ATTACHMENT 2

STATE OF NEW HAMPSHIRE
BEFORE THE ENERGY FACILITY SITE EVALUATION COMMITTEE

Docket No. SEC _____

Joint Petition of Granite Ridge Energy, LLC and
Calpine Granite Holdings, LLC
For Approval to Transfer Membership Interests in Granite Ridge Energy, LLC
Under RSA 162-H

TESTIMONY OF WILLIAM H. FERGUSON
ON BEHALF OF GRANITE RIDGE ENERGY, LLC, CALPINE GRANITE HOLDINGS, LLC
AND CALPINE CORPORATION

Q. Please state your name, business address and occupation.

A. My name is William H. Ferguson. I am East Region Vice President of Operations for Calpine Corporation ("Calpine"). My business address is 500 Delaware Ave., Suite 600, Wilmington, DE 19801.

Q. In what capacity are you testifying today?

A. I am here today to offer testimony in support of the Joint Petition of Granite Ridge Energy, LLC ("Granite Ridge") and Calpine Granite Holdings, LLC ("Calpine Granite") for Approval to Transfer Membership Interests in Granite Ridge to Calpine Granite. The structure of the transaction through which Calpine Granite proposes to acquire all of the membership interests of Granite Ridge is more fully described in the Joint Petition and the testimony of Mauricio Del Valle. Upon consummation of the transaction, all of the membership interests of Granite Ridge will be directly owned by Calpine Granite. Calpine Granite is an indirect subsidiary of Calpine Corporation ("Calpine"). My testimony will focus on the technical and managerial capability of Calpine and Calpine Granite to operate and manage the facility owned and operated by Granite Ridge known as the Granite Ridge Energy Facility in continued compliance with the terms and conditions of the Certificate of Site and Facility issued by the New Hampshire Site Evaluation Committee on May 25, 1999, in Docket No. 98-02 (the "Certificate").

Q. Please describe your background and experience with Calpine.

A. I have been employed with Calpine in various capacities of increasing responsibility since 2001. I assumed the title of East Region Vice President, Operations in 2010, at which time I relocated to our regional business office in Wilmington, DE. From 2008 to 2010 I served in a similar role as Regional Vice President of Operations in Calpine's Western Region, where I was responsible for the overall operation of 18 power plants, totaling approximately 6,000 megawatts, located in California, Arizona, Colorado and Oregon. From January, 2007 to January, 2008 I served as Western Region Director of Asset Management, where I assumed the lead role in completing the restructuring of various contracts associated with the Calpine Pittsburg Plant. From November, 2004 through December, 2006 I served as West Region Director of Operations Engineering, a role in which I supported the Sales and Marketing, Business Development, and Financial Analysis Groups in responding to various Request for

Proposals ("RFP") opportunities in the California market. During the period August, 2001 through November, 2004 I served as General Manager of the Calpine Delta Projects. During this period, I had overall daily operational and managerial responsibility for a group of four power plants with a combined total of 1,400 megawatts of electric generating capacity and a full-time staff of 64 employees.

Q. Please describe your education and other relevant industry experience.

A. In total I have more than 40 years of direct experience in the energy and electric power industry. Prior to joining Calpine in 2001, I served as Senior Manager, Operations and Maintenance, for United American Energy Corp., which owned three power generating facilities in California. From 1999 to 2000 I was General Manager at Constellation Power Inc., which was a 50 percent owner of the Central Wayne Resource Recovery Project in Dearborn Heights, Michigan. From 1984 through 1998 I worked in a series of roles of increasing responsibility at Wheelabrator Technology Inc., headquartered in Hampton, New Hampshire, which was a national leader in the waste-to-energy and independent power business. I ultimately closed my tenure at Wheelabrator as Regional Vice President and General Manager. I started my career in 1972 as a Project Engineer in the Paper Mill Department of Stone Container Corp., located in Hopewell, Virginia. In the intervening years I moved up through the ranks at Stone Container and by 1978 I became Superintendent of the plant's Power and Recovery Department. I hold a B.S. in Mechanical Engineering from Virginia Polytechnic Institute in Blacksburg, Virginia.

My resume is appended to this testimony as Exhibit A.

Q. Please provide an overview of your current responsibilities as Calpine's East Region VP of Operations.

A. I am one of three regional Operations Vice Presidents in the Calpine organization. As such, I report directly to Tom Webb, our Executive Vice President of Operations, who is a senior member of Calpine's corporate leadership team. I have attached a chart showing Calpine's senior management team as Exhibit B. My regional responsibilities, prior to the acquisition of Granite Ridge, include oversight of 18 power plants or groups of plants in 28 different locations across 14 states. I supervise 15 Plant Managers/General Managers, I am responsible for the safe and reliable operation of 9,200 megawatts of electric generating capacity, and I am directly

involved in a wide range of issues related to plant operations and maintenance and compliance. While serving as Calpine's East Region VP of Operations I have played a major role in the integration of 20 power plants into Calpine's fleet of power generation facilities. Of these, Calpine acquired 19 as a package in 2010. The most recent was Calpine's acquisition of the Fore River Energy Center in 2014. I have attached a chart showing Calpine's East Region Organization and Support Functions as Exhibit C.

Q. Please describe why you are qualified to testify as to the managerial and technical capability of Calpine Granite and Calpine.

A. In addition to my extensive experience with integrating newly acquired assets into Calpine's fleet, my day-to-day responsibilities include a broad range of activities related to technical operating issues and plant management. For example, I have direct supervisory responsibility for developing annual plant-specific O&M budgets, which requires me to be knowledgeable about a broad range of plant-specific technical, financial, and human resources issues. I am also directly involved in planning related to planned maintenance outages and helping to coordinate a timely and efficient response to any unplanned outages or equipment problems. My team manages numerous contracts with various outside vendors, and I have extensive experience in labor negotiations and other personnel-related management duties.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to demonstrate unequivocally that Calpine Granite and Calpine possess the managerial and technical capability as well as the necessary resources to own and operate the Granite Ridge Energy Facility in a safe, reliable, efficient, and profitable manner. Upon transfer of ownership, Granite Ridge will benefit from the breadth and depth of experience and expertise Calpine brings to the table as the nation's premiere independent power producer.

It is my understanding that New Hampshire law provides that a certificate of site and facility "shall not be transferred or assigned without approval of the committee." RSA 162-H:5, I. In addition, the Certificate provides that: "any change in ownership of the applicant, AES Londonderry, LLC, without the approval of this Committee, shall render the Certificate subject to revocation…." Certificate at General Condition 6. It is my further understanding that when

considering a request for approval of a change in ownership, this Committee considers whether the proposed owner has adequately demonstrated that it has the financial, managerial and technical capabilities to operate the facility in accordance with its certificate of site and facility. I believe that my testimony, along with the content of the Joint Petition, demonstrates that Calpine Granite and Calpine have the technical and managerial capability to operate the Granite Ridge Energy Facility in compliance with the terms and conditions included in the Certificate.

Q. Please provide a general description of Calpine Corporation.

A. Calpine is a Fortune 500 company that is among the largest independent power companies in the United States. Calpine has a market capitalization of approximately $6 billion and 2014 annual revenues of approximately $8 billion. Calpine has more than three decades of experience related to the development, construction and operation of large-scale power generating facilities. Calpine employs more than 2,000 professionals and its fleet currently includes 82 operating power plants and one under construction located throughout 18 states and Canada, representing a combined total of more than 27,000 megawatts of electric generating capacity. Calpine's headquarters are located in Houston, Texas. Calpine is a publicly-owned company with stock traded on the New York Stock Exchange under the symbol NYSE:CPN. Calpine's website is www.calpine.com.

Q. Please describe Calpine's existing power generation fleet.

A. Calpine's fleet of power generation assets is almost exclusively comprised of natural gas-fired, combined-cycle power plants, similar in design and operation to Granite Ridge. Indeed, Calpine owns and operates the largest fleet of combined-cycle and combined-heat-and-power (cogeneration) electric generating facilities in North America. Therefore, Granite Ridge is ideally suited to become a member of the Calpine fleet, and Calpine is an ideal owner of such an asset since the company has unparalleled experience in the ownership and operation of gas-fired, combined-cycle generation. I have included a map showing Calpine's existing operations as Exhibit D. In addition, Calpine owns and operates 725 megawatts of baseload geothermal capacity at The Geysers, located west of Napa and Sonoma Counties, in northern California. The Geysers facility is the largest single-site geothermal complex in the world.

Q. Please describe Calpine's existing presence in New England.

A. Calpine has substantial existing expertise and experience in New England. The company currently owns and operates the 552-megawatt Westbrook Energy Center, in Westbrook, Maine, and the 731-megawatt Fore River Energy Center, located in North Weymouth, Massachusetts. Calpine has owned Westbrook since construction and its initial commercial operation date ("COD") in 2001. Calpine purchased the existing Fore River facility from Exelon Corporation in 2014. Both plants, like Granite Ridge, are gas-fired, combined-cycle generating units and participate in the regional energy, capacity and ancillary services markets administered by ISO-NE.

Q. Are you familiar with the Certificate of Site and Facility for Granite Ridge, including all of its terms and conditions?

A. Yes. I have reviewed the existing Certificate and I find that the included terms and conditions are both generally typical of the types of regulatory requirements to which power plants are subject, and are well within Calpine's capabilities with respect to ongoing compliance.

Q. Please provide a general description of Calpine's experience and expertise with respect to electric power markets.

A. Calpine is a significant player in the U.S. electric power industry. The company owns and operates power generating facilities in all the organized competitive markets throughout the U.S., including ISO-NE, NYISO, PJM, ERCOT, MISO, and CAISO. Calpine participates both in "merchant" markets – i.e. restructured markets in which most if not all power sales transactions occur on a day-ahead or real-time basis – as well as bilateral markets in which Calpine operates facilities pursuant to Power Purchase Agreements with various utility or other counterparties. According to the most recent data published by Platts, a leading global provider of energy information, Calpine is currently the 6th largest electric generating company in the nation as measured by annual electrical power produced. This means that Calpine provides approximately 3 percent of the total electricity needs of the United States.

Q. Please explain Calpine's experience and expertise with respect to natural gas markets.

A. Power generating facilities such as Granite Ridge must navigate successfully in both the power markets in which they are located as well as the regional natural gas markets that supply

their fuel. A significant benefit of transferring ownership of Granite Ridge to Calpine is related to Calpine's natural gas expertise. Indeed, Calpine is the largest gas-fired power producer in the U.S. and, as such, is the largest overall natural gas consumer in nation's electric power sector, if not the overall U.S. economy. On an annual basis, Calpine uses approximately 10 percent of the natural gas consumed in the nation's power generating sector. Calpine purchases approximately 0.8 Trillion Cubic Feet ("TCF"), or approximately $2.5 Billion worth of natural gas per year and manages its natural gas commodity and transportation needs from its full time Houston-based trading desk. Calpine utilizes a wide range of arrangements to fuel its plants depending on regional and local market characteristics, including the use of firm and interruptible pipeline transportation, firm-delivered services, and tariff agreements with natural gas local distribution companies ("LDCs") when Calpine's power plants are located behind the LDC City Gate. Unlike many other gas-fired power producers, Calpine manages its natural gas commodity and transportation activities internally, rather than relying on a third-party asset manager. Calpine maintains strong historic relationships with a broad spectrum of natural gas counterparties in the U.S. and Canada.

Q. Please discuss Calpine's managerial expertise with respect to the acquisition of power plants.

A. Calpine has a proven track record with respect to the acquisition of power plants similar to Granite Ridge. In 2010, for example, Calpine acquired 19 power plants totaling approximately 4,500 megawatts in a $1.6 billion transaction with Conectiv Energy. All of those units are located within the PJM market, primarily in the states of Delaware, New Jersey and Pennsylvania. The Conectiv acquisition is the underlying reason why Calpine opened a regional office in Wilmington, Delaware. I relocated from California to Delaware at that time to assume my current position and manage the integration of the Conectiv assets and personnel into the Calpine organization.

Q. Can you provide a more recent example of Calpine's managerial expertise related to power plant acquisition?

A. Yes. Last year Calpine purchased the Fore River Energy Center, located in North Weymouth, Massachusetts, from Exelon Corporation in a $530 million transaction. We were

able to effect a seamless integration of the plant and existing plant personnel. In the past two years Calpine also implemented similarly successful transitions with the acquisition of the 762-megawatt Bosque Energy Center in Laguna Park, Texas and the 1,009-megawatt Guadalupe Energy Center in Marion, Texas.

Q. Who will be the key Calpine personnel that will manage the successful integration of the Granite Ridge facility?

1. Steven Smith, Director, East Region Asset Management, will manage the integration of the Granite Ridge Facility. Steven has over 25 years of power industry experience, including 12 years at Calpine. His current duties include acquisition activities and problem solving for operations and maintenance. He has held various roles in power plant operations and maintenance during his career including Plant Manager at Calpine's Osprey Energy Center in Auburndale, Florida.

2. Annie Tighe, Regional Director of Human Resources, will also be involved in the integration team. Annie has over 19 years of human resources experience, including 4 years at Calpine. Her duties include employee and labor relations, collective bargaining, and strategic partnering with management.

3. Seth Berend, Director, Power Trading, will be part of the integration team. During his 13-year tenure with Calpine Seth has been one of the lead members within Calpine's trading organization with responsibility for day-ahead and real-time commercial strategies related to the integration of new assets into the company's fleet. He is intimately familiar with the ISO-NE market as well as NYISO, PJM, MISO, and CAISO.

4. Brett Lindsey, Director of Information Technology, will also be part of the team. Brett has over 25 years of Information Systems experience. He has been with Calpine for nearly 6 years where his current responsibilities include Enterprise Information Management, Plant Data Systems, and M&A IT Coordination.

5. Paul Dougherty, Operations Analysis Manager, will participate in the integration. Paul holds a Bachelor of Science Degree from Texas A&I University in Electrical Engineering and has over 34 years of energy generation and delivery experience, including 15 years at Calpine. Currently

he is responsible for real-time telemetry systems between the Calpine Power Plants and the Calpine EMS, ISO and TO/Bas, real-time telemetry of gas pipeline data, and Electric Revenue Meters at the Point of Interconnection. Paul provides daily leadership over day-to-day operations regarding RTUs, Revenue Metering and Gas telemetry. He also works closely with the internal teams responsible for plant dispatch and settlements.

6. Tom Long, Vice President, Development and Optimization Engineering, will also be involved. Tom has over 20 years of industry experience, including 15 years at Calpine. Currently he is responsible for the growth and optimization initiatives for Calpine. He provides technical and commercial insight for long and short term origination, development, trading and M&A activities as well as leading performance optimization, testing and diagnostic activities.

7. Andre Walker, Calpine's Vice President of Power Operations Administration and Strategic Procurement, will participate, as well. Andre has been with Calpine for 16 years and his responsibilities include long term maintenance planning as well as establishing and implementing optimization initiatives for the power operations department in addition to strategic supplier relationships and procurement of all capital equipment.

Q. Please describe the basic steps involved in the acquisition of an existing power plant.

A. In order to ensure a seamless ownership transition, it is important for the buyer to undertake a variety of activities prior to actual financial closing. The goal is to ensure that the plant remains in operation throughout the transition and that its employees experience the greatest possible level of continuity in their daily work duties. The first significant step in this type of ownership transfer relates to information technology ("IT"). Power plants like Granite Ridge have a number of important communications interfaces that must be securely transferred and updated, as necessary. In Calpine's fleet, for example, our plants communicate real-time data to our trading floor related to plant operations, gas and power metering, etc. Power plants also maintain critical communications interfaces with their local transmission owner and/or Regional Transmission Operator, such as ISO-NE in this case. These IT systems must be updated, calibrated and tested prior to the actual ownership transfer and that effort

must be accomplished with appropriate regard to current cybersecurity requirements, etc. The result of this effort is to ensure that power supplied from the plant to the electrical grid is not interrupted and that Granite Ridge will be able to continue to comply with its capacity supply obligations to ISO-NE.

Q. What other important activities must be accomplished prior to closing?

A. Prior to closing, Calpine must review and understand any and all existing contractual relationships and obligations as well as the plant's existing regulatory approvals and conditions, in order to ensure ongoing compliance with applicable requirements. Also, it is obviously essential that we work with existing plant personnel to facilitate the onboarding process within Calpine's HR system. Our intent is to ensure that, as of day one, our new employees are fully set up within the Calpine payroll and benefits system so that we minimize any disruption to their personal lives and their normal daily work activities. Calpine has a proven track record in this regard.

Q. Please describe how Calpine plans to staff Granite Ridge.

A. Granite Ridge Energy Facility is currently operated and maintained pursuant to an Amended and Restated Operation and Maintenance Agreement ("O&M Agreement") between NAES Corporation ("NAES") and Granite Ridge Energy, LLC. Calpine has the option to either extend and continue the O&M Agreement or terminate the contract and offer employment to the existing plant personnel as Calpine employees, subject to Calpine's typical employee screening practices. At this time, a final decision on whether Calpine will terminate the existing O&M Agreement and extend offers to existing plant staff, or continue with the O&M Agreement, has not been made.

By way of further background, when this Committee was asked to approve the transfer of ownership from AES Londonderry, LLC ("AESL") to its lenders in 2004, the applicants submitted testimony indicating that the lenders, as the new owners of the facility now known as Granite Ridge (the "Facility"), would enter into an operation and maintenance agreement with NAES to complete, maintain and operate the project, thus satisfying the managerial and technical capability requirement. The prefiled testimony submitted at that time included testimony from Oscar D. Scarborough, Vice President, Power Plant Operations with NAES, who

also testified at the hearing before this Committee, describing NAES's managerial and technical capability. This testimony included a description of the extensive experience that NAES had in operating and managing more than 60 power plants, many of which were similar in technology to Granite Ridge, and experience with at least 34 plant transfers and takeovers. When it approved the transfer of ownership the SEC noted: "NAES has experience in dealing with the operational challenges that accompany the management of such plants." *Joint Application of AES Londonderry, et al*., Decision and Order, Docket No. 2004-01 (October 14, 2004) at 7. The Committee went on to say:

> The record clearly demonstrates that NAES has the technical and managerial capability to manage and operate the Project. NAES has over twenty years experience in the industry and has successfully managed and operated dozens of power plants, many of which share similar technologies with this Project. Additionally, NAES is familiar with operating plants that are in a distressed financial condition and subject to the same constraints that apply in this case. Id. At 8.

Subsequent to the Committee approval in 2004, NAES, on behalf of the new owners, completed work on the Facility and since then it has maintained and operated the Facility safely, responsibly and economically, in compliance with the terms and conditions of the Certificate. Granite Ridge has since renewed the NAES contract in 2010 and again in 2015. The O&M Agreement between Granite Ridge and NAES describes the duties of NAES with regard to operating and regulatory reporting at the Facility. NAES must maintain complete records of all transactions, operations, and maintenance relating to the Facility. The Agreement states that NAES will employ, hire, train, direct and compensate all employees that operate and maintain the Facility. NAES is also responsible for all planning and scheduling of major maintenance activities. The Facility must be operated and maintained in compliance with all applicable federal, state, and local laws, statutes, regulations, and codes, and in compliance with the terms and conditions of the Certificate. NAES coordinates with applicable governmental agencies operating, safety, health, and environmental permits, licenses, and approvals required to operate or maintain the Facility. NAES employs 27 people at the Facility.

The O&M staff is comprised of a plant manager; one plant engineer; one plant administrator; one operations manager; four control room operators; four power block operators; four water treatment operators; one maintenance manager; four instrument controls and electrical technicians; three mechanical technicians; one buyer/planner, one warehouse technician, and one environmental, health, and safety manager. The station is manned 24 hours per day. As an example of the NAES staff's competency it is noteworthy that Granite Ridge has received nine Best Practice awards in the past six years from *Combined Cycle Journal,* a nationally recognized electric power industry trade magazine. Multiple Best Practice Awards were received in 2012, 2013 and 2015. These awards range from safety and environmental best practices to outage planning efficiencies and process management.

Thus, whether Calpine elects to continue with the O&M Agreement or terminate the contract and extend offers to existing plant staff, Calpine will have access to experienced and qualified personnel who know the Facility and have a proven track record of operating it in compliance with terms and conditions of the Certificate, the ISO-NE tariff, and all local, state and federal requirements. Thus, in addition to the extensive managerial and technical expertise and experience that Calpine brings to its ownership and operation of this Facility it will have access to similarly extensive expertise and experience provided by NAES employees that will ensure a smooth transition of ownership and continued operation in compliance with the Certificate and all applicable requirements.

Q. Have you visited the Granite Ridge facility?

A. Yes. Annie Tighe, our regional Director of Human Resources, and I visited the plant and its personnel on October 15, 2015 to provide an introduction to Calpine.

Q. What should plant personnel expect in the weeks and months after Calpine takes ownership?

A. As a large corporation that manages its fleet on an integrated basis, Calpine has numerous policies and procedures that all of its employees must understand and acknowledge. We realize, however, that both the company and its new employees benefit from an orderly rollout of this information. In an acquisition situation, Calpine tailors its internal training so that new employees are brought fully up to speed on its policies and procedures in a thoughtful and

organized manner, and this usually occurs over the first 60 to 90 days after we assume ownership.

Q. What is the basic message you try to instill in your new employees?

A. Calpine's mission is to remain the premier power generation company in the United States. We have a set of guiding principles we expect our employees to apply to every task, action, pursuit and decision in their daily work lives. We refer to these core values as our ASPIRE program, which stands for: Accountability; Safety; Passion; Integrity; Respect; and Esprit de Corps. Calpine's ongoing internal education and training efforts are based on those values. I have attached a chart with a more detailed explanation of ASPIRE as Exhibit E. In addition, Calpine will continue to encourage and support ongoing plant and employee community outreach activities at Granite Ridge.

Q. As regional Vice President of Operations, are you in regular communication with the plants under your jurisdiction?

A. Yes. I communicate with all my plant managers at least once per week, during a regional operations conference call, and on an as-needed basis. We use our weekly call as an opportunity to ensure that the plants are aware of any changes in corporate policies or procedures and to compare notes on plant performance and share any lessons learned.

Q. Do you feel that Calpine has the ability to successfully manage the ownership transition and ongoing operation of the Granite Ridge Energy Facility?

A. Yes. For the reasons stated above, I am confident the Granite Ridge Energy Facility and its personnel will be joining a company with a proven track record of managing a large existing fleet of power generating assets and significant expertise in ensuring a seamless experience in the acquisition of new power plants.

Q. Please generally discuss Calpine's experience, expertise and overall technical capability to operate Granite Ridge.

A. Calpine has a proven track record of safe and reliable power plant operations and maintains high standards for employee and contractor safety and plant-specific environmental performance. Calpine is structured so that functions such as human resources, accounting, information technology, legal, finance, engineering, procurement and parts management, among others, -- as well as market-related commercial transactions – are centrally managed, freeing up power plant personnel to focus on the safe and efficient operation of their specific facilities. At the same time, the company's unmatched experience in the operation of natural gas-fired, combined-cycle generating facilities provides extensive technical benefits to Calpine's individual plants in the form of a substantial knowledge base, internal subject matter expertise, and powerful economies of scale.

Q. How is Calpine different than many other power generating companies?

A. Calpine is the largest operator of industrial gas combustion turbines in the U.S. and has unequalled technical experience in the operations and maintenance of Siemens power generating equipment similar, and in some cases identical, to what is currently utilized at Granite Ridge. Calpine's fleet currently includes 35 Frame "F" or "G" class Siemens combustion turbines and 4 Siemens steam turbines. This has allowed Calpine to develop substantial in-house technical expertise in which smaller generating companies and financial players are unable or unwilling to invest. Moreover, Calpine is somewhat unique among its industry peers in that we have an almost exclusive focus on the ownership and operation of modern combined-cycle power generation equipment. This level of technological focus allows us to capitalize on efficiencies related to parts management, root cause analysis, system engineering, planned and predictive maintenance and employee training.

Q. Does Calpine's power plant fleet include facilities that are similar to Granite Ridge?

A. Yes. Granite Ridge utilizes Siemens 501G combustion turbine technology, which is relatively uncommon in the nation's electric power sector. Calpine, however, already operates two 501G combustion turbines at its Magic Valley Energy Station in Edinburg, Texas, which Calpine developed and constructed and which has been in commercial operation since 2002.

Additionally, Calpine's Fore River Energy Center in North Weymouth, Massachusetts, utilizes two Mitsubishi 501G combustion turbines, which are based upon and very similar to the Siemens 501G design. Calpine, therefore, not only has substantial expertise and experience with respect to the operation and maintenance of combined-cycle gas turbine technology in general, but is one of relatively few U.S. generating companies that already has direct experience with the specific technology utilized at Granite Ridge.

Q. Please provide more detail on Calpine's internal capabilities with respect to power plant operations.

A. Over the past three decades, Calpine has been directly involved in the development, design, engineering and construction of numerous power plants throughout the U.S. and Canada. In other words, our power plant experience starts from the ground up. Our engineering expertise, for example, reflects the fact that we have developed and constructed a large percentage of our existing fleet. Set forth below in Table 1 is a list of major power plant construction activity by Calpine over the past ten years. We are a large enough company that we have been able to invest centralized spare parts inventory, such as key transformers, and have internal technical subject matter experts on almost every aspect of power plant design and operation. Calpine will be bringing the benefits of this expertise and these substantial economies of scale to the operation of the Granite Ridge facility.

[Testimony continues on the following page]

Table 1 Recent Calpine Power Plant Construction Activity

Plant	Region	Size	Construction Status
York 2	PJM/Pennsylvania	760 mw	Early construction
Garrison	PJM/Delaware	309 mw	COD 6-15-15
Russell City	California	464 mw	COD 2013
York	PJM/Pennsylvania	565 mw	COD 2011
Greenfield	Courtright, Ontario	1,030 mw	COD 2008
Mankato	Minnesota	375 mw	COD 2006

Q. What are some of the other benefits Granite Ridge will experience as part of a larger fleet?

A. I will offer four examples of operational areas in which an individual plant benefits from being part of a larger fleet:

First, Granite Ridge would be able to take advantage of Calpine's Fleet Programs related to predictive and preventative maintenance, transformer reliability and spares, summer and winter preparedness, and operating performance observation and diagnostics. As an example of the latter, as I mentioned earlier in my testimony, Calpine plants provide real time data that allows the company to monitor its facilities and analyze important trends or potential failure modes. This can provide an early warning system that alerts us to when repairs may be necessary instead of waiting for a part to fail. As a result, and as shown in the following figure, Calpine has been able to substantially reduce its forced outage rate in recent years.

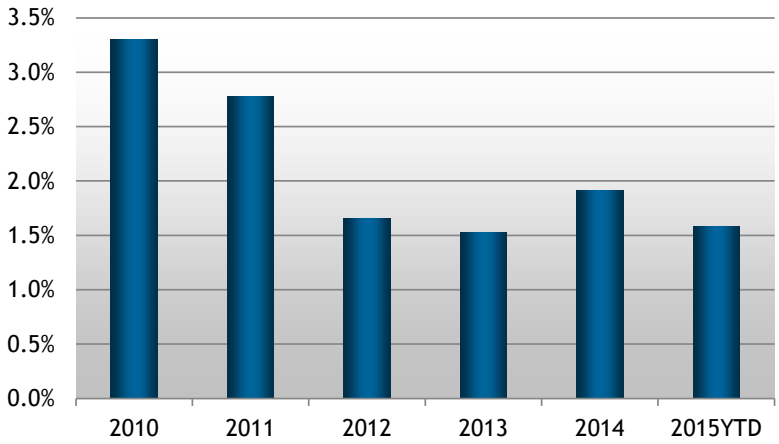

Figure 1 Calpine Fleet Forced Outage Factor (percent)

The second item I will highlight relates to Supply Chain Services. Being part of a larger fleet would provide Granite Ridge an opportunity to take advantage of master purchasing agreements, volume discounts, and parts consistency.

Third, Calpine has approximately 1,000 employees working at gas-fired combined-cycle power plants or in direct supporting roles. This represents an unmatched level of experience in terms of overall labor-hours of relevant experience, and is the knowledge base we bring to the Granite Ridge acquisition. This knowledge base is a great resource that helps us manage day-to-day plant operations and troubleshoot any individual technical issues that may arise.

Finally, I would point to the benefits of being part of a fleet with respect to Outage Services. During a planned or forced outage a stand-alone plant is often at the mercy of its Original Equipment Manufacturer ("OEM"), which may affect both contractor availability and cost. Calpine's Outage Services capabilities include in-house turbine expertise and integrated planning capabilities, which provides much greater flexibility compared with being exclusively reliant on the OEM.

Q. Are there commercial advantages to being part of a larger fleet?

A. Yes. As I mentioned earlier in my testimony, Calpine is a large purchaser of natural gas and utilizes in-house expertise to manage its natural commodity and transportation needs. Calpine, therefore, can manage its fuel portfolio on a system basis, which provides additional reliability, flexibility and economies of scale to an individual plant. With respect to power sales, Granite Ridge would interface with our East Region trading desk in Houston, which manages all

term, day-ahead and real-time commercial arrangements for what will now be three plants operating within ISO-NE.

Q. How will Granite Ridge interact with Calpine's trading desk?

A. Calpine's plants interact with their respective trading desks (in this case, the East Region desk) on a daily basis. There is a morning call in which the plant and desk discuss what the market looks like, weather predictions for the next 7-10 days, information regarding transmission or other known plant outages, plant availability, etc. During the daily call the desk provides the plant with expectations for upcoming run schedules and plant personnel can inform the desk whether it should consider any unique plant operations limitations or other factors in terms of how the plant is scheduled into the market.

Q. What are Calpine's primary focus areas with respect to power plant operations?

A. Calpine has a proven track record for safe and reliable power plant operations. In particular, I would highlight Calpine's significant focus on safety. It is my belief and experience that safety is not only vitally important in and of itself, but ultimately reflects a company's overall commitment to best-in-class operations as well. Safety is one of our core ASPIRE values and reflects our commitment to the safety of our employees, our contractors, our neighbors, and our guests. We incorporate safety into every aspect of our business. At the plant level, one of the programs with which we have achieved great success is the Voluntary Protection Program (VPP) of the U.S. Department of Labor's Occupational Safety and Health Administration ("OSHA"). Our Westbrook facility in Maine is among the plants in our fleet that have attained Star VPP certification, which is OSHA's highest level of recognition for outstanding efforts by an employer and its employees to achieve a level of excellence in occupational safety and health at their worksites. Similarly, Calpine has a solid track record and strong plant-specific emphasis on environmental compliance. Calpine has actively supported major regional and federal environmental public policy initiatives, such as the Regional Greenhouse Gas Initiative ("RGGI") and the U.S. Environmental protection Agency's Clean Power Plan, and is proud of its role as an environmentally responsible power producer.

Q. Do you believe Calpine has the technical capability to successfully maintain the ongoing operations of the Granite Ridge Energy Facility in continued compliance with the terms and conditions of the Certificate of Site and Facility?

A. Yes, I do. I believe I have demonstrated that Calpine has the full range of technical capability and experience necessary to ensure the ongoing safe, efficient and reliable operations of the Granite Ridge Energy Facility in compliance with the terms and conditions of the Certificate.

Q. Does that conclude your testimony?

A. Yes, it does.

Exhibits

A. Resume of William H. Ferguson

B. Calpine's Senior Management Team

C. Calpine's East Region Organization and Support Functions

D. Map showing Calpine's existing operations

E. Chart with a more detailed explanation of ASPIRE

1387767_1