

NEWS RELEASE

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**CALPINE SELLS INTEREST IN 115-MEGAWATT
KING CITY COGENERATION POWER PLANT**

(SAN JOSE, CALIF.) April 30, 2003 – Calpine Corporation [NYSE:CPN] today announced that it has completed the sale to GE Structured Finance (GESF) of a preferred interest, which approximates 60% based on projected cash flow distributions, in a subsidiary that leases and operates the 115-megawatt King City Power Plant for approximately \$82 million. Calpine will hold the remaining interest in the subsidiary and will continue to provide operations and maintenance services. As previously announced, this transaction is part of Calpine's program to strengthen liquidity and fund the completion of its existing construction program through the sale and monetization of certain assets.

Calpine senior vice president Carolyn Marsh states, “The King City transaction demonstrates Calpine’s ability to strengthen liquidity while retaining the company’s long-term value and vision. GESF and Calpine both benefit from our interests in a strong operating facility and an attractive, long-term source of cash flow.”

This transaction represents the second capital-raising event involving Calpine’s Qualifying Facilities (QF). In December 2002, the company completed an \$87 million project financing with GESF secured by its Newark and Parlin power plants. The company is currently evaluating various transactions relating to certain of its remaining QF assets, to reach a stated goal of raising approximately \$600 million.

The King City Power Plant, located approximately 100 miles south of Calpine’s San Jose headquarters, is a 115-megawatt natural gas-fired cogeneration facility that entered commercial operation in 1989. As a QF, the plant sells all of its electricity output to Pacific Gas & Electric Company under a long-term contract that expires in 2019. In addition, the facility sells approximately 74,000 pounds per hour of steam to Gilroy Foods, a ConAgra Foods Ingredients Company, for its food processing facility. Calpine entered into a long-term operating lease of the facility in 1996.

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GE Structured Finance, a unit of GE Commercial Finance, is a leading investor and provider of innovative structured financial products spanning all levels of the capital structure. With more than 30 years of experience, GESF meets the needs of its clients by combining industry and technical expertise with significant financial capabilities. GESF's more than 400 professionals serve clients in the energy, commercial & industrial, communications, project & trade finance, and transportation markets, worldwide. Find out more about GESF at www.gestructuredfinance.com. GE Commercial Finance is a business of General Electric Company, a diversified services, technology and manufacturing company with operations worldwide.

Based in San Jose, Calif., Calpine Corporation is a leading North American power company that is dedicated to providing wholesale and industrial customers with clean, efficient, natural gas-fired power generation. It generates and markets power through plants it develops, owns, leases and operates in 23 states in the United States, three provinces in Canada and in the United Kingdom. Calpine also is the world's largest producer of renewable geothermal energy, and it owns approximately one trillion cubic feet equivalent of proved natural gas reserves in Canada and the United States. The company was founded in 1984 and is publicly traded on the New York Stock Exchange under the symbol CPN. For more information about Calpine, visit its website at www.calpine.com.

This news release discusses certain matters that may be considered "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the intent, belief or current expectations of Calpine Corporation ("the Company") and its management. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties that could materially affect actual results such as, but not limited to, (i) the timing and extent of deregulation of energy markets and the rules and regulations adopted on a transitional basis with respect thereto; (ii) the timing and extent of changes in commodity prices for energy, particularly natural gas and electricity; (iii) commercial operations of new plants that may be delayed or prevented because of various development and construction risks, such as a failure to obtain the necessary permits to operate, failure of third-party contractors to perform their contractual obligations or failure to obtain financing on acceptable terms; (iv) unscheduled outages of operating plants; (v) cost estimates are preliminary and actual costs may be higher than estimated; (vi) a competitor's development of lower-cost generating gas-fired power plants; (vii) risks associated with marketing and selling power from power plants in the newly-competitive energy market; (viii) the successful exploitation of an oil or gas resource that ultimately depends upon the geology of the resource, the total amount and costs to develop recoverable reserves and operations factors relating to the extraction of natural gas; (ix) the effects on the Company's business resulting from reduced liquidity in the trading and power industry; (x) the Company's ability to access the capital markets or obtain bank financing on attractive terms; (xi) sources and uses of cash are estimates based on current expectations; actual sources may be lower and actual uses may be higher than estimated (xii) the direct or indirect effects on the Company's business of a lowering of its credit rating (or actions it may take in response to changing credit rating criteria), including, increased collateral requirements, refusal by the Company's current or potential counterparties to enter into transactions with it and its inability to obtain credit or capital in desired amounts or on favorable terms; and (xiii) other risks identified from time-to-time in our reports and registration statements filed with the SEC, including the risk factors identified in its Annual Report on Form 10-K for the year ended December 31, 2002, which can be found on the Company's website at www.calpine.com. All information set forth in this news release is as of today's date, and the Company undertakes no duty to update this information.