

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

RECEIVED-PPSC

07 OCT 10 AM 9:20

07 OCT 10 AM 7:15  
COMMUNICATIONS CENTER

In re

Calpine Corporation, et al.,

Debtors.

COMMISSION  
CLERK

Case No. 05-60200 (BRL)  
Jointly Administered

070000

**NOTICE OF (I) CONFIRMATION HEARING AND  
OBJECTION DEADLINE WITH RESPECT TO THE DEBTORS' PLAN,  
AND (II) SOLICITATION AND VOTING PROCEDURES**

TO ALL CREDITORS, EQUITY INTEREST HOLDERS AND PARTIES IN INTEREST:

**1. Approval of Disclosure Statement and Solicitation Procedures.** On September 26, 2007, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered an order (the "Solicitation Procedures Order") approving the *Fourth Amended Disclosure Statement For Debtors' Fourth Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the United States Bankruptcy Code*, (the "Disclosure Statement") for the *Debtors' Fourth Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the United States Bankruptcy Code* (as amended from time to time and including all exhibits and supplements, the "Plan"), as containing adequate information, as required under section 1125(a) of title 11 of the United States Code (the "Bankruptcy Code"), and authorized the Debtors to solicit votes with regard to the acceptance or rejection of the Plan. All capitalized terms used, but not defined herein, shall have the meanings ascribed to such terms in the Plan or the Disclosure Statement, as applicable.

**2. Plan Supplement.** The Debtors have filed certain portions of the supplement to the Plan (the "Plan Supplement"), and will file a complete version of the Plan Supplement on a date that is no later than fourteen days prior to November 30, 2007 or such later date as may be approved by the Bankruptcy Court on notice to parties in interest (the "Plan Supplement Filing Date"). After the Plan Supplement Filing Date, the Plan Supplement will be available online at <http://www.kccllc.net/calpine>. If you would like to request a copy of the Plan Supplement, please write to Calpine Corporation, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, California 90245, call (888) 249-2792, or email [calpineinfo@kccllc.com](mailto:calpineinfo@kccllc.com).

**3. Confirmation Hearing.** A hearing to confirm the Plan (the "Confirmation Hearing") will commence on December 18, 2007 before the Honorable Burton R. Lifland, United States Bankruptcy Judge, located at One Bowling Green, New York, New York 10004. The Confirmation Hearing may be continued from time to time by announcing such continuance in open court or otherwise, without further notice to parties in interest. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. The Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to interested parties.

**4. Record Date.** The Record Date for purposes of determining which Holders of Claims and Interests are entitled to vote on the Plan is September 27, 2007.

**5. Voting Deadline.** The Bankruptcy Court has established **November 30, 2007**, at 4:00 p.m. prevailing Pacific Time as the voting deadline (the "Voting Deadline"). If you hold a Claim or Interest against one of the Debtors as of the Record Date, and are entitled to vote to accept or reject the Plan, you have received a Ballot or Master Ballot and voting instructions appropriate for your Claim(s). For your vote to accept or reject the Plan to be counted, you must complete all required information on the Ballot, execute, and return the completed Ballot in accordance with the voting instructions. Any failure to follow the voting instructions included with the Ballot may disqualify your Ballot and your vote.

**6. Objections to the Plan.** The Bankruptcy Court has established **November 30, 2007**, at 4:00 p.m. prevailing Eastern Time, as the last date and time for filing and serving objections to the Confirmation (the "Plan Objection Deadline"). Any objections to the Plan must be in writing, conform to the Bankruptcy Rules and the Local Rules; state the name and address of the objecting party and the amount and nature of the Claim or Interest of

CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL \_\_\_\_\_  
OPC \_\_\_\_\_  
RCA \_\_\_\_\_  
SCR \_\_\_\_\_  
SGA \_\_\_\_\_  
SEC \_\_\_\_\_  
OTH NG \_\_\_\_\_

DOCUMENT NUMBER DATE  
09266 OCT 10 5

such Entity; state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and be filed, together with proof of service, with the Bankruptcy Court and served so that they are actually received no later than the Plan Objection Deadline, by (a) the Clerk of the Bankruptcy Court, Judge Burton R. Lifland's Chambers, Room 517, One Bowling Green, New York, New York 10004; (b) counsel to the Debtors, Kirkland and Ellis LLP, Citigroup Center, 153 East 53<sup>rd</sup> Street, New York, New York 10022, Attn.: Richard M. Cieri, and Kirkland & Ellis LLP, 200 East Randolph Street, Chicago, Illinois 60601, Attn.: David R. Seligman; (c) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21<sup>st</sup> Floor, New York, New York 10004, Attn.: Paul Schwartzberg; (d) counsel to the Unofficial Committee of Second Lien Debtholders, Paul Weiss Rifkind Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019-6064, Attn.: Alan W. Kornberg, Andrew N. Rosenberg, Elizabeth R. McColm; (e) counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, 590 Madison Avenue, New York, New York 10022-2524, Attn.: Michael S. Stamer, Philip C. Dublin, Alexis Freeman; (f) counsel to the Official Committee of Equity Security Holders, Fried, Frank, Harris, Shriver & Jacobson LLP, One New York Plaza, New York, New York 10004, Attn.: Brad E. Scheler, Gary Kaplan; and (g) counsel to Credit Suisse, as administrative agent under the debtor in possession financing facility, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Attn.: Peter V. Panteleo and Robert H. Trust.

**7. Inquiries.** The Debtors will serve either paper copies of, or a CD-ROM containing, the Solicitation Procedures Order, the Disclosure Statement, and all exhibits to the Disclosure Statement, including the Plan, on the Core Group, all parties in interest on the 2002 List as of the Record Date and all parties entitled to vote to accept or reject the Plan. Holders of Claims or Interests who are entitled to vote to accept or reject the Plan shall receive a Solicitation Package, containing paper copies of this Confirmation Hearing Notice, applicable Ballot(s) and/or Master Ballot(s), and the Solicitation Procedures. The Solicitation Package (except the Ballots) may also be obtained from Kurtzman Carson Consultants' (the "Claims and Solicitation Agent") website at [www.kccllc.net/calpine](http://www.kccllc.net/calpine) or by writing to Calpine Corporation, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, California 90245, Attention: Ballot Processing Center, by calling (888) 249-2792, or by emailing [calpineinfo@kccllc.com](mailto:calpineinfo@kccllc.com). For Holders of Claims or Interests, the Claims and Solicitation Agent will answer questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, provide additional copies of all materials, and oversee the voting tabulation. The Claims and Solicitation Agent can be contacted by writing to Calpine Corporation, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, California 90245, Attention: Ballot Processing Center, by calling (888) 249-2792, or by emailing [calpineinfo@kccllc.com](mailto:calpineinfo@kccllc.com). For Holders of Claims or Interests on account of publicly-traded securities, Financial Balloting Group LLC (the "Special Voting Agent") will also answer questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, provide additional copies of all materials, and oversee the voting tabulation. The Special Voting Agent can be contacted by writing to Calpine Corporation c/o Financial Balloting Group, LLC, 757 Third Avenue, 3rd Floor, New York, New York 10017, Attention: Ballot Processing Center or by calling (866) 433-0895.

**8. Temporary Allowance of Claims for Voting Purposes.** Holders of Claims and Interests that are subject to a pending objection by the Debtors as of the Record Date cannot vote on the Plan; provided, however, that if the Debtors object to only a portion of a Claim or Interest, such Claim or Interest may be voted in the undisputed amount. Moreover, Holders of Claims and Interests cannot vote any disputed portion of its Claim or Interest unless one or more of the following has taken place at least five business days before the Voting Deadline: (a) an order of the Bankruptcy Court is entered allowing such Claim or Interest pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing; (b) an order of the Bankruptcy Court is entered temporarily allowing such Claim or Interest for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing; (c) a stipulation or other agreement is executed between the Holder of such Claim or Interest and the Debtors resolving the objection and allowing such Claim or Interest in an agreed upon amount; (d) a stipulation or other agreement is executed between the Holder of the such Claim or Interest and the Debtors temporarily allowing the Holder of such Claim or Interest to vote its Claim or Interest in an agreed upon amount; or (e) the pending objection to the such Claim or Interest is voluntarily withdrawn by the Debtors (each, a "Resolution Event"). If an objection to a Disputed Claim or Interest is filed by the Debtors after the Record Date but before fifteen days prior to the Confirmation Hearing, the Debtors' notice of objection will inform such Holder of the rules applicable to Claims and Interests that have been objected to, and the procedures for seeking a Resolution Event. If an objection to Claim or Interest is filed on or after fifteen days before the Voting Deadline, such Claim or Interest shall be temporarily allowed for voting purposes only, without further action by the Holder of such Claim or Interest and without further order of the Bankruptcy Court.

**9. Distribution Record Date.** The Bankruptcy Court has approved the date that the Confirmation Order is entered on the docket in these Chapter 11 Cases as the Distribution Record Date for purposes of

determining which Creditors and Equity Interest Holders are entitled to receive distributions under the Plan, except with respect to Claims and Interests based on publicly-traded Securities (which are subject to the surrender provisions of Article VII.D.10 of the Plan.

**10. Release, Exculpation, and Injunction Language in the Plan.** Please be advised that the Plan contains certain release, exculpation, and injunction provisions. Holders of Claims and Interests (i) voting to accept the Plan or (ii) abstaining from voting on the Plan and electing not to reject the release provisions, shall be deemed to accept the release provisions in Article VIII of the Plan. Holders of Claims and Interests that abstain from voting on the Plan may accept or reject the release provisions in Article VIII of the Plan.

**A. Releases by Holders of Claims and Interests.** Except as otherwise specifically provided in the Plan or Plan Supplement, on and after the Effective Date, Holders of Claims and Interests (a) voting to accept the Plan or (b) abstaining from voting on the Plan and electing not to opt out of the release contained in this paragraph (which by definition, does not include Holders of Claims and Interests who are not entitled to vote in favor of or against the Plan in fact do not so vote), shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged the Debtors, the Reorganized Debtors, and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Debtors' Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan and Disclosure Statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Debtor, a Reorganized Debtor, or a Released Party that constitutes a failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner the Debtor, the Reorganized Debtor, or the Released Party reasonably believed to be in the best interests of the Debtors (to the extent such duty is imposed by applicable non-bankruptcy law) where such failure to perform constitutes willful misconduct or gross negligence.

**B. Injunction.** Except as otherwise expressly provided in the Plan or for obligations issued pursuant to the Plan, all Entities who have held, hold, or may hold Claims against the Released Parties and Exculpated Parties, and all Entities holding Interests, are permanently enjoined, from and after the Effective Date, from: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property or Estates of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Confirmation Date, and notwithstanding an indication in a Proof of Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

You are advised to carefully review and consider the Plan, including the release, exculpation, and injunction provisions, as your rights might be affected.

Calpine Corporation