



## **GE'S ENERGY INVESTING UNIT EXPANDS POWER PORTFOLIO, BUYS EFFICIENT NATURAL GAS-FIRED CALIFORNIA POWER PLANT, LEASES IT TO CALPINE**

**KING CITY, CA, May 20, 2010** – GE Energy Financial Services -- a unit of GE (NYSE: GE) -- announced today it is expanding its 26-gigawatt power portfolio by buying the King City cogeneration power plant in California's Salinas Valley for \$68 million. Calpine Corporation (NYSE: CPN), based in San Jose, has leased, operated and maintained the plant since 1996 and will continue to do so under GE's ownership.

The King City plant, 75 miles southeast of Monterey, is an efficient 120-megawatt natural gas-fired cogeneration facility using a GE 7EA gas turbine that entered commercial operation in 1989. The plant sells its electricity to Pacific Gas & Electric Company under a contract until 2019, and supplies steam to a nearby vegetable processing facility.

GE Energy Financial Services is buying the ownership stake in the plant from Kelson Canada, a subsidiary of Harbinger Capital Partners. The GE business knows the plant well because it has been providing a \$47 million loan to the project since 2003.

"Our acquisition of the King City Cogeneration Plant underscores our strategy of growing our power portfolio across a wide range of generation technologies and fuel sources, participating in the industry using a wide range of capital products and structures, and deepening our relationships with key customers and partners such as Calpine," said Alex Urquhart, president and CEO of GE Energy Financial Services.

Calpine and GE have worked together successfully on several operating and in-development power projects, especially in Calpine's core market of California. These include the Russell City Energy Center, the Inland Empire Energy Center, Pasadena Cogeneration, Metcalf Energy, the Otay Mesa Energy Center and the Fox Energy Center.

GE Energy Financial Services' global portfolio of power projects can produce 26 gigawatts, equivalent to the installed generating capacity of Thailand.

### **About GE Energy Financial Services**

GE Energy Financial Services' experts invest globally across the capital spectrum in essential, long-lived and capital-intensive energy assets that meet the world's energy needs. In addition to capital, GE Energy Financial Services offers the best of GE's technical know-how, technology innovation, financial strength and rigorous risk management. Based in Stamford, Connecticut, the GE business unit helps its customers and GE grow through new investments, strong partnerships and optimization of its \$23 billion in assets. For more information, visit [www.geenergyfinancialservices.com](http://www.geenergyfinancialservices.com).

### **About GE**

GE (NYSE: GE) is a diversified infrastructure, finance and media company taking on the world's toughest challenges. From aircraft engines and power generation to financial services, healthcare

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solutions, and television programming, GE operates in more than 100 countries and employs about 300,000 people worldwide. For more information, visit the company's Web site at [www.ge.com](http://www.ge.com).

**About Kelson Canada**

Kelson Canada is an electric generation holding company which owns two generating facilities in Canada and California. Kelson Canada is a subsidiary of Harbinger Capital Partners.

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