



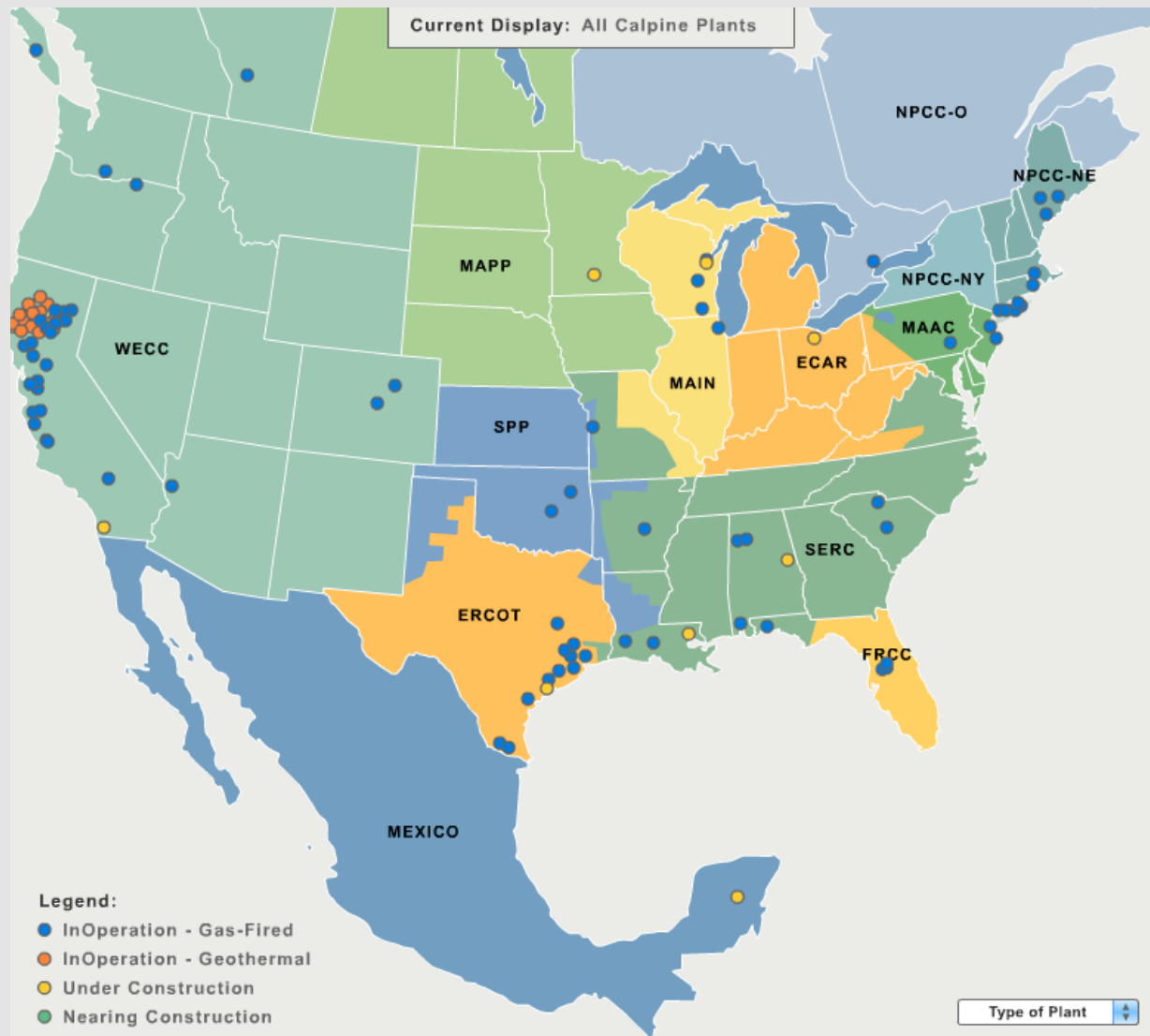
GLOBAL COOPERATION FOR WORKABLE CLIMATE POLICIES

THE INTERNATIONAL CLIMATE CHANGE PARTNERSHIP

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MONTREAL, CANADA

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CALPINE POWER PLANT LOCATIONS



CALPINE GENERATING FLEET

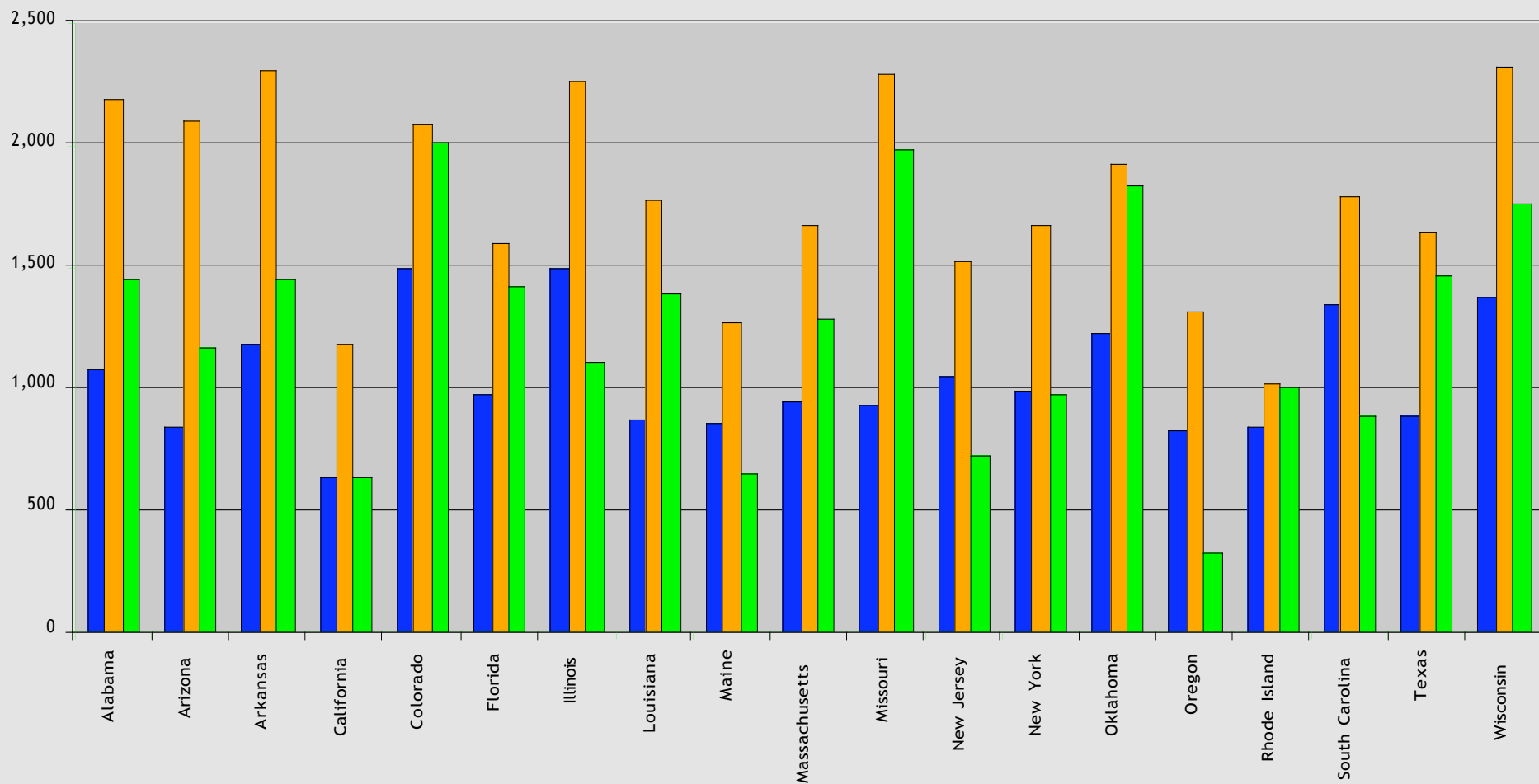
Largest U.S. Power Generating Companies	Net Megawatts			
	<u>Total</u>	<u>Coal</u>	<u>CCGT *</u>	<u>Other</u>
1) Southern Company	41,497	22,781	7,366	11,349
2) American Electric Power	40,042	28,334	2,379	9,329
3) Tennessee Valley Authority	33,252	17,407	0	15,845
4) Florida Power and Light	31,990	1,002	12,028	18,960
5) Calpine (2006) **	30,925	0	26,621	4,308

Megawatts include regulated and non-regulated by holding company.
Source: Energy Velocity, May 2005

* Combined-Cycle Gas Turbine; for Calpine, "Other" includes Geothermal, Gas Turbine Peakers, and Simple-Cycle Cogen Gas Turbine

** Total North American output on-line in 2006 as of 5/31/2005 (including Canadian and Mexican projects with output transmitted via NERC grids)

CALPINE'S CO₂ EMISSION RATE BENCHMARKS



CALPINE CLIMATE CHANGE ACTIVITIES

- **EPA Climate Leaders:** Calpine pledged to reduce U.S. GHG emissions by 4 percent per megawatt hour from 2003 to 2008.
- **California Climate Action Registry:** Calpine is a member of the Registry and submits its third party verified entity wide emissions inventory on an annual basis.
- **Sustainable Silicon Valley Project:** Calpine is one of several Silicon Valley firms pledging to reduce area CO₂ emissions to 20 percent below 1990 levels by 2010.
- **Clean Energy Group:** Calpine supports the Clean Air Planning Act - Multi-Pollutant Bill that includes a declining cap on CO₂ emissions.
- **Northeast Regional Greenhouse Gas Coalition:** Calpine is an active stakeholder through the GHG Coalition in RGGI.
- **Oregon Climate Trust:** Calpine sits on the board of the Climate Trust.
- **WESTCARB:** Calpine is working with WESTCARB to develop geological sequestration projects in California.
- **California CEC Climate Change Advisory Committee:** Calpine served on the CEC climate advisory committee.
- **Oregon Carbon Allocation Task Force:** Calpine participates on the CATF.

STATES AND CARBON: LABORATORIES OF INNOVATION

The Good:

- Growing technical knowledge among state regulators
- Flushes out key political and policy challenges
- Allows environmental agencies and PUCs to work together
- Local issues are addressed from the bottom up / not top down

The Bad

- “Patchwork” of regulatory systems creates complexity
- Leakage may undermine carbon reduction goals and hurt states that are early movers
- Trading systems are less robust / costs to reduce higher
- US and US companies remain outside of a growing international system

CONCLUSION

- **GET USED TO IT:** State and Regional Greenhouse Efforts will continue to move ahead of federal activities
- **BUILDING BLOCKS:** Policies emerging from the bottom up can help provide the building blocks toward comprehensive US policies
- **OH CANADA!** Canada's Kyoto compliance will have impacts on key US power markets



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