SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 20, 2010

CALPINE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**1-12079**	**77-0212977**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

717 Texas Avenue, Suite 1000, Houston, Texas 77002
(Addresses of principal executive offices and zip codes)

Registrant' s telephone number, including area code: (713) 830-8775

Not applicable
(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 1.01 − ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

Calpine Corporation (“Calpine”) announced today that it entered into a Purchase Agreement (the “Purchase Agreement”) through New Development Holdings, LLC (“Purchaser”), a wholly owned indirect subsidiary of Calpine on April 20, 2010, with Pepco Holdings, Inc. (“PHI”), Conectiv, a wholly owned subsidiary of PHI (“Conectiv”), and Conectiv Energy Holding Company (the “Company”), a wholly-owned direct subsidiary of Conectiv.

Pursuant to the Purchase Agreement, Purchaser has agreed, on the terms and subject to the conditions of the Purchase Agreement, to purchase from Conectiv all of the membership interests in the Company, and thereby acquire all of the electricity generation assets of Conectiv, which include 18 operating power plants and one plant under construction, with approximately 4,490 MW of capacity (including completion of the power plant under construction and scheduled upgrades) for a purchase price of $1.65 billion in cash plus the market value of the fuel oil inventory at closing, and subject to other adjustments including (i) the level of working capital and non-fuel oil inventory at closing and (ii) actual capital expenditures relative to budgeted capital expenditures through the closing date. Purchaser will not acquire the Company’ s trading book, collateral requirements or load-serving auction obligations. In addition, Purchaser will not assume any of the Company’ s off-site environmental liabilities or pre-close pension liabilities. The transaction is targeted to close by June 30, 2010. Effective July 1, 2010, the purchase price will be subject to a per diem reduction for each day closing does not occur of (i) $360,000 in July, (ii) $363,500 in August, (iii) $237,500 in September, (iv) $195,000 in October, (v) $189,500 in November, and (vi) $219,500 in December.

Calpine will finance the transaction through available cash and bank debt provided pursuant to financing commitments from Credit Suisse as lead arranger, along with Citigroup Global Markets Inc. and Deutsche Bank Trust Company Americas. However, the Purchase Agreement is not subject to financing condition.

The obligations of the parties under the Purchase Agreement are subject to customary closing conditions, including, among others: (i) obtaining required governmental and third party consents and approvals and (ii) the absence of legal restraints that would make the transactions contemplated by the Purchase Agreement illegal or otherwise prevent the consummation thereof. In addition, the obligations of Purchaser are subject to certain other conditions, including: (i) possession by the Company and its subsidiaries (the “Companies”) of all permits necessary to conduct their businesses in all material respects in accordance with applicable laws, (ii) absence, since the date of the Purchase Agreement, of any events or circumstances that, individually or in the aggregate, have had or are reasonably likely to have a material adverse effect on the Companies or certain specified assets of the Companies, (iii) the successful consummation of an agreed reorganization of Companies as described in the Purchase Agreement (the “Reorganization”), (iv) the release of certain liens affecting certain real property, (v) the absence of legal or regulatory action with respect to plants, (vi) certain actions to ensure that the Company’ s facility construction project in Peach Bottom Township, Pennsylvania (the “Delta Project”) is completed on schedule and in the expected manner and (vii) the receipt by Purchaser of audited financial statements of the Company and its consolidated subsidiaries for the years ended December 31, 2009 and 2008.

Under the terms of the Purchase Agreement, PHI and the Company have agreed to, and the Company has agreed to cause its subsidiaries to, among other things and subject to certain exceptions: (i) conduct its business in the ordinary course, (ii) use reasonable best efforts to preserve intact their respective business organizations and maintain appropriate relationships with governmental or regulatory authorities and others having material business relationships with them, (iii) comply in all material respects with all applicable laws and (iv) refrain from taking certain specified actions. In addition, all parties have agreed to use reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done, and to assist and cooperate with each other in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by the Purchase Agreement, including obtaining consents and approvals, and executing any additional instruments reasonably necessary to consummate the transactions contemplated by the Purchase Agreement.

The parties have agreed to customary indemnifications for breaches of representations, warranties or covenants made by the parties under the Purchase Agreement. The indemnifications for breaches of representations and warranties are capped at $320 million (except with respect to specific representations and in the case of fraud, bad faith or willful misconduct) and subject to a $10 million deductible. In addition, PHI and Conectiv have agreed to indemnify Purchaser for specific matters identified in the Purchase Agreement.

The Purchase Agreement contains customary termination rights for the parties. In addition, the Purchase Agreement may be terminated at any time by PHI or Purchaser if the closing fails to occur before December 31, 2010. Purchaser has early termination rights if specified events occur or do not occur, or if specified documents are not delivered by certain dates, including audited financial statements of the Company and its consolidated subsidiaries, PHI lender consents and certain other transaction documents.

The Purchase Agreement provides that liquidated damages be paid to parent or Purchaser, as the case may be, upon termination under certain circumstances, the amount of which liquidated damages depends on the reason for termination. The liquidated damages payable by PHI range from $20 million to $175 million. The liquidated damages payable by Purchaser range from $40 million to $175 million. Calpine has agreed to guarantee Purchaser' s liquidated damages obligations. The parties are not entitled to specific performance under the Purchase Agreement, other than with respect to certain specified covenants.

ITEM 7.01 − REGULATION FD

Calpine will discuss the transaction during a conference call for investors at 9 a.m. EDT / 8 a.m. CDT on Wednesday, April 21, 2010. Calpine also intends to update its 2010 guidance and issue 2011 guidance for the first time. Presentation materials will be made available on Calpine' s Web site prior to the call and are attached hereto as Exhibit 99.2. A listen-only webcast of the call may be accessed through Calpine' s Web site at www.calpine.com, or by dialing 877-397-0286 (or 713-325-4942 for international listeners) at least ten minutes prior to the beginning of the call. An archived recording of the call will be made available on the Web site and can also be accessed by dialing 888-203-1112 or 719-457-0820 (International) and providing confirmation code 4987312.

The information in this Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "1934 Act"), nor shall they be deemed "incorporated by reference" into any filing under the Securities Act of 1933, as amended, or the 1934 Act, except as may be expressly set forth by specific reference in such filing.

ITEM 9.01 − FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit No.	Description
99.1	Calpine Corporation Press Release dated April 21, 2010.
99.2	Calpine Corporation Presentation dated April 21, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CALPINE CORPORATION

By: /s/ ZAMIR RAUF

Zamir Rauf
Executive Vice President and
Chief Financial Officer

Date: April 21, 2010

EXHIBIT INDEX

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Exhibit 99.1

CONTACTS:	**NEWS RELEASE**
Media Relations:	Investor Relations:
Norma F. Dunn	Andre K. Walker
713-830-8883	713-830-8775
norma.dunn@calpine.com	andrew@calpine.com

Calpine to Purchase Conectiv Energy Fleet for $1.65 Billion, Adding Scale in Targeted PJM Region

Accretive transaction complements Calpine's clean energy footprint

(HOUSTON, Texas) April 21, 2010 – Calpine Corporation (NYSE:CPN) announced today that it has agreed to purchase 4,490 MW of power generation assets from Pepco Holdings, Inc. (PHI) for $1.65 billion plus adjustments. The purchase of the Conectiv Energy fleet, which includes 18 operating power plants and one plant under construction, is expected to close by June 30, 2010.

"The Conectiv acquisition represents a unique opportunity to transform our company by expanding our portfolio with scale in one of the most robust competitive markets in the country, giving us even greater geographic diversity that we expect will enhance value for our shareholders," said Jack A. Fusco, Calpine's President and Chief Executive Officer. "This adjusted free cash flow and EBITDA accretive transaction meets the criteria we established last year for financially disciplined growth and achieves our stated strategic goal of expanding with scale into an Eastern market.

"Calpine has long been a leader in generating clean energy at our natural gas-fired and geothermal plants. The Conectiv fleet of primarily natural gas-fired plants and renewable generation," Fusco said, "coupled with our decision to operate the two coal plants in the fleet on natural gas, reaffirms our strong sense of environmental stewardship. This transaction also reaffirms our view that natural gas-fired and renewable generation are the core components of the energy solution for our country's future and our commitment to that business model."

Financial and Strategic Benefits

Acquisition of clean fleet (with our decision to switch the two coal plants to natural gas) at an attractive price

Accretive to Adjusted EBITDA and Adjusted Free Cash Flow per share

Sizeable entry into strategically targeted Mid-Atlantic region

PJM East market features distinct market advantages, including a robust capacity market and a strong likelihood that increasingly stringent environmental regulation will result in the retirement of aging, inefficient coal units, creating new opportunities for our natural gas-fired fleet

Stable cash flows from contracted capacity revenues and new 565 MW contracted CCGT

Addition of long-term capacity revenues improves risk profile of overall portfolio

Conectiv' s capacity-driven cash flows reduce Calpine' s sensitivity to gas prices

Portfolio of growth opportunities

New, fully contracted 565 MW combined-cycle plant currently under construction, to be completed mid 2011

Additional expansion capabilities imbedded within portfolio

-more-

Transaction Summary

As a result of the transaction, Calpine will significantly increase its operating capacity in the PJM market, adding 4,490 MW.

Table 1: Asset Profile

Late-model combined-cycle	2,260 MW
Simple-cycle	771 MW
Conventional gas	868 MW
Internal combustion	22 MW
Solar	4 MW
New combined-cycle (under construction)	565 MW
PJM-E Capacity	**4,490 MW**

The capacities shown above include 3,860 MW of capacity expected to be in operation as of the close of the transaction and 65 MW of upgrades to be completed after the close of the transaction.

Although Calpine is purchasing Conectiv' s electrical generation business, it will not acquire Conectiv' s trading book, collateral requirements or load-serving auction obligations. In addition, Calpine will assume no off-site environmental liabilities or pre-close pension liabilities.

Funding

Calpine expects to fund the transaction with a combination of subsidiary-level debt and corporate cash. Though final financing terms are subject to change, Calpine has received a commitment from Credit Suisse as lead arranger, along with Citi and Deutsche Bank, for a $1.3 billion amortizing term loan at attractive rates and terms. This seven-year term loan allows Calpine to take advantage of the lower cost of capital of subsidiary-level financing without sacrificing flexibility.

Approvals and Time to Close

Under the contract, the parties are targeting a transaction close of June 30, 2010. The transaction is subject to customary closing conditions, approval from the Federal Energy Regulatory Commission and antitrust review under the Hart-Scott-Rodino Act. No shareholder approval is required.

Advisors

Calpine' s financial advisors were Citi and Deutsche Bank, and its legal advisor was White and Case LLP.

-more-

Investor Conference Call and Webcast

Management will discuss the transaction during a conference call for investors at 9 a.m. EDT / 8 a.m. CDT on Wednesday, April 21. Management also intends to update Calpine' s 2010 guidance and issue 2011 guidance for the first time. Presentation materials will be made available on the Company' s Web site prior to the call. A listen-only webcast of the call may be accessed through the Company' s Web site at www.calpine.com or by dialing 877-397-0286 (or 719-325-4942 for international listeners) at least 10 minutes prior to the beginning of the call. An archived recording of the call will be made available on the Web site and can also be accessed by dialing 888-203-1112 (or 719-457-0820 for international listeners) and providing confirmation code 4987312.

About Calpine Corporation

Founded in 1984, Calpine Corporation is a major U.S. power company, currently capable of delivering nearly 25,000 megawatts of clean, cost-effective, reliable and fuel-efficient power from its 76 operating plants to customers and communities in 16 states in the United States and Canada. Calpine Corporation is committed to helping meet the needs of an economy that demands more and cleaner sources of electricity. Calpine owns, leases and operates low-carbon, natural gas-fired and renewable geothermal power plants. Using advanced technologies, Calpine generates power in a reliable and environmentally responsible manner for the customers and communities it serves. Please visit our Web site at www.calpine.com for more information.

About Pepco Holding, Inc.

Pepco Holdings, Inc., headquartered in Washington, D.C., delivers electricity and natural gas to about 1.9 million customers in Delaware, the District of Columbia, Maryland, and New Jersey, through its subsidiaries Pepco, Delmarva Power and Atlantic City Electric. PHI also provides retail energy products and services through Pepco Energy Services.

Forward-Looking Information

In addition to historical information, this release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as “believe,” “intend,” “expect,” “anticipate,” “plan,” “may,” “will” and similar expressions identify forward-looking statements. Such statements include, among others, those concerning expected financial performance and strategic and operational plans, as well as assumptions, expectations, predictions, intentions or beliefs about future events. You are cautioned that any such forward-looking statements are not guarantees of future performance and that a number of risks and uncertainties could cause actual results to differ materially from those anticipated in the forward-looking statements. Please see the risks identified in this release or in Calpine' s reports and registration statements filed with the Securities and Exchange Commission, including, without limitation, the risk factors identified in its Annual Report on Form 10-K for the year ended Dec. 31, 2009. These filings are available by visiting the Securities and Exchange Commission' s Web site at www.sec.gov or Calpine' s Web site at www.calpine.com. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements, and Calpine undertakes no obligation to update any such statements.

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Exhibit 99.2

CALPINE CORPORATION

Strategic Transactions Overview: Acquisition of Conectiv Fleet & Sale of Colorado Plants

April 21, 2010

Agenda

Welcome and Safe Harbor	Andre Walker *VP, Finance & Investor Relations*
Recent Strategic Transactions	Jack Fusco *President, Chief Executive Officer*
Operations Overview	Thad Hill *EVP, Chief Commercial Officer*
Financial Considerations	Zamir Rauf *EVP, Chief Financial Officer*
Concluding Remarks	Jack Fusco *President, Chief Executive Officer*
Q & A	

Safe Harbor Statement

Forward-Looking Statements

The information contained in this presentation includes certain estimates, projections and other forward-looking information that reflect Calpine's current views with respect to future events and financial performance. These estimates, projections and other forward-looking information are based on assumptions that Calpine believes, as of the date hereof, are reasonable. Inevitably, there will be differences between such estimates and actual results, and those differences may be material.

There can be no assurance that any estimates, projections or forward-looking information will be realized.

All such estimates, projections and forward-looking information speak only as of the date hereof. Calpine undertakes no duty to update or revise the information contained herein.

You are cautioned not to place undue reliance on the estimates, projections and other forward-looking information in this presentation as they are based on current expectations and general assumptions and are subject to various risks, uncertainties and other factors, including those set forth in Calpine's Annual Report on Form 10-K for the year ended December 31, 2009 and in other documents that Calpine files with the SEC. Many of these risks, uncertainties and other factors are beyond Calpine's control and may cause actual results to differ materially from the views, beliefs and estimates expressed herein. Calpine's reports and other information filed with the SEC, including the risk factors identified in its Annual Report on Form 10-K for the year ended December 31, 2009, can be found on the SEC's website at www.sec.gov and on Calpine's website at www.calpine.com.

Reconciliation to GAAP Financial Information

The following presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934. Schedules are included herein that reconcile the non-GAAP financial measures included in the following presentation to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Achieving Strategic Goals

Divestiture of Non-Strategic Assets
+
Scale Expansion in Strategic Markets
+
Committed Financing with No New Equity

Transactions Exceed Current Calpine Valuation Metrics

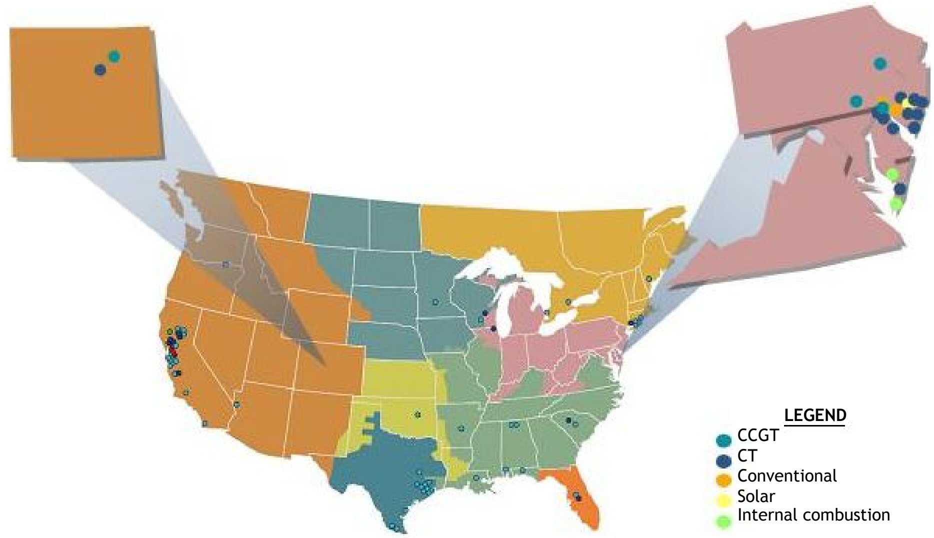
Long-Term Value Enhancement

CPN as Seller:

2 plants
931 MW
$739 million
$794 / KW

CPN as Buyer:

19 plants [1]
4,490 MW [2]
$1.65 billion [3]
$381 / KW



[1] Includes projects under construction.
[2] Includes 3,860 MW of capacity expected to be in operation as of the close of the transaction, 65 MW of upgrades to be completed after the close of the transaction, and 565 MW of capacity under construction.
[3] Adjustments to include (but may not be limited to) purchases of liquid fuel inventory, changes in other working capital items versus pro forma assumptions, and other customary adjustments (e.g, adjustments for actual versus planned capital expenditures).

Calpine as Buyer: Key Transaction Terms

CALPINE® NYSE CPN

Description	Acquisition of Conectiv Energy from Pepco Holdings Inc. (PHI)
Price	$1.65 billion + Adjustments[1]
Operations	Short-Term: Convert coal-fired generation primarily to gas Long-Term: Modernize sites
Key Considerations	CPN to acquire all of Conectiv Energy except: - Load-serving auction positions - Legacy trading book $1.3 billion committed term loan
Regulatory Approvals	FERC HSR
Est. Transaction Close	July 1, 2010

Asset Profile[2]:

2,260 MW	Late-model CCGT
771 MW	Peaking (CT)
868 MW	Conventional Gas
22 MW	Internal Combustion
4 MW	Solar
565 MW	New CCGT (Under Construction)
4,490 MW	***PJM-E Capacity***

Acquisition is Accretive to CPN's Adjusted EBITDA and Adjusted Free Cash Flow

1 Adjustments to include (but may not be limited to) purchases of liquid fuel inventory, changes in other working capital items versus pro forma assumptions, and other customary adjustments (e.g, adjustments for actual versus planned capital expenditures).

2 The capacities shown above include 3,860 MW of capacity expected to be in operation as of the close of the transaction and 65 MW of upgrades to be completed after the close of the transaction.

Benefits of Transaction

Acquisition of clean fleet at attractive valuation

- Purchase price of $381/KW
- Accretive Transaction
  - Adjusted EBITDA: Implied 2011 EV/Adj. EBITDA multiple of 6.9x vs. CPN of ~ 8.8x
  - Adjusted Free Cash Flow per Share: 35% accretive in 2011 [1]
  - Adjusted Free Cash Flow accretive for the long term

Sizeable entry into strategically-targeted Mid-Atlantic region

- Presence in IPP-friendly PJM market
- Assets located in transmission-constrained PJM-E region
- Increasingly diversified national footprint through scale acquisition in third region

Stable cash flows from contracted capacity revenues

- PJM capacity revenues firm through May 2013 (through 2014 at close)
- Addition of long-term capacity contracts improves risk profile of CPN overall portfolio
- Transaction economics feature low gas price sensitivity

Portfolio of growth opportunities

- Delta
  - Phase I: 565 MW CCGT currently under construction; long-term tolling agreement with Constellation
  - Phase II: 565 MW CCGT permitted at same site
- Short term: Optimize / upgrade assets at existing sites
- Long term: Modernize conventional-fired sites; Expand solar

Unique opportunity to build scale in third region through acquisition of quality assets with potential for additional growth

[1] Based on midpoint of 2011 guidance. See slide 17 for additional detail.

Calpine as Seller: Key Transaction Terms

Description	Sale of Colorado plants to Xcel Energy
Price	$739 million
Regulatory Approvals	FERC HSR Colorado PUC
Est. Transaction Close	December 1, 2010
Use of Proceeds	$412 million debt repayment[2] - *Fully retire 2011 maturities* - *Release ~$90 million restricted cash* $327 million pre-tax proceeds

Asset Profile:

621 MW	Late-model CCGT *PPA to expire 2014*[1]
310 MW	Peaking (CT) *PPA to expire 2013*
931 MW	***WECC Capacity***

Rocky Mountain Energy Center

Attractively-priced sale of non-core assets provides opportunity to redeploy capital into strategic markets

[1] PPA includes immaterial generation requirement through 2017.
[2] Includes debt associated with Riverside Energy Center, which is not being sold. Debt and restricted cash balances are projected as of 12/1/10, and reflect impacts of estimated payments made prior to such date.

Transaction Comparative

CALPINE NYSE CPN

Asset sale completed at valuation *ABOVE* corporate metrics	Asset purchase completed at valuation *BELOW* corporate metrics

	What We' re Selling: Colorado		What We' re Buying: Conectiv		CPN (As Is)
	Full Value	Post Contracts	Full Value	Less Delta (at cost)	
Enterprise Value[1] ($ millions)	$739	$739	$1,650	$1,230	$14,375
Adj. EBITDA[2] ($ millions)	$80	$40	$240	$190	$1,525 - $1,725
Capacity (MW)	931	931	4,490	3,925	24,738
Adj. EBITDA Multiple	***9.2x***	***18.5x***	***6.9x***	***6.5x***	***8.3x – 9.4x***
Value[3] / KW	***$794***		***$381***	***$313***	***$581***

Successful execution of value-enhancing transactions

[1] Conectiv Less Delta based on $1,650 million purchase, less $420 million estimated construction cost of Delta incurred as of close date. CPN based on $11.89 share price as of 4/16/10 x 486 million shares + $8.6 billion of projected net debt at YE2011.

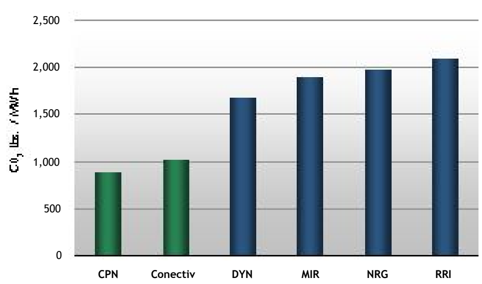
[2] CPN estimates for Colorado and Conectiv full value based upon CPN projection of Commodity Margin, less expenses, as adjusted. Colorado Post Contracts reflects CPN estimates of recontracted value after current PPAs expire. Conectiv Less Delta reflects estimated removal of fully-contracted Delta plant. CPN represents 2011 guidance. See reconciliation of CPN Adj. EBITDA on slide 27.

[3] Value / KW calculation for Conectiv based upon unadjusted Enterprise Value of $1,650 million, plus $62 million of remaining costs construction costs for Delta and scheduled upgrades.

OPERATIONS OVERVIEW

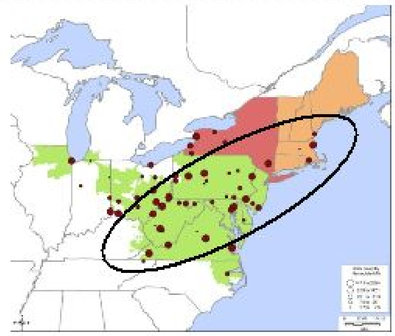
PJM: Strategic Market for Future Calpine Growth

Combining two of the cleanest[1] merchant fleets…



CPN remains well-positioned for tougher environmental standards

…and positioning Calpine where "clean" capacity will be needed



"At Risk[2]" Coal Plants in PJM, NY & NE: ~12,000 MW Total (~10,000 MW in PJM)

Other PJM / Conectiv Benefits:

Robust capacity market

Conectiv plants located behind transmission constraints

High dispatch flexibility

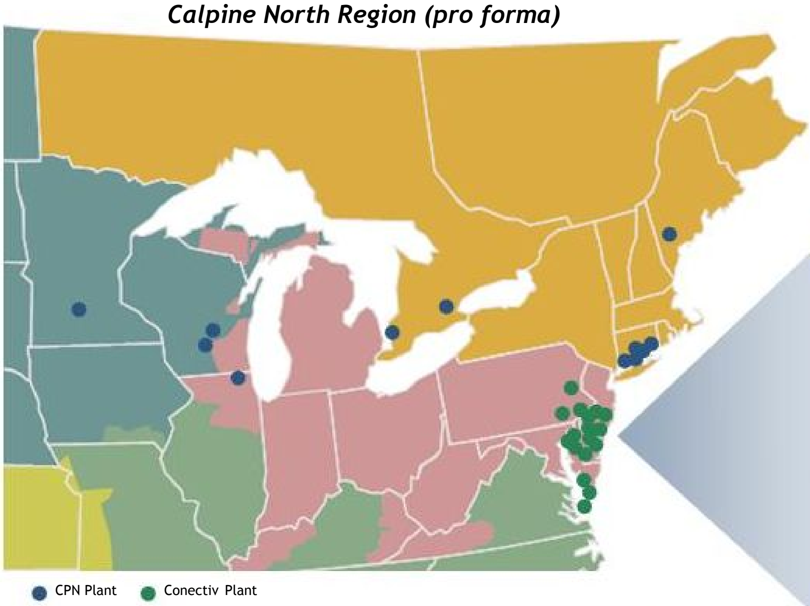
- Current CCGTs all with bypass stacks / quick-start capabilities (in a world of increasing intermittent resources)

1 Source: Conectiv Energy, Energy Velocity 2008. Conectiv emissions shown for natural gas-fired generation only. Dynegy adjusted for estimated impacts of 2009 plant sale to LS Power.

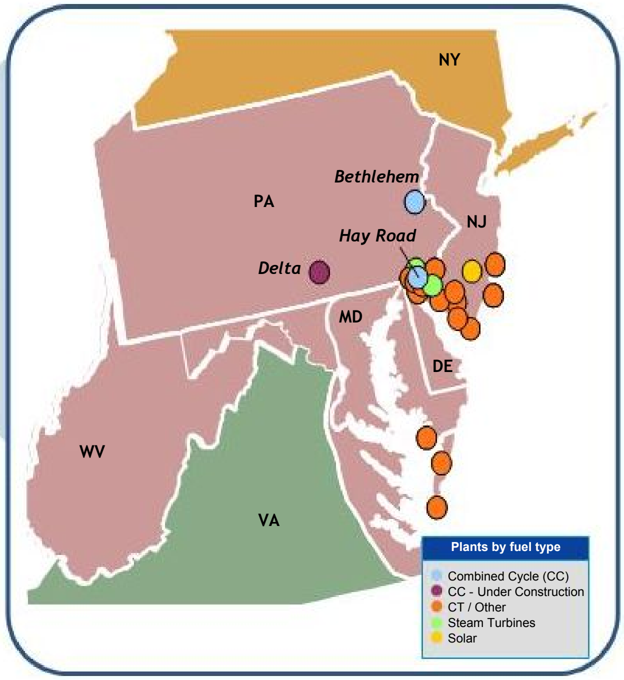
2 Graph depicts uncontrolled units with <250 MW of capacity and > 30 years old. Source: Energy Velocity.

Fulfilling Strategic Objective of Mid-Atlantic Presence

Calpine North Region (pro forma)



Conectiv Fleet



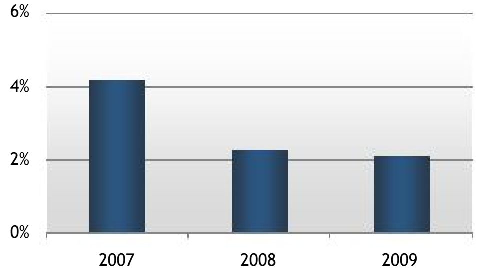
	CPN North Region (Today)	Conectiv [1]	CPN North Region (Pro Forma)
CCGT	2,363 MW	2,825 MW	5,188 MW
CT / Other	1,054 MW	1,661 MW	2,715 MW
Renewable	–	4 MW	4 MW
TOTAL	***3,417 MW***	***4,490 MW***	***7,907 MW***
CPN TOTAL			***28,297 MW***

[1] Includes 3,860 MW of capacity expected to be in operation as of the close of the transaction, 65 MW of upgrades to the completed after the close of the transaction, and 565 MW of capacity under construction.

Understanding the Conectiv Fleet

Strong Assets / Good Operators

CCGT Equivalent Forced Outage Rate (%)



Source: Conectiv Energy. Comparable to Forced Outage Factor (FOF), as traditionally reported by CPN. Note that FOF is typically higher than EFOR due to the nature of the calculation.

Highly Flexible Units in World of Increasing Intermittent Supply

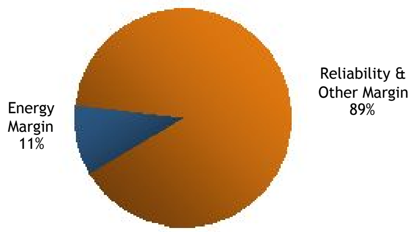
Quick-start Capabilities	MW Capacity [1]	Time to Start
CCGT w/ Bypass Stack [2]	2,260 MW	0.5 hrs (CT) / 2 hours (CCGT)
Combustion Turbine	771 MW	<0.5 hours

Standard CCGT start time is 4 hours

[1] Capacities include ongoing upgrade projects.
[2] Hay Road and Bethlehem.

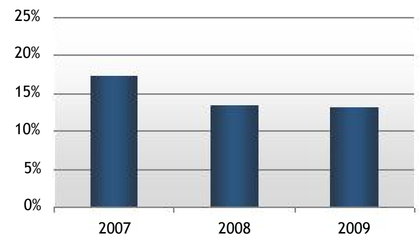
Historical Coal Units Can Run on Natural Gas

Edge Moor & Deep Water 2010E Commodity Margin: Value Primarily from Regulatory Capacity



Source: Calpine estimates.

Lower CCGT Capacity Factors, Given PJM Reliance on Coal…



…but changing coal viability & capacity markets compensate

Source: Conectiv Energy.

Key Integration Considerations

How We Intend to Operate

Commercial Operations
- PHI to retain trading book and load serving auction positions
  - Calpine takes business without legacy positions or collateral
- Fleet dispatch and hedging decisions managed from Houston

Fuel Conversion: ***CALPINE DOES NOT INTEND TO BURN COAL***
- From Day 1, have positive environmental impact on local community and send clear signal on future of power generation
- Fuel oil as back-up for much of the capacity

Operations Management
- New regional office with local operations, regulatory, origination and legal functions
- All other support (Accounting / back office, Maintenance) provided from Houston

Between Now and Close

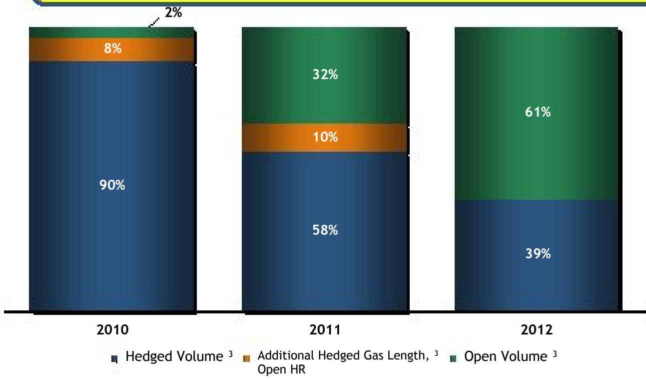
Calpine management and integration teams on-site
Calpine to be informed of key business issues during transition
Coordination of transition plans between PHI and Calpine

Individual Hedging Profiles: Energy Margin[1]

Pro Forma Calpine Energy Hedge Profile[2] (Reflects Sale of Colorado)

Reliability Margin[1,2] as % of Total Commodity Margin (by year):

13%	*15%*	*15%*

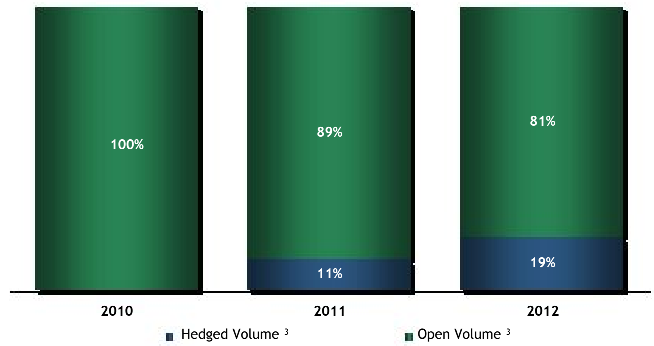


	2010	2011	2012
Hedged Margin ($/MWh)[2]	$23	$27	$30
Hedged Gas Price ($/mmbtu)[4]	$6.35	$7.05	n/a
Capacity (MW)[5]	24,738	23,852	23,897

Est. Conectiv Energy Hedge Profile[2]

Reliability Margin[1,2] as % of Total Commodity Margin (by year):

69%	*64%*	*62%*



	2010	2011	2012
Capacity (MW)[5]	3,845	3,925	4,490

	2009 Capacity Factor[6]	Premium to Peak Spark[7]
CPN	43%	~ 8%
Conectiv	13%	~ 35%
Pro Forma		*10 - 15%*

1 Energy Margin + Regulatory & Other Margin = Total Commodity Margin.
2 Estimated as of 4/9/10. Calpine figures reflect sale of Colorado plants as of 12/1/10. Hedged margin excludes unconsolidated projects. Changing market heat rates will change delta volumes and gas price exposures. Sensitivities are assumed to occur across the portfolio.
3 Volumes are on a delta hedge basis. Delta volumes are the expected volume based on the probability of economic dispatch at a future date based on current market prices for that future date. This is typically lower than the notional volume, which is plant capacity, less known performance and operating constraints.
4 Pertains to Hedged Gas Length (shown above) only.
5 Represents forecasted net ownership interest with peaking capacity. New capacity shown during first full year of operation.
6 CPN capacity factor shown for gas fleet only, excluding peakers. Conectiv capacity factor shown for CCGT units only.
7 Premium applies to all MWh generated by entire gas fleet. Percentages calculated assuming 7.0 mmbtu/MWh heat rate.

Growth Opportunities

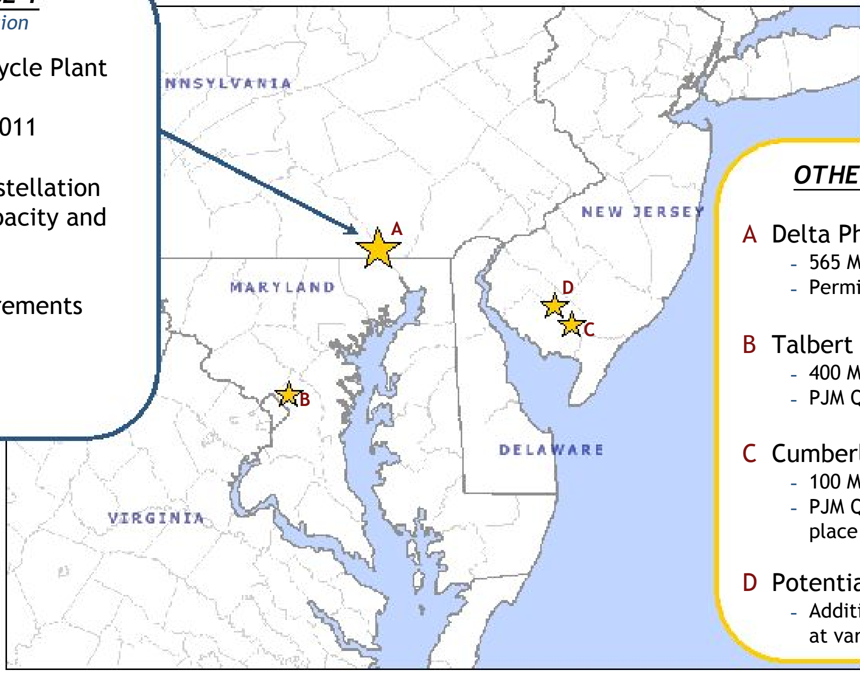
DELTA – PHASE 1
Under Construction

565 MW Combined-Cycle Plant

Targeted COD: 2Q 2011

6-year PPA with Constellation covering Energy, Capacity and Ancillary Services

Growth CapEx requirements
- 2010: $45 million
- 2011: $15 million



OTHER OPPORTUNITIES

A Delta Phase 2
- 565 MW CCGT
- Permits & infrastructure

B Talbert & Powell
- 400 MW CT
- PJM Queue, land optioned

C Cumberland 3
- 100 MW CT
- PJM Queue, infrastructure in place

D Potential for Solar Expansion
- Additional PV solar opportunities at various locations

Up to 1,000MW of additional gas generation new build opportunities, across 4 sites
PJM queue position in place across gas projects, existing permit in place for Delta 2
Land and infrastructure for up to 50 MW of Solar

Source: Conectiv Energy

FINANCIAL CONSIDERATIONS

Key Financial Messages

Delivering value through accretive transactions	Efficiently deploying capital without diluting equity base	Achieving strategic growth while maintaining strong liquidity
Pro forma 2010 and 2011 Adjusted EBITDA and Adjusted Free Cash Flow guidance demonstrate accretion	*Conectiv acquisition funded through subsidiary-level term loan and corporate cash*	*Net liquidity impact of both transactions limited to <$200 million*

Updated Guidance (*pro forma*)

CALPINE NYSE CPN

($ millions)

	2010	2011
Adj. EBITDA, As Is	$1,500 - $1,600	$1,525 - $1,725
Colorado sale	$(5)	$(80)
Conectiv acquisition	$130	$240
Adj. EBITDA, Pro Forma	**$1,625 - $1,725**	**$1,685 – $1,885**
Adj. Free Cash Flow, As Is	$400 - $500	$300 - $500
Colorado sale	–	$(55)
Adj. Free Cash Flow, Pro Forma	$400 - $500	$245 - $445
Conectiv acquisition	$65	$120
Adj. Free Cash Flow, Pro Forma	**$465 – $565**	**$365 - $565**

"Peak" Major Maintenance year + "Peak" South Point lease payment

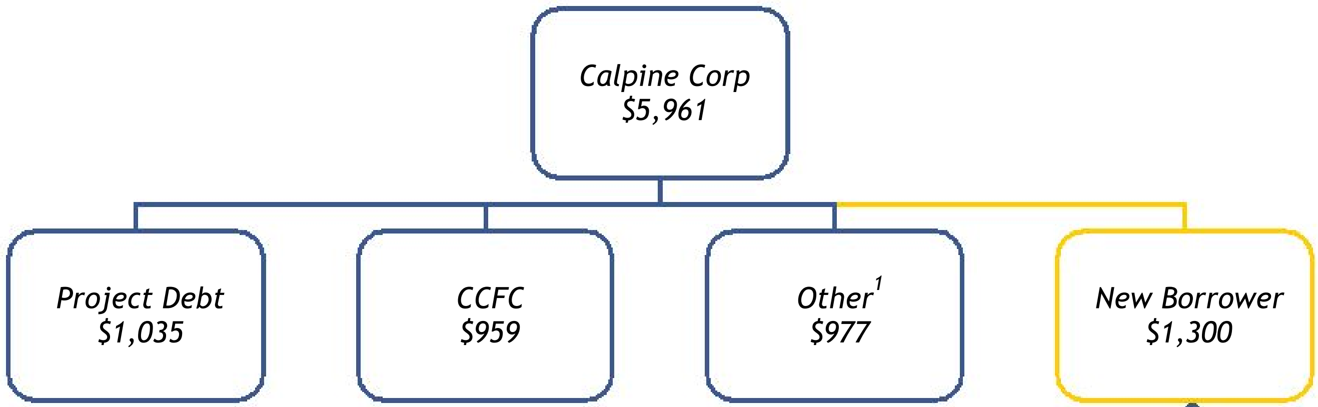
35% accretive[1]

Even after "normalizing" to run rate major maintenance and lease payments, transaction is ***24% accretive[1]***

Note: Figures assume closing dates of 12/1/10 and 7/1/10 for Colorado and Conectiv, respectively.
[1] Calculation based upon midpoint of 2011 guidance range.

Pro Forma Capital Structure: Base Case Financing

($ millions)



Advantages of Subsidiary Level Financing:

- Lower cost of debt
- Pre-payable
- Rapidly amortizing term loan without any restrictions added at corporate level
- No corporate term loan amendment required

Financing Terms

Description:	Term loan plus Revolver
Term Loan:	$1,300 million
Revolver:	$100 million
Tenor:	7 years

Note: All balances shown as of 12/31/09, excluding New Borrower. Project Debt shown pro forma, assuming repayment of Blue Spruce, Riverside and Rocky Mountain. Chart does not include debt from unconsolidated projects.

[1] Other includes preferred interests, notes payable, capital leases and other debt.

Conectiv Acquisition: Sources and Uses of Cash

($ millions)

Sources	Amount	Uses	Amount
Secured Term Loan	$1,300	Payment to Pepco Holdings	$1,650
Corporate Cash	535	Fees and Transaction Costs[1] (est.)	75
		Remaining Delta Construction Costs (est.)	60
		Liquid Fuel Inventory[2] (est.)	50
Total Sources	**$1,835**	**Total Uses[3]**	**$1,835**

Base Case debt funding assumes term loan, but is subject to change
- Commitments received from Credit Suisse, Citi and Deutsche Bank

Initial focus is to fund the balance of the acquisition price with cash

We do not intend to use stock as a source of capital

1 Includes financing and general transaction costs.
2 Will be adjusted to market value of viable inventory at close.
3 Does not include any additional adjustments for working capital or other items.

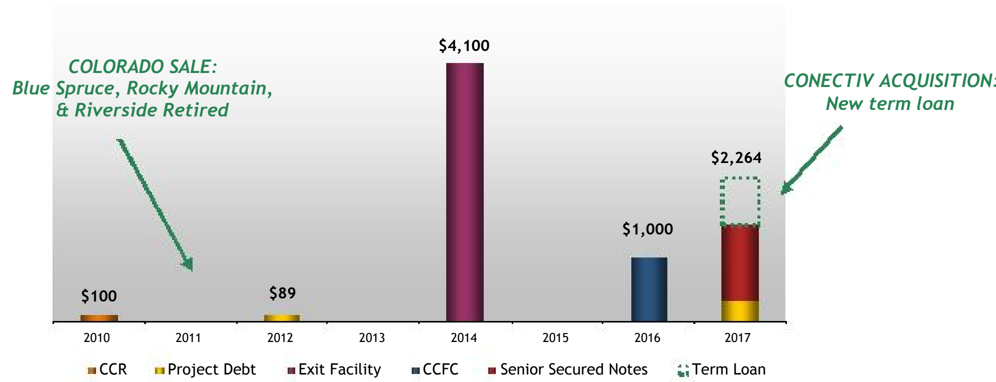
Liquidity and Debt Maturity Impacts (*pro forma*)

($ millions)

	12/31/09	Colorado Sale [1]	12/31/09 (pro forma)	Conectiv Acquisition [1]	12/31/09 (pro forma)
Liquidity [2]	2,379	315	2,694	(485)	2,209
Net Debt [3] (Consolidated)	7,908	(710)	7,198	1,835	9,033
Net Debt (Incl. Unconsolidated Plants)	8,503		7,793		9,628
Net Debt / Adj. EBITDA[4]	4.6x		4.4x		4.8x

~ $90 million Restricted Cash Released

Improved Debt Maturity Profile



Note: The debt maturity schedules shown here are not prepared on a GAAP basis and do not conform to the debt maturity schedule presented in Calpine's Form 10-K. (Refer to the Form 10-K for further information regarding GAAP-basis debt maturities.) Assumptions used in debt maturity charts shown here include: (i) excludes letter of credit facilities; (ii) maturity balances assume cash sweeps; and (iii) all other debt maturities are paid from operating cash flows at the project level. The debt maturity charts exclude anticipated maturities less than $50 million.

1 Estimates. Amounts subject to change in connection with actual close of transaction.

2 Liquidity impacts include changes in LC and Revolver availability.

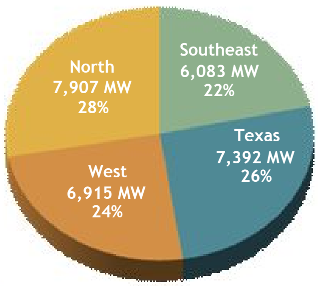
3 Colorado reduction of Net Debt reflects payment $29 million estimated cash taxes, which are netted against pre-tax proceeds of $739 million.

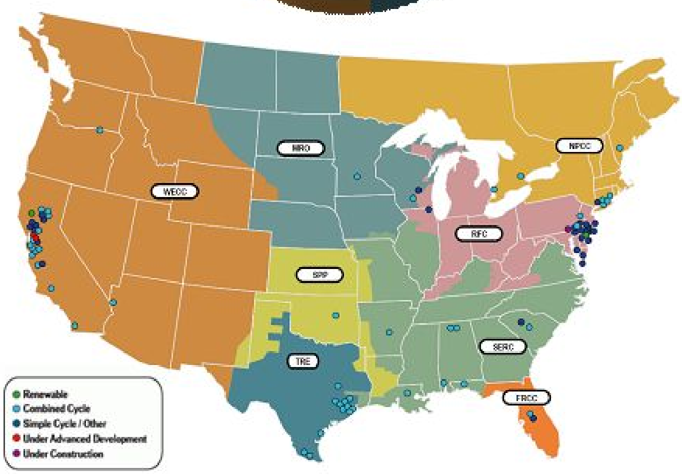
4 Calculation not performed in accordance with debt covenant definitions. Based on LTM Adjusted EBITDA. Adjusted EBITDA from Otay Mesa Energy Center, which opened during the fourth quarter of 2009, has been annualized for the purposes of this calculation. Pro Forma calculation with Conectiv acquisition assumes $240 million of Adjusted EBITDA for Conectiv.

CONCLUSION

Enhanced Company *(pro forma)*

Geographic Diversity in Strategic Markets





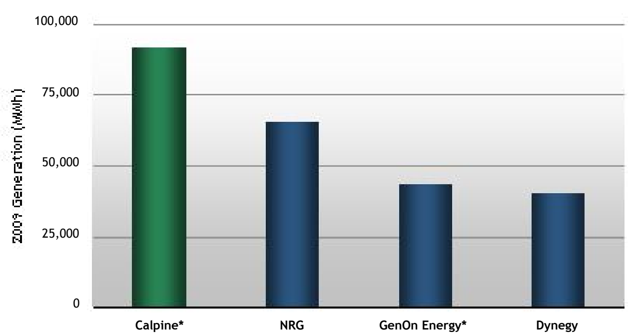
1 Includes plants/capacity currently under construction, including ongoing upgrade projects.

Scale

Summary Statistics

Operating capacity[1]:	28,297 MW
Plants[1]:	93
States:	20

Largest Pure-Play Independent Power Provider



Source: 2009 SEC filings, Company presentations. Items marked by * indicate pro forma capacity assuming completion of announced transactions.

APPENDIX

Conectiv Transaction Scope

What is Calpine Acquiring?	What is Pepco Holdings Inc. Retaining?
Conectiv Energy power plants: 18 operating + 1 under construction Usable liquid fuel inventory (valued at market, not included in purchase price) All spare parts (included in purchase price) All emissions allowances (included in purchase price)	Legacy hedge book and load-serving auction positions Collateral requirements
RPM capacity awards Tolling agreement for Delta CCGT construction project Other contracts needed for plant operations (e.g., local fuel supply)	Tolled capacity
Future pension costs for union employees as incurred, but no obligation to cover any pre-close under-funding	Historical pension accruals Retiree medical
On-site environmental liabilities, but indemnified above $10 million for New Jersey ISRA	Off-site environmental liabilities, including coal/ash disposal >$10 million New Jersey ISRA obligations
Plant employees Selected employees for regional office needs	All non-union employees not selected by Calpine

Conectiv Plant Overview

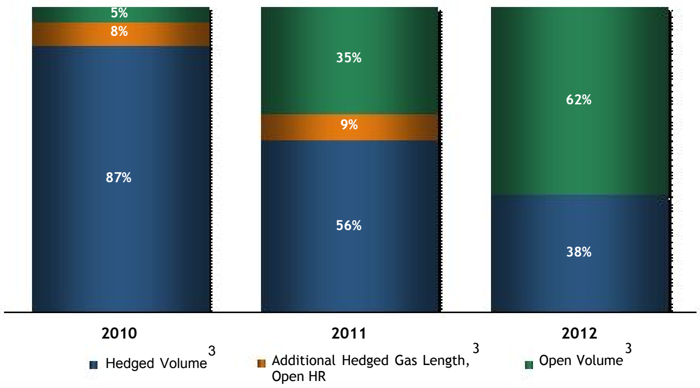
	Technology	Load Type	Location	PJM Capacity Pricing Zone	COD	With Peaking Capacity	CPN Interest	With Peaking Capacity, Net	2009 Generation (000 MWh)
Bethlehem	Natural Gas/Oil	Intermediate	PA	MACC	2003	1,130	100%	1,130	1,320
Hay Road	Natural Gas/Oil	Intermediate	DE	E-MACC	1993 / 2002	1,130	100%	1,130	1,301
Edge Moor	Natural Gas/Oil	Peaking	DE	E-MACC	1954 - 1973	723	100%	723	591
Cumberland	Natural Gas/Oil	Peaking	NJ	E-MACC	1990 / 2009	194	100%	194	27
Deep Water	Natural Gas/Oil	Peaking	NJ	E-MACC	1954 / 1958	158	100%	158	74
Sherman Avenue	Natural Gas/Oil	Peaking	NJ	E-MACC	1991	92	100%	92	7
Middle	Oil	Peaking	NJ	E-MACC	1970 / 1971	77	100%	77	0
Carlls Corner	Natural Gas/Oil	Peaking	NJ	E-MACC	1973	73	100%	73	1
Cedar	Oil	Peaking	NJ	E-MACC	1972	68	100%	68	3
Missouri Avenue	Oil	Peaking	NJ	E-MACC	1969	60	100%	60	0
Mickleton	Natural Gas/Oil	Peaking	NJ	E-MACC	1974	67	100%	67	0
Christiana	Oil	Peaking	DE	E-MACC	1973	53	100%	53	1
Tasley	Oil	Peaking	VA	DPL-S	1972	31	100%	31	0
Delaware City	Oil	Peaking	DE	E-MACC	1968	23	100%	23	0
West	Oil	Peaking	DE	E-MACC	1964	20	100%	20	0
Bayview	Oil	Peaking	VA	DPL-S	1963	12	100%	12	1
Crisfield	Oil	Peaking	MD	DPL-S	1968	10	100%	10	0
Vineland	Solar	Peaking	NJ	E-MACC	2009	4	100%	4	1
TOTAL - CONECTIV						**3,925**		**3,925**	**3,327**
Delta - Under Construction	Natural Gas/Oil	Intermediate		E-MACC		565	100%	565	

Source: Conectiv Energy, Calpine. Note: Capacities above include 3,860 MW of capacity expected to be in operation as of the close of the transaction, 65 MW of upgrades to be completed after the close of the transaction, and 565 MW of capacity under construction.

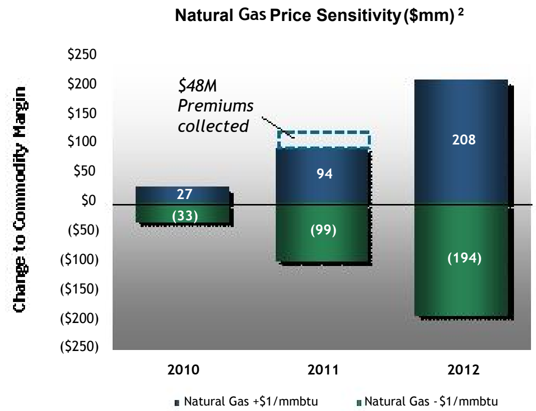
Pro Forma Hedging Profile: Energy Margin[1]

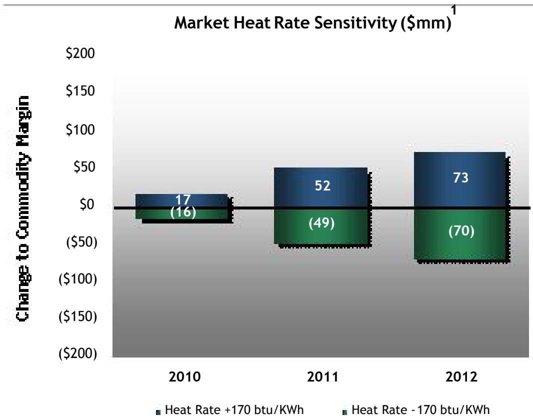
Energy Hedge Profile[2]
(based on March curves and assuming 7/1/10 close)

Reliability Margin [1,2] as % of Total Commodity Margin (by year):
17% *22%* *21%*



	2010	2011	2012
Hedged Margin ($/MWh) [2]	$23	$27	$31
Hedged Gas Price ($/mmbtu) [4]	$6.35	$7.05	n/a
Capacity (MW) [5]	28,583	27,777	28,387





1 Energy Margin + Regulatory & Other Margin = Total Commodity Margin.
2 Estimated as of 4/9/10. Hedged margin excludes unconsolidated projects. Changing market heat rates will change delta volumes and gas price exposures. Sensitivities are assumed to occur across the portfolio.
3 Volumes are on a delta hedge basis. Delta volumes are the expected volume based on the probability of economic dispatch at a future date based on current market prices for that future date. This is typically lower than the notional volume, which is plant capacity, less known performance and operating constraints.
4 Pertains to Hedged Gas Length (shown above) only.
5 Represents Calpine' s forecasted net ownership interest with peaking capacity. New capacity shown during first full year of operation.

Reg G Reconciliations: 2010 and 2011 Guidance

Adjusted EBITDA represents net income (loss) before interest, taxes, depreciation and amortization, adjusted for certain non-cash or non-recurring items as detailed in the following reconciliation. Adjusted EBITDA is presented because our management uses Adjusted EBITDA (i) as a measure of operating performance to assist in comparing performance from period to period on a consistent basis and to readily view operating trends; (ii) as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations; and (iii) in communications with our Board of Directors, shareholders, creditors, analysts and investors concerning our financial performance. We believe Adjusted EBITDA is also used by and is useful to investors and other users of our financial statements in evaluating our operating performance because it provides them with an additional tool to compare business performance across companies and across periods. Adjusted EBITDA is not a measure calculated in accordance with GAAP, and should be viewed as a supplement to and not a substitute for our results of operations presented in accordance with GAAP. Adjusted EBITDA is not intended to represent cash flows from operations or net income (loss) as defined by GAAP as an indicator of operating performance. Furthermore, Adjusted EBITDA is not necessarily comparable to similarly-titled measures reported by other companies.

Adjusted Free Cash Flow represents net income before interest, taxes, depreciation and amortization, as adjusted, less operating lease payments, major maintenance expense and maintenance capital expenditures, net cash interest, cash taxes, working capital and other adjustments. Adjusted Free Cash Flow is presented because our management uses this measure, among others, to make decisions about capital allocation. Adjusted Free Cash Flow is not intended to represent cash flows from operations as defined by GAAP as an indicator of operating performance and is not necessarily comparable to similarly-titled measures reported by other companies.

Full Year 2010 Range:	Low	High
	(in millions)	
GAAP Net Income (Loss)	$ (30)	$ 70
Plus:		
Interest expense, net of interest income	710	710
Depreciation and amortization expense	465	465
Major maintenance expense	180	180
Operating lease expense	50	50
Other [(1)]	125	125
Adjusted EBITDA	$ 1,500	$ 1,600
Less:		
Operating lease payments	50	50
Major maintenance expense and maintenance capital expenditures [(2)]	290	290
Cash interest, net [(3)]	750	750
Cash taxes	10	10
Adjusted Free Cash Flow	$ 400	$ 500

Full Year 2011 Range:	Low	High
	(in millions)	
GAAP Net Income	$ 30	$ 230
Plus:		
Interest expense, net of interest income	695	695
Depreciation and amortization expense	460	460
Major maintenance expense	210	210
Operating lease expense	45	45
Other [(1)]	85	85
Adjusted EBITDA	$ 1,525	$ 1,725
Less:		
Operating lease payments	100	100
Major maintenance expense and maintenance capital expenditures [(2)]	375	375
Cash interest, net [(3)]	735	735
Cash taxes	15	15
Adjusted Free Cash Flow	$ 300	$ 500

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(1) Other includes stock-based compensation expense, adjustments to reflect Adjusted EBITDA from unconsolidated investments and other items.
(2) Includes projected Major Maintenance Expense of $178 million and $205 million in 2010 and 2011, respectively and maintenance Capital Expenditures of $112 million and $170 million in 2010 and 2011, respectively. Capital expenditures exclude major construction and development projects.
(3) Includes fees for letters of credit, net of interest income.

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