

# Calpine Announces Sale of Mankato Power Plant for \$395 Million

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HOUSTON--([BUSINESS WIRE](#))--Calpine Corporation (NYSE:CPN) today announced that it has agreed to sell the Mankato Power Plant, a 375 MW natural gas-fired, combined-cycle power plant located in Minnesota, to Southern Company subsidiary Southern Power for \$395.5 million plus working capital and other customary purchase price adjustments.

“Mankato is a modern, efficient and well-performing plant under long-term contract to the local utility and with an expansion in advanced development. This sale is another step in our capital allocation plan to divest plants in non-core regions when we see an attractive value opportunity,” said Calpine President and CEO Thad Hill. “I would like to thank our Mankato team for their professionalism and commitment to operational excellence over the years.”

Mankato provides electricity to Northern States Power, a subsidiary of Xcel Energy Inc., through July 2026, pursuant to a tolling agreement. In addition, a 345 MW expansion is currently in advanced development to serve a 20-year tolling agreement with Northern States Power. A natural gas-fired combustion turbine and a heat recovery steam generator will be added, with the incremental steam increasing the power production of the plant’s existing steam turbine and improving the overall efficiency of the plant. Commercial operation of the expanded capacity is expected by June 2019.

Calpine expects to redeploy the proceeds of the sale toward corporate debt reduction and other corporate purposes. The transaction is projected to close in the fourth quarter of 2016, subject to customary closing conditions, antitrust review under the Hart-Scott-Rodino Act and approval from the Federal Energy Regulation Commission.

## About Calpine

Calpine Corporation is America’s largest generator of electricity from natural gas and geothermal resources. Our fleet of 84 power plants in operation or under construction represents more than 27,000 megawatts of generation capacity. Through wholesale power operations and our retail business, Champion Energy, we serve customers in 21 states and Canada. We specialize in developing, constructing, owning and operating natural gas-fired and renewable geothermal power plants that use advanced technologies to generate power in a low-carbon and environmentally responsible manner. Our clean, efficient, modern and flexible fleet is uniquely positioned to benefit from the secular trends affecting our industry, including the abundant and affordable supply of clean natural gas, stricter environmental regulation, aging power generation infrastructure and the

increasing need for dispatchable power plants to successfully integrate intermittent renewables into the grid. Please visit [www.calpine.com](http://www.calpine.com) to learn more about why Calpine is a generation ahead – today, or visit [www.championenergyservices.com](http://www.championenergyservices.com) for details on Champion’s award-winning retail electric services.

## **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 Dec. 31, 2015. These filings are available by visiting the Securities and Exchange Commission’s website at [www.sec.gov](http://www.sec.gov) or Calpine’s website at [www.calpine.com](http://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.

## **Contacts**

Calpine Corporation

Media Relations:

Brett Kerr, 713-830-8809

[brett.kerr@calpine.com](mailto:brett.kerr@calpine.com)

or

Investor Relations:

Bryan Kimzey, 713-830-8775

[bryan.kimzey@calpine.com](mailto:bryan.kimzey@calpine.com)