efforts to ensure that GSCP's syndication efforts benefit from the existing lending relationships of the Company and its subsidiaries. To facilitate the Amendment and an orderly and successful syndication of the First Lien Long-Term Facilities and Bridge Facility, you agree that, (I) from the Commencement Date until the earlier of (x) successful syndication of the First Lien Long-Term Facilities and the Bridge Facility as determined by the Commitment Parties and (y) 30 days after the date of initial funding of the Additional Facility (such funding date the "**Closing Date**"), the Company will not, without the prior written consent of GSCP, syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of any debt facility or debt security of the Company or any of its subsidiaries or affiliates, including any renewals or refinancings of any existing debt facility or debt security, or access the "Incremental Term Loans" pursuant to (and as defined under) the Facilities, other than (i) the Amendment, (ii) the First Lien Long-Term Facilities, (iii) the Bridge Facility, (iv) project level financings for Russell City disclosed prior to the date hereof to the Facility Arrangers, (v) indebtedness to be reinstated or assumed under the Plan of Reorganization, (vi) a credit facility in an aggregate principal amount not to exceed \$200 million for the issuance of letters of credit, under which Calpine Development Holdings Inc. ("**CDH**"), or a new subsidiary of CDH, in either case an indirect subsidiary of the Company that is currently not a debtor-in-possession in the Bankruptcy Cases, would be the borrower (the "**CDH L/C Facility**"), (vii) a credit facility with Blue Spruce Energy Center, LLC, as borrower, in an aggregate principal amount not to exceed \$100 million, to (among other things) repay or redeem outstanding indebtedness of Blue Spruce Energy Center, LLC (the "**Blue Spruce Refinancing Facility**"), (viii) a credit facility with Metcalf Energy Center, LLC, as borrower, in an aggregate principal amount not to exceed \$400 million, to (among other things) repay or redeem outstanding indebtedness and preferred securities of Metcalf Energy Center, LLC (the "**Metcalf Refinancing Facility**"), and (ix) up to \$300 million of unsecured liquidity facilities the availability of which shall correlate (at the time of initial incurrence) to the price of natural gas and/or power, and (II) if successful syndication of the First Lien Long-Term Facilities and the Bridge Facility has not occurred by the date that is 30 days after the Closing Date, the Company will not, without the prior written consent of GSCP, until the date that is 90 days after the Closing Date, syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, any debt facility or debt security (in each case) borrowed or issued directly by the Company, including any renewals or refinancings of any such existing debt facility or debt security, or access the "Incremental Term Loans" pursuant to (and as defined under) the Facilities, other than the financings or indebtedness described in clauses (i), (ii), (iii), (v), (vi) and/or (ix). The agreements contained in the immediately preceding sentence are referred to herein as the "**Clear Market Provision**". Notwithstanding the foregoing or anything herein or in the Commitment Papers to the contrary, but subject to the requirement of a Syndication Period set forth below, (i) the syndication of the Term Facilities or the Bridge Facility shall not be a condition precedent to the closing of the Term Facilities or the Bridge Facility and the Commitment Parties hereby agree that, upon the terms and subject to satisfaction (or waiver) of the conditions set forth in this Commitment Letter, they will execute the Amendment and other related Loan Documentation prior to the completion of the syndication of the Term Facilities or the Bridge Facility and

(ii) any syndication of commitments prior to the Closing Date shall not reduce the obligation of the Commitment Parties to (A) fund the Term Facilities and the Bridge Facility on the Closing Date and (B) without duplication, refinance or purchase loans and loan commitments (as determined by the Commitment Parties) under the Existing DIP Facility in order to cause the effectiveness of the Amendment. The Company hereby agrees, for the benefit of the Commitment Parties, to use its commercially reasonable efforts to cause the CDH L/C Facility to be entered into (and become effective) on terms reasonably satisfactory to the Company, on or before the Closing Date.

The Company agrees to reasonably cooperate with GSCP in connection with (i) the preparation of a customary information package regarding the business, operations, financial projections (for the period prior to the initial maturity date of the First Lien Long-Term Facilities and prospects of the Company including, without limitation, the delivery of all customary information relating to the transactions contemplated hereunder prepared by or on behalf of the Company reasonably requested by GSCP to complete the Amendment and the syndication of the First Lien Long-Term Facilities and the Bridge Facility (including, without limitation, obtaining the credit ratings from S&P and Moody's described above), (ii) the presentation of a customary information package reasonably acceptable in format to GSCP in meetings and other communications with prospective Lenders in connection with the Amendment and the syndication of the First Lien Long-Term Facilities and the Bridge Facility (including, without limitation, direct contact between senior management and representatives of the Company with prospective Lenders and participation of such persons in meetings) and (iii) the preparation and solicitation of consents from the lenders under the Existing Facilities in respect of the Amendment. The Company further agrees that the commitments of the Commitment Parties hereunder are conditioned upon the Company's satisfaction of the requirements of the foregoing provisions of this paragraph by a date sufficient to permit a period (such period, the "**Syndication Period**") of at least 24 consecutive days (excluding the week in which the Christmas holiday occurs) following the formal launch at a meeting of potential Lenders of the general syndication of the First Lien Long-Term Facilities and the Bridge Facility and immediately prior to the Closing Date to complete a syndication of the First Lien Long-Term Facilities and the Bridge Facility. The agreements contained in the preceding sentences of this paragraph are referred to herein as the "**Syndication Covenants**". The Company will be solely responsible for the contents of any such information package and presentation with respect to information about the Company and its subsidiaries and their respective securities and acknowledges that GSCP will be using and relying upon the information contained in such information package and presentation without independent verification thereof. The Company agrees that information regarding the First Lien Long-Term Facilities and the Bridge Facility and information provided by the Company or its representatives to GSCP in connection with the syndication of the First Lien Long-Term Facilities and the Bridge Facility (including, without limitation, draft and execution versions of the Loan Documents, publicly filed financial statements, and draft or final offering materials relating to contemporaneous or prior securities issuances by the Company) may be disseminated to potential Lenders and other persons, subject to customary confidentiality requirements, through one or more internet sites (including an IntraLinks, SyndTrak or other electronic workspace (the "**Platform**")), created for purposes of syndicating the First Lien Long-Term Facilities and Bridge Facility or otherwise, in accordance with GSCP's standard syndication practices (including hard copy and via electronic transmissions).

The Company acknowledges that certain of the Lenders under the First Lien Long-Term Facilities and the Bridge Facility may be "public side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Company, its subsidiaries or its securities) (each, a "**Public Lender**"). At the request of GSCP, the Company agrees to prepare an additional version of the information package and presentation to be used by Public Lenders that does not contain material non-public information concerning the Company, its affiliates or its securities. It is understood that in connection with your assistance described above, customary authorization letters will be included in any Confidential Information Memorandum that authorize the distribution of the Confidential Information

Memorandum to prospective Lenders, containing a representation to the Lead Arrangers that the public-side version does not include material non-public information about the Company, its affiliates or its securities. The Company acknowledges and agrees that the following documents may be distributed to Public Lenders (unless the Company promptly notifies GSCP that any such document contains material non-public information with respect to the Company or its securities): (a) drafts and final definitive documentation with respect to the First Lien Long-Term Facilities and the Bridge Facility, including the Amendment; (b) administrative materials prepared by Lead Arrangers for prospective Lenders under the First Lien Long-Term Facilities and the Bridge Facility (such as a lender meeting invitation, allocations and funding and closing memoranda); and (c) notification of changes in the terms of the First Lien Long-Term Facilities or the Bridge Facility.

The Company represents and covenants (such representation, the “**Information Representation**”) that (i) all information (other than financial projections, forward –looking information and information of general economic or general industry nature) concerning the Company prepared for and provided directly or indirectly by the Company to the Commitment Parties or the Lenders in connection with the transactions contemplated hereunder is and will be, when furnished and taken as a whole, complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances under which and at the time such statements were made and (ii) the financial projections that have been or will be made available to the Commitment Parties or the Lenders by the Company in connection with the Facilities have been and will be prepared in good faith based upon assumptions that are believed by the preparer thereof to be reasonable at the time made, it being understood and agreed that financial projections are not a guarantee of financial performance and it being understood that such financial projections are subject to significant uncertainties and contingencies, many of which are beyond your control, that no assurance can be given that any particular financial projections will be realized, that actual results may differ and such differences may be material. You agree that if at any time prior to the Closing Date, any of the representations in the preceding sentence would be, to your knowledge, incorrect in any material respect if the information and financial projections were being furnished, and such representations were being made, at such time, then you will supplement, or cause to be supplemented, the information and financial projections with reasonable promptness so that such representations will be correct in all material respects under those circumstances.

The Company agrees to the provisions with respect to the indemnity and other matters set forth in Annex A, which is incorporated by reference into this Commitment Letter.

The Commitment Papers may not be assigned by you without the prior written consent of each Commitment Party (and any purported assignment without such consent will be null and void), is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto, except for the reorganized Company and its subsidiaries in the Bankruptcy Cases. Each Commitment Party may assign its commitment to fund the Term Facilities and/or the Bridge Facility hereunder (but not its commitment hereunder to cause the Amendment to become effective), in whole or in part, to any of its affiliates or to any Lender; provided, however, that no such assignment of the Term Facilities or the Bridge Facility prior to the Closing Date, shall relieve such Commitment Party from any portion of such commitments hereunder unless and until the relevant assignee shall have funded on the Closing Date the portions of such commitments so assigned; provided that each Commitment Party will be relieved from its commitment under the Refinancing Facility to the extent (and in the amount that) a lender under the Existing DIP Facility agrees to convert its Existing DIP Facility loans into a portion of the Refinancing Facility. None of the Commitment Papers may be amended or any term or provision hereof or thereof waived or modified except by an instrument in writing signed by each of the parties hereto and thereto,

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and any term or provision hereof or thereof may be amended or waived only by a written agreement executed and delivered by all parties hereto and thereto.

Each Commitment Party hereby notifies the Company that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “**Patriot Act**”) it and each Lender may be required to obtain, verify and record information that identifies the Company and each of the Guarantors (as defined on Annex B and Annex D) which information includes the name and address of the Company and such Guarantors and other information that will allow such Commitment Party and each Lender to identify the Company and the Guarantors in accordance with the Act. This notice is given in accordance with the requirements of the Patriot Act and is effective for each Commitment Party and each Lender.

Please note that the Commitment Papers, any other letter and any written or oral advice provided by the Commitment Parties in connection with this arrangement (collectively, the “**Confidential Information**”) are exclusively for the information of the Company and may not be disclosed to any third party or circulated or referred to publicly without our prior written consent; provided that we hereby consent to your disclosure of (i) the Confidential Information to the Company’s officers, directors, employees, attorneys, accountants, agents and advisors who are directly involved in the consideration of the Facilities and who have been informed by you of the confidential nature of such Confidential Information and who have agreed to treat such information confidentially, (ii) the Confidential Information as required by applicable law or compulsory legal process, including without limitation, pursuant to a subpoena, the order of any court, legislative body or administrative agency or in any pending legal, regulatory or administrative proceeding (in which case you agree to inform us promptly thereof to the extent not prohibited by such law or legal process) and (iii) the Term Sheets in any prospectus or other offering memorandum relating to the First Lien Long-Term Facilities and the Bridge Facility. Additionally, any of the parties hereto may make disclosures of (i) this Commitment Letter and of the Fee Letter to the Bankruptcy Court for approval of this Commitment Letter, the Fee Letter and the Facilities, and (ii) this Commitment Letter and the Fee Letter to any official committee appointed in the Chapter 11 Cases pursuant to Section 1102 of the Bankruptcy Code and their respective legal and financial advisors and to the legal and financial advisors to the unofficial committee of second lien debtholders; provided that (x) such party will notify the other parties hereto of any such disclosure prior to making such disclosure and (y) you take commercially reasonable actions to prevent the Fee Letter from becoming publicly available, including without limitation, the filing of a motion or an ex parte request pursuant to Sections 105(a) and 107(b) of the Bankruptcy Code and Bankruptcy Rule 9018 seeking an order of the Bankruptcy Court authorizing you to file the Fee Letter under seal. Notwithstanding anything herein to the contrary, if the Bankruptcy Court directs you to disclose to the Bankruptcy Court any Confidential Information, you may make such disclosure so long as (x) you notify the other parties hereto prior to making such disclosure and (y) you take commercially reasonable actions to prevent the Fee Letter and the Flex Letter (and the material information contained therein) from becoming publicly available, including without limitation, the filing of a motion or an ex parte request pursuant to Sections 105(a) and 107(b) of the Bankruptcy Code and Bankruptcy Rule 9018 seeking an order of the Bankruptcy Court authorizing you to file such Commitment Papers under seal. The provisions of this paragraph shall survive any termination or completion of the arrangement provided by this Commitment Letter. In addition, please note that none of GSCP, Goldman, Sachs & Co. (“**Goldman Sachs**”), any other Commitment Party, or their affiliates provide accounting, tax or legal advice.

Each Commitment Party, on behalf of itself and its affiliates, agrees that it will treat as confidential all information provided to it hereunder by or on behalf of the Company or any of your respective subsidiaries or affiliates; provided, however, that nothing herein shall prevent such Commitment Party or its affiliates from disclosing any such information (a) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or otherwise as required by applicable law

or compulsory legal process (in which case such person agrees to inform you promptly thereof to the extent not prohibited by law), (b) upon the request or demand of any regulatory authority having jurisdiction over such person or any of its affiliates, (c) to the extent that such information is publicly available or becomes publicly available other than by reason of improper disclosure by such person, (d) to such person's affiliates and their respective officers, directors, partners, employees, legal counsel, independent auditors and other experts or agents who need to know such information and on a confidential basis, (e) to potential and prospective Lenders, participants and any direct or indirect contractual counterparties to any swap or derivative transaction relating to the Borrower and its obligations under the Facilities, in each case, who are advised of the confidential nature of such information, (f) to Moody's and S&P, on a confidential basis, (g) received by such person on a non-confidential basis from a source (other than you or any of your affiliates, advisors, members, directors, employees, agents or other representatives) not known by such person to be prohibited from disclosing such information to such person by a legal, contractual or fiduciary obligation, (h) to the extent that such information was already in such Commitment Party's possession or is independently developed by such Commitment Party or (i) for purposes of establishing a "due diligence" defense.

As you know, each of Goldman Sachs, Credit Suisse, Deutsche and Morgan Stanley (collectively, the "**Commitment Entities**") is a full service securities firm engaged, either directly or through its affiliates in various activities, including securities trading, investment management, financing and brokerage activities and financial planning and benefits counseling for both companies and individuals. In the ordinary course of these activities, the Commitment Entities or their respective affiliates may actively trade the debt and equity securities (or related derivative securities) of the Company and other companies which may be the subject of the arrangements contemplated by this letter for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities. The Commitment Entities or their respective affiliates may also co-invest with, make direct investments in, and invest or co-invest client monies in or with funds or other investment vehicles managed by other parties, and such funds or other investment vehicles may trade or make investments in securities or other debt obligations of the Company or other companies which may be the subject of the arrangements contemplated by this letter.

The Commitment Parties and their respective affiliates (collectively, the "**Commitment Party Groups**") may have economic interests that conflict with those of the Company. You agree that each Commitment Party Group will act under this letter as an independent contractor and that nothing in the Commitment Papers or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Commitment Party Groups and the Company, its stockholders or its affiliates. You acknowledge and agree that (i) the transactions contemplated by the Commitment Papers are arm's-length commercial transactions between the Commitment Party Groups, on the one hand, and the Company, on the other, (ii) in connection therewith and with the process leading to such transaction each Commitment Party Group is acting solely as a principal and not the agent or fiduciary of the Company, its management, stockholders, creditors or any other person, (iii) no Commitment Party Group has assumed an advisory or fiduciary responsibility in favor of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether such Commitment Party Group or any of its affiliates has advised or is currently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in the Commitment Papers and (iv) the Company has consulted its own legal and financial advisors to the extent it deemed appropriate. The Company further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Company agrees that it will not claim that any Commitment Party Group has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto. In addition, any Commitment Party Group may employ the services of its affiliates in providing certain services hereunder and may exchange with such affiliates

information concerning the Company and other companies that may be the subject of this arrangement, and such affiliates shall be entitled to the benefits afforded to such Commitment Party Group hereunder.

Consistent with the policies of each Commitment Party to hold in confidence the affairs of its customers, such Commitment Party will not furnish confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter to any of its other customers. Furthermore, you acknowledge that no Commitment Party nor any of its affiliates has an obligation to use in connection with the transactions contemplated by the Commitment Papers, or to furnish to you, confidential information obtained or that may be obtained by them from any other person.

The commitments of the Commitment Parties hereunder will terminate at 5:00 PM (New York time) on February 7, 2008, unless the Closing Date shall have occurred on or before such date.

The Company agrees that any suit or proceeding arising in respect to this letter or our commitment will be tried exclusively in the federal courts for the Southern District of New York (including the United States Bankruptcy Court for the Southern District of New York) or, if that court does not have subject matter jurisdiction, in any state court located in the City of New York, and the Company agrees to submit to the exclusive jurisdiction of, and to venue in, such court. Any right to trial by jury with respect to any action or proceeding arising in connection with or as a result of either our commitment or any matter referred to in this letter is hereby waived by the parties hereto. The Commitment Papers shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws.

This Commitment Letter may be executed in any number of counterparts, each of which when executed will be an original, and all of which, when taken together, will constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission or electronic transmission (in pdf format) will be effective as delivery of a manually executed counterpart hereof. Upon the effectiveness hereof as provided in the next paragraph, the Commitment Papers shall be the only agreements that have been entered into (and remain effective) among the parties hereto with respect to the First Lien Long-Term Facilities and the Bridge Facility (other than the Existing DIP Facility) and, other than for the Existing DIP Facility, set forth the entire understanding of the parties with respect thereto and supersede any prior written or oral agreements (other than the Existing DIP Facility) among the parties hereto with respect to the First Lien Long-Term Facilities and the Bridge Facility. The parties hereto agree that once this Commitment Letter becomes a binding agreement, the provisions of the seventh, eighth, ninth, tenth, thirteenth, fifteenth, sixteenth, seventeenth, eighteenth and twenty-first paragraphs of this letter shall survive any funding of the Facilities and the credit agreements for the First Lien Long-Term Facilities will provide that "Incremental Term Loans" thereunder will not be incurred in contravention of the Clear Market Provision.

[Remainder of page intentionally left blank]

Calpine Corporation
December 13, 2007

Please confirm that the foregoing is in accordance with your understanding by signing and returning to GSCP the enclosed copy of this Commitment Letter, together, if not previously executed and delivered, with the Fee Letter and the Flex Letter within one business day of the execution and delivery by the Commitment Parties to you. The Commitment Papers shall be of no force and effect unless (x) executed by you and delivered to GSCP within the time frame required by the immediately preceding sentence and (y) the Bankruptcy Court shall have entered the Approval Order by 5:00 p.m. (New York time) on December 19, 2007. The Commitment Papers shall be effective upon execution and delivery of the Commitment Papers by all parties within the time frame required by the second preceding sentence and the entry of the Approval Order by the Bankruptcy Court by 5:00 p.m. (New York time) on December 19, 2007 (with the date upon which the foregoing requirements have been satisfied, if same are satisfied within the required time frame, the **“Effective Date”**) whereupon the Commitment Papers will become binding agreements between us. If not signed and returned and approved by the Bankruptcy Court as described above, (x) the provisions of the Commitment Papers shall terminate and (y) in no event shall any provisions of the Commitment Papers amend or otherwise modify the Original Commitment Letter (or the Fee Letter or Flex Letter referenced therein). We look forward to working with you on this assignment.

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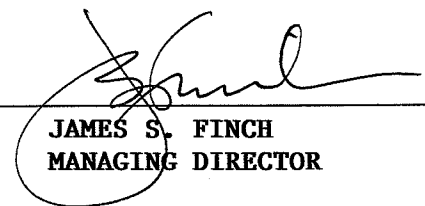
Very truly yours,

GOLDMAN SACHS CREDIT PARTNERS L.P.


By: 


Name: BRUCE H. MENDELSON
Title: AUTHORIZED SIGNATORY

CREDIT SUISSE SECURITIES (USA) LLC

By: 
Name: **JAMES S. FINCH**
Title: **MANAGING DIRECTOR**

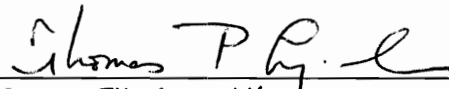
CREDIT SUISSE, CAYMAN ISLANDS BRANCH

By: 
Name: **JAMES P. MORAN**
Title: **MANAGING DIRECTOR**

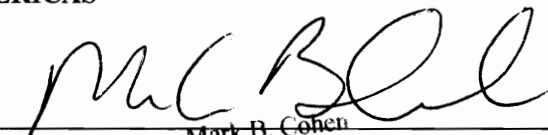
By: 
Name: **LAURENCE LAPEYRE**
Title: **ASSOCIATE**

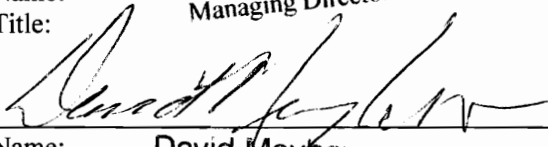
DEUTSCHE BANK SECURITIES INC.

By: 
Name: DAVID CRESCENZI
Title: DIRECTOR

By: 
Name: THOMAS LYNCH
Title: MANAGING DIRECTOR

**DEUTSCHE BANK TRUST COMPANY
AMERICAS**

By: 
Name: Mark B. Cohen
Title: Managing Director

By: 
Name: David Mayhew
Title: Managing Director

MORGAN STANLEY SENIOR FUNDING, INC.

By: 
Name: **Gavin Baiera**
Title: **Authorized Signatory**

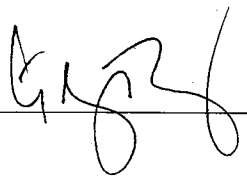
ACCEPTED AS OF DECEMBER 14, 2007

CALPINE CORPORATION

By: _____

Name:

Title:

A handwritten signature in black ink, appearing to be "G. J. [unclear]", written over a horizontal line.

Annex A

In the event that any Commitment Party becomes involved in any capacity in any action, proceeding or investigation brought by or against any person, including stockholders, partners or other equity holders of the Company in connection with or as a result of either this arrangement or any matter referred to in the Commitment Papers, the Company agrees to reimburse such Commitment Party within thirty (30) days of presentation of an invoice or statement with satisfactory supporting documentation for its documented reasonable legal and other reasonable out-of-pocket expenses (including the reasonable cost of any investigation and preparation) incurred in connection therewith; provided, however, that the Company shall not, in connection with any one such action, proceeding investigation or separate but substantially similar actions, proceedings or investigations arising out of the same general allegations, be liable for the fees and expenses of more than one separate firm of attorneys at any time (if performing the same functions with respect to a given matter) for all indemnified parties hereunder, except to the extent that local counsel (limited to one local counsel per jurisdiction) or additional counsel as a result of conflicts which arise with respect to such firm, in addition to such Commitment Party's regular counsel, is required in order to actively defend against such action or proceeding. The Company also agrees to indemnify and hold each Commitment Party harmless against any and all losses, claims, damages or liabilities to any such person in connection with or as a result of either this arrangement or any matter referred to in the Commitment Papers, and without regard to the exclusive or contributory negligence of such Commitment Party except to the extent (a) that any such loss, claim, damage or liability has been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from (i) the gross negligence, willful misconduct, fraud or bad faith of any indemnified party in performing the services that are the subject of the Commitment Papers, (ii) disputes solely among indemnified parties or (iii) material breaches of the Commitment Papers by such Commitment Party or (b) the Company or its affiliates prevail. If for any reason the foregoing indemnification is unavailable to any Commitment Party or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by such Commitment Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative economic interests of (i) the Company and its affiliates, stockholders, partners or other equity holders on the one hand and (ii) such Commitment Party on the other hand in the matters contemplated by the Commitment Papers as well as the relative fault of (i) the Company and its affiliates, stockholders, partners or other equity holders and (ii) such Commitment Party with respect to such loss, claim, damage or liability and any other relevant equitable considerations. The reimbursement, indemnity and contribution obligations of the Company under this paragraph shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to any affiliate of such Commitment Party and the partners, directors, agents, employees and controlling persons (if any), as the case may be, of such Commitment Party and any such affiliate, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, such Commitment Party, any such affiliate and any such person. The Company also agrees that neither any indemnified party nor any of such affiliates, partners, directors, agents, employees or controlling persons shall have any liability based on its or their exclusive or contributory negligence or otherwise to the Company, or any person asserting claims on behalf of or in right of the Company or any other person in connection with or as a result of either this arrangement or any matter referred to in the Commitment Papers; except in the case of the Company to the extent that any losses, claims, damages, liabilities or expenses incurred by the Company or its affiliates, stockholders, partners or other equity holders have been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct, fraud or bad faith of any indemnified party in performing the services that are the subject of the Commitment Papers; provided, however, that in no event shall such indemnified party or such other parties have any liability for any indirect, consequential, special or punitive damages in connection with or as a result of such indemnified party's or such other parties' activities related to the Commitment Papers. **The provisions of this Annex A shall survive any termination or completion of the arrangement provided by the Commitment Papers; provided that**

the indemnity provisions hereunder shall be superseded by the indemnity provisions of the executed definitive documentation for the First Lien Long-Term Facilities and the Bridge Facility.

Annex B

Calpine Corporation

Summary of Terms and Conditions of the First Lien Long-Term Facilities

This Summary of Terms and Conditions outlines certain terms of the First Lien Long-Term Facilities referred to in the Commitment Letter, of which this Annex B is a part. Certain capitalized terms used herein are defined in the Commitment Letter.

Borrower:	Reorganized Calpine Corporation (the “ Borrower ”).
Guarantors:	Each subsidiary of the Borrower which is, or is required to become, a guarantor under the Existing Exit Facility (collectively, the “Guarantors”) shall guarantee all obligations under the First Lien Long-Term Facilities on and after the Closing Date, subject to exceptions for certain project level subsidiaries to be agreed upon by GSCP and the Borrower.
Purpose/Use of Proceeds:	The proceeds of the First Lien Long-Term Facilities will be used, together with the proceeds of the Bridge Facility, (a) on the effective date of the Plan of Reorganization, (i) to refinance the term loans under the Existing Facilities, (ii) to fund distributions under the Plan of Reorganization to holders of certain existing non-recourse debt of the Borrower’s subsidiaries and certain other second priority lien debt of the Borrower and its subsidiaries and (iii) to pay fees, costs, commissions and expenses in connection therewith and in connection with the First Lien Long-Term Facilities and the Bridge Facility and (b) for working capital and general corporate purposes.
Joint Lead Arrangers and Joint Bookrunners:	Goldman Sachs Credit Partners L.P. (“ GSCP ”), Credit Suisse, Deutsche Bank and Morgan Stanley (in their respective capacities as joint lead arrangers and joint bookrunners, collectively the “ Joint Lead Arrangers ”).
Syndication Agent:	GSCP or another financial institution selected by GSCP (in such capacity, the “ Syndication Agent ”).
Administrative Agent:	GSCP or another financial institution selected by the Borrower and acceptable to GSCP (in such capacity, the “ Administrative Agent ”).
Lenders:	GSCP and/or other financial institutions selected by GSCP (each, a “ Lender ” and, collectively, the “ Lenders ”), it being understood any lenders party to the Existing DIP Facility immediately prior to the Closing Date shall be offered the opportunity to continue and may elect to continue their loans and commitments in whole or in part under the Existing DIP Facility as loans and commitments under the applicable First Lien Long-Term Facilities, subject to reasonable timing and process requirements of GSCP in its reasonable discretion.
Amount of First Lien Long-	Up to \$2.3 billion senior secured Tranche B term loan (the “ Additional

Term Facilities:	<p>Facility”), having terms and conditions identical to the terms and conditions set forth herein for the \$4.0 billion senior secured Tranche B term loan.</p> <p>\$4.0 billion senior secured Tranche B term loan provided as a refinancing tranche for the term loans under the Existing Facilities (together with the Additional Facility, the “Term Facilities”).</p> <p>The amount of the Term Facilities will be reduced on or prior to the Closing Date by the amount, and in the circumstances provided in the Commitment Letter.</p> <p>\$1.0 billion senior secured revolving credit facility (the “Revolving Facility”; and, together with the Term Facilities, the “First Lien Long-Term Facilities”). It is anticipated that the Revolving Facility will have terms and conditions that are the same as the revolving credit facility under the Existing Exit Facility with such changes that are reasonably necessary to accommodate the transactions described as set forth herein and in Annex D.</p> <p>The Borrower may, in its sole discretion, reduce the amount of the Additional Facility in minimum amounts to be agreed upon at any time prior to the Closing Date.</p>
Availability:	One drawing may be made under the Term Facilities on the Closing Date. The Revolving Facility shall be available from the Closing Date until the maturity thereof.
Maturity:	The First Lien Long-Term Facilities will have the same maturity date as the Existing Exit Facility.
Closing Date:	The date on or before February 7, 2008, on which the borrowings under the Term Facilities are made (the “ Closing Date ”).
Amortization:	The Term Facilities will be payable in equal quarterly amounts of 1% per annum, with the remaining balance due upon final maturity of the Term Facilities.
Interest Rate:	<p>All amounts outstanding under the First Lien Long-Term Facilities will bear interest, at the Borrower’s option, at the Base Rate or Reserve Adjusted Eurodollar Rate, plus, in each case, the Applicable Margin.</p> <p>Applicable Margin for the Term Facilities shall be a per annum rate equal to, in the case of Base Rate Loans, 1.00% and, in the case of Reserve Adjusted Eurodollar Loans, 2.00%.</p> <p>As used herein, the terms “Base Rate” and “Reserve Adjusted Eurodollar Rate” will have meanings customary and appropriate for financings of this type, and the basis for calculating accrued interest and the interest periods for loans bearing interest at the Reserve Adjusted Eurodollar Rate will be customary and appropriate for financings of this</p>

type. Interest on amounts not paid when due will accrue at a rate equal to the rate on loans bearing interest at the rate determined by reference to the Base Rate plus an additional two percentage points (2.00%) per annum and shall be payable on demand.

The Applicable Margins for the Revolving Facility will be the same as under the Existing Exit Facility.

Interest Payments:

Quarterly for loans bearing interest with reference to the Base Rate; except as set forth below, on the last day of selected interest periods (which shall be one, two, three and six months) for loans bearing interest with reference to the Reserve Adjusted Eurodollar Rate (and at the end of every three months, in the case of interest periods of longer than three months); and upon prepayment, in each case payable in arrears and computed on the basis of a 360-day year (365/366 day year with respect to loans bearing interest with reference to the Base Rate).

Interest Rate Protection:

As of June 30, 2007, approximately 50% of the total indebtedness of the Borrower and its affiliates (excluding the prepetition second lien secured indebtedness and unsecured indebtedness) was either (a) fixed rate indebtedness or (b) floating rate indebtedness subject to hedging agreements as a result of which the interest payments to be made by the Borrower or its affiliates with respect thereto are effectively fixed rate payments.

Commodity Hedging:

The First Lien Long-Term Facilities will not require incremental commodity hedging.

Funding Protection:

The First Lien Long-Term Facilities will contain provisions regarding funding protection substantially identical to those set forth in the Existing Exit Facility.

Voluntary Prepayments:

Subject to the payment of the Call Premium (as defined below), if applicable, the First Lien Long-Term Facilities may be prepaid in whole or in part at any time; provided that loans bearing interest with reference to the Reserve Adjusted Eurodollar Rate will be prepayable only on the last day of the related interest period unless the Borrower also pays any related breakage costs. Voluntary prepayments of the First Lien Long-Term Facilities will be applied to scheduled amortization payments as directed by the Borrower.

Call Premium:

Voluntary prepayments (and mandatory prepayments from net cash proceeds of debt and equity issuances) of the Term Facilities, in each case prior to the second anniversary of the Closing Date, will require payment of a fee as follows (the “**Call Premium**”):

(A) if such prepayment is made prior to the first anniversary of the Closing Date, an amount equal to 2% of such prepayment, and

(B) if such prepayment is made on or after the first

anniversary of the Closing Date and prior to the second anniversary of the Closing Date, an amount equal to 1% of such prepayment.

Mandatory Prepayments:

The Borrower shall make mandatory prepayments of the First Lien Long-Term Facilities substantially identical to those set forth with respect to the term loans under the Existing Exit Facility (with such modifications as the parties may mutually agree to); provided, however, that, for so long as any loans remain outstanding pursuant to the Bridge Facility, any amounts which would be required to be so applied pursuant to the Existing Exit Facility but are instead required (pursuant to the terms of the Bridge Facility) to be used to make mandatory prepayments of principal of the Bridge Facility shall not be required to prepay loans pursuant to the First Lien Long-Term Facilities to the extent so applied. Any Lender under the Term Facilities may elect not to accept any mandatory prepayment (each a “**Declining Lender**”). Any prepayment amount declined by a Declining Lender shall be offered by the Borrower to lenders under the Bridge Facility to prepay all outstanding obligations thereunder and, in the event that such lenders elect not to accept such amount or if the Bridge Facility has been repaid in full, such amount shall be retained by the Borrower for general corporate purposes of the Borrower.

The requirement under the Existing Exit Facility to make mandatory prepayments of asset sale proceeds shall be modified to (i) exclude any asset sale proceeds that are applied to repayment of the Bridge Facility, and (ii) clarify that asset sale proceeds that are applied to repayment of the Bridge Facility shall not be counted against the \$50 million limitation on proceeds of asset sales that can be received without requiring an offer to prepay the Term Facilities or delivery of a reinvestment notice.

Security:

The First Lien Long-Term Facilities will contain provisions requiring collateral security (including the timing of actions taken to perfect security interests in such security) substantially identical to those set forth in the Existing Exit Facility.

Representations and Warranties:

The First Lien Long-Term Facilities will contain representations and warranties substantially identical to those set forth in the Existing Exit Facility, except as mutually agreed.

Covenants:

The First Lien Long-Term Facilities will contain affirmative and negative covenants substantially similar (but no more restrictive) to those set forth in the Existing Exit Facility after giving effect to the incurrence of the Additional Facility and the Bridge Facility, with amendments to such covenants to permit (i) the Bridge Facility, (ii) the Additional Facility, and (iii) investments in respect of letters of credit issued for the following projects in the following amounts: (x) Rocky Mountain for \$29 million and (y) Mankato for \$45 million.

The First Lien Long-Term Facilities will contain financial covenants

substantially identical in form to, and with levels and definitions of financial terms consistent with those in the Existing Exit Facility, in each case, except as otherwise mutually agreed.

If the Borrower qualifies for “fresh start” accounting at such time, upon request of the Administrative Agent, the Borrower shall deliver to the Lenders within 60 days after the Closing Date an unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the date that the Plan of Reorganization became effective, giving effect to (i) the incurrence of the Loans under the First Lien Long-Term Facilities, the Bridge Facility and the other Indebtedness to be issued pursuant to the Plan of Reorganization and the use of proceeds thereof, (ii) the consummation of the Plan of Reorganization and (iii) the payment of fees and expenses in connection with the foregoing, and accompanied by a certificate of a Responsible Officer certifying that such balance sheet accurately presents in all material respects the financial position of the Borrower and its subsidiaries, in accordance with GAAP, as of such date.

Events of Default:

The First Lien Long-Term Facilities will contain events of default (and grace periods) substantially identical to those set forth in the Existing Exit Facility.

Conditions Precedent to Borrowings:

Conditions precedent to the several obligations of the Lenders to make, or cause one of their respective affiliates to make, loans (including the initial extensions of credit under the Additional Facility) shall be as set forth in Section 4 of the Existing Exit Facility together with the additional conditions set forth in Annex C (it being understood that for purposes of satisfying the conditions precedent set forth in Section 4.1(i) and (n) of the Existing Exit Facility, the financial covenants described in the second paragraph under the heading “Covenants” above shall be utilized).

Assignments and Participations:

The First Lien Long-Term Facilities will contain assignment and participation provisions substantially identical to those set forth in the Existing Exit Facility.

Requisite Lenders:

The First Lien Long-Term Facilities will contain voting provisions substantially identical to those set forth in the Existing Exit Facility.

Taxes:

The First Lien Long-Term Facilities will contain tax indemnification provisions identical to those set forth in the Existing Exit Facility.

Indemnity:

The First Lien Long-Term Facilities will contain indemnification provisions identical to those set forth in the Existing Exit Facility.

Governing Law and Jurisdiction:

New York.

Counsel to the Arranger:

White & Case LLP

The foregoing is intended to summarize certain basic terms of the First Lien Long-Term Facilities. It is not intended to be a definitive list of all of the requirements of the Lenders in connection with the First Lien Long-Term Facilities.

Calpine Corporation**Conditions Precedent to the First Lien Long-Term Facilities and the Bridge Facility**

Capitalized terms are used herein as defined in the Existing Exit Facility. All section or exhibit references are to sections in, or exhibits attached to, the Existing Exit Facility.

In addition to the conditions set forth under the heading “Conditions Precedent to Borrowings” in Annex B to the Commitment Letter, the conditions to borrowing under the Additional Facility and the Bridge Facility shall be (i) satisfaction (or waiver by the requisite number of lenders under the Existing Facilities) of the conditions to the “Conversion Date” set forth in Section 4.1 of the Existing Exit Facility as modified under the heading “Conditions to Borrowings” in Annex B and (ii) the following:

(a) Confirmation Order. The Confirmation Order confirming the Plan of Reorganization shall (i) approve and authorize the First Lien Long-Term Facilities and the Bridge Facility and the transactions contemplated hereby and thereby and the granting of such liens under the First Lien Long-Term Facilities and the Bridge Facility, (ii) contain a finding or otherwise provide that the First Lien Long-Term Facilities and the Bridge Facility are not a fraudulent transfer or conveyance, and contain a release in favor of the Joint Lead Arrangers, the Administrative Agent and the Lenders and their respective affiliates and (iii) be in full force and effect and shall not have been stayed, reversed, amended or modified. Concurrently with the occurrence of the Closing Date, (x) the Plan Effective Date shall have occurred and (y) each Material Subsidiary (other than a Material Subsidiary that has de minimis assets) subject of a Bankruptcy Case shall have emerged from Chapter 11 of the Bankruptcy Code pursuant to the Plan of Reorganization and those Subsidiaries of the Borrower that are Bankrupt Subsidiaries after the Closing Date shall not have, as at the end of the most recent fiscal year of the Borrower (i) accounted for more than 5%, individually, for any Bankrupt Subsidiary, or 10%, in the aggregate for all Bankrupt Subsidiaries, of the consolidated revenues of the Borrower and its Subsidiaries in the aggregate or (ii) owned more than 5%, individually, for any Bankrupt Subsidiary, or 10%, in the aggregate, for all Bankrupt Subsidiaries, of the consolidated assets of the Borrower and its Subsidiaries in the aggregate.

(b) PATRIOT Act. The Joint Lead Arrangers shall have received at least 5 days prior to the Closing Date all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including the Patriot Act.

Annex D

Calpine Corporation

Summary of Terms and Conditions of the First Lien Bridge Facility (the “Bridge Facility”)

This Summary of Terms and Conditions outlines the material terms of Bridge Facility referred to in the Commitment Letter, of which this Annex D is a part. Certain capitalized terms used herein are defined in the Commitment Letter.

Borrower:	Reorganized Calpine Corporation (the “ Borrower ”).
Guarantors:	Each subsidiary of the Borrower which is, or is required to become, a guarantor under the First Lien Long-Term Facilities (collectively, the “ Guarantors ”) shall guarantee all obligations under the Bridge Facility.
Purpose/Use of Proceeds:	The proceeds of the Bridge Facility will be used (a) on the effective date of the Plan of Reorganization, (i) to fund distributions under the Plan of Reorganization to holders of certain existing non-recourse debt of the Borrower’s subsidiaries and certain other second priority lien debt of the Borrower and its subsidiaries, and (ii) to pay fees, costs, commissions and expenses in connection therewith and in connection with the First Lien Long-Term Facilities and the Bridge Facility, and (b) thereafter, for working capital and general corporate purposes.
Joint Lead Arrangers and Joint Bookrunners:	Goldman Sachs Credit Partners L.P. (“ GSCP ”) Credit Suisse, Deutsche Bank and Morgan Stanley (in their respective capacities as joint lead arrangers and joint bookrunners, collectively the “ Joint Lead Arrangers ”).
Syndication Agent:	GSCP or another financial institution selected by GSCP and acceptable to the Borrower (in such capacity, the “ Syndication Agent ”).
Documentation Agent:	GSCP or another financial institution selected by GSCP and acceptable to the Borrower (in such capacity, the “ Documentation Agent ”).
Administrative Agent:	GSCP or another financial institution selected by the Borrower and acceptable to GSCP (in such capacity, the “ Administrative Agent ”).
Lenders:	GSCP and/or other financial institutions selected by GSCP (each, a “ Lender ” and, collectively, the “ Lenders ”).
Principal Amount:	<p>\$300 million.</p> <p>The Borrower may, in its sole discretion, reduce the amount of the Bridge Facility at any time prior to the Closing Date.</p>

Availability:	One drawing may be made under the Bridge Facility on the Closing Date and thereafter no further drawings shall be permitted and all unfunded commitments (if any) under the Bridge Facility shall terminate.
Final Maturity:	The Bridge Facility will mature 366 days after the Closing Date and will be paid in full upon maturity. There shall be no scheduled amortization of the Bridge Facility.
Interest Rate:	<p>All amounts outstanding under the Bridge Facility will bear interest, at the Borrower's option, at the Base Rate or Reserve Adjusted Eurodollar Rate plus, in each case, the Applicable Margin. The Applicable Margin for the Bridge Facility shall be equal to, in the case of Base Rate Loans, 1.00% and, in the case of Reserve Adjusted Eurodollar Loans, 2.00%.</p> <p>The Borrower may elect interest periods of 1, 2, 3 or 6 months or 9 or 12 months (if such periods are available for all Lenders) for Eurodollar borrowings. Calculation of interest shall be on the basis of the actual days elapsed in a year of 360 days (or 365 or 366 days, as the case may be, in the case of base rate loans based on the Prime Rate).</p> <p>As used herein, the terms "Base Rate" and "Reserve Adjusted Eurodollar Rate" will have meanings customary and appropriate for financings of this type, and the basis for calculating accrued interest and the interest periods for loans bearing interest at the Reserve Adjusted Eurodollar Rate will be customary and appropriate for financings of this type.</p>
Interest Payments:	Quarterly for loans bearing interest with reference to the Base Rate; except as set forth below, on the last day of selected interest periods for loans bearing interest with reference to the Reserve Adjusted Eurodollar Rate (and at the end of every three months, in the case of interest periods of longer than three months); and upon prepayment, in each case payable in arrears and computed on the basis of a 360-day year (365/366 day year with respect to loans bearing interest with reference to the Base Rate).
Default Rate:	Interest on amounts not paid when due will accrue at a rate equal to the rate on loans bearing interest at the rate determined by reference to the Base Rate plus an additional two percentage points (2.00%) per annum and shall be payable on demand.
Voluntary Prepayments:	<p>Voluntary prepayments of the Bridge Facility will be permitted at any time in minimum principal amounts to be agreed, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Eurodollar borrowings other than on the last day of the relevant interest period.</p> <p>Amounts applied to prepay the Bridge Facility will be applied first to</p>

accrued interest and thereafter to principal.

Mandatory Prepayments:

The Borrower shall make mandatory prepayments of the Bridge Facility (a) from any cash tax refund received by the Borrower or any of its Subsidiaries from Canadian taxing authorities with respect to tax periods ending prior to the Closing Date; provided that if the Borrower is unable to cause the repatriation of such tax refund such mandatory repayment shall be delayed until it is able to effect such repatriation, (b) with 100% of the net cash proceeds from any sale or disposition of the Freemont and Hillabee assets, both to be defined, and such other similar assets as may be mutually agreed by the Commitment Parties and the Borrower and (c) otherwise, pursuant to provisions substantially identical to those set forth with respect to the First Lien Long-Term Facilities. Amounts to be applied as described in preceding clause (a) and (b) shall be applied solely to outstanding principal under the Bridge Facility, and any mandatory repayments pursuant to preceding clause (c) shall be applied on a pro rata basis (based on the relative outstandings) to the Bridge Facility and the Term Facilities, or on such other basis as may be determined by the Commitment Parties.

Mandatory prepayments may not be re-borrowed.

Security:

The Bridge Facility will contain provisions requiring collateral security (including the timing of actions taken to perfect security interests) substantially identical to the collateral security for the First Lien Long-Term Facilities.

Representations and Warranties:

The Bridge Facility will contain representations and warranties identical to those set forth in the First Lien Long-Term Facilities.

Covenants:

The Bridge Facility will contain affirmative and negative covenants substantially identical to those set forth in the First Lien Long-Term Facilities. The Bridge Facility will contain financial covenants identical in form and definitions of financial terms to, and with the same ratios as, those in the First Lien Long-Term Facilities.

Events of Default:

The Bridge Facility will contain events of default (and grace periods) substantially identical to those set forth in the First Lien Long-Term Facilities.

Conditions Precedent:

The several obligations of the Lenders to make, or cause one of their respective affiliates to make, loans under the Bridge Facility will be subject to the conditions precedent listed on Annex C attached to the Commitment Letter.

Voting:

The Bridge Facility will contain provisions with respect to voting on amendments and waivers that are substantially identical to the voting provisions in the First Lien Long-Term Facilities.

Cost and Yield Protection:	Usual for facilities and transactions of this type.
Assignments and Participations:	The Bridge Facility will contain assignment and participation provisions substantially similar to those set forth in the First Lien Long-Term Facilities.
Expenses and Indemnification:	The Bridge Facility will contain indemnification and expense reimbursement provisions substantially identical to those set forth in the First Lien Long-Term Facilities.
Governing Law and Jurisdiction:	New York.
Counsel to the Joint Lead Arrangers and Administrative Agent:	White & Case LLP.