# CALPINE CORP

## FORM 8-K
(Current report filing)

Filed 02/03/15 for the Period Ending 02/03/15

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|---|---|
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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): February 3, 2015**


# 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) 830-2000**

**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 ( see General Instruction A.2. below):

☐ 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))

**Item 1.01. Entry into a Material Definitive Agreement.**

On February 3, 2015, Calpine Corporation, a Delaware corporation (the "Company"), announced the closing of its previously announced public offering of $650.0 million principal amount of its 5.500% Senior Notes due 2024 (the " Notes "). The Notes have been registered under the Securities Act of 1933, as amended, pursuant to a registration statement on Form S-3ASR (File No. 333-197288) previously filed with the Securities and Exchange Commission.

The Notes are the Company's general senior unsecured obligations, are not guaranteed by any of the Company's subsidiaries, rank equally in right of payment with the Company's existing and future senior unsecured indebtedness and senior to the Company's future subordinated debt and are effectively subordinated to all liabilities of the Company's subsidiaries and to all of the Company's secured indebtedness to the extent of the value of the collateral securing such indebtedness.

The net proceeds received by the Company from the sale of the Notes were approximately $641 million, after deducting the underwriting discount and estimated offering expenses. The Company intends to use up to $150.0 million of the net proceeds of this offering to repurchase a portion of its 7.875% Senior Secured Notes due 2023 (the " 2023 Notes ") and the remainder of the net proceeds from this offering will be used to replenish cash on hand used for the acquisition of Fore River Energy Center in the fourth quarter of 2014, and for general corporate purposes.

The Notes were issued pursuant to an Indenture, dated July 8, 2014 (the " Base Indenture "), between the Company and Wilmington Trust, National Association, as Trustee (the " Trustee "), as supplemented by the Third Supplemental Indenture, dated February 3, 2015, between the Company and the Trustee (the " Supplemental Indenture " and, together with the Base Indenture, the " Indenture "). Capitalized terms used in this current report and not defined herein have the meanings ascribed to them in the Indenture.

Interest on the Notes is payable semi-annually in arrears on February 1 and August 1 of each year, commencing on August 1, 2015. The Notes mature on February 1, 2024.

*Optional Redemption of Notes*

On or after February 1, 2019, the Company may on any one or more occasions redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed, to but excluding the applicable redemption date, if redeemed during the 12-month period beginning on February 1 of the years indicated below (subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date):

| Year | Percentage |
|---|---|
| 2019 | 102.750% |
| 2020 | 101.375% |
| 2021 and thereafter | 100.000% |

At any time prior to February 1, 2018, up to 35% of the Notes issued under the Indenture may be redeemed with the proceeds from certain equity offerings, upon not less than 30 nor more than 60 days' notice, at 105.500% plus accrued and unpaid interest, if any, to, but not including, the redemption date.

At any time prior to February 1, 2019, the Company may on any one or more occasions redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of Notes redeemed, plus the Applicable Premium (as defined in the Supplemental Indenture) as of, and accrued and unpaid interest, if any, to but excluding the redemption date, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.

*Indenture*

The Indenture contains covenants that limit, among other things, the ability of (i) the Company to incur liens on any Principal Property (as defined in the Indenture) securing indebtedness for borrowed money unless the Notes then outstanding are secured by such lien equally and ratably with such indebtedness and (ii) the Company to consolidate with or merge into any other entity or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the properties or assets of the Company and its

Subsidiaries, taken as a whole, to another entity. Under certain events of default, including, without limitation, failure to pay when due any principal amount or certain cross defaults to other instruments, either the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes may declare the principal amount of the Notes to be due and payable immediately. In the case of certain events of bankruptcy or insolvency of the Company or any Material Subsidiary, the principal amount of the Notes will be automatically due and payable immediately.

The foregoing description of the issuance and sale of the Notes and the terms thereof does not purport to be complete and is qualified in its entirety by reference to the Base Indenture and the Supplemental Indenture, attached hereto as Exhibits 4.1 and 4.2, respectively, and incorporated herein by reference. The form of Note, which is included as part of the Supplemental Indenture, is attached hereto as Exhibit 4.3, and incorporated herein by reference.

**Item 8.01. Other Events.**

On February 3, 2015, the Company issued a press release announcing the closing of its offering of the Notes, as described above under Item 1.01 of this current report. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

In connection with the offering, on January 29, 2015, the Company entered into an underwriting agreement with Credit Suisse Securities (USA) LLC, as representative of the several underwriters named therein (the " Underwriting Agreement "). The Underwriting Agreement includes the terms and conditions of the offer and sale of the Notes, indemnification and contribution obligations and other terms and conditions customary in agreements of this type. A copy of the Underwriting Agreement is attached hereto as Exhibit 1.1, and incorporated herein by reference.

Also in connection with the offering, the Company is filing a legal opinion regarding the validity of the Notes as Exhibit 5.1 to this Form 8-K with reference to, and incorporated by reference into, the Registration Statement.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits**

| Exhibit No. | Description |
|---|---|
| 1.1 | Underwriting Agreement, dated January 29, 2015, between the Company and Credit Suisse Securities (USA) LLC, as representative of the several underwriters named therein. |
| 4.1 | Indenture, dated July 8, 2014, between the Company and Wilmington Trust, National Association, as trustee (the " Trustee "). (Incorporated by reference to Exhibit 4.1 to the Company's Form S-3ASR filed with the Securities and Exchange Commission on July 8, 2014). |
| 4.2 | Third Supplemental Indenture, dated as of February 3, 2015, between the Company and the Trustee, governing the Notes. |
| 4.3 | Form of Note (included in Exhibit 4.2). |
| 5.1 | Opinion of White & Case LLP relating to the validity of the Notes. |
| 12.1 | Computation of Ratio of Earnings to Fixed Charges. |
| 23.1 | Consent of White & Case LLP (included in Exhibit 5.1). |
| 99.1 | Press Release regarding the Notes, dated February 3, 2015. |

**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

Date: February 3, 2015

By: /s/ Zamir Rauf
Name: Zamir Rauf
Title: Executive Vice President and Chief Financial Officer

## EXHIBIT INDEX

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| 4.2 | Third Supplemental Indenture, dated as of February 3, 2015, between the Company and the Trustee, governing the Notes. |
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**Exhibit 1.1**

CALPINE CORPORATION

$650,000,000 5.500% Senior Notes due 2024

UNDERWRITING AGREEMENT

January 29, 2015

Credit Suisse Securities (USA) LLC,
As Representative of the Underwriters
Eleven Madison Avenue
New York, New York 10010

Ladies and Gentlemen:

Calpine Corporation, a Delaware corporation (the " **Company** "), proposes to issue and sell to the several underwriters named in Schedule I hereto, acting severally and not jointly (the " **Underwriters** "), $650,000,000 aggregate principal amount of its 5.500% Senior Notes due 2024 (the " **Securities** ") to be issued pursuant to the provisions of an indenture dated as of July 8, 2014 (the " **Base Indenture** "), as supplemented by a supplemental indenture, to be dated as of February 3, 2015 (the " **Supplemental Indenture** " and, together with the Base Indenture, the " **Indenture** ") between the Company and Wilmington Trust, National Association, as Trustee (the " **Trustee** "). Credit Suisse Securities (USA) LLC has agreed to act as the representative of the several Underwriters (the " **Representative** ") in connection with the offering and sale of the Securities.

The Company understands that the Underwriters propose to make a public offering of the Securities as soon as the Representative deems advisable after this Agreement (this " **Agreement** ") has been executed and delivered.

The Company has prepared and filed with the Securities and Exchange Commission (the " **Commission** ") an "automatic shelf registration statement" (as defined in Rule 405 of the Securities Act Regulations (as defined below), " **Rule 405** ") on Form S-3 (File No. 333-197288) covering the public offering and sale of certain securities, including the Securities, under the Securities Act of 1933, as amended (the " **Securities Act** "), and the rules and regulations promulgated thereunder (the " **Securities Act Regulations** "), which automatic shelf registration statement became effective under Rule 462(e) under the Securities Act Regulations (" **Rule 462(e)** "). Such registration statement, as of any time, means such registration statement as amended by any post-effective amendments thereto to such time, including the exhibits and any schedules thereto at such time, the documents incorporated or deemed to be incorporated by reference therein at such time pursuant to Item 12 of Form S-3 under the Securities Act and the documents otherwise deemed to be a part thereof as of such time pursuant to Rule 430B under the Securities Act Regulations (" **Rule 430B** "), is referred to herein as the " **Registration Statement** ;" provided, however, that the "Registration Statement" without reference to a time means such registration statement as amended by any post-effective amendments thereto as of the time of the first contract of sale for the Securities, which time shall be considered the "new effective date" of such registration statement with respect to the Securities within the meaning of paragraph (f)(2) of Rule 430B, including the exhibits and schedules thereto as of such time, the documents incorporated or deemed incorporated by reference therein at such time pursuant to Item 12 of Form S-3 under the Securities Act and the documents otherwise deemed to be a part thereof as of such time pursuant to the Rule 430B. Each preliminary prospectus used in connection with the offering of

the Securities, including the documents incorporated or deemed to be incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act, are collectively referred to herein as a " **Preliminary Prospectus** ." Promptly after execution and delivery of this Agreement, the Company will prepare and file a final prospectus relating to the Securities in accordance with the provisions of Rule 424(b) under the Securities Act Regulations (" **Rule 424(b)** "). The final prospectus, in the form first furnished or made available to the Underwriters for use in connection with the offering of the Securities, including the documents incorporated or deemed to be incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act, are collectively referred to herein as the " **Final Prospectus** ." For purposes of this Agreement, all references to the Registration Statement, any Preliminary Prospectus, the Final Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system (or any successor system)(" **EDGAR** ").

As used in this Agreement:

" **Applicable Time** " means 4:20 P.M., New York City time, on January 29, 2015 or such other time as agreed by the Company and the Representative.

" **Disclosure Package** " means (i) the most recent Preliminary Prospectus that is distributed to investors prior to the Applicable Time and (ii) any Issuer Free Writing Prospectus set forth on Schedule II hereto and issued at or prior to the Applicable Time, all considered together.

" **Issuer Free Writing Prospectus** " means any "issuer free writing prospectus," as defined in Rule 433 of the Securities Act Regulations (" **Rule 433** "), including without limitation any "free writing prospectus" (as defined in Rule 405 of the Securities Act Regulations (" **Rule 405** ")) relating to the Securities that is (i) required to be filed with the Commission by the Company, (ii) a "road show that is a written communication" within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission, or (iii) exempt from filing with the Commission pursuant to Rule 433(d)(5)(i) because it contains a description of the Securities or of the offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g).

All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" (or other references of like import) in the Registration Statement, any Preliminary Prospectus or the Final Prospectus shall be deemed to include all such financial statements and schedules and other information incorporated or deemed incorporated by reference in the Registration Statement, any Preliminary Prospectus or the Final Prospectus, as the case may be, prior to the execution and delivery of this Agreement; and all references in this Agreement to the terms " **supplement** ", " **amendment** " and " **amend** " as used herein with respect to the Registration Statement, any Preliminary Prospectus or the Final Prospectus shall be deemed to include the filing of any document under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the " **Exchange Act** "), incorporated or deemed to be incorporated by reference in the Registration

Statement, such Preliminary Prospectus or the Final Prospectus, as the case may be, at or after the execution and delivery of this Agreement. All references herein to the Preliminary Prospectus and the Disclosure Package, and the Final Prospectus shall additionally be deemed to refer to and include the preliminary Canadian offering memorandum, dated January 29, 2015, and the Canadian offering memorandum, dated January 29, 2015, respectively.

The Indenture, the Securities and this agreement (this " **Agreement** "), are collectively referred to herein as the " **Transaction Documents** ."

1. *Representations and Warranties* . The Company represents and warrants to each Underwriter as of the date hereof, the Applicable Time and the Closing Date (as defined below), and agrees with each Underwriter, as follows:

(a)(i) The Company meets the requirements for use of Form S-3 under the Securities Act. The Registration Statement is an "automatic shelf registration statement" (as defined in Rule 405) and the Securities have been and remain eligible for registration by the Company on such automatic shelf registration statement. Each of the Registration Statement and any post-effective amendment thereto has become effective under the Securities Act. No notice of objection of the Commission to the use of such Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act has been received by the Company. No order suspending the effectiveness of the Registration Statement has been issued by the Commission, and no proceeding for that purpose or pursuant to Section 8A of the Securities Act against the Company or related to the offering of the Securities has been initiated or, to the knowledge of the Company, threatened by the Commission. The Company has complied with each request (if any) from the Commission for additional information.

(ii) Each of the Registration Statement and any post-effective amendment thereto, at the time of its effectiveness and at each deemed effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) under the Securities Act Regulations, complied in all material respects with the requirements of the Securities Act, the Securities Act Regulations, the Exchange Act and the Trust Indenture Act of 1939, as amended, and the rules and regulations of the Commission promulgated thereunder (the " **Trust Indenture Act** "). Each Preliminary Prospectus, the Final Prospectus and any amendment or supplement thereto, at the time each was filed with the Commission, complied in all material respects with the requirements of the Securities Act, the Securities Act Regulations, the Exchange Act and the Trust Indenture Act and each Preliminary Prospectus and the Final Prospectus delivered to the Underwriters for use in connection with this offering was or will be (as applicable) identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T. As filed, each Preliminary Prospectus and the Final Prospectus shall contain all information required by the Securities Act and the rules thereunder, and, except to the extent the Representative shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Applicable Time or, to the extent not completed at the Applicable Time, shall contain only such specific additional information and other changes (beyond that contained in the Base Prospectus and any Preliminary Prospectus) as the Company and the Representative have agreed to in writing, prior to the Applicable Time, will be included or made therein. The initial date and time that the Registration Statement and any post-effective amendment or amendments thereto became or becomes effective (the " **Effective Date** ") was not earlier than the date three years before the Applicable Time.

(iii) The documents incorporated or deemed to be incorporated by reference in the Registration Statement and the Final Prospectus, when they became effective or at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission under the Exchange Act (the " **Exchange Act Regulations** ").

(b)(i) Neither the Registration Statement nor any amendment thereto, at its effective time, or at the Closing Date, contained, contains or will contain an untrue statement of a material fact or omitted, omits or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As of the Applicable Time, the Disclosure Package did not or will not include an untrue statement of a material fact or did not or will not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Neither the Final Prospectus nor any amendment or supplement thereto (including any prospectus wrapper), as of its issue date, at the time of any filing with the Commission pursuant to Rule 424(b) and at the Closing Date, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ii) The representations and warranties in this subsection shall not apply to statements or omissions in the Registration Statement (or any amendment thereto) or the Final Prospectus (or any amendment thereto) based upon (i) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee or (ii) information relating to the Underwriters furnished to the Company in writing by the Underwriters through you expressly for use therein.

(c)(i) At the time of filing the Registration Statement, (ii) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Securities Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Sections 13 or 15(d) of the Exchange Act or form of prospectus), (iii) at the time the Company or any person acting on its behalf (within the meaning, for this clause only, of Rule 163(c)) made any offer relating to the Securities in reliance on the exemption in Rule 163, and (iv) at the Applicable Time (with such date being used as the determination date for purposes of this clause (iv)), the Company was or is (as the case may be) a "well-known seasoned issuer" as defined in Rule 405. The Company agrees to pay the fees required by the Commission relating to the Securities within the time required by Rule 456(b)(1) and otherwise in accordance with Rules 456(b) and 457(r).

(d)(i) At the earliest time after the filing of the Registration Statement that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2)) of the Securities and (ii) as of the Applicable Time (with such date being used as the determination date for purposes of this clause (ii)), the Company was not and is not an "Ineligible Issuer" (as defined in Rule 405).

(e) Other than the Registration Statement, the Preliminary Prospectus and the Final Prospectus, the Company has not prepared, used or referred to any Issuer Free Writing Prospectus other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act, (ii) the documents listed on Schedule II hereto, each electronic road show and any other written communications approved in writing in advance by the Representative and (iii) the term sheet attached as Schedule III hereto. Each Issuer Free Writing Prospectus complied in all material respects with the Securities Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Securities Act (to the extent required thereby) and, when taken together with the Disclosure Package, did not, and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Issuer Free Writing Prospectus or Disclosure Package (or any amendment thereto) or any electronic road show based upon information relating to the Underwriters furnished to the Company in writing by the Underwriters through you expressly for use therein. Any offer that is a written communication relating to the Securities made prior to the initial filing of the Registration Statement by the Company or any person acting on its behalf (within the meaning, for this paragraph only, of Rule 163(c) of the Securities Act Regulations) has been filed with the Commission in accordance with the exemption provided by Rule 163 under the Securities Act Regulations (" **Rule 163** ") and otherwise complied with the requirements of Rule 163, including without limitation the legending requirement, to qualify such offer for the exemption from Section 5(c) of the Securities Act provided by Rule 163.

(f) The Company and its subsidiaries, taken as a whole, have not sustained since the date of the latest audited financial statements included or incorporated by reference in the Disclosure Package, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise then as set forth or contemplated in the Disclosure Package; and, since the date of the latest audited financial statements included or incorporated by reference in the Disclosure Package, there has not been any material change in the capital stock or long-term debt of the Company and its subsidiaries, taken as a whole, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, other than as set forth or contemplated in the Disclosure Package.

(g) The Company has an authorized capitalization as set forth in the Disclosure Package and, except as set forth in the Disclosure Package, all of the issued shares of capital stock of the Company has been duly and validly authorized and issued and are fully paid and non-assessable.

(h) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with the power and authority to own its properties and conduct its business as described in the Disclosure Package, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases properties or conducts any business so as

to require such qualification, except to the extent that the failure to be so qualified or to be in good standing would not reasonably be expected to have a material adverse effect on the (i) business condition (financial or otherwise), results of operations or properties of the Company and its subsidiaries, taken as a whole or (ii) ability of the Company and its subsidiaries, taken as a whole, to perform their obligations in accordance with the terms of the Transaction Documents or consummate the transactions contemplated by the Disclosure Package or the Final Prospectus, as applicable, (a " **Material Adverse Effect** "); and each subsidiary of the Company has been duly incorporated or formed, as the case may be, and is validly existing as a corporation, limited liability company or partnership, as the case may be, in good standing under the laws of its jurisdiction of incorporation or formation, as the case may be, with the power and authority to own its properties and conduct its business as described in the Disclosure Package, and has been duly qualified as a foreign corporation, limited liability company or partnership, as the case may be, for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except to the extent that the failure to be so duly incorporated or formed (other than with respect to any of the Company's "significant subsidiaries" within the meaning of Rule 1-02 of Regulation S-X under the Securities Act), qualified or be in good standing would not reasonably be expected to have a Material Adverse Effect.

(i) The Company has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby and by the Disclosure Package and the Final Prospectus.

(j) The Securities have been duly authorized by the Company and, when duly executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters in accordance with the terms of this Agreement, will constitute legally valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights generally and equitable principles of general applicability, and entitled to the benefits provided by the Indenture under which they are to be issued.

(k) This Agreement has been duly authorized, executed and delivered by the Company.

(l) The Indenture has been duly authorized by the Company and, when duly executed and delivered by the Company, and assuming the due execution and delivery by the other parties thereto, will constitute a legally valid and binding instrument enforceable against the Company and in accordance with its terms, subject to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights generally and equitable principles of general applicability.

(m) When duly executed and delivered by the Company, the Securities and the Indenture will conform in all material respects to the descriptions thereof contained in the Disclosure Package under the heading "Description of Notes."

(n) The financial statements of the Company, including the notes thereto, and any supporting schedules included in or incorporated by reference in the Disclosure Package present fairly, in all material respects, the consolidated financial position of the Company and its

consolidated subsidiaries as of the dates indicated and the cash flows and results of operations for the periods specified of the Company and its consolidated subsidiaries; said financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved; and any supporting schedules included in or incorporated by reference in the Disclosure Package present fairly, in all material respects, the information required to be stated therein.

(o) Except as described in the Disclosure Package, there are no legal or governmental proceeding pending or, to the Company's knowledge, threatened, to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would reasonably be expected to have a Material Adverse Effect.

(p) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, employee or affiliate of the Company or any of its subsidiaries, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

(q) The activities of each of the Company, its subsidiaries, and each of its and their respective officers, directors or employees, in their capacities as such, have not violated, and the Company's participation in the transactions contemplated by the Transaction Documents will not violate, (i) the Foreign Corrupt Practices Act of 1977 (the " **FCPA** "), (ii) anti-bribery laws, including any law, rule, or regulation promulgated to implement the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed December 17, 1997 (excluding the FCPA) and (iii) anti-money laundering laws, including applicable federal, state, international, foreign or other laws or regulations regarding anti-money laundering, including Title 18 U.S. Code section 1956 and 1957, the Patriot Act and the Bank Secrecy Act, except in the case of each of clauses (ii) and (iii), for any violation which, singularly or in the aggregate with all other such violations, would not reasonably be expected to have a Material Adverse Effect.

(r) PricewaterhouseCoopers LLP, which has audited certain financial statements of the Company and its subsidiaries incorporated by reference into the Disclosure Package, is an independent registered public accounting firm within the meaning of Regulation S-X under the Securities Act and the Exchange Act.

(s) The Company and its subsidiaries own or possess sufficient trademarks, trade names, patent rights, copyrights, licenses, approvals, trade secrets and other similar rights (collectively, " **Intellectual Property Rights** ") reasonably necessary to conduct their businesses as now conducted, and the expected expiration of any of such Intellectual Property Rights would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice of infringement or conflict with asserted Intellectual Property Rights of others, which infringement or conflict, if the subject of an unfavorable decision, would reasonably be expected to have a Material Adverse Effect.

(t) Neither the Company nor any of its subsidiaries is (i) in violation of its charter, bylaws or similar organizational documents, or (ii) in default in the performance or observance

of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound; except in the case of clause (ii) for defaults that would not reasonably be expected to have a Material Adverse Effect.

(u) The performance by the Company and its subsidiaries of their obligations under the Transaction Documents and the consummation of the transactions herein and therein contemplated will not (i) conflict with, result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the charter, bylaws or any similar organizational documents of the Company or any of its subsidiaries or (iii) contravene any federal, state or local law, rule or regulation or any order of any court or of any other governmental agency or instrumentality having jurisdiction over the Company or any of its subsidiaries or any of their properties, except in the case of clauses (i) or (iii), such conflicts, breaches, violations, defaults or contraventions that would not reasonably be expected to have a Material Adverse Effect.

(v) No consent, approval, authorization or order of, or registration, qualification or filing with any court or regulatory authority or other governmental agency or instrumentality is required in connection with the consummation by the Company of the transactions contemplated by the Transaction Documents, except such consents, approvals, authorizations, registrations or qualifications (i) as have been obtained or made, (ii) as may be required under state securities or Blue Sky laws in connection with the transactions contemplated by the Transaction Documents or (iii) the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect.

(w) The Company and its subsidiaries have all necessary consents, authorizations, approvals, clearances, orders, certificates and permits of and from, and have made all required declarations and filings with, all federal, state, local and other governmental authorities, all self-regulatory organizations and all courts and other tribunals to own, lease, license and use their respective properties and assets, as applicable, and to conduct their respective businesses in the manner described in the Disclosure Package, except such consents, authorizations, approvals, clearances, orders, certificates, permits, declarations and filings the failure of which to have would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(x) The Company is not, and immediately after giving effect to the transactions contemplated by the Transaction Documents and the application of proceeds thereof will not be, required to be registered as an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

(y) The Company and its subsidiaries on a consolidated basis maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with

generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at periodic intervals and appropriate action is taken with respect to any differences. The Company has established and maintains disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act); such disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure; and such disclosure controls and procedures are effective to perform the functions for which they were established; any significant deficiency or material weaknesses in internal accounting controls have been identified for the Company's Chief Executive Officer and its Chief Financial Officer; and, except as described in the Disclosure Package, since the date of the most recent evaluation of such internal accounting controls, there have been no material changes in internal accounting controls or in other factors that could significantly affect internal accounting controls.

(z) The Company and its subsidiaries have accurately (to the best of the Company's knowledge) prepared and timely filed all federal, state and other tax returns that are required to be filed by them and have paid or made provision for the payment of all taxes, assessments, governmental or other similar charges, including without limitation, all sales and use taxes and all taxes which they are obligated to withhold from amounts owing to their respective employees, creditors and third parties, with respect to the periods covered by such tax returns (whether or not such amounts are shown as due on any tax return), except any amounts the Company is contesting in good faith or where the failure to so accurately prepare, file or pay would not reasonably be expected to have a Material Adverse Effect. No deficiency assessment with respect to a proposed adjustment of the Company's or any of the subsidiaries' federal, state, or other taxes is pending or, to the Company's knowledge, threatened, which would reasonably be expected to have a Material Adverse Effect. There is no material tax lien, whether imposed by any federal, state, or other taxing authority, outstanding against the assets, properties or business of the Company or any of its subsidiaries, which would reasonably be expected to have a Material Adverse Effect.

(aa) Except as disclosed in the Disclosure Package and the Final Prospectus, (i) the Company and each of its subsidiaries (A) is conducting and has conducted its operations in compliance with, and is not in violation of, any and all applicable foreign, federal, state or local laws and regulations, and any enforceable administrative or judicial interpretation thereof, relating to pollution, the protection of human health and safety or the environment or imposing liability or standards of conduct related thereto, including the emission, discharge, release or threatened release, generation, manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of, or exposure to, any Hazardous Substance (as hereinafter defined) (collectively, " **Environmental Laws** "), (B) does not own or operate any real property contaminated with Hazardous Substances, (C) is not conducting or funding any investigation, remediation, remedial action or monitoring of actual or suspected Hazardous Substances in the environment, (D) is not liable for any release or threatened release of Hazardous Substances, including at any off-site treatment, storage or disposal site and at any formerly owned or leased

properties, (E) is not subject to any pending claim by any governmental agency or other person relating to Environmental Laws or Hazardous Substances (including relating to any exposure thereto), (F) has received and is in compliance with all permits, licenses, authorizations or other approvals required under Environmental Laws to conduct its business as currently conducted and (G) has not agreed to assume, undertake or provide indemnification for any liability of any other person under any Environmental Law, including any obligation for cleanup or remedial action, except in each case covered by clauses (A) through (G) such as would not individually or in the aggregate have a Material Adverse Effect; (ii) to the knowledge of the Company and each of its subsidiaries, there are no facts or circumstances that would reasonably be expected to result in a violation of, liability under, or claim pursuant to any Environmental Law that would, individually or in the aggregate, have a Material Adverse Effect; and (iii) to the knowledge of the Company and its subsidiaries, there are no requirements proposed for adoption or implementation by any applicable governmental agency or court under any Environmental Law that would reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect. For purposes of this subsection " **Hazardous Substances** " means pollutants, contaminants or hazardous, dangerous or toxic substances, materials, constituents or wastes or petroleum, petroleum products and their breakdown constituents, asbestos, polychlorinated biphenyls or any other chemical substance regulated under Environmental Laws.

(bb) The Company possesses all real and personal property rights and interests necessary to operate and maintain all of the electrical generation facilities of the Company as currently operated and maintained, except where the failure to possess such rights and interests would not reasonably be expected to have a Material Adverse Effect.

(cc) The Company and its subsidiaries are insured with policies in such amounts and with such deductibles and covering such risks as are generally deemed adequate and customary for their businesses. Neither the Company nor any of its subsidiaries has been denied any necessary insurance coverage which it has sought or for which it has applied.

(dd) Except as would not (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect, no "prohibited transaction" (as defined in either Section 406 of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder (" **ERISA** ") or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time (the " **Code** ")), has occurred with respect to any "employee benefit plan" (as defined in Section 3(3) of ERISA) established or maintained by the Company or any of its subsidiaries, and each employee benefit plan is in compliance in all material respects with applicable law, including (without limitation) ERISA and the Code. Except as would not (individually or in the aggregate) reasonably be expect to have a Material Adverse Effect, no "reportable event" (as defined in Section 4043(b) of ERISA (other than events with respect to which the 30-day notice requirement under Section 4043 of ERISA has been waived) has occurred with respect to any "pension plan" (as defined in Section 3(2) of ERISA) established or maintained by the Company or any of its subsidiaries; and the Company has not incurred and does not reasonably expect to incur liability under Title IV of ERISA with respect to the termination of, or withdrawal from any such pension plan.

(ee) Prior to the date hereof, neither the Company nor any of its affiliates has taken, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in stabilization or manipulation of the price of any security of the Company to sale of the Securities.

(ff) The statements set forth in the Preliminary Prospectus and any statements that will be set forth in the Preliminary Prospectus under the caption “Description of Notes” insofar as such statements purport to summarize certain provisions of the documents or instruments referred to therein, fairly summarize or will fairly summarize, as applicable, such provisions in all material respects. The statements set forth in the Preliminary Prospectus and any statements that will be set forth in the Preliminary Prospectus under the caption “United States Federal Income Taxation” insofar as such statements refer to statements of law or legal conclusions, are or will be, as applicable, accurate in all material respects as of the respective dates thereof.

(gg) No holders of securities of the Company have rights to the registration of such securities under the Registration Statement.

(hh) As of the date hereof and immediately after the consummation of the Offer, the Company is, or will be, as the case may be, Solvent. The term “ **Solvent** ” means that the Company on a particular date is, or will be, able to realize upon its assets and pay its debts and other liabilities, including contingent obligations, as they mature.

(ii) The Company has complied in all respects with all applicable provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated by the SEC thereunder, other than as would not have a Material Adverse Effect.

(jj) No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent that would reasonably be expected to have a Material Adverse Effect.

(kk) No consent, approval, authorization (including but not limited to, prior authorization from the Federal Energy Regulatory Commission under Sections 203 or 204 of the Federal Power Act, as amended) or order of, or registration or qualification with, any governmental body or agency is required for the performance by the Company of this Agreement, the Indenture, or the Securities, or consummation of the transactions contemplated hereby and thereby and by the Disclosure Package, except (x) for such consent, approvals, authorizations, orders, registrations or qualifications that have been obtained or where failure to do so would not have a Material Adverse Effect on the Company or on the offering and sale of the Securities and (y) for the registration of the Securities under the Securities Act, the qualification of the Indenture under the Trust Indenture Act and such as may be required by the securities or Blue Sky laws of the various states of the United States or provinces of Canada in connection with the offer and sale of the Securities.

(ll) The Company and its subsidiaries possess all material certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities (including but not limited to, prior authorization from the Federal Energy Regulatory Commission under Sections 203 or 204 of the Federal Power Act, as amended) necessary to conduct their respective businesses, and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or

permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect on the Company and its subsidiaries, taken as a whole, except as described in the Disclosure Package.

2. *Agreements to Sell and Purchase* . The Company hereby agrees to sell to the several Underwriters and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective principal amount of the Securities set forth in Schedule I hereto opposite its name at a purchase price of 98.72% of the principal amount thereof (the " **Purchase Price** ") plus accrued interest, if any, to the Closing Date.

3. *Terms of Offering* . You have advised the Company that the Underwriters will make an offering of the Securities purchased by the Underwriters hereunder as soon as practicable after this Agreement is entered into as in your judgment is advisable.

4. *Payment and Delivery* . Payment for the Securities shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Securities for the account of the Underwriters at 10:00 a.m., New York City time, on February 3, 2015, or at such other time on the same or such other date, not later than February 10, 2015, as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the " **Closing Date** ."

The Securities shall be in definitive form or global form, as specified by you, and registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date. The Securities shall be delivered to you on the Closing Date for the respective accounts of the Underwriters.

5. *Conditions to the Underwriters' Obligations* . The several obligations of the Underwriters to purchase and pay for the Securities on the Closing Date are subject to the following conditions:

(a) The Final Prospectus, and any supplement thereto, has been filed in the manner and within the time period required by Rule 424(b); the final term sheet contemplated by Section 6(b) hereto, and any other material required to be filed by the Company pursuant to Rule 433(d) under the Securities Act, shall have been filed with the Commission within the applicable time periods prescribed for such filings by Rule 433; and no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use pursuant to Rule 401(g)(2) shall have been issued and no proceeding for such purpose or pursuant to Section 8A of the Securities Act shall have been instituted or threatened.

(b) At the Closing Date, the Company and the Trustee shall have entered into the Indenture and the Representative shall have received counterparts, conformed as executed, thereof.

(c) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded the Company or any of the securities of the Company or any of Company' subsidiaries or in the rating outlook for the Company by any "nationally recognized statistical rating organization," as defined for purposes of Section 3(a)(62) of the Exchange Act; and

(ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Disclosure Package and that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated in the Final Prospectus.

(d) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect set forth in Section 5(c) and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(e) The Underwriters shall have received on the Closing Date an opinion of White & Case LLP, outside counsel for the Company, dated the Closing Date in the form and substance reasonably satisfactory to the Underwriters. Such opinion shall be rendered to the Underwriters at the request of the Company and shall so state therein.

(f) The Underwriters shall have received on the Closing Date a negative assurance letter of White & Case LLP, outside counsel for the Company, dated the Closing Date in the form and substance reasonably satisfactory to the Underwriters. Such letter shall be rendered to the Underwriters at the request of the Company and shall so state therein.

(g) The Underwriters shall have received on the Closing Date an opinion and negative assurance letter of Cahill Gordon & Reindel llp, counsel for the Underwriters, dated the Closing Date, covering such matters as requested by the Underwriters.

(h) The Underwriters shall have received on each of the date hereof and the Closing Date a letter, dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Representative, from PricewaterhouseCoopers LLP, independent registered public accounting firm, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in or incorporated by reference into the Disclosure Package and the Final Prospectus; provided that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(i) On or before the Closing Date, the Underwriters and counsel for the Underwriters shall have received such information, documents and opinions as they may reasonably require for the purposes of enabling them to pass upon the issuance and sale of the Securities as contemplated herein, or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the conditions or agreements, herein contained.

6. *Covenants of the Company* . The Company covenants with each Underwriter as follows:

(a) Prior to the termination of the offering of the Securities, the Company will not file any amendment of the Registration Statement or supplement (including the Final Prospectus or any Preliminary Prospectus) to the Base Prospectus unless the Company has furnished you a copy for your review prior to filing and will not file any such proposed amendment or supplement to which you reasonably object. The Company will cause the Final Prospectus, properly completed, and any supplement thereto to be filed in a form approved by the Representative, such approval not to be unreasonably withheld, with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed. The Company will promptly advise the Representative (i) when any supplement to the Final Prospectus shall have been filed (if required) with the Commission pursuant to Rule 424(b), (ii) when, prior to termination of the offering of the Securities, any amendment to the Registration Statement shall have been filed or become effective, (iii) of any request by the Commission or its staff for any amendment of the Registration Statement, or any Rule 462(b) Registration Statement, or for any supplement to the Final Prospectus or for any additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any notice objecting to its use or the institution or threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act; (v) of the receipt by the Company of any notice of objection of the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act and (vi) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. The Company will use its commercially reasonable efforts to prevent the issuance of any such stop order or the occurrence of any such suspension or objection to the use of the Registration Statement and, upon such issuance, occurrence or notice of objection, to obtain as soon as possible the withdrawal of such stop order or relief from such occurrence or objection, including, if necessary, by filing an amendment to the Registration Statement or a new registration statement and using its commercially reasonable efforts to have such amendment or new registration statement declared effective as soon as practicable

(b) The Company will prepare a final term sheet, containing solely a description of final terms of the Securities and the offering thereof, in the form approved by you, such approval not to be unreasonably withheld, and attached as Schedule III hereto and to file such term sheet pursuant to Rule 433(d) within the time required by such Rule.

(c) If, at any time prior to the Closing Date, any event occurs as a result of which the Disclosure Package would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made or the circumstances then prevailing, not misleading, the Company will

(i) notify promptly the Representative so that any use of the Disclosure Package may cease until it is amended or supplemented; (ii) amend or supplement the Disclosure Package to correct such statement or omission; and (iii) supply any amendment or supplement to you in such quantities as you may reasonably request.

(d) If, at any time when a prospectus relating to the Securities is required to be delivered under the Securities Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172), any event occurs as a result of which the Final Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made at such time, not misleading, or if it shall be necessary to amend the Registration Statement, file a new registration statement or supplement the Final Prospectus to comply with the Securities Act or the Exchange Act or the respective rules thereunder, including in connection with use or delivery of the Final Prospectus, the Company will (i) notify promptly the Representative of any such event, (ii) prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 6, an amendment or supplement or new registration statement which will correct such statement or omission or effect such compliance, (iii) use its commercially reasonable efforts to have any amendment to the Registration Statement or new registration statement declared effective as soon as practicable in order to avoid any disruption in use of the Final Prospectus and (iv) supply any supplemented Final Prospectus to you in such quantities as you may reasonably request.

(e) Upon written request, the Company will furnish to the Representative and counsel for the Underwriters, without charge, signed copies of the Registration Statement (including exhibits thereto) and to each other Underwriter a copy of the Registration Statement (without exhibits thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Securities Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172), as many copies of each Preliminary Prospectus, the Final Prospectus and each Issuer Free Writing Prospectus and any supplement thereto as the Representative may reasonably request.

(f) To endeavor to qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request.

(g) The Company will cooperate with the Representative and use its commercially reasonable efforts to permit the Securities to be eligible for clearance and settlement through The Depository Trust Company.

(h) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the issuance and sale of the Securities and all other fees or expenses in connection with the preparation of the Registration Statement, the Disclosure Package, the Final Prospectus and the Final Prospectus prepared by or on behalf of, used by, or referred to by the Company and any amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the delivering of copies thereof to the Underwriters, in the quantities herein above

specified, (ii) all costs and expenses related to the transfer and delivery of the Securities to the Underwriters, including any transfer or other taxes payable thereon, (iii) the preparation and filing with the Commission of the Registration Statement (including financial statements and exhibits thereto), each Preliminary Prospectus, the Final Prospectus and each Issuer Free Writing Prospectus, and each amendment or supplement to any of them, (iv) any fees charged by rating agencies for the rating of the Securities, (vi) any filings required to be made with the Financial Industry Regulatory Authority, Inc. (" **FINRA** ") (including filing fees), (vii) the costs and charges of the Trustee and any transfer agent, registrar or depositary, (viii) the cost of the preparation, issuance and delivery of the Securities and (ix) all other reasonable costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in Section 8 and the last paragraph of Section 10, the Underwriters will pay all of their costs and expenses, including fees and disbursements of its counsel and any advertising expenses connected with any offers they may make.

(i) Not to take any action prohibited by Regulation M under the Exchange Act in connection with the distribution of the Securities contemplated hereby.

(j) To apply the proceeds from the sale of the Securities in the manner described in the Disclosure Package under the caption "Use of proceeds."

(k) The Company will pay the registration fee for this offering within the time period required by Rule 456(b)(1) under the Securities Act.

The Company also agrees that, without the prior written consent of the Representative, it will not, during the period beginning on the date hereof and continuing until the Closing Date, offer, sell, contract to sell or otherwise dispose of any debt securities of the Company or warrants to purchase debt securities of the Company substantially similar to the Securities.

7. *Offering of Securities* . It is understood that the several Underwriters propose to offer the Securities for sale to the public as set forth in the Disclosure Package.

8. *Indemnity and Contribution* .

(a) The Company agrees to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, and each affiliate of the Underwriters within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement for the Registration Statement for the registration of the Securities as originally filed or in any amendment thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make statements therein not misleading or arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Final Prospectus, any Issuer Free Writing Prospectus, or any amendment thereof or supplement thereto, or caused by any

omission or alleged omission to state therein a material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Underwriter, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through you expressly for use in the documents referred to in the foregoing indemnity.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b), such person (the " **indemnified party** ") shall promptly notify the person against whom such indemnity may be sought (the " **indemnifying party** ") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by the Representative, in the case of parties indemnified pursuant to Section 8(a), and by the Company, in the case of parties indemnified pursuant to Section 8(b). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any

indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) To the extent the indemnification provided for in Section 8(a) or 8(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Securities or (ii) if the allocation provided by clause 8(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(d)(i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Securities shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Securities (before deducting expenses) received by the Company and the total underwriting discounts and commissions, in each case as set forth on the cover page of the Final Prospectus and received by the Underwriters bear to the aggregate offering price of the Securities. The relative fault of the Company on the one hand and of the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 8 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 8(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 8(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the underwriting discount or commission applicable to the Securities purchased by such Underwriter that it might otherwise have been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity. The Underwriters obligations to contribute pursuant to this Section 8 shall be several in proportion to their respective purchase obligations hereunder and not joint.

The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter or by or on behalf of the Company, their officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Securities.

9. *Termination* . The Underwriters may terminate this Agreement by notice given by the Representative to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) any suspension of trading in securities generally on the New York Stock Exchange or the NASDAQ National Market or any setting of minimum prices for trading on such exchange shall have occurred, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in your judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in the Representative's judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Securities on the terms and in the manner contemplated in the Preliminary Prospectus or the Final Prospectus.

10. *Effectiveness; Defaulting Underwriters* . This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date, any one or more of the Underwriters shall fail or refuse to purchase Securities that it or they have agreed to purchase hereunder on such date, and the aggregate principal amount of Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate principal amount of Securities to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the principal amount of Securities set forth opposite their respective names in Schedule I bears to the aggregate principal amount of Securities set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; provided that in no event shall the principal amount of Securities that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 10 by an amount in excess of one-tenth of such principal amount of Securities without the written consent of such Underwriter. If, on the Closing Date any Underwriter or Underwriters shall fail or refuse to purchase Securities which it or they have agreed to purchase hereunder on such date and the aggregate principal amount of Securities with respect to which such default occurs is more than one-tenth of the aggregate principal amount of Securities to be purchased on such date, and arrangements satisfactory to you and the Company for the purchase of such Securities are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or of the Company. In any such case either you or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement,

the Disclosure Package, the Final Prospectus or in any other documents or arrangements may be effected. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform their obligations under this Agreement, the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

11. *Entire Agreement* .

(a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Securities, represents the entire agreement between the Company and the Underwriters with respect to the preparation of the Registration Statement, Disclosure Package, the Final Prospectus, the conduct of the offering, and the purchase and sale of the Securities.

(b) The Company acknowledges that in connection with the offering of the Securities: (i) the Underwriters have acted at arm's length, are not an agent of, and owe no fiduciary duties to, the Company or any other person, (ii) the Underwriters owe the Company only those duties and obligations set forth in this Agreement and prior written agreements (to the extent not superseded by this Agreement) if any, and (iii) the Underwriters may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims they may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Securities.

12. *Representations, Indemnities and Certain Covenants to Survive Delivery* . The respective indemnities, agreements, the representations, warranties, and other statements of the Company, its officers and the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, the Company or any of their partners, officers or directors or any controlling person, as the case may be, and will survive delivery of and payment for the Securities sold hereunder and any termination of this Agreement.

13. *Counterparts* . This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

14. *Applicable Law* . This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

15. *Headings* . The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

16. *Notices* . All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to you at Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, New York 10010, Attention: Legal Department; and if to the Company shall be delivered, mailed or sent to Calpine Corporation, 717 Texas Avenue, Suite 1000, Houston, Texas 77002, Attention: Shonnie Daniel, Vice President and Associate General Counsel, Calpine Corporation.

17. *Patriot Act* . In accordance with the requirements of the USA Patriot Act (Title Ill of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

*[Signature Pages Follow]*

Very truly yours,

By: /s/ Zamir Rauf
Name: Zamir Rauf
Title: Chief Financial Officer of Calpine Corporation

Accepted as of the date hereof

Credit Suisse Securities (USA) LLC,
Acting on behalf of itself
and as the Representative of
the several Underwriters

By: /s/ Paul Allan
Name: Paul Allan
Title: Managing Director

**SCHEDULE I**

| Underwriters | Principal Amount of Securities to be Purchased |
|---|---|
| Credit Suisse Securities (USA) LLC | $197,600,000 |
| Citigroup Global Markets Inc. | $ 72,800,000 |
| Credit Agricole Securities (USA) Inc. | $ 72,800,000 |
| Deutsche Bank Securities Inc. | $ 72,800,000 |
| Merrill Lynch, Pierce, Fenner & Smith Incorporated | $ 72,800,000 |
| Morgan Stanley & Co. LLC | $ 72,800,000 |
| UBS Securities LLC | $ 72,800,000 |
| ING Financial Markets LLC | $ 15,600,000 |
| **Total** | $650,000,000 |

**SCHEDULE II**

1. Pricing Term Sheet dated January 29, 2015, substantially in the form of Schedule III

**SCHEDULE III**

**TERM SHEET**

Issuer Free Writing Prospectus filed pursuant to Rule 433
Registration No. 333-197288

**Pricing Term Sheet**
**CALPINE CORPORATION**

**$650,000,000 5.500% Senior Notes due 2024**

Pricing Supplement, dated January 29, 2015, to Preliminary Prospectus Supplement, dated January 29, 2015, of Calpine Corporation. This supplement (this "Pricing Supplement") is qualified in its entirety by reference to the Preliminary Prospectus Supplement dated January 29, 2015 (the "Preliminary Prospectus Supplement"). The information in this Pricing Supplement supplements the Preliminary Prospectus Supplement and supersedes the information in the Preliminary Prospectus Supplement to the extent inconsistent with the information in the Preliminary Prospectus Supplement. Terms used herein and not defined herein have the meanings assigned to such terms in the Preliminary Prospectus Supplement.

| | |
|---|---|
| **Issuer:** | Calpine Corporation ("Calpine") |
| **Title of Securities:** | 5.500% Senior Notes due 2024 (the "Notes") |
| **Aggregate Principal Amount:** | $650,000,000, which represents a $150,000,000 increase from the amount in the Preliminary Prospectus Supplement. |
| **Gross Proceeds to Issuer:** | $650,000,000 |
| **Net Proceeds to Issuer:** | $640,666,750 |
| **Final Maturity Date:** | February 1, 2024 |
| **Issue Price:** | 100.000% plus accrued interest, if any |
| **Coupon:** | 5.500% |
| **Spread to Benchmark Treasury:** | +378 basis points |
| **Benchmark Treasury:** | UST 2.750% due February 15, 2024 |
| **Gross Spread:** | 1.25% of the principal amount of the Notes |
| **Use of Proceeds:** | We intend to use up to $150.0 million of the net proceeds from this offering to repurchase a portion of our 7.875% Senior Secured Notes due 2023 (the "2023 Secured Notes") and the remainder of the net proceeds from this offering will be used to replenish cash on hand used for the acquisition of Fore River Energy Center in the fourth quarter of 2014, and for general corporate purposes. |
| **Optional Redemption:** | On or after February 1, 2019, Calpine may on any one or more occasions redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed, to but excluding the applicable redemption date, if redeemed during the 12-month period beginning on February 1 of the years indicated below (subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date): |

| Year | Percentage |
|---|---|
| 2019 | 102.750% |
| 2020 | 101.375% |
| 2021 and thereafter | 100.000% |

| | |
|---|---|
| **Optional Redemption with Equity Proceeds:** | At any time prior to February 1, 2018, up to 35% of the Notes issued under the indenture may be redeemed, upon not less than 30 nor more than 60 days' notice, at 105.500% plus accrued and unpaid interest, if any, to, but not including, the redemption date. |

| | |
|---|---|
| **Make-Whole Redemption:** | At any time prior to February 1, 2019, Calpine may on any one or more occasions redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to but excluding the redemption date, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.<br><br>" *Applicable Premium* " means, with respect to any Note on any redemption date, the greater of:<br><br>(1) 1.0% of the principal amount of such Note; or<br><br>(2) the excess of:<br><br>(A) the present value at such redemption date of (i) the redemption price of such Note at February 1, 2019 (such redemption prices being set forth in the tables appearing under the caption "—Optional Redemption") plus (ii) all required interest payments due on such Note through February 1, 2019 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over<br><br>(B) the principal amount of the Note.<br><br>" *Treasury Rate* " means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to February 1, 2019; *provided , however ,* that if the period from the redemption date to February 1, 2019 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. |
| **Change of Control Triggering Event** | 101%, plus accrued and unpaid interest, if any to, but not including, the date of payment. |
| **CUSIP/ISIN Numbers:** | CUSIP: 131347CJ3<br>ISIN: US131347CJ36 |
| **Interest Payment Dates:** | February 1 and August 1 |
| **Record Dates:** | January 15 and July 15 |
| **First Interest Payment Date:** | August 1, 2015 |
| **Joint Book-Running Managers:** | Credit Suisse Securities (USA) LLC<br>Citigroup Global Markets Inc.<br>Merrill Lynch, Pierce, Fenner & Smith Incorporated<br>Credit Agricole Securities (USA) Inc.<br>Deutsche Bank Securities Inc.<br>Morgan Stanley & Co. LLC<br>UBS Securities LLC |

| | |
|---|---|
| **Co-Manager:** | ING Financial Markets LLC |
| **Trade Date:** | January 29, 2015 |
| **Settlement Date:** | February 3, 2015 (T+3) |
| **Denominations:** | $2,000 and integral multiples of $1,000 |
| **Distribution:** | SEC Registered (Registration No. 333-197288) |
| **Trustee:** | Wilmington Trust, National Association |

**Changes from Preliminary Prospectus Supplement**

As a result of the increase in the size of the offering and the expected decrease in the amount outstanding under our 2023 Secured Notes, certain financial and other data in the Preliminary Prospectus Supplement that give effect to the offering and the other adjustments described therein will change, including, among other things, the following: total senior secured debt will decrease by the principal amount of the 2023 Secured Notes being repurchased, total senior (unsecured) debt will increase by the amount of the additional Notes being issued and corresponding changes will be made where applicable throughout the Preliminary Prospectus Supplement. Additionally, the definition of "Permitted Liens" under the heading "Description of Notes—Certain Definitions" will be amended by adding " *less* the aggregate principal amount of the 2023 Secured Notes repurchased or redeemed with the net proceeds of the issuance of the Notes" to the end of clause (2) thereof.

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**This information does not purport to be a complete description of these securities or the offering. Please refer to the Preliminary Prospectus Supplement for a complete description.**

**This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.**

The Issuer has filed a registration statement (Registration No. 333-197288) (including a Base Prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the Base Prospectus in that registration statement, the related Preliminary Prospectus Supplement and other documents the issuer has filed with the SEC, including those incorporated by reference into the Base Prospectus and Preliminary Prospectus Supplement, for more complete information about the Issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov . Alternatively, the Issuer, the underwriter or any dealer participating in the offering will arrange to send you the Base Prospectus and related Preliminary Prospectus Supplement if you request it by contacting Credit Suisse Securities (USA) LLC, at Eleven Madison Avenue, New York, New York 10010, Attention: Credit Suisse Prospectus Department, by telephone at 1-800-221-1037 or by emailing newyork.prospectus@credit-suisse.com . Any disclaimers or other notices that may appear below are not applicable to this communication and should be disregarded. Such disclaimers and other notices were automatically generated as a result of this communication being sent via Bloomberg or another email system.

**Exhibit 4.2**

# THIRD SUPPLEMENTAL INDENTURE

Dated as of February 3, 2015

between

CALPINE CORPORATION,
as Issuer

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

5.500% Senior Notes due 2024

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THIRD SUPPLEMENTAL INDENTURE (the " *Third Supplemental Indenture* "), dated as of February 3, 2015, between CALPINE CORPORATION, a Delaware corporation (" *Company* "), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association duly incorporated and existing under the laws of the United States of America, as Trustee (together with its successors and assigns, in such capacity, " *Trustee* ").

W I T N E S S E T H:

WHEREAS, the Company and the Trustee have heretofore executed and delivered an Indenture, dated as of July 8, 2014 (the " *Original Indenture* " and, as hereby supplemented, the " *Indenture* "), providing for the issuance from time to time of one or more series of the Company's Securities;

WHEREAS, pursuant to the terms of the Indenture, the Company desires to provide for the establishment of a series of Securities to be designated as the "5.500% Senior Notes due 2024" (herein referred to as the " *2024 Notes* "), the form and substance of the 2024 Notes and the terms, provisions and conditions thereof to be set forth as provided in the Original Indenture and this Third Supplemental Indenture;

WHEREAS, Section 9.01(i) of the Original Indenture provides that the Company and the Trustee may provide for the issuance of additional Securities in accordance with the Original Indenture;

WHEREAS, Section 2.03 of the Original Indenture provides that various matters with respect to any series of Securities issued under the Indenture may be established in a supplemental indenture to the Original Indenture; and

WHEREAS, all acts and things necessary to make this Third Supplemental Indenture, when duly executed and delivered, a valid and binding instrument in accordance with its terms and for the purposes herein expressed, have been done and performed; and the execution and delivery of this Third Supplemental Indenture have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and intending to be legally bound, the parties to this Third Supplemental Indenture hereby agree as follows:

## ARTICLE ONE

### Relation to Indenture; Additional Definitions

1.01 *Relation to Indenture* . This Third Supplemental Indenture constitutes an integral part of the Indenture.

1.02 *Additional Definitions* . For all purposes of this Third Supplemental Indenture, capitalized terms used herein shall have the respective meanings specified below or, if not specified below, shall have the meaning specified in the Original Indenture.

" *2023 Notes* " means the Company's 7.875% Senior Secured Notes due 2023.

" *2024 Notes* " has the meaning set forth in the second paragraph of the Recitals hereof.

" *Applicable Law* " shall mean, as to any Person, any ordinance, law, treaty, rule or regulation or any determination, ruling or other directive by and from an arbitrator or a court or other Governmental Authority, in each case, applicable to or binding on such Person or any of its property or assets or to which such Person or any of its property is subject.

" *Applicable Premium* " means, with respect to any 2024 Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of such 2024 Note; or

(2) the excess of:

(A) the present value at such redemption date of (i) the redemption price of such 2024 Note at February 1, 2019 (such redemption price being set forth in Section 3.01(d) hereof) plus (ii) all required interest payments due on such 2024 Note through February 1, 2019 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(B) the principal amount of the 2024 Note.

" *Bankruptcy Law* " shall mean Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., as amended from time to time, or any similar federal or state or other law for the relief of debtors.

" *Beneficial Owner* " has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

" *Board of Directors* " means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

" *Capital Lease Obligation* " means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP.

" *Capital Stock* " means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

" *Change of Control* " means the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d) of the Exchange Act, but excluding any employee benefit plan of the Company of any of its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Company, measured by voting power rather than number of shares.

" *Change of Control Offer* " has the meaning assigned to it in Section 4.10(a) hereof.

" *Change of Control Payment* " has the meaning assigned to it in Section 4.10(a) hereof.

" *Change of Control Payment Date* " has the meaning assigned to it in Section 4.10(a)(2) hereof.

" *Change of Control Triggering Event* " means the occurrence of both a Change of Control and a Rating Event.

" *Covered Subsidiary* " means any Subsidiary of the Company that is or becomes a guarantor of indebtedness for borrowed money represented by notes, bonds, debentures or other evidences of indebtedness of the Company that is secured by a first lien on substantially all of the Company's assets.

" *Disqualified Stock* " means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the 2024 Notes mature (other than pursuant to a change of control or asset sale prepayment offer provision).

" *Environmental CapEx Debt* " shall mean indebtedness for borrowed money represented by notes, bonds, debentures or other evidences of indebtedness of the Company or its Subsidiaries incurred for the purpose of financing Environmental Capital Expenditures.

" *Environmental Capital Expenditures* " shall mean capital expenditures deemed necessary by the Company or its Subsidiaries to comply with Environmental Laws.

" *Environmental Law* " shall mean any applicable Federal, state, foreign or local statute, law, rule, regulation, ordinance, code and rule of common law now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof, including without limitation any binding judicial or administrative order, consent decree or judgment, relating to the environment, human health or safety (as such relates to exposure to Hazardous Materials) or Hazardous Materials.

" *Equity Interests* " means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

*"Equity Offering* " means any public or private sale of (1) Capital Stock of the Company (other than Disqualified Stock and other than to a Subsidiary of the Company) or (2) Capital Stock of a direct or indirect parent entity of the Company (other than to the Company or a Subsidiary of the Company) to the extent that the net cash proceeds therefrom are contributed to the common equity capital of the Company.

" *Governmental Authority* " shall mean any nation or government, or any state, province, territory or other political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, or any governmental or non-governmental authority regulating the generation and/or transmission of energy, including Electric Reliability Council of Texas.

" *Hazardous Materials* " shall mean (a) any petroleum or petroleum products, radioactive materials, friable asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing regulated levels of polychlorinated biphenyls and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants" or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, which is prohibited, limited or regulated by any Environmental Law.

" *Interest Payment Dates* " means February 1 and August 1 of each year, or if any such day is not a Business Day, the next succeeding Business Day, until maturity, beginning on August 1, 2015.

" *Issue Date* " means February 3, 2015.

" *Limited Recourse Debt* " means indebtedness for borrowed money represented by notes, bonds, debentures or other evidences of indebtedness of a Project Subsidiary or Project Subsidiaries (or a Subsidiary or Subsidiaries directly or indirectly holding the Capital Stock of one or more of such Project Subsidiaries) that is incurred to finance the improvement, installment, design, engineering, construction, acquisition, development, completion, maintenance or operation of, or otherwise affects any such act in respect of, all or any portion of the applicable Project or Projects, or to refinance such indebtedness or any refinancing thereof, with respect to which the recourse of the holder or obligee of such indebtedness is limited to (i) assets (and revenues and proceeds from such assets) associated with or ancillary to such Project or Projects (which in any event shall not include assets held by any Subsidiary other than a Subsidiary, if any, whose sole business is the ownership and/or operation of such Project or Projects (or the direct or indirect ownership of one or more of the relevant Project Subsidiaries) and substantially all of whose assets are associated with or ancillary to such Project or Projects) in respect of which such indebtedness was incurred and/or (ii) such Subsidiary or Subsidiaries, and/or such Project Subsidiary or Project Subsidiaries and/or the Capital Stock in one or more of such entity or entities, but in the case of clause (ii) only if such Subsidiary's or Project Subsidiary's sole business is the ownership and/or operation of such Project or Projects (or the direct or indirect ownership of one or more of the relevant Project Subsidiaries) and substantially all of such Subsidiary's or Project Subsidiary's assets are associated with or ancillary to such Project or Projects. Indebtedness of a Subsidiary of the Company shall not fail to be Limited Recourse Debt by reason of the holders of such Limited Recourse Debt having recourse to the Company or another Subsidiary of the Company pursuant to a performance guarantee.

" *Maturity Date* " has the meaning set forth in Section 2.03 hereof.

" *Moody's* " means Moody's Investors Services, Inc., or any successor thereto.

" *Necessary Capital Expenditures* " shall mean capital expenditures that are required by Applicable Law (other than Environmental Laws) or undertaken for health and safety reasons or to

prevent catastrophic failure of a unit. The term "Necessary Capital Expenditures" does not include any capital expenditure undertaken primarily to increase the efficiency of, expand or re-power any power generation facility.

" *Original Indenture* " has the meaning set forth in the first paragraph of the Recitals hereof.

" *Permitted Liens* " means:

(1) liens securing indebtedness for borrowed money under Revolving Credit Facilities in an aggregate principal amount not to exceed $2.0 billion;

(2) liens securing indebtedness for borrowed money in an aggregate principal amount not to exceed the aggregate principal amount of the Company's secured notes and term loans outstanding immediately prior to the issuance of the 2024 Notes, *less* the aggregate principal amount of the 2023 Notes repurchased or redeemed with the net proceeds of the issuance of the 2024 Notes;

(3) liens securing indebtedness for borrowed money represented by notes, bonds, debentures or other evidences of indebtedness in an aggregate principal amount not to exceed 10.0% of Total Assets (determined at the time of incurrence of such indebtedness and without giving effect to subsequent changes) and liens securing indebtedness incurred to extend, increase, renew, refund, replace (whether upon or after termination or otherwise) or refinance in whole or in part from time to time such indebtedness secured pursuant to this clause (3);

(4) liens in favor of the Company;

(5) liens created for the benefit of (or to secure) the 2024 Notes;

(6) any lien existing on any property or asset (including Capital Stock) prior to the acquisition thereof (or the acquisition of, or merger or consolidation with, the Person owning such property or asset) by the Company or any of its Subsidiaries, and any lien securing obligations incurred to refinance, replace, refund, renew or extend the obligations secured by such liens; *provided* that in each case (i) such lien is not created in contemplation or in connection with such acquisition, (ii) such lien does not apply to any other property or assets of the Company or any of its Subsidiaries (other than fixtures and improvements on any such real property), and (iii) the principal amount of any indebtedness secured by such liens shall not be increased (except by the amount of premiums, penalties, accrued and unpaid interest, fees and expenses associated with such refinancing, replacement, refunding, renewal or extension of such indebtedness);

(7) liens to secure indebtedness for borrowed money represented by notes, bonds, debentures or other evidences of indebtedness incurred to finance Necessary Capital Expenditures that encumber only the assets purchased, installed or otherwise acquired with the proceeds of such indebtedness;

(8) liens to secure Environmental CapEx Debt that encumber only the assets purchased, installed or otherwise acquired with the proceeds of such Environmental CapEx Debt;

(9) liens on assets of any Subsidiary of the Company or Project Subsidiary, in each case to the extent such Liens secure Limited Recourse Debt;

(10) liens securing (a) Capital Lease Obligations and (b) other indebtedness of the Company or any of its Subsidiaries incurred to finance all or any part of the acquisition, lease, construction, installation or improvement of any assets, and any refinancing, replacement, refunding, renewal or extension of any such indebtedness without any increase thereof, in an aggregate amount not to exceed $150.0 million at any one time outstanding, so long as (i) such liens are initially created or arise prior to or within the 90 days after the completion of such acquisition, lease, construction, installation or improvement and (ii) such liens do not attach to assets of the Company or any Subsidiary of the Company other than the relevant assets acquired, leased, constructed, installed or improved; and

(11) liens securing indebtedness for borrowed money represented by notes, bonds, debentures or other evidences of indebtedness in an aggregate amount, together with all other indebtedness for borrowed money secured by liens pursuant to this clause (11), not to exceed $100.0 million at any one time outstanding.

" *Principal Property* " means any building, structure or other facility (together with the land on which it is erected and fixtures comprising a part thereof) owned by the Company or any Covered Subsidiary and used primarily for manufacturing, processing, research, warehousing or distribution, in each case located within the United States, that has a book value on the date of which the determination is being made, without deduction of any depreciation reserves, exceeding 2% of Total Assets, other than any such facility (or portion thereof) that the Company reasonably determines is not material to the business of the Company and its Subsidiaries, taken as a whole.

" *Project* " means any (a) electrical generation plant, (b) cogeneration plant, (c) facility for the exploration or drilling for fuel or other resources, or for the development, storage, transport or transmission of, electricity, steam, fuel, syngas or other resources for the generation of electricity or (d) facility engaged in another line of business in which the Company and its Subsidiaries are permitted to be engaged hereunder, in each case for which a Subsidiary or Subsidiaries of the Company was, is or will be (as the case may be) an owner, lessee, operator, manager, developer or builder, and shall also mean any two or more of such plants or facilities in which an interest has been acquired in a single transaction; *provided* that a Project shall cease to be a Project of the Company and its Subsidiaries at such time that the Company or any of its Subsidiaries ceases to have any existing or future rights or obligations (whether direct or indirect, contingent or matured) associated therewith.

" *Project Subsidiary* " means any Subsidiary of the Company whose sole business is the ownership and/or operation of a Project or Projects and substantially all of the assets of which are associated with or acquired or utilized in such Project.

" *Qualifying Equity Interests* " means Equity Interests of the Company other than Disqualified Stock.

" *Rating Agencies* " means (1) each of Moody's and S&P and (2) if any of Moody's or S&P ceases to rate the 2024 Notes or fails to make a rating of the 2024 Notes publicly available for reasons outside of the Company's control, a "nationally recognized statistical rating organization" as defined in Section 3(a)(62) of the Exchange Act selected by the Company as a replacement agency for Moody's or S&P, or both of them, as the case may be.

" *Rating Event* " means the rating on the 2024 Notes is lowered by both of the Rating Agencies on any day within the 60-day period (which 60-day period will be extended so long as the rating of the 2024 Notes is under publicly announced consideration for a possible downgrade by either of the Rating Agencies) after the earlier of (1) the occurrence of a Change of Control and (2) public disclosure by the

Company of the occurrence of a Change of Control or the Company's intention to effect a Change of Control; *provided , however ,* that a Rating Event otherwise arising by virtue of a particular reduction in rating will not be deemed to have occurred in respect of a particular Change of Control (and thus will not be deemed a Rating Event for purposes of the definition of Change of Control Triggering Event) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at the Company's or the Trustee's request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the Rating Event).

" *Revolving Credit Facilities* " means any credit agreement, loan agreement or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that provides for revolving borrowings.

" *S&P* " means Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc., or any successor thereto.

" *Treasury Rate* " means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to February 1, 2019; *provided , however ,* that if the period from the redemption date to February 1, 2019 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

" *Voting Stock* " of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

All references herein to Articles, Sections or Exhibits, unless otherwise specified, refer to the corresponding Articles, Sections or Exhibits of this Third Supplemental Indenture. The terms " *herein* ," " *hereof* ," " *hereunder* " and other words of similar import refer to this Third Supplemental Indenture.

## ARTICLE TWO

## The Series of Notes

2.01 *Title of the Notes.* The 2024 Notes shall be designated as the "5.500% Senior Notes due 2024."

2.02 *No Limitation on Aggregate Principal Amount.* There shall be no limitation on the aggregate principal amount of 2024 Notes that may be outstanding.

2.03 *Stated Maturity* . The stated maturity of the 2024 Notes shall be February 1, 2024 (the *"Maturity Date"* ).

2.04 *Interest and Interest Rate.*

(a) The 2024 Notes shall bear interest at the rate of 5.500% per annum, from and including the Issue Date, or from the most recent Interest Payment Date on which interest has been paid or provided for, but excluding, the Maturity Date. Such interest shall be payable semiannually in arrears, on the

Interest Payment Dates. Interest on the 2024 Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Interest accrued on the 2024 Notes from the last Interest Payment Date before the Maturity Date shall be payable on the Maturity Date.

(b) The interest so payable on any Interest Payment Date shall be paid to the Persons in whose names the 2024 Notes are registered at the close of business on the record date for such Interest Payment Date, being the immediately preceding January 15 and July 15, as the case may be.

2.05 *Place of Payment.* The place or places where the principal of and interest on the 2024 Notes shall be payable is the office or agency of the Company maintained for such purpose, which shall initially be the Corporate Trust Office of the Trustee, and any other place or places designated by the Company pursuant to the Indenture; *provided* that while the 2024 Notes are represented by one or more Registered Global Securities registered in the name of the Depositary, or its nominee, the Company will cause payments of principal and interest on such Registered Global Securities to be made to the Depositary or its nominee, as the case may be, by wire transfer to the extent, in the funds and in the manner required by agreements with, or regulations or procedures prescribed from time to time by the Depositary or its nominee, and otherwise in accordance with such agreements, regulations or procedures.

2.06 *Place of Registration or Exchange. Notices and Demands With Respect to the 2024 Notes*. The place where the Holders of the 2024 Notes may present the 2024 Notes for registration of transfer or exchange and may make notices and demands to or upon the Company in respect of the 2024 Notes shall be the Corporate Trust Office of the Trustee.

2.07 *Global Notes* .

(a) The 2024 Notes shall be issuable in whole or in part in the form of one or more Global Notes in definitive, full registered, book-entry form, without interest coupons. The Global Note shall be deposited on the Issue Date with, or on behalf of, the Depositary.

(b) The Depository Trust Company shall initially serve as Depositary with respect to the Global Note. Such Global Note shall bear the legend set forth in the form of Note attached as *Exhibit A* .

2.08 *Form of Securities* . The Global Note shall be substantially in the form attached as *Exhibit A* .

## ARTICLE THREE

## Redemption of the 2024 Notes

3.01 *Optional Redemption* .

(a) At any time prior to February 1, 2018, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of 2024 Notes, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 105.500% of the principal amount of the 2024 Notes redeemed, plus accrued and unpaid interest, if any, to but excluding the redemption date (subject to the rights of Holders of 2024 Notes on the relevant record date to receive interest on the relevant Interest Payment Date), with the net cash proceeds of one or more Equity Offerings; *provided* that:

(1) at least 65% of the aggregate principal amount of 2024 Notes issued on the Issue Date (excluding 2024 Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

(b) At any time prior to February 1, 2019, the Company may on any one or more occasions redeem all or a part of the 2024 Notes, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the 2024 Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to but excluding the redemption date, subject to the rights of Holders of 2024 Notes on the relevant record date to receive interest due on the relevant Interest Payment Date.

(c) Except pursuant to the preceding paragraphs (a) and (b) of this Section 3.01, the 2024 Notes will not be redeemable at the Company's option prior to February 1, 2019.

(d) On or after February 1, 2019, the Company may on any one or more occasions redeem all or a part of the 2024 Notes, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the 2024 Notes redeemed, to but excluding the applicable date of redemption, if redeemed during the twelve-month period beginning on February 1 of the years indicated below, subject to the rights of Holders of 2024 Notes on the relevant record date to receive interest on the relevant Interest Payment Date:

| Year | Percentage |
|---|---|
| 2019 | 102.750% |
| 2020 | 101.375% |
| 2021 and thereafter | 100.000% |

(e) Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the 2024 Notes or portions thereof called for redemption on the applicable redemption date.

(f) Any redemption pursuant to this Section 3.01 shall be made pursuant to the provisions of Sections 3.01 through 3.04 of the Original Indenture; *provided* , *however* , that if less than all of the 2024 Notes are to be redeemed at any time, the Trustee (or Registrar if other than the Trustee) will select 2024 Notes for redemption on a *pro rata* basis to the extent practicable or by lot or such other similar method in accordance with the procedures of The Depository Trust Company, unless otherwise required by law or applicable stock exchange requirements.

3.02 *Mandatory Redemption; Sinking Fund Obligations.* The Company shall have no obligation to redeem or purchase any 2024 Notes pursuant to any mandatory redemption sinking fund payment.

## ARTICLE FOUR

## Covenants

4.01 *Additional Covenants* . Article Four of the Original Indenture shall be amended by adding the following new Sections thereto as set forth below for the benefit of the Holders of the 2024 Notes but no other series of Securities under the Original Indenture, whether now or hereafter issued and outstanding (except as may be provided in a future supplemental indenture to the Original Indenture):

Section 4.09 *Liens* . The Company will not, and will not permit any Covered Subsidiary to, create, incur, assume or suffer to exist any mortgage, pledge or other lien (other than Permitted Liens)

upon any Principal Property to secure indebtedness for borrowed money represented by notes, bonds, debentures or other evidences of indebtedness, unless all payments due under the Third Supplemental Indenture and the 2024 Notes issued thereunder are secured on an equal and ratable basis with the obligations so secured until such time as such obligations are no longer secured by such mortgage, pledge or other lien.

Section 4.10 *Offer to Repurchase Upon Change of Control Triggering Event* .

(a) If a Change of Control Triggering Event occurs, each Holder of 2024 Notes will have the right to require the Company to make an offer (a " *Change of Control Offer* ") to repurchase all or any part (equal to minimum denominations of $2,000 or an integral multiple of $1,000 in excess thereof) of such Holder's 2024 Notes at a purchase price in cash equal to 101% of the aggregate principal amount of 2024 Notes repurchased plus accrued and unpaid interest, if any, on the 2024 Notes repurchased to but excluding the date of purchase, subject to the rights of Holders of 2024 Notes on the relevant record date to receive interest due on the relevant Interest Payment Date (the " *Change of Control Payment* "). Within 30 days following any Change of Control Triggering Event, the Company will mail (or deliver electronically) a notice to each Holder of 2024 Notes describing the transaction or transactions that constitute the Change of Control Triggering Event and stating:

(1) that the Change of Control Offer is being made pursuant to this Section 4.10 and that all 2024 Notes tendered will be accepted for payment;

(2) the purchase price and the purchase date, which shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed or delivered electronically (the " *Change of Control Payment Date* ");

(3) that any 2024 Note not tendered will continue to accrue interest;

(4) that, unless the Company defaults in the payment of the Change of Control Payment, all 2024 Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

(5) that Holders of 2024 Notes electing to have any 2024 Notes purchased pursuant to a Change of Control Offer will be required to surrender the 2024 Notes, with the form entitled "Option of Holder to Elect Purchase" attached to the 2024 Notes completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders of 2024 Notes will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of 2024 Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the 2024 Notes purchased; and

(7) that Holders whose 2024 Notes are being purchased only in part will be issued new 2024 Notes equal in principal amount to the unpurchased portion of the 2024 Notes surrendered, which unpurchased portion must be equal to minimum denominations of $2,000 in principal amount or an integral multiple of $1,000 in excess of $2,000.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in

connection with the repurchase of the 2024 Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with this Section 4.10, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.10 by virtue of such compliance.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all 2024 Notes or portions of 2024 Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all 2024 Notes or portions of 2024 Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the 2024 Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of 2024 Notes or portions of 2024 Notes being purchased by the Company.

The Paying Agent will promptly mail to each Holder of 2024 Notes properly tendered the Change of Control Payment for such 2024 Notes, and the Trustee will promptly, upon receipt of an Authentication Order, authenticate and mail (or cause to be transferred by book entry) to each Holder of 2024 Notes a new 2024 Note equal in principal amount to any unpurchased portion of the 2024 Notes surrendered, if any; *provided* that each new 2024 Note will be in a minimum principal amount of $2,000 or an integral multiple of $1,000 in excess thereof. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(c) Notwithstanding anything to the contrary in this Section 4.10, the Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.10 and purchases all 2024 Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to Section 3.01 hereof, unless and until there is a default in payment of the applicable redemption price. A Change of Control Offer may be made in advance of a Change of Control Triggering Event, with the obligation to pay and the timing of payment conditioned upon the consummation of the Change of Control, if a definitive agreement to effect a Change of Control is in place at the time of the Change of Control Offer.

## ARTICLE FIVE

## Miscellaneous Provisions

5.01 The Indenture, as supplemented by this Third Supplemental Indenture, is in all respects hereby adopted, ratified and confirmed.

5.02 This Third Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

5.03 THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN THIS THIRD SUPPLEMENTAL INDENTURE AND THE 2024 NOTES, WITHOUT GIVING EFFECT TO

APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

5.04 If any provision in this Third Supplemental Indenture limits, qualifies or conflicts with another provision hereof that is required to be included herein by any provisions of the Trust Indenture Act, such required provision shall control.

5.05 In case any provision in this Third Supplemental Indenture or the 2024 Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

5.06 The recitals contained herein shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Third Supplemental Indenture, except that the Trustee represents that it is duly authorized to execute and deliver this Third Supplemental Indenture and perform its obligations hereunder.

* * * *

IN WITNESS WHEREOF, the parties hereto have caused this Third Supplemental Indenture to be duly executed as of the day and year first above written.

**CALPINE CORPORATION**

By: /s/ Zamir Rauf
Name: Zamir Rauf
Title: Executive Vice President and Chief Financial Officer

**WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee**

By: /s/ Josh C. Jones
Name: Josh C. Jones
Title: Assistant Vice President

**Exhibit A**

EXHIBIT A

[Face of Note]

CUSIP No. _____
ISIN No. _____

5.500% Senior Notes due 2024

No. _____ $ _____

CALPINE CORPORATION

promises to pay to _____or registered assigns,

the principal sum of _____dollars on February 1, 2024.

Interest Payment Dates: February 1 and August 1

Record Dates: January 15 and July 15

CALPINE CORPORATION

By: _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Dated: _____, ____

[Back of Note]

5.500% Senior Notes due 2024

[THIS SECURITY IS A REGISTERED GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.]

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) *INTEREST* . Calpine Corporation, a Delaware corporation (the " *Company* "), promises to pay interest on the principal amount of this Security at 5.500% per annum from , , until maturity. The Company will pay interest semiannually in arrears on February 1 and August 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an " *Interest Payment Date* "). Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided* that if there is no existing Default in the payment of interest, and if this Security is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided further* that the first Interest Payment Date shall be , . Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(2) *METHOD OF PAYMENT* . The Company will pay interest on the Securities to the Persons who are registered Holders of Securities at the close of business on the January 15 or July 15 immediately preceding the Interest Payment Date, even if such Securities are cancelled after such record date and on or before such Interest Payment Date. The Securities will be payable as to principal, premium, if any, and interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders; *provided* that payment by wire transfer of immediately available funds will be required with respect to principal of and interest and premium, if any, on, all Registered Global Securities and all other Securities the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

(3) *PAYING AGENT AND REGISTRAR* . Initially, Wilmington Trust, National Association, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

(4) *INDENTURE* . The Company issued the Securities under an Indenture dated as of July 8, 2014 (as supplemented by the Third Supplemental Indenture dated as of February 3, 2015, the

" *Indenture* "), between the Company and the Trustee. The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act (the " *TIA* "). The Securities are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of such terms. To the extent any provision of this Security conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Securities are unsecured obligations of the Company. The Indenture does not limit the aggregate principal amount of Securities that may be issued thereunder.

(5) *OPTIONAL REDEMPTION* .

(a) On or after February 1, 2019, the Company may on any one or more occasions redeem all or a part of the Securities, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Securities redeemed, to but excluding the applicable date of redemption, if redeemed during the twelve-month period beginning on February 1 of the years indicated below, subject to the rights of Holders on the relevant record date to receive interest on the relevant Interest Payment Date:

| Year | Percentage |
|---|---|
| 2019 | 102.750% |
| 2020 | 101.375% |
| 2021 and thereafter | 100.000% |

(b) At any time prior to February 1, 2018, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Securities issued under the Indenture, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 105.500% of the principal amount of the Securities redeemed, plus accrued and unpaid interest, if any, to but excluding the date of redemption (subject to the rights of Holders on the relevant record date to receive interest on the relevant Interest Payment Date), with the net cash proceeds of one or more Equity Offerings by the Company; *provided* that: (i) at least 65% of the aggregate principal amount of Securities issued on the Issue Date (excluding Securities held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and (ii) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

(c) At any time prior to February 1, 2019, the Company may on any one or more occasions redeem all or a part of the Securities, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Securities redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to but excluding the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant Interest Payment Date.

(d) Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Securities or portions thereof called for redemption on the applicable redemption date.

(6) *MANDATORY REDEMPTION* . The Company is not required to make mandatory redemption or sinking fund payments with respect to the Securities.

(7) *REPURCHASE AT THE OPTION OF HOLDER* . If a Change of Control Triggering Event occurs, each Holder will have the right to require the Company to make an offer to each Holder to

repurchase all or any part (equal to minimum denomination of $2,000 or an integral multiple of $1,000 in excess thereof) of that Holder's Securities at a purchase price in cash equal to 101% of the aggregate principal amount of Securities repurchased plus accrued and unpaid interest, if any, on the Securities repurchased to but excluding the date of purchase, subject to the rights of Holders on the relevant record date to receive interest due on the relevant Interest Payment Date. Within 30 days following any Change of Control Triggering Event, the Company will mail (or deliver electronically) a notice to each Holder describing the transaction or transactions that constitute the Change of Control Triggering Event as required by the Indenture.

(8) *NOTICE OF REDEMPTION* . Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date (except that a redemption notice may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Securities or a satisfaction and discharge of the Indenture) to each Holder whose Securities are to be redeemed at its registered address. Securities in denominations larger than $2,000 may be redeemed in part but only in whole multiples of $1,000, unless all of the Securities held by a Holder are to be redeemed. Any redemption notice may, in the Company's discretion, be subject to the satisfaction of one or more conditions precedent. If such redemption is subject to the satisfaction of one of more conditions precedent, such notice shall state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Company in its sole discretion), such redemption may not occur and such notice may be rescinded in the event that any or all of such conditions shall not have been satisfied (or waived by the Company in its sole discretion) by the redemption date, or by the redemption date so delayed.

(9) *DENOMINATIONS, TRANSFER, EXCHANGE* . The Securities are in registered form without coupons in minimum denominations of $2,000 and integral multiples of $1,000 in excess of $2,000. The transfer of Securities may be registered and Securities may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Security or portion of a Security selected for redemption, except for the unredeemed portion of any Security being redeemed in part. Also, the Company need not exchange or register the transfer of any Securities for a period of 15 days before a selection of Securities to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(10) *PERSONS DEEMED OWNERS* . The registered Holder of a Security may be treated as its owner for all purposes.

(11) *AMENDMENT, SUPPLEMENT AND WAIVER* . Subject to certain exceptions, the Indenture or the Securities may be amended, supplemented or waived with the consent of the Holders of a majority in aggregate principal amount of the Securities (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Securities). Without the consent of any Holder of a Security, the Indenture or the Securities may be amended, supplemented or waived (i) to cure any ambiguity, defect or inconsistency in the Indenture or the Securities in a manner that does not adversely affect the rights of any Holder, (ii) to provide for uncertificated Securities in addition to or in place of certificated Securities, (iii) to provide for the assumption of the Company's obligations to Holders of Securities in the case of a merger or consolidation or sale of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, (iv) to make any change that would provide any additional rights or benefits to the Holders of Securities or that does not adversely affect the legal rights under any Indenture of any such Holder, (v) to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act, (vi) to conform the text

of the Indenture or the Securities to any provision of a description of the Securities in the prospectus or prospectus supplement or other document relating to the offering of the Securities to the extent that such provision was intended to be a verbatim or substantially verbatim recitation of a provision of the Indenture or the Securities, which intent shall be evidenced by an Officer's Certificate to that effect, (vii) modify or delete any provision of the Indenture, but only if the change or deletion becomes effective when there are no outstanding Securities which are entitled to the benefit of such provision as to which such modification or deletion would apply, (viii) to evidence and provide for the acceptance and appointment under the Indenture of a successor trustee pursuant to the requirements hereof or (ix) to provide for the issuance of additional Securities in accordance with the limitations set forth in the Indenture.

(12) *DEFAULTS AND REMEDIES* . Events of Default include: (i) default for 30 days in the payment when due of interest on the Securities; (ii) default in payment when due of the principal of, or premium, if any, on the Securities; (iii) failure by the Company to comply with any covenant in the Indenture (other than a default specified in clause (i) or (ii) above) for 60 days after written notice by the Trustee or Holders of at least 25% in principal amount of the Securities; (iv) default under any document evidencing any indebtedness for borrowed money represented by notes, bonds, debentures or other evidences of indebtedness by the Company, whether such indebtedness now exists or is created after the Issue Date, if that default: (a) is caused by a failure to pay principal when due at final (and not any interim) maturity on or prior to the expiration of any grace period provided in such indebtedness (a "Payment Default"); or (b) results in the acceleration of such indebtedness prior to its express maturity (without such acceleration having been rescinded, annulled or otherwise cured); and, in each case, the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated (without such acceleration having been rescinded, annulled or otherwise cured), aggregates $100.0 million or more; *provided* that this clause (iv) shall not apply to (a) secured indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such indebtedness and (b) any indebtedness that is required to be converted into Qualifying Equity Interests upon the occurrence of certain designated events so long as no payments in cash or otherwise are required to be made in accordance with such conversion); and (v) (a) a court of competent jurisdiction (x) enters an order or decree under any Bankruptcy Law that is for relief against the Company or any of its Material Subsidiaries in an involuntary case; (y) appoints a custodian for all or substantially all of the property of the Company or any of its Material Subsidiaries; or (z) orders the liquidation of the Company or any of its Material Subsidiaries and, in each of clauses (x), (y) or (z), the order, appointment or decree remains unstayed and in effect for at least 60 consecutive days; or (b) the Company or any of its Material Subsidiaries, pursuant to or within the meaning of Bankruptcy Law, (w) commences a voluntary case; (x) consents to the entry of an order for relief against it in an involuntary case; (y) consents to the appointment of a custodian of it or for all or substantially all of its property; or (z) makes a general assignment for the benefit of its creditors. In the case of an Event of Default of the type specified in clause (v) above with respect to the Company or any Subsidiary of the Company that is a Material Subsidiary, all outstanding Securities will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities then outstanding may declare all the Securities to be due and payable immediately. Holders may not enforce the Indenture or the Securities except as provided in the Indenture. Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding Securities may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Securities notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest or premium, if any) if it in good faith determines that withholding notice is in their interest. The Holders of a majority in aggregate principal amount of the outstanding Securities by notice to the Trustee may, on behalf of the Holders of

all of the Securities, waive an existing Default or Event of Default and its consequences under the Indenture except a Default or Event of Default in the payment of principal of, premium or interest, if any, on the Securities or in respect or a covenant or provision of the Indenture which cannot be modified or amended without the consent of the Holder of each outstanding Security. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Trustee is required, if any Default with respect to the Securities is known to the actual knowledge of a Responsible Officer of the Trustee, to deliver to the Holders a notice of such Default in accordance with the TIA.

(13) *TRUSTEE DEALINGS WITH COMPANY* . The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

(14) *NO RECOURSE AGAINST OTHERS* . No director, officer, employee, incorporator or stockholder of the Company, as such, will have any liability for any obligations of the Company under the Securities or the Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Securities by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securities. The waiver may not be effective to waive liabilities under the federal securities laws.

(15) *AUTHENTICATION* . This Security will not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

(16) *ABBREVIATIONS* . Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(17) *CUSIP AND ISIN NUMBERS* . Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP and ISIN numbers to be printed on the Securities, and the Trustee may use CUSIP and ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption, and reliance may be placed only on the other identification numbers placed thereon.

(18) *GOVERNING LAW*. THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN THE INDENTURE AND THIS SECURITY WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THEREOF.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Calpine Corporation
717 Texas Avenue, Suite 1000
Houston, Texas 77002
Attention: Investor Relations

ASSIGNMENT FORM

To assign this Security, fill in the form below:

(I) or (we) assign and transfer this Security to: _____

(Insert assignee's soc. sec. or tax I.D. no.)

_____

(Insert assignee's legal name)

_____

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Security on the books of the Company. The agent may substitute another to act for him.

Your Signature: _____

(Sign exactly as your name appears
on the face of this Security)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Security purchased by the Company pursuant to Section 4.10 of the Indenture, check the box below:

☐ Section 4.10

If you want to elect to have only part of the Security purchased by the Company pursuant to Section 4.10 of the Indenture, state the amount you elect to have purchased:

$ ____

Date: _____

Your Signature: _____
(Sign exactly as your name appears
on the face of this Note)

Tax Identification No.: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE REGISTERED GLOBAL SECURITY

The following exchanges of a part of this Registered Global Security for an interest in another Registered Global Security or for an Unregistered Security, or exchanges of a part of another Registered Global Security or Unregistered Security for an interest in this Registered Global Security, have been made:

| Date of Exchange | Amount of decrease in Principal Amount of this Registered Global Security | Amount of increase in Principal Amount of this Registered Global Security | Principal Amount of this Registered Global Security following such decrease (or increase) | Signature of authorized officer of Trustee or Custodian |
|---|---|---|---|---|

**Exhibit 5.1**

February 3, 2015

Calpine Corporation
717 Texas Avenue, Suite 1000
Houston, Texas 77002

Ladies and Gentlemen:

We have acted as counsel to Calpine Corporation, a Delaware corporation (the " Company "), in connection with a Registration Statement on Form S-3ASR (File No. 333-197288) (the " Registration Statement ") under the Securities Act of 1933, as amended (the " Act "), filed with the Securities and Exchange Commission (the " Commission ") on July 8, 2014, a Prospectus, dated July 8, 2014, forming part of the Registration Statement (the " Base Prospectus "), a Prospectus Supplement, dated January 29, 2015, relating to the issuance of $650,000,000 in aggregate principal amount of the Company's 5.500% Senior Notes due 2024 (the " Securities "), filed with the Commission pursuant to Rule 424(b) under the Act (the " Prospectus Supplement " and together with the Base Prospectus, the " Prospectus "). The Securities will be issued pursuant to an Indenture (the " Base Indenture "), dated July 8, 2014, between the Company, as issuer, and Wilmington Trust, National Association, as trustee (the " Trustee "), as supplemented by the Third Supplemental Indenture thereto, dated February 3, 2015 (the " Supplemental Indenture "), between the Company and the Trustee (the Base Indenture, as supplemented by the Supplemental Indenture, the " Indenture "). In connection with the issuance of the Securities, the Company and Credit Suisse Securities (USA) LLC, as representative of the several Underwriters named in the Underwriting Agreement, acting severally and not jointly (the " Underwriters "), entered into an Underwriting Agreement, dated January 29, 2015 (the " Underwriting Agreement ").

As counsel to the Company, we have reviewed the originals, or copies identified to our satisfaction of (i) the Registration Statement, (ii) the Prospectus, (iii) the Indenture, (iv) the Securities, (v) the Underwriting Agreement and (vi) such certificates of officers of the Company, and the originals (or copies thereof, certified to our satisfaction) of such corporate documents and records of the Company and such other documents, records and papers as we have deemed necessary as a basis for the opinions expressed below. In our review, we have assumed the genuineness of all signatures, the authenticity of the originals of the documents submitted to us and the conformity to authentic originals of any documents submitted to us as copies. We have relied, as to matters of fact, upon the certificates of public officials and officers of the Company. We have assumed that the Indenture will be the valid and legally binding obligation of the Trustee.

Based upon our examination of such documents, certificates, records, authorizations and proceedings as we have deemed relevant, it is our opinion that the Securities, when duly authenticated by the Trustee pursuant to the Indenture and delivered and paid for by the Underwriters in accordance with the Underwriting Agreement, will constitute valid and legally binding obligations of the Company under the laws of the State of New York, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the rights of creditors generally and general principles of equity (whether applied by a court of law or equity).

We do not express or purport to express any opinions with respect to laws other than the laws of the State of New York.

We consent to the filing of this opinion as an exhibit to a Current Report on Form 8-K and its incorporation by reference into the Registration Statement and to the reference to our firm in the Prospectus Supplement under the caption "Legal Matters." In giving this consent, we do not hereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ White & Case LLP

**Exhibit 12.1**

**CALPINE CORPORATION**

**Computation of Ratio of Earnings to Fixed Charges**

**(Dollars in millions)**

| | Years Ended December 31, | | | | | Nine Months Ended September 30, |
|---|---|---|---|---|---|---|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| **Earnings** | | | | | | |
| Income (loss) before income taxes | 125 | (230) | (211) | 218 | 20 | 752 |
| **Less:** | | | | | | |
| Income from unconsolidated investments in power plants | (50) | (16) | (21) | (28) | (30) | (18) |
| Interest capitalized | (8) | (15) | (24) | (38) | (38) | (15) |
| Preferred securities dividend requirements of subsidiaries | (4) | (3) | (2) | (1) | (1) | — |
| **Add:** | | | | | | |
| Fixed charges | 854 | 858 | 807 | 791 | 749 | 516 |
| Amortization of capitalized interest | 31 | 31 | 31 | 30 | 30 | 22 |
| Distributions from equity method investments | 20 | 11 | 6 | 29 | 27 | 13 |
| **Total Earnings:** | 968 | 636 | 586 | 1,001 | 757 | 1,270 |
| **Fixed Charges:** | | | | | | |
| Interest expense | 815 | 813 | 760 | 736 | 696 | 491 |
| Interest capitalized | 8 | 15 | 24 | 38 | 38 | 15 |
| Approximation of interest in rental expense | 31 | 30 | 23 | 17 | 15 | 10 |
| **Total Fixed Charges:** | 854 | 858 | 807 | 791 | 749 | 516 |
| **Ratio of Earnings to Fixed Charges [(1)]:** | 1.13 | 0.74 | 0.73 | 1.27 | 1.01 | 2.46 |

(1) The coverage ratio is less than one-to-one for the years ended December 31, 2010 and 2011; thus, additional earnings of $222 million and $221 million, respectively, would have needed to be generated to cover the shortfall.

**Exhibit 99.1**

**CONTACTS:** **NEWS RELEASE**


Media Relations:
Brett Kerr
713-830-8809
brett.kerr@calpine.com

Investor Relations:
W. Bryan Kimzey
713-830-8775
bryan.kimzey@calpine.com


**Calpine Corporation Announces Closing of Senior Unsecured Notes Offering**

(HOUSTON, Texas) – February 3, 2015 - Calpine Corporation (NYSE: CPN) today announced that it has received aggregate net proceeds of approximately $641 million, after deducting underwriting discounts and estimated expenses, upon the closing of its registered public offering of $650,000,000 in aggregate principal amount of its 5.500% Senior Unsecured Notes due 2024. Calpine Corporation intends to use up to $150,000,000 of the net proceeds from this offering to repurchase a portion of its 7.875% Senior Secured Notes due 2023, and the remainder of the net proceeds from this offering will be used to replenish cash on hand used for the acquisition of Fore River Energy Center in the fourth quarter of 2014 and for general corporate purposes.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any security and nor shall there be any offer, solicitation or sale of any security in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**About Calpine**

Calpine Corporation owns and operates primarily natural gas-fired and geothermal power plants in North America and has a significant presence in major competitive wholesale power markets in California, Texas and the Mid-Atlantic region of the U.S. Calpine Corporation sells wholesale power, steam, capacity, renewable energy credits and ancillary services to its customers, which include utilities, independent electric system operators, industrial and agricultural companies, retail power providers, municipalities, power marketers and others.

**Forward-Looking Information**

In addition to historical information, this release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, 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,” “should,” “estimate,” “potential,” “project” 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 December 31, 2013. These filings are available by visiting the Securities and Exchange Commission’s website at www.sec.gov or Calpine’s website at www.calpine.com. Given the risks and uncertainties surrounding forward-looking statements, you should not place undue reliance on these statements. Many of these factors are beyond our ability to control or predict. Our forward-looking statements speak only as of the date of this release. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements, and, other than as required by law, Calpine undertakes no obligation to update any such statements, whether as a result of new information, future events, or otherwise.