As Filed With The Securities And Exchange Commission On September 24, 1999

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13E-3

RULE 13E-3 TRANSACTION STATEMENT
(PURSUANT TO SECTION 13(E) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 13E-3 ((S) 240.13E-3) THEREUNDER)

COGENERATION CORPORATION OF AMERICA

(Name of the Issuer)

NRG ENERGY, INC.
COGENERATION CORPORATION OF AMERICA

(Name of Person(s) Filing Statement)

COMMON STOCK, PAR VALUE $0.01 PER SHARE

(Title of Class of Securities)

628950-10-7

(CUSIP Number of Class of Securities)

James J. Bender
Vice President and General Counsel
NRG Energy, Inc.
1221 Nicollet Mall, Suite 700
Minneapolis, MN 55403-2445
(612) 373-5300

Julie A. Jorgensen
President and Chief Executive Officer
Cogeneration Corporation of America
One Carlson Parkway, Suite 240
Minneapolis, MN 55447-4454
(612) 745-7900

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Person(s) Filing Statement)

Copies to:

Jeanine L. Matte, Esq.
Pankaj K. Sinha, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005-2111
(202) 371-7000

Bruce J. Parker, Esq.
Kaplan, Strangis and Kaplan, P.A.
5500 Norwest Center
90 South Seventh Street
Minneapolis, MN 55402
(612) 904-5600

This statement is filed in connection with (check the appropriate box):

a. [x] The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C or Rules 13e-3(c) under the Securities Exchange Act of 1934.

b. [ ] The filing of a registration statement under the Securities Act of 1933.

c. [ ] A tender offer.

d. [ ] None of the above.

Check the following box if the soliciting materials or information statement

referred to in checking box (a) are preliminary copies: [x]

CALCULATION OF FILING FEE

Transaction Valuation	Amount of Filing Fee
$183,174,663.00	$36,634.93

[x] Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount Previously Paid: $36,634.93

Form or Registration Number: Schedule 14A

Filing Party: Cogeneration Corporation of America

Date Filed: September 23, 1999

INTRODUCTION

This Rule 13e-3 Transaction Statement on Schedule 13E-3 (the "Schedule 13E-3") is being filed by NRG Energy, Inc., a corporation organized under the laws of Delaware ("NRG"), and Cogeneration Corporation of America, a corporation organized under the laws of Delaware ("CogenAmerica"), pursuant to Section 13(e) of the Securities Exchange Act of 1934, as amended, and Rule 13(e) 3 thereunder, in connection with the Agreement and Plan of Merger, dated as of August 26, 1999 (the "Merger Agreement"), by and among Calpine Corporation ("Calpine"), Calpine East Acquisition Corp. ("Acquisition Sub") and CogenAmerica, pursuant to which Acquisition Sub will merge with and into CogenAmerica, with CogenAmerica continuing as the surviving corporation.

The following Cross Reference Sheet, prepared pursuant to General Instruction F to Schedule 13E-3, shows the location in the Proxy Statement of CogenAmerica filed with the Securities and Exchange Commission on the date hereof of the information required to be included in this Schedule 13E-3. The information set forth in the Proxy Statement, including all exhibits thereto, is hereby expressly incorporated herein by reference as set forth in the Cross Reference Sheet and the responses in this Schedule 13E-3, and such responses are qualified in their entirety by reference to the information contained in the Proxy Statement.

The information contained in this Schedule 13E-3 concerning CogenAmerica, including, without limitation, information concerning the background of the transaction, the deliberations of CogenAmerica's Board of Directors in connection with the transaction, the opinion of CogenAmerica's financial advisor, and CogenAmerica's capital structure and historical financial statements, was supplied by CogenAmerica. NRG, Calpine and Acquisition Sub take no responsibility for the accuracy of such information. The information contained in this Schedule 13E-3 concerning Calpine and Acquisition Sub was supplied by Calpine. CogenAmerica and NRG take no responsibility for the accuracy of such information. The information contained in this Schedule 13E-3 concerning NRG was supplied by NRG. CogenAmerica, Calpine and Acquisition Sub take no responsibility for the accuracy of such information.

CROSS-REFERENCE SHEET

SCHEDULE 13E-3 ITEM NUMBER AND CAPTION	LOCATION IN PROXY STATEMENT
Item 1(a)	Outside Front Cover Page; QUESTIONS AND ANSWERS ABOUT THE MERGER; SUMMARY - The Companies
Item 1(b)	SUMMARY - The Special Meeting; THE SPECIAL MEETING - Record Date; Voting Power; Votes Required
Item 1(c)	HISTORICAL MARKET INFORMATION
Item 1(d)	HISTORICAL MARKET INFORMATION
Item 1(e)	Not applicable.
Item 1(f)	Not applicable.
Item 2(a)-(d),(g)	Not applicable.
Item 2(e)-(f)	Not applicable.
Item 3(a)(1)	Outside Front Cover Page; SPECIAL FACTORS - Background of the Merger; - Reasons for the Merger; - Conflicts of Interest - Arrangements with NRG

Item 3(a)(2)and(b)	Outside Front Cover Page; SUMMARY - Recommendations of the Independent Directors Committee and the Board of Directors; SPECIAL FACTORS - Background of the Merger; - Reasons for the Merger; -Conflicts of Interest - Arrangements with NRG
Item 4(a)	QUESTIONS AND ANSWERS ABOUT THE MERGER; SUMMARY - Terms of the Merger Agreement; SPECIAL FACTORS - Purpose, Timing and Structure of the Merger; SUMMARY OF MATERIAL FEATURES OF THE MERGER
Item 4(b)	QUESTIONS AND ANSWERS ABOUT THE MERGER; SUMMARY - Terms of the Merger Agreement; SPECIAL FACTORS - Purpose, Timing and Structure of the Merger; SUMMARY OF MATERIAL FEATURES OF THE MERGER; SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT
Item 5(a)-(b)	SUMMARY - Terms of the Merger Agreement; SPECIAL FACTORS - Background of the Merger; - Plans for CogenAmerica After the Merger; - Conflicts of

	Interest - Arrangements with NRG; SUMMARY OF MATERIAL FEATURES OF THE MERGER; SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT

Item 5(c)-(d).....	SUMMARY - Terms of the Merger Agreement; SPECIAL FACTORS - Purpose, Timing and Structure of the Merger; - Plans for CogenAmerica After the Merger; SUMMARY OF MATERIAL FEATURES OF THE MERGER; SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT
Item 5(e).....	QUESTIONS AND ANSWERS ABOUT THE MERGER; SUMMARY - Terms of the Merger Agreement; SPECIAL FACTORS - Purpose, Timing and Structure of the Merger; - Plans for CogenAmerica After the Merger; SUMMARY OF MATERIAL FEATURES OF THE MERGER; SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT
Item 5(f)-(g).....	QUESTIONS AND ANSWERS ABOUT THE MERGER; SUMMARY - Terms of the Merger Agreement; SPECIAL FACTORS - Purpose, Timing and Structure of the Merger; SUMMARY OF MATERIAL FEATURES OF THE MERGER; SPECIAL FACTORS - Certain Effects of the Merger
Item 6(a) and (d).....	SUMMARY OF MATERIAL FEATURES OF THE MERGER - Financing of the Merger; Source of Funds
Item 6(b).....	EXPENSES OF THE TRANSACTION

Item 7(a)-(c).....	SUMMARY - Potential Benefits and Detriments of the Merger to Unaffiliated Stockholders; Benefits to Insiders; SPECIAL FACTORS - Background of the Merger; - Purpose, Timing and Structure of the Merger; - Reasons for the Merger; - Perspective of NRG on the Fairness of the Merger
Item 7(d).....	SUMMARY - Potential Benefits and Detriments of the Merger to Unaffiliated Stockholders; Benefits to Insiders; SPECIAL FACTORS - Background of the Merger; - Purpose, Timing and

	Structure of the Merger; - Reasons for the Merger; - Perspective of NRG on the Fairness of the Merger; SUMMARY OF MATERIAL FEATURES OF THE MERGER - Federal Income Tax Consequences of the Transaction
Item 8(a)	QUESTIONS AND ANSWERS ABOUT THE MERGER; SUMMARY - Recommendations of the Independent Directors Committee and the Board of Directors; - Opinion of CogenAmerica's Financial Advisor; SPECIAL FACTORS - Background of the Merger; - Purpose, Timing and Structure of the Merger; - Reasons for the Merger; - Opinion of Financial Advisor; - Perspective of NRG on the Fairness of the Merger

Item 8(b).....	SUMMARY - Recommendations of the Independent Directors Committee and the Board of Directors; - Opinion of CogenAmerica's Financial Advisor; SPECIAL FACTORS - Background of the Merger; - Purpose, Timing and Structure of the Merger; - Reasons for the Merger; - Opinion of Financial Advisor; - Perspective of NRG on the Fairness of the Merger
Item 8(c).....	SUMMARY - Record Date; Voting Power; Votes Required; THE SPECIAL MEETING - Record Date; Voting Power; Votes Required; SUMMARY OF MATERIAL FEATURES OF THE MERGER - The Merger - Conditions to the Merger
Item 8(d).....	SPECIAL FACTORS - Background of the Merger; - Recommendations of the Independent Directors Committee and the Board of Directors
Item 8(e).....	SUMMARY - Record Date; Voting Power; Votes Required; SPECIAL FACTORS - Background of the Merger; - Recommendations of the Independent Directors Committee and the Board of Directors; THE SPECIAL MEETING - Record Date; Voting Power; Votes Required; SUMMARY OF MATERIAL FEATURES OF THE MERGER - The Merger - Conditions to the Merger

Item 8(f).....	SPECIAL FACTORS - Background of the Merger; - Reasons for the Merger; - Recommendations of the Independent Directors Committee and the Board of Directors
Item 9(a)-(c).....	SUMMARY - Opinion of CogenAmerica's Financial Advisor; - Recommendations of the Independent Directors Committee and the Board of Directors; SPECIAL FACTORS - Opinion of Financial Advisor
Item 10(a).....	SUMMARY - Record Date; Voting Power; Votes Required; THE SPECIAL MEETING - Record Date; Voting Power; Votes Required; INTEREST IN SECURITIES OF COGENAMERICA
Item 10(b).....	CERTAIN TRANSACTIONS IN COMMON STOCK AND STOCK OPTIONS
Item 11.....	SUMMARY OF MATERIAL FEATURES OF THE MERGER; SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT

Item 12(a)-(b).....	SUMMARY - Recommendations of the Independent Directors Committee and the Board of Directors; THE SPECIAL MEETING - Record Date; Voting Power; Votes Required; SPECIAL FACTORS - Reasons for the Merger; - Recommendations of the Independent Directors Committee and the Board of Directors; - Perspective of NRG on the Fairness of the Merger; - Conflicts of Interest; SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT
Item 13(a).....	SUMMARY - Appraisal Rights; SUMMARY OF MATERIAL FEATURES OF THE MERGER - Appraisal Rights
Item 13(b)-(c).....	Not applicable.
Item 14(a).....	SELECTED CONSOLIDATED FINANCIAL DATA OF COGENAMERICA; INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE
Item 14(b).....	Not applicable.
Item 15(a)-(b).....	THE SPECIAL MEETING - General; EXPENSES OF THE TRANSACTION
Item 16.....	Not applicable.

Item 17(a).....	Not applicable.
Item 17(b).....	Fairness Opinion, dated as of August 26, 1999, delivered by Donaldson, Lufkin & Jenrette Securities Corporation (set forth as Appendix C to the Proxy Statement which is filed as Exhibit (d) hereto)*
Item 17(c)(1).....	Agreement and Plan of Merger among Cogeneration Corporation of America, Calpine Corporation and Calpine East Acquisition Corp., dated as of August 26, 1999 (set forth as Appendix A to the Proxy Statement which is filed as Exhibit (d) hereto)*
Item 17(c)(2).....	Contribution and Stockholders Agreement, dated as of August 26, 1999, among Calpine Corporation, Calpine East Acquisition Corp. and NRG Energy, Inc.
Item 17(d).....	Copies of each of the Preliminary Proxy Statement of Cogeneration Corporation of America, Letter to Stockholders and Notice of Special Meeting of Stockholders
Item 17(e).....	Section 262 of the Delaware General Corporation Law (set forth as Appendix D to the Proxy Statement which is filed as Exhibit (d) hereto)*
Item 17(f).....	Not applicable.

* Incorporated by reference to the Proxy Statement

ITEM 1. ISSUER AND CLASS OF SECURITY SUBJECT TO THE TRANSACTION.

(a) The information set forth on the Outside Front Cover Page and in "QUESTIONS AND ANSWERS ABOUT THE MERGER" and "SUMMARY - The Companies" of the Proxy Statement is incorporated herein by reference.

(b) The information set forth in "SUMMARY - The Special Meeting" and "THE SPECIAL MEETING - Record Date; Voting Power; Votes Required" of the Proxy Statement is incorporated herein by reference.

(c) The information set forth in "HISTORICAL MARKET INFORMATION" of the Proxy Statement is incorporated herein by reference.

(d) The information set forth in "HISTORICAL MARKET INFORMATION" of the Proxy Statement is incorporated herein by reference.

(e) Not applicable.

(f) On April 30, 1996, NRG received an option to convert $3,000,000 of the outstanding principal amount of the loan then existing between NRG and O'Brien (Schuylkill) Cogeneration, Inc. ("Schuylkill") into 396,255 shares of

common stock of CogenAmerica. Such option vested on August 22, 1997 when NRG loaned additional funds to Schuylkill. On Novermber 25, 1997, NRG converted $3,000,000 of the loan balance into 396,255 shares at a per share price of approximately $7.57. The average price of CogenAmerica's common stock was $16.40 and $19.48, respectively, for the third and fourth quarters of 1997.

ITEM 2. IDENTITY AND BACKGROUND.

This Statement is being filed jointly by NRG and CogenAmerica (the "Filing Persons"). The information set forth on the Outside Front Cover Page and in "SUMMARY - The Companies" of the Proxy Statement is incorporated herein by reference.

(a)-(d) Not applicable.

(e) During the last five years, none of the Filing Persons nor, to the best of their respective knowledge, any of their directors, executive officers or controlling persons have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(f) During the last five years, none of the Filing Persons nor, to the best of their respective knowledge, any of their directors, executive officers or controlling persons was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining further violations of, or prohibiting activities, subject to, federal or state securities laws or finding any violation of such laws.

(g) Not applicable.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS.

(a)(1) The information set forth on the Outside Front Cover Page and in "SPECIAL FACTORS - Background of the Merger"; "- Reasons for the Merger"; "- Conflicts of Interest - Arrangements with NRG" of the Proxy Statement is incorporated herein by reference.

(a)(2) and (b) The information set forth on the Outside Front Cover Page and in "SUMMARY - Recommendations of the Independent Directors Committee and the Board of Directors"; and "SPECIAL FACTORS - Background of the Merger"; "- Reasons for the Merger"; "- Conflicts of Interest - Arrangements with NRG" of the Proxy Statement is incorporated herein by reference.

In addition, on September 14, 1998, NRG sent a letter to CogenAmerica's Chairman requesting that he call a special meeting of CogenAmerica's stockholders to consider removal of Robert Sherman from CogenAmerica's Board of Directors. NRG also filed definitive solicitation materials with the Securities and Exchange Commission pursuant to Section 14(a) of the Securities and Exchange Act of 1934, as amended, relating to a proposed solicitation of proxies and consents from CogenAmerica's stockholders to remove Mr. Sherman from CogenAmerica's Board of Directors. On October 26, 1998, consents of over

50% of CogenAmerica's stockholders in favor of Mr. Sherman's removal from CogenAmerica's Board of Directors were filed with CogenAmerica and Mr. Sherman was removed from CogenAmerica's Board of Directors.

ITEM 4. TERMS OF THE TRANSACTION.

(a) The information set forth in "QUESTIONS AND ANSWERS ABOUT THE MERGER"; "SUMMARY - Terms of the Merger Agreement"; "SPECIAL FACTORS - Purpose, Timing and Structure of the Merger"; and "SUMMARY OF MATERIAL FEATURES OF THE MERGER" of the Proxy Statement is incorporated herein by reference.

(b) The information set forth in "QUESTIONS AND ANSWERS ABOUT THE MERGER"; "SUMMARY - Terms of the Merger Agreement"; "SPECIAL FACTORS - Purpose, Timing and Structure of the Merger"; "SUMMARY OF MATERIAL FEATURES OF THE MERGER"; and "SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT" of the Proxy Statement is incorporated herein by reference.

ITEM 5. PLANS OR PROPOSALS OF THE ISSUER OR AFFILIATE.

(a) - (b) The information set forth in "SUMMARY - Terms of the Merger Agreement"; "SPECIAL FACTORS - Background of the Merger"; " - Plans for CogenAmerica After the Merger"; "- Conflicts of Interest - Arrangements with NRG"; "SUMMARY OF MATERIAL FEATURES OF THE MERGER"; and "SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT" of the Proxy Statement is incorporated herein by reference.

(c) - (d) The information set forth in "SUMMARY - Terms of the Merger Agreement"; "SPECIAL FACTORS - Purpose, Timing and Structure of the Merger"; " - Plans for CogenAmerica After the Merger"; and "SUMMARY OF MATERIAL FEATURES OF THE MERGER"; "SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT" of the Proxy Statement is incorporated herein by reference.

(e) The information set forth in "QUESTIONS AND ANSWERS ABOUT THE MERGER"; "SUMMARY - Terms of the Merger Agreement"; "SPECIAL FACTORS - Purpose, Timing and Structure of the Merger"; " - Plans for CogenAmerica After the Merger"; "SUMMARY OF MATERIAL FEATURES OF THE MERGER"; and "SUMMARY OF

MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT"; of the Proxy Statement is incorporated herein by reference.

(f) - (g) The information set forth in "QUESTIONS AND ANSWERS ABOUT THE MERGER"; "SUMMARY - Terms of the Merger Agreement"; "SPECIAL FACTORS - Purpose, Timing and Structure of the Merger"; "SUMMARY OF MATERIAL FEATURES OF THE MERGER"; and "SPECIAL FACTORS - Certain Effects of the Merger" of the Proxy Statement is incorporated herein by reference.

ITEM 6. SOURCE AND AMOUNTS OF FUNDS OR OTHER CONSIDERATION.

(a) and (d) The information set forth in "SUMMARY OF MATERIAL FEATURES OF THE MERGER - Financing of the Merger; Source of Funds" of the Proxy Statement is incorporated herein by reference.

(b) The information set forth in "EXPENSES OF THE TRANSACTION" of the Proxy Statement is incorporated herein by reference.

(c) Not applicable.

ITEM 7. PURPOSE(S), ALTERNATIVES, REASONS AND EFFECTS.

(a) - (c) The information set forth in "SUMMARY - Potential Benefits and Detriments of the Merger to Unaffiliated Stockholders; Benefits to Insiders"; and "SPECIAL FACTORS - Background of the Merger"; "- Purpose, Timing and Structure of the Merger"; "- Reasons for the Merger"; "- Perspective of NRG on the Fairness of the Merger" of the Proxy Statement is incorporated herein by reference.

(d) The information set forth in "SUMMARY - Potential Benefits and Detriments of the Merger to Unaffiliated Stockholders; Benefits to Insiders"; "SPECIAL FACTORS - Background of the Merger"; "- Purpose, Timing and Structure of the Merger"; "- Reasons for the Merger"; "- Perspective of NRG on the Fairness of the Merger"; and "SUMMARY OF MATERIAL FEATURES OF THE MERGER -

Federal

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Income Tax Consequences of the Transaction" of the Proxy Statement is incorporated herein by reference.

ITEM 8. FAIRNESS OF THE TRANSACTION.

(a) The information set forth in "QUESTIONS AND ANSWERS ABOUT THE MERGER"; "SUMMARY - Recommendations of the Independent Directors Committee and the Board of Directors"; "- Opinion of CogenAmerica's Financial Advisor"; and "SPECIAL FACTORS - Background of the Merger"; "- Purpose, Timing and Structure of the Merger"; "- Reasons for the Merger"; "- Opinion of Financial Advisor"; "- Perspective of NRG on the Fairness of the Merger" of the Proxy Statement is incorporated herein by reference.

(b) The information set forth in "SUMMARY - Recommendations of the Independent Directors Committee and the Board of Directors"; "- Opinion of CogenAmerica's Financial Advisor"; and "SPECIAL FACTORS - Background of the Merger"; "- Purpose, Timing and Structure of the Merger"; "- Reasons for the Merger"; "- Opinion of Financial Advisor"; "- Perspective of NRG on the Fairness of the Merger" of the Proxy Statement is incorporated herein by reference.

(c) The information set forth in "SUMMARY - Record Date; Voting Power; Votes Required"; "THE SPECIAL MEETING - Record Date; Voting Power; Votes Required" and "SUMMARY OF MATERIAL FEATURES OF THE MERGER - The Merger - Conditions to the Merger" of the Proxy Statement is incorporated herein by reference.

(d) The information set forth in "SPECIAL FACTORS - Background of the Merger"; "- Recommendations of the Independent Directors Committee and the Board of Directors" of the Proxy Statement is incorporated herein by reference.

(e) The information set forth in "SUMMARY - Record Date; Voting Power; Votes Required"; "SPECIAL FACTORS - Background of the Merger"; "- Recommendations of the Independent Directors Committee and the Board of Directors"; "THE SPECIAL MEETING - Record Date; Voting Power; Votes Required" and "SUMMARY OF MATERIAL FEATURES OF THE MERGER - The Merger - Conditions to the Merger" of the Proxy Statement is incorporated herein by reference.

(f) The information set forth in "SPECIAL FACTORS - Background of the Merger"; "- Reasons for the Merger"; "- Recommendations of the Independent

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Directors Committee and the Board of Directors" of the Proxy Statement is incorporated herein by reference.

ITEM 9. REPORTS, OPINIONS, APPRAISALS AND CERTAIN NEGOTIATIONS.

(a) - (c) The information set forth in "SUMMARY - Opinion of CogenAmerica's Financial Advisor"; "- Recommendations of the Independent Directors Committee and the Board of Directors"; and "SPECIAL FACTORS - Opinion of Financial Advisor" of the Proxy Statement is incorporated herein by reference.

ITEM 10. INTEREST IN SECURITIES OF THE ISSUER.

(a) The information set forth in "SUMMARY - Record Date; Voting Power; Votes Required"; "THE SPECIAL MEETING - Record Date; Voting Power; Votes Required" and "INTEREST IN SECURITIES OF COGENAMERICA" of the Proxy Statement is incorporated herein by reference.

(b) The information set forth in "CERTAIN TRANSACTIONS IN COMMON STOCK AND STOCK OPTIONS" of the Proxy Statement is incorporated herein by reference.

ITEM 11. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO THE ISSUER'S SECURITIES.

The information set forth in "SUMMARY OF MATERIAL FEATURES OF THE MERGER"; and "SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT" of the Proxy Statement is incorporated herein by reference.

ITEM 12. PRESENT INTENTION AND RECOMMENDATION OF CERTAIN PERSONS WITH REGARDS TO THE TRANSACTION.

(a)-(b) The information set forth in "SUMMARY - Recommendations of the Independent Directors Committee and the Board of Directors"; "THE SPECIAL MEETING - Record Date; Voting Power; Votes Required"; "SPECIAL FACTORS - Reasons for the Merger"; "- Recommendations of the Independent Directors Committee and the Board of Directors"; "- Perspective of NRG on the Fairness of the

Merger"; "- Conflicts of Interest"; and "SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT" of the Proxy Statement is incorporated herein by reference.

ITEM 13. OTHER PROVISIONS OF THE TRANSACTION.

(a) The information set forth in "SUMMARY - Appraisal Rights"; and "SUMMARY OF MATERIAL FEATURES OF THE MERGER - Appraisal Rights" of the Proxy Statement is incorporated herein by reference.

(b)-(c) Not Applicable.

ITEM 14. FINANCIAL INFORMATION.

(a) The information set forth in "SELECTED CONSOLIDATED FINANCIAL DATA OF COGENAMERICA"; and "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE" of the Proxy Statement is incorporated herein by reference.

(b) Not Applicable.

ITEM 15. PERSONS AND ASSETS EMPLOYED, RETAINED OR UTILIZED.

(a)-(b) The information set forth in "THE SPECIAL MEETING - General"; and "EXPENSES OF THE TRANSACTION" of the Proxy Statement is incorporated herein by reference.

ITEM 16. ADDITIONAL INFORMATION.

Not Applicable.

ITEM 17. MATERIAL TO BE FILED AS EXHIBITS.

(a) Not Applicable.

(b) Fairness Opinion, dated as of August 26, 1999, delivered by

Donaldson, Lufkin & Jenrette Securities Corporation (set forth as Appendix C to the Proxy Statement which is filed as Exhibit (d) hereto)*

(c)(1) Agreement and Plan of Merger among Cogeneration Corporation of America, Calpine Corporation and Calpine East Acquisition Corp., dated August 26, 1999 (set forth as Appendix A to the Proxy Statement which is filed as Exhibit (d) hereto)*

(c)(2) Contribution and Stockholders Agreement, dated as of August 26, 1999, among Calpine Corporation, Calpine East Acquisition Corp. and NRG Energy, Inc.

(d) Copies of each of the Preliminary Proxy Statement of Cogeneration Corporation of America, Letter to Stockholders and Notice of Special Meeting of Stockholders, filed with the SEC on September 24, 1999

(e) Section 262 of the Delaware General Corporation Law (set forth as Appendix D to the Proxy Statement which is filed as Exhibit (d) hereto)*

(f) As of the date of this Statement, no written instruction, form or other material has been furnished to any person making the actual oral solicitation or other recommendation (including the proxy solicitor referred to in "THE SPECIAL MEETING - Voting Procedures; Proxies" of the Proxy Statement) for such person's use, directly or indirectly in connection with the Rule 13e-3 transaction.

*Incorporated by reference to the Proxy Statement

SIGNATURES

After due inquiry and to the best of our knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: September 23, 1999

NRG ENERGY, INC.

By: /s/ James J. Bender

Name: James J. Bender
Title: Vice President and General Counsel

SIGNATURES

After due inquiry and to the best of our knowledge and belief, I certify that the information set forth in this statement is true, complete and

correct.

Dated: September 23, 1999

COGENERATION CORPORATION OF AMERICA

By: /s/ Julie A. Jorgensen

Name: Julie A. Jorgensen
Title: President and Chief Executive Officer

EXHIBIT INDEX

EXHIBIT	DESCRIPTION
99(c)(2)	Contribution and Stockholders Agreement, dated as of August 26, 1999, among Calpine Corporation, Calpine East Acquisition Corp. and NRG Energy, Inc.
99(d)	Copies of each of the Preliminary Proxy Statement of Cogeneration Corporation of America, Letter to Stockholders and Notice of Special Meeting of Stockholders

EXHIBIT (c)(2)

CONTRIBUTION AND STOCKHOLDERS AGREEMENT

CONTRIBUTION AND STOCKHOLDERS AGREEMENT (this "Agreement"), dated as of August 26, 1999, among CALPINE EAST ACQUISITION CORP., a Delaware corporation (the "Company"), CALPINE CORPORATION, a Delaware corporation ("Buyer"), and NRG ENERGY, INC., a Delaware corporation ("NRG", and together with the Buyer, the "Stockholders").

W I T N E S S E T H:

WHEREAS, on the date hereof, the Company is authorized by its Certificate of Incorporation to issue Capital Stock consisting of 1,000 shares of common stock, without par value (the "Common Stock");

WHEREAS, the Company has been formed for the purpose of entering into an Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), and, subject to satisfaction or waiver of the conditions set forth in the Merger Agreement, consummating a merger (the "Merger") with and into Cogeneration Corporation of America, a Delaware corporation ("Cogen"), with Cogen continuing as the surviving corporation;

WHEREAS, it is contemplated that immediately prior to and following the consummation of the Merger, NRG will own 20% of the issued and outstanding shares of Capital Stock of the Company and the Buyer will own 80% of the issued and outstanding shares of Capital Stock of the Company; and

WHEREAS, the parties hereto deem it in their best interests and in the best interests of the Company to provide consistent and uniform management for the Company and desire to enter into this Agreement in order to effectuate that purpose and to set forth their respective rights and obligations in connection with their proposed investment in the Company.

NOW, THEREFORE, in consideration of the mutual agreements and understandings set forth herein, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"Actual Adjusted Net Income" has the meaning specified in Section 9.3(a).

"Adjustment Amount" has the meaning specified in Section 5.1(a).

"Affiliate" has the meaning set forth in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

"Agreement" means this Contribution and Stockholders Agreement as in effect on the date hereof and as hereafter from time to time amended, modified or supplemented in accordance with the terms hereof.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C. Sec. 101 et seq., as now in effect and as from time to time hereafter amended, and

any successor or similar statute.

"Board of Directors" means the Board of Directors of the Company as from time to time hereafter constituted.

"Buyer Directors" has the meaning specified in Section 2.3(b).

"By-Laws" means the Amended and Restated By-Laws of the Company in the form set forth as Exhibit D hereto, and as hereafter from time to time amended, modified, supplemented or restated in accordance with the terms hereof and pursuant to applicable law.

"Cancelled Options" has the meaning specified in Section 5.1(a).

"Capital Stock" means and includes (i) any and all shares, interests, participations or other equivalents of or interests in (however designated) corporate stock of any Person, including, without limitation, shares of preferred or preference stock, (ii) all partnership interests (whether general or limited) in any Person which is a partnership, (iii) all membership interests or limited liability company interests in any Person which is a limited liability company, and (iv) all equity or ownership interests in any Person of any other type.

"Cash Equivalents" means

(a) marketable obligations maturing within 180 days after acquisition thereof issued or fully guaranteed by the United States of America or an instrumentality or agency thereof,

(b) open market commercial paper, maturing within 180 days after acquisition thereof, which has the highest credit rating of either Standard & Poor's Corporation or Moody's Investors Service, Inc., issued by a corporation (other than the Company or any of its Subsidiaries or Affiliates) organized under the laws of any State of the United States of America or of the District of Columbia, and

(c) certificates of deposit or bankers acceptances or other obligations maturing within 180 days after acquisition thereof issued by a domestic commercial bank which is a member of the Federal Reserve System and has capital, surplus and undivided profits in excess of $500,000,000.

"Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation of the Company in the form set forth as Exhibit C hereto, and as hereafter from time to time amended, modified, supplemented or restated in accordance with the terms hereof and pursuant to applicable law.

"Cogen" has the meaning specified in the Recitals.

"Commission" means the Securities and Exchange Commission and any successor commission or agency having similar powers.

"Common Stock" means the common stock, without par value, of the Company and any Capital Stock of the Company that is not limited to a fixed sum or percentage of par or stated value in respect to the rights of the holders thereof to participate in dividends or in the distribution of assets upon any liquidation, dissolution or winding up of the Company.

"Company" has the meaning specified in the first paragraph of this Agreement, together with any of its successors or assigns (including, without limitation, Cogen following the consummation of the Merger).

"Company Sale" has the meaning specified in Section 8.2(a).

"Contribution Date" has the meaning specified in Section 5.1.

"Drag-Along Notice" has the meaning specified in Section 8.2(a).

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"Drag Along Right" has the meaning specified in Section 8.2(b).

"Disposing Stockholder" has the meaning specified in Section 8.3(b).

"Effective Date" means the date on which the Effective Time (as such term is defined in the Merger Agreement) occurs.

"Exchange Act" means, as of any date, the Securities Exchange Act of 1934, as amended.

"Fully Diluted Common Stock" means at any time all shares of Common Stock then issued and outstanding and all shares of Common Stock issuable upon the exercise of any then outstanding warrants, options, conversion rights or other rights to subscribe for, purchase or acquire shares of Common Stock that are at the time exercisable.

"GAAP" means generally accepted accounting principles in the United States of America in effect from time to time, applied on a consistent basis both as to classification of items and amounts.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Independent Third Party" has the meaning specified in Section 8.2(a).

"Management Fee" has the meaning specified in Section 9.3(a).

"Merger" has the meaning specified in the Recitals.

"Merger Agreement" has the meaning specified in the Recitals.

"Merger Price" has the meaning specified in Section 5.1(a).

"NASD" means the National Association of Securities Dealers, Inc. and its successors and assigns.

"Notice of Exercise" has the meaning specified in Section 8.1(a).

"NRG Director" has the meaning specified in Section 2.3(b).

"Offered Securities" has the meaning specified in Section 8.1(a).

"Option" has the meaning specified in Section 8.4(a).

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"Option Period" has the meaning specified in Section 8.4(a).

"Option Price" has the meaning specified in Section 8.4(b).

"Permitted Transferee" has the meaning specified in Section 7.2.

"Person" means an individual or a corporation, association, partnership, limited liability company, joint venture, organization, business, trust or any other entity or organization, including a government or any subdivision or agency thereof.

"Pro Rata Portion" means, with reference to any Stockholder at any time, a fraction, the numerator of which is the number of shares of Common Stock then issued and outstanding and held by such Stockholder, and the denominator of which is the aggregate number of shares of Common Stock then issued and

outstanding and held by the Stockholders taken together.

"Projected Adjusted Net Income" has the meaning set forth in Section 9.3(a).

"Proposed Purchaser" has the meaning specified in Section 8.3(b).

"Public Offering" means a public offering and sale of equity securities of the Company pursuant to an effective registration statement under the Securities Act.

"Purchase Offer" has the meaning specified in Section 8.3(b).

"Quorum of the Board" has the meaning specified in Section 2.3(d).

"Registrable Securities" means the following: (a) all shares of Common Stock issued or issuable now or hereafter owned of record or beneficially by any Stockholder and (b) any shares of Capital Stock issued or issuable by the Company in respect of any shares of Common Stock referred to in the foregoing clause (a) by way of a stock dividend or stock split or in connection with a combination or subdivision of shares, reclassification, recapitalization, merger, consolidation or other reorganization of the Company.

As to any particular Registrable Securities that have been issued, such securities shall cease to be Registrable Securities when (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of under such registration statement, (ii) they shall have been distributed to the public pursuant to Rule 144 under the Exchange Act, (iii) they shall have been otherwise transferred or disposed of, and new certificates

therefor not bearing a legend restricting further transfer shall have been delivered by the Company, and subsequent transfer or disposition of them shall not require their registration or qualification under the Securities Act or any similar state law then in force, (iv) they shall have ceased to be outstanding, or (v) with respect to the Registrable Securities held by any Person, when such Registrable Securities, when aggregated with the Registrable Securities held by such Person's Affiliates, constitute 1% or less of the shares of Common Stock at the time outstanding.

"Registration Expenses" means any and all out-of-pocket expenses incident to the Company's performance of or compliance with Section 10 hereof, including, without limitation, all Commission, stock exchange and NASD registration and filing fees, all fees and expenses of complying with securities and blue sky laws (including the reasonable fees and disbursements of underwriters' counsel in connection with blue sky qualifications and NASD filings), all fees and expenses of the transfer agent and registrar for the Registrable Securities, all printing expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, but excluding underwriting discounts and commissions and applicable transfer and documentary stamp taxes, if any, which shall be borne by the seller of the securities in all cases.

"Restricted Period" means the three-year period commencing on the Effective Date.

"Securities Act" means, as of any date, the Securities Act of 1933, as amended.

"Stockholder" means (i) the Buyer, (ii) NRG or (iii) each Permitted Transferee of any such Person who becomes a party to or bound by the provisions of this Agreement in accordance with the terms hereof.

"Subsidiary" means as to any Person a corporation of which outstanding shares of Common Stock having the power to elect a majority of the Board of Directors of such corporation are at the time owned, directly or indirectly through one or more intermediaries, or both, by such Person.

"Total Equity Value of the Company" has the meaning specified in Section 5.1(a).

"Transfer" has the meaning specified in Section 7.1.

"Transfer Notice" has the meaning specified in Section 8.1(a).

"Transfer Offer" has the meaning specified in Section 8.1(a).

"Transfer Offer Price Per Security" shall have the meaning specified in Section 8.1(a).

"Valuation Notice" has the meaning specified in Section 8.4(b).

"Valuing Investment Bank" has the meaning specified in Section 8.4(b).

"Wholly-Owned Subsidiary" means, with respect to any Person, any Subsidiary of such Person all of the Capital Stock (and all options, warrants, conversion rights and other rights to subscribe for, purchase or acquire such Capital Stock) of which, other than directors' qualifying shares, are owned, beneficially and of record, by such Person or one or more Wholly-Owned Subsidiaries of such Person.

ARTICLE II

THE COMPANY

Section 2.1 Organizational Documents. Attached hereto as Exhibits A and B, respectively, are the current certificate of incorporation and by-laws of the Company. On the Contribution Date but prior to the making of the contributions referred to in Section 5.1 hereof, the Buyer and the Company shall cause the Amended and Restated Certificate of Incorporation of the Company in the form set forth as Exhibit C hereto to be filed with the Secretary of State of the State of Delaware, and the Amended and Restated By-Laws of the Company in the form set forth as Exhibit D hereto shall be approved by the Board of Directors.

Section 2.2 Capitalization. Prior to the Contribution Date, the capitalization of the Company shall be 1,000 shares of Common Stock, all of which shall be held by the Buyer.

Section 2.3 Board of Directors. The following provisions shall apply with respect to the Board of Directors of the Company commencing on the Contribution Date:

(a) Conduct of Business. The parties hereto confirm that it is their intention that the business and affairs of the Company shall be managed by its Board of Directors in the best interests of the Company.

(b) Board of Directors. The Board of Directors shall be composed of no more than seven directors. Each Stockholder agrees to

vote its shares of Common Stock, whether at a duly-convened meeting or by written consent, to elect no more than seven directors, one of whom shall be nominated by NRG (the "NRG Director") and the remainder of whom shall be nominated by the Buyer (the "Buyer Directors").

(c) Removal; Vacancies. Any director may be removed from the Board of Directors, with or without cause, only upon the affirmative vote of the

Stockholders and in accordance with the terms of this Section 2.3(c). The NRG Director shall not be removed, with or without cause, without the prior written consent of NRG. NRG agrees to vote all of its shares of Common Stock for the removal of a Buyer Director upon the request of the Buyer, and agrees not to vote any of its shares of Common Stock for the removal of any Buyer Director under any other circumstance. The Buyer agrees to vote all of its shares of Common Stock for the removal of the NRG Director upon the request of NRG, and agrees not to vote any of its shares of Common Stock of the Company for the removal of the NRG Director under any other circumstance. In the event that any Director is unwilling or unable (by reason of death, resignation or otherwise) to serve as such or is removed in accordance with the terms of this Section 2.3(c), then the Stockholders shall promptly elect the successor or replacement to such Director upon the nomination of the Stockholder which appointed such Director.

(d) Quorum of the Board of Directors. A quorum for any meeting of the Board of Directors shall be at least a majority of the directors (a "Quorum of the Board"); provided, that at least 48 hours prior written notice of such meeting is duly given to the NRG Director. No action may be taken by the Board of Directors at any meeting unless a Quorum of the Board is present at the time such action is taken.

(e) Committees of the Board of Directors. The Board of Directors shall not have any committees, unless approved by the unanimous consent of all members of the Board of Directors or unless the NRG Director is a member of such committee.

Section 2.4 No Conflict with Agreement. Each Stockholder shall vote its shares of Common Stock, and shall take all actions necessary, to ensure that the Certificate of Incorporation and By-Laws do not, at any time, conflict with the provisions of this Agreement. In the event of any conflict between this Agreement and the Certificate of Incorporation or the By-Laws, the provisions of this Agreement shall govern and the Company and the Stockholders shall take action as is required to ensure that the Certificate of Incorporation and the By-Laws do not conflict with this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of NRG.

(a) Organization. NRG is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification.

(b) Due Authorization; Non-Contravention. The execution and delivery by NRG of this Agreement and the performance by NRG of its obligations hereunder have been duly authorized by all requisite corporate action and will not violate any provision (x) of the Certificate of Incorporation of NRG, as amended, or the By-laws of NRG, as amended, (y) of law, any order of any court or other agency of government, or (z) of any indenture, agreement or other instrument to which NRG or any of its properties or assets is bound, or conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge, restriction, claim or encumbrance of any nature whatsoever upon any of the properties or assets of NRG, it being understood that, in connection with the transactions contemplated by this Agreement and the Merger Agreement, the parties will make all requisite filings and otherwise comply with the applicable requirements of (i) the HSR Act, (ii) the Exchange Act and the Securities Act, (iii) state securities, takeover or blue sky laws, and (iv) any other laws or

regulations.

(c) Binding Agreement. This Agreement has been duly executed and delivered by NRG and, assuming the due execution and delivery by the other parties hereto, constitutes the legal, valid and binding obligation of NRG enforceable in accordance with its terms.

(d) Ownership of Shares. NRG (or accounts controlled or beneficially owned by NRG) is the lawful owner of 3,106,612 shares of common stock of Cogen, and has the power to vote and dispose of such shares. To NRG's knowledge, such shares of common stock are validly issued, fully paid and nonassessable, with no personal liability attaching to

the ownership thereof. NRG has good title to its shares of common stock, free and clear of any liens, adverse claims or encumbrances whatsoever with respect to the ownership of or the right to vote such shares. Such shares constitute all of the shares of common stock of Cogen owned of record or beneficially by NRG. NRG does not own any options to purchase or rights to subscribe for or otherwise acquire any securities of Cogen. Except as otherwise provided in this Agreement, NRG has the sole voting power and sole power to issue instructions with respect to the matters set forth in this Agreement, sole power of disposition, sole power to demand appraisal rights and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the shares of common stock of Cogen owned by NRG with no limitations, qualifications or restrictions on such rights, subject to applicable securities laws and the terms of this Agreement. The terms "beneficially own" or "beneficial ownership" with respect to any securities shall mean having "beneficial ownership" of such securities as determined pursuant to Rule 13d-3 under the Exchange Act.

Section 3.2 Representations and Warranties of the Buyer.

(a) Organization. The Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification.

(b) Due Authorization; Non Contravention. The execution and delivery by the Buyer of this Agreement and the performance by the Buyer of its obligations hereunder have been duly authorized by all requisite corporate action and will not violate any provision (x) of the Certificate of Incorporation of the Buyer, as amended or the By-laws of the Buyer, as amended, (y) of law, any order of any court or other agency of government, or (z) of any indenture, agreement or other instrument to which the Buyer or any of its properties or assets is bound, or conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge, restriction, claim or encumbrance of any nature whatsoever upon any of the properties or assets of the Buyer, it being understood that, in connection with the transactions contemplated by this Agreement and the Merger Agreement, the parties will make all requisite filings and otherwise comply with the applicable requirements of (i) the HSR Act, (ii) the Exchange Act and the

Securities Act, (iii) state securities, takeover or blue sky laws, and (iv) any other laws or regulations.

(c) Binding Agreement. This Agreement has been duly executed and delivered by the Buyer and, assuming the due execution and delivery by the

other parties hereto, constitutes the legal, valid and binding obligation of the Buyer enforceable in accordance with its terms.

ARTICLE IV

COVENANTS

Section 4.1 Irrevocable Proxy. NRG hereby irrevocably appoints the Buyer, or any designee of the Buyer, with full power of substitution the lawful agent, attorney and proxy of NRG, from the date hereof until the Effective Date or unless this Agreement is terminated pursuant to Article XI hereof, at any meeting of the stockholders of Cogen, however called, or in connection with any written consent of the stockholders of Cogen (including the right to sign its name (as a stockholder) to any consent, certificate or other document relating to Cogen that the law of the State of Delaware may permit or require), to vote (or cause to be voted) the shares of common stock of Cogen held of record or beneficially by NRG (i) in favor of the Merger, the execution and delivery by Cogen of the Merger Agreement and any amendments thereto (so long as any such amendment does not materially adversely affect NRG) and the approval of the terms thereof, the amendment of the Cogen certificate of incorporation as provided in the Merger Agreement, and each of the other actions contemplated by this Agreement and the Merger Agreement, and any amendments hereto or thereto, with NRG's consent pursuant to the terms of this Agreement, and any actions required in furtherance hereof and thereof, (ii) against any proposal for any recapitalization, merger, sale of assets or other business combination between Cogen and any Person (other than the Merger) or any other action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of Cogen under the Merger Agreement or this Agreement, (iii) against any of the following actions (other than the transactions contemplated by the Merger Agreement): (1) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving Cogen or any of its Subsidiaries; (2) a sale, lease or transfer of a material amount of assets of Cogen or any of its Subsidiaries or a reorganization, recapitalization, dissolution or liquidation of Cogen of any of its Subsidiaries; (3) (a) any change in the majority of Cogen's board of directors; (b) any material change in the present capitalization of Cogen or any amendment to Cogen's certificate of incorporation (other than such amendment contemplated in connection with the Merger); or (c) any other change in Cogen's corporate structure or business; or (4) any other action which, is intended, or could reasonably be expected, to impede, interfere with, delay, postpone, discourage or

adversely affect the Merger or the transactions contemplated by this Agreement or the contemplated economic benefits of any of the foregoing, or impede, interfere with, delay, postpone, discourage or adversely affect the Merger or the transactions contemplated by this Agreement. NRG further agrees to cause its shares of common stock of Cogen that are outstanding and owned by it beneficially to be voted in accordance with the foregoing. NRG agrees that it shall not enter into any agreement, arrangement or understanding with any Person the effect of which would be inconsistent with or violate the provisions of this Section 4.1. NRG intends this proxy to be irrevocable and coupled with an interest and will take such further action or execute such other instruments as may be necessary to effectuate the intent of this proxy and hereby revokes any proxy previously granted by it with respect to its shares of common stock of Cogen. NRG shall not, hereafter, unless and until this Agreement terminates pursuant to the terms hereof, purport to vote (or execute a consent with respect to) its shares of common stock of Cogen (other than through this irrevocable proxy) or grant any other proxy or power of attorney with respect to any such shares, deposit such shares into a voting trust or enter into any agreement (other than this Agreement), arrangement or understanding with any Person, directly or indirectly, to vote, grant any proxy or give instructions with respect to the voting of such shares.

Section 4.2 Additional Covenants.

(a) Cooperation. Prior to the Effective Date, each of the Stockholders shall use its reasonable efforts to take all actions and to do all things necessary, proper or advisable in order to permit the consummation of the Merger. The Buyer shall not cause the Merger Agreement to be amended or consent to any proposed amendment of the Merger Agreement, or waive any of its rights thereunder, in any way that would be materially adverse to NRG, without NRG's prior written consent.

(b) Operation of Business. Each of the Stockholders acknowledges that the Company is formed solely for the purpose of effectuating the transactions contemplated by this Agreement and the Merger Agreement. The Company shall not transact any business whatsoever during the period commencing on the date hereof and continuing through the Effective Date other than in furtherance of the transactions contemplated by this Agreement or the Merger Agreement.

(c) Dividend Policy. Beginning on the fourth anniversary of the Effective Date, the Stockholders will cause the Company to adopt appropriate policies of declaring dividends at the highest level permitted by applicable law, consistent with prudent business practices and having due regard for relevant business, taxation, working capital, financial covenant and operational requirements.

(d) Securities Filings. Each of the Buyer, the Company and NRG shall promptly provide to any other party any information requested for the purpose of preparing any filings required to be filed with the Commission pursuant to Sections 13d and 13e of the Exchange Act, and the rules and regulations promulgated thereunder, in connection with this Agreement or the Merger Agreement and the transactions contemplated hereby and thereby.

(e) No Solicitation. Neither NRG nor any officer, director, employee, representative or agent of NRG shall, directly or indirectly, solicit, encourage, facilitate, participate in or initiate any discussions or negotiations regarding, or furnish to any Person any information with respect to, or take any other action to facilitate any inquiries or the making of any submission or proposal by any Person (other than the Buyer) which constitutes, or may reasonably be expected to lead to, (a) any sale of shares of common stock of Cogen owned by NRG or (b) any Takeover Proposal or Superior Proposal (as such terms are defined in the Merger Agreement) or any agreement with respect thereto. If NRG, or any officer, director, employee, representative or agent of NRG, receives an inquiry or proposal with respect to the sale of shares of common stock of Cogen, any Takeover Proposal or any inquiry with respect to or which could lead to any sale of shares of its common stock of Cogen or any Takeover Proposal, then NRG shall advise the Buyer orally (within one business day) and in writing (as promptly as practicable) of the terms and conditions, if any, of such inquiry or proposal and the identity of the Person making it. NRG shall, and shall cause its officers, directors, employees, representatives and agents to, immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. This Section 4.2(e) will bind or apply to any Person except in his or her capacity as a director of Cogen (or as an officer of Cogen acting at the direction of Cogen's board of directors) under applicable law and fiduciary duties, in which case his or her actions shall be restricted solely by the terms of the Merger Agreement.

(f) Restrictions on Transfer, Proxies and Non Interference. Prior to the Effective Date, NRG hereby agrees, except as contemplated hereby, not to (i) acquire, sell, transfer, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to the acquisition, sale, transfer, pledge, encumbrance, assignment or other disposition of, any shares of common stock of Cogen, (ii) grant any proxies, deposit any of its shares of

common stock of Cogen into a voting trust or enter into a voting agreement with respect to any of its shares of common stock of Cogen, or (iii) take any action that would make any representation or warranty of NRG contained herein untrue or incorrect or have the effect of preventing or disabling NRG from performing its obligations under this Agreement. NRG agrees to notify the Buyer promptly and to provide all details requested by the Buyer if NRG shall be approached or solicited, directly or indirectly, by any Person with respect to any of the foregoing.

(g) Stop Transfer Order. In furtherance of this Agreement, concurrently with the execution of this Agreement, NRG shall and hereby does authorize Cogen's counsel to notify Cogen's transfer agent that there is a stop transfer order with respect to all of NRG's shares of common stock of Cogen (and that this Agreement places limits on the voting and transfer of such shares).

(h) Cooperation on Regulatory Matters. If so requested by the Buyer, promptly after the date hereof, NRG will use its reasonable best efforts to cause it and Cogen (if required) to make all filings which are required under the HSR Act and applicable requirements and to seek all regulatory approvals required in connection with the transactions contemplated hereby and by the Merger Agreement. The parties shall furnish to each other such necessary information and reasonable assistance as may be requested in connection with the preparation of filings and submissions to any governmental agency, including, without limitation, filings under the provisions of the HSR Act. NRG shall also use its reasonable efforts to cause Cogen to supply the Buyer with copies of all correspondence, filings or communications (or memoranda setting forth the substance thereof) between Cogen and its representatives and the Federal Trade Commission, the Department of Justice and any other governmental agency or authority and members of their respective staffs with respect to this Agreement and the transactions contemplated hereby.

ARTICLE V

ADDITIONAL CONTRIBUTIONS

Section 5.1. Additional Capital Contributions. Immediately prior to the Effective Date, but after an affirmative vote of Cogen's stockholders approving the Merger Agreement has been duly taken and recorded, the Buyer and NRG shall make contributions of capital to the Company as set forth below, it being understood that all such contributions shall be made simultaneously (the date of such contributions being

referred to herein as the "Contribution Date"):

(a) Obligations of NRG. NRG shall contribute to the Company that number of shares of common stock of Cogen that have, in the aggregate, a value (based on a $25.00 per share value) equal to (i) 20% of the Total Equity Value of the Company, as hereinafter defined, less (ii) the Adjustment Amount, as hereinafter defined, in exchange for such number of shares of Common Stock as would result in NRG holding 20% of the issued and outstanding shares of Common Stock. "Total Equity Value of the Company" means the sum of (i) an amount determined by multiplying (A) the total number of issued and outstanding shares of common stock of Cogen by (B) $25.00 (the "Merger Price") and (ii) the aggregate amount of the excess of the Merger Price over the exercise price of each of the outstanding options set forth on Schedule 1 hereto which are currently exercisable or will become exercisable upon consummation of the Transactions (as defined in the Merger Agreement). "Adjustment Amount" means an amount determined by multiplying (i) the total number of shares underlying the Cancelled Options, as hereinafter defined, by (ii) the excess of the Merger Price over the exercise price for each Cancelled Option. "Cancelled Options"

means those options owned by David H. Peterson, Ronald J. Will and Craig A. Mataczynski listed on Schedule 1 to this Agreement, which, on or before the Merger Date, have been cancelled for no consideration and a termination agreement as contemplated in the Merger Agreement has been signed and provided to the Buyer. NRG represents that if such contribution were made on the date hereof and assuming that Cancelled Options includes all options held by David H. Peterson, Ronald J. Will and Craig A. Mataczynski, it would be obligated to contribute to the Company 1,394,973 shares of common stock of Cogen to the Company. NRG may, at its sole option, contribute to the Company additional shares of common stock of Cogen; provided that it shall own 20% of the Common Stock and shall receive no additional consideration in respect of any additional capital contribution of shares of common stock of Cogen to the Company.

(b) Obligations of the Buyer. The Buyer shall contribute to the Company cash in an amount equal to 80% of the Total Equity Value of the Company in exchange for such number of shares of Common Stock as would result in the Buyer holding 80% of the issued and outstanding shares of Common Stock. The Buyer represents that if such contribution were made on the date hereof, it would be obligated to contribute $146,539,730, as appropriately adjusted to the extent of any contribution by NRG under the last sentence of Section 5.1(a) above. The requisite cash contribution by the Buyer shall be made in immediately available funds.

Additionally, the Buyer will contribute to the Company, in the form a loan pursuant to a Promissory Note in the form attached hereto as Exhibit E, in an original principal amount not less than (i) the amount necessary to repay in full the debt of Cogen listed on Schedule 2 hereto, (ii) the amount necessary to satisfy all other obligations of the Company under this Agreement and the Merger Agreement or any other document related hereto or thereto, and (iii) transaction costs of the Company associated with the transactions contemplated by this Agreement and the Merger Agreement. The Buyer agrees that it shall not consummate the Merger without either (i) causing the outstanding indebtedness of Cogen's Subsidiaries to be refinanced on the substantially the same terms as the Promissory Note in the form attached hereto as Exhibit E; provided, however, that NRG shall have the option to participate in any such refinancing pro rata according to its ownership of the Company or (ii) obtaining consent of the lenders of Cogen's Subsidiaries to the transactions contemplated by the Merger Agreement or this Agreement.

Section 5.2 NRG's Obligation to Contribute Shares. In no event shall NRG be obligated to contribute its shares of common stock of Cogen pursuant to Section 5.1(a) unless (i) Cogen's stockholders have duly approved the Merger Agreement and (ii) all of the conditions to closing set forth in the Merger Agreement have been satisfied or waived.

Section 5.3 The Buyer's Obligation to Contribute Cash. In no event shall the Buyer be obligated to contribute cash pursuant to Section 5.1(b) above unless all of the conditions to closing set forth in the Merger Agreement have been satisfied or waived.

ARTICLE VI

MANAGEMENT OF THE COMPANY FOLLOWING THE MERGER

Section 6.1 Conduct of Business. (a) Notwithstanding the fact that no vote may be required or that a lesser percentage vote may be specified by law, by the Certificate of Incorporation or the By-Laws, each as amended, by any agreement with any national securities exchange or otherwise, except as hereinafter provided in this paragraph (a) or otherwise in this Agreement, as of the date hereof, neither the Company nor its Subsidiaries shall take or permit any of the following actions to be taken without the specific prior written consent of NRG (which, at the direction of NRG, may be effectuated by the NRG Director), except as otherwise contemplated by Article VIII or in any other provision of this Agreement:

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(i) The issuance, repurchase, exchange or redemption of any Shares of any Capital Stock (including any Common Stock), or the grant of the right or option to acquire any shares of such Capital Stock, of the Company.

(ii) Any sale or disposition of any of the Company's Subsidiaries and, other than in the ordinary course of business, the sale or disposition of property or assets of the Company or its Subsidiaries in excess of 20% of the fair market value of the total assets of the Company.

(iii) Any amendment, modification or supplement to, or repeal of, or adoption of any policy or procedures inconsistent with, any provision of the Certificate of Incorporation or By-Laws; provided, that, the Company may amend the Certificate of Incorporation to effect a change of name or a change of registered agent for service of process without NRG's prior written consent.

(iv) Any merger, consolidation or other business combination of the Company with any other Person except for any merger or consolidation involving any direct or indirect Wholly-Owned Subsidiary of the Company and except for the Merger.

(v) The authorization or entering into by the Company or any of its Subsidiaries of any contract, agreement, transaction or other arrangement or any modification, waiver or amendment to any of the foregoing, with any of the Buyer or its Affiliates with a value (or obligation on the part of the Company or such Subsidiary) in excess of $2,000,000; provided that the Company or its Subsidiaries may enter into (x) contracts, agreements, transactions or other arrangements or modifications, waivers or amendments to the foregoing with any of the Buyer or its Affiliates with a value (or obligation on the part of the Company or such Subsidiary) in excess of $2,000,000 if the terms and provisions thereof are no less favorable to the Company or such Subsidiary than those that would be available in a comparable arms-length transaction and the Buyer shall have certified the same to the Board of Directors prior to the entry into or execution of the same, and (y) the Merger Agreement and any of the

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transactions or documents contemplated by the Merger Agreement.

(vi) The appointment or renewal of the Company's independent auditor if such auditor is not the Buyer's independent auditor, or any change in accounting periods or the accounting principles under which the Company's financial statements are presented except as may be required by GAAP or as are consistent with accounting principles used by the Buyer as of the date of this Agreement.

(vii) (a) the dissolution of the Company or any of its Subsidiaries, or the commencing of the process of dissolution; (b) the adoption of a plan of liquidation of the Company or any of its Subsidiaries; and (c) any action by the Company or any of its Subsidiaries to commence any suit, case, proceeding or other action (1) under the Bankruptcy Code or any other existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it, or (2) seeking appointment of a receiver, trustee, custodian, or

other similar official for it or for all or any substantial part of its assets or making a general assignment for the benefit of its creditors.

(viii) The issuance of any liquidating distributions to the Stockholders.

(b) The Stockholders shall take no action that would have the effect of causing the Company to contravene any provision of this Section 6.1.

(c) Notwithstanding any provision in Section 6.1(a)(v), the parties agree that the Buyer and/or its designated Affiliates shall be permitted to enter into (i) Operating and Maintenance Agreements with the Company or its Subsidiaries in substantially the respective forms of such agreements existing on the date hereof between NRG and its Affiliates, on one hand, and Cogen's Subsidiaries, on the other hand, (ii) a Management

Services Agreement, an Operating and Maintenance Agreement for the Pryor project and Energy Services Agreements in substantially the respective forms agreed to by the parties on the date hereof, and (iii) a Tax Sharing Agreement in substantially the form agreed to by the parties on the date hereof.

ARTICLE VII

TRANSFERS OF CAPITAL STOCK

Section 7.1 Restrictions on Transfer. Each Stockholder agrees that during the Restricted Period, such Stockholder will not offer, sell, transfer, assign or otherwise dispose of (or make any exchange, gift, assignment or pledge of or impose any lien or encumbrance on) (collectively, for purposes of Sections 7 and 8 hereof only, a "Transfer") any of its shares of Common Stock, or options, warrants or rights to subscribe for or purchase shares of Common Stock, without the prior written consent of all the Stockholders, which consent shall not be unreasonably withheld or delayed. For purposes of this Section 7.1, a merger or consolidation or other business combination or any change in control of the Buyer or the ultimate parent company of NRG will not be deemed to be a Transfer.

Section 7.2 Exceptions to Restrictions. The provisions of Section 7.1 and Section 8 shall not apply to any of the following transfers:

(a) From any Stockholder to any Wholly-Owned Subsidiary of any Stockholder or any Person which owns 100% of the Capital Stock of any Stockholder (each a "Permitted Transferee"), provided that each such Permitted Transferee shall execute a counterpart of and become a party to this Agreement and shall agree in a writing in form and substance satisfactory to the Company to be bound and becomes bound by the terms of this Agreement.

(b) Pursuant to a permitted merger or consolidation involving the Company or any of its Subsidiaries.

Section 7.3 Applicability. The provisions of this Agreement shall be applied to the shares of Common Stock acquired by any Permitted Transferee of a Stockholder in the same manner and to the same extent as such provisions were applicable to such Common Stock in the hands of such Stockholder.

Section 7.4 Endorsement of Certificates.

(a) Upon the execution of this Agreement, in addition to any

other legend that the Company may deem advisable under the Securities Act and certain state securities laws or required pursuant to the Company's Certificate of Incorporation or By-Laws, all certificates representing issued and outstanding shares of Common Stock that are subject to any of the provisions of this Agreement shall be endorsed as follows:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE ARE SUBJECT TO, AND ARE TRANSFERABLE ONLY UPON COMPLIANCE WITH, THE PROVISIONS OF A STOCKHOLDERS AGREEMENT DATED AS OF AUGUST 26, 1999, AMONG THE COMPANY AND ITS STOCKHOLDERS. A COPY OF THE ABOVE-REFERENCED AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY. NO REGISTRATION OF TRANSFER OF SUCH SECURITIES WILL BE MADE ON THE BOOKS OF THE COMPANY UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE BEEN COMPLIED WITH.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR AN EXEMPTION FROM REGISTRATION, UNDER SAID ACT.

(b) Except as otherwise expressly provided in this Agreement, all certificates representing shares of Common Stock hereafter issued to or acquired by any of the Stockholders or their successors or assigns (including, without limitation, all certificates representing shares of Common Stock hereafter issued upon conversion of shares of Common Stock of any other class) shall bear the legends set forth above, and the shares of stock represented by such certificates shall be subject to the applicable provisions of this Agreement. The obligations of each party hereto shall be binding upon each transferee to whom shares of Common Stock are Transferred by any party hereto, whether or not such Transfer is permitted under the terms of this Agreement. Prior to consummation of any Transfer, such Stockholder shall cause the Transferee to execute an agreement in form and substance reasonably satisfactory to the other Stockholders hereto, providing that such Transferee shall fully comply with the terms of this Agreement. Prompt notice shall be given to the Company and each Stockholder by the transferor of any Transfer (whether or not to a Permitted Transferee) of any Common Stock.

Section 7.5 Improper Transfer. Any attempt to Transfer or encumber any shares of Common Stock other than in accordance with the terms of this Agreement shall be null and void and neither the Company nor any transfer agent of such securities shall give any effect to such attempted Transfer or encumbrance in its stock records.

ARTICLE VIII

RIGHTS OF FIRST REFUSAL; DRAG-ALONG RIGHTS; TAG-ALONG RIGHTS; PURCHASE OPTION

Section 8.1. Right of First Refusal.

(a) Except for (i) Transfers to a Permitted Transferee, and (ii) transactions subject to Sections 8.2, 8.3, and 8.4, if at any time after the Restricted Period NRG receives a bona fide offer which NRG desires to accept (a "Transfer Offer") to sell any shares of Common Stock (or options, warrants or rights to subscribe for or purchase shares of Common Stock) owned by it, then NRG shall cause the Transfer Offer to be reduced to writing and shall deliver written notice of such Transfer Offer (a "Transfer Notice"), accompanied by a copy of such Transfer Offer to the Buyer and the Company, setting forth the identity of the offeror, the number and class of shares of Common Stock (or options, warrants or rights) proposed to be transferred (the "Offered Securities"), the price per security contained in the Transfer Offer (the "Transfer Offer Price Per Security"), and all other terms applicable thereto. The Transfer Notice shall also contain an irrevocable offer to sell the Offered Securities to the Buyer at a price equal to the Transfer Offer Price Per Security and upon substantially the same terms as contained in the Transfer Offer. In the event that the form of consideration specified in the Transfer Offer is other than cash, NRG shall use its best efforts to cause the consideration

of such Transfer Offer to be reduced to cash. In the event that NRG is unsuccessful in obtaining a Transfer Offer with cash consideration, NRG shall not accept such Transfer Offer.

(i) Upon receipt of the Transfer Notice, the Buyer shall then have the right to accept such offer at the Transfer Offer Price Per Security and on the other terms specified in the Transfer Offer with respect to all, but not less than all, of the Offered Securities. The rights of the Buyer pursuant to this clause (ii) shall be exercisable by the delivery of notice to NRG (the "Notice of Exercise") (a copy of which shall also be delivered to the Company) within 30 business days from the date of delivery of the Transfer Notice, which Notice of Exercise shall be deemed an irrevocable acceptance of the Transfer Offer.

(ii) In the event that the Buyer exercises its rights to purchase all the Offered Securities in accordance with clause (i) above, then NRG must sell such Offered Securities to the

Buyer, at the Transfer Offer Price Per Security and on the other terms specified in the Transfer Offer.

(b) If all notices required to be given pursuant to Section 8.1(a) have been duly given and the Buyer does not purchase the Offered Securities pursuant to the provisions hereof, then NRG shall have the right, subject to compliance by NRG with the provisions of Section 7.4(b) hereof, from the date which is the earlier of (i) the expiration of the option period pursuant to Section 8.1(a) or (ii) the date on which NRG receives notice from the Buyer that it will not exercise the option granted pursuant to Section 8.1(a), to sell to such Person which originally made the Transfer Offer the Offered Securities at a price per Offered Security equal to or greater than 100% of the Transfer Offer Price Per Security and on the other terms specified in the Transfer Offer.

(c) The consummation of any purchase and sale pursuant to Section 8.1(a) shall take place on such date, not later than 60 calendar days after the expiration of the option period pursuant to Section 8.1(a), as the purchaser shall select. Upon the consummation of any such purchase and sale, NRG shall deliver certificates representing the Offered Securities sold duly endorsed, or accompanied by written instruments of transfer in form satisfactory to the purchaser duly executed by NRG free and clear of any liens, against delivery of the Transfer Offer Price Per Security for each of the Offered Securities purchased by federal funds wired to such bank or financial institution specified in writing by NRG. If the purchase and sale is not consummated within the 60 calendar day period referred to in this subsection (c), then the provisions of Section 8.1 shall again apply to such shares.

Section 8.2. Drag-Along.

(a) Subject to any approval or other rights in this Agreement, if after the expiration of the Restricted Period, the Buyer sells all or substantially all the Fully Diluted Common Stock owned by it (whether pursuant to a sale, merger or other consolidation, a "Company Sale") in a bona fide arm's-length transaction to a third party that is not an Affiliate of the Buyer or of the Company (an "Independent Third Party"), then the Buyer shall have the right, subject to all the provisions of this Section 8.2 ("Drag-Along Right"), to require NRG to (i) if such Company Sale is structured as a sale of stock, sell, transfer and deliver or cause to be sold, transferred and delivered to such Independent Third Party all shares of Fully Diluted Common Stock, owned or held by it or (ii) if such Company Sale requires the consent or approval of the Company's stockholders, vote

NRG's shares of Common Stock in favor thereof, and, in any such event, except to the extent otherwise provided in subsection (c) of this Section 8.2, NRG shall agree to and shall be bound by the same terms, provisions and conditions in respect of the Company Sale as are applicable to the Buyer. The provisions of Section 8.1 shall not apply to any transactions to which this Section 8.2 applies.

(b) If the Buyer desires to exercise its Drag-Along Rights, it shall give written notice to the other Stockholder ("Drag-Along Notice") of the Company Sale, setting forth the name and address of the transferee, the date on which such transaction is proposed to be consummated (which shall be not less than 30 days after the date such Drag-Along Notice is given), and the proposed amount of cash consideration and terms and conditions of payment offered by such transferee.

(c) The obligations of the Stockholders in respect of a Company Sale under this Section 8.2 are subject to the satisfaction of the following conditions: (i) subject to (v) below, upon the consummation of the Company Sale, consideration of equivalent value in cash or Cash Equivalents realized upon such Company Sale shall be paid or distributed in respect of each share of Common Stock then issued and outstanding; (ii) each holder of then currently exercisable rights to acquire shares of Common Stock will be given a reasonable opportunity to exercise such rights prior to the consummation of the Company Sale and thereby to participate in such sale as a holder of such Common Stock; (iii) there shall be no liability of NRG for indemnification in respect of any matters arising pursuant to or in connection with the Company Sale, other than with respect to NRG's ownership of its shares of Common Stock; (iv) NRG shall not be required to make general representations or warranties regarding the financial condition, business, assets or affairs of the Company and its Subsidiaries; (v) the valuation of NRG's shares of Common Stock shall take into account not only the consideration received by the Buyer for its Common Stock but also any consideration received by the Buyer or its for the sale, transfer or disposition of any ownership or other interests, contract rights, permits or any other asset of the Buyer or its Affiliates with respect to its investment in the Company related to or contemplated by the sale of the Buyer's Common Stock; and (vi) NRG shall be given a reasonable opportunity to review and provide comments to the agreements or documents relating to the Company Sale.

Section 8.3 Tag-Along Rights.

(a) Notwithstanding anything in this Agreement to the contrary, except in the case of (i) transfers to a Permitted Transferee referred to in Section 7.2 and (ii) transactions subject to Section 8.2, the Buyer shall not sell, dispose of or otherwise transfer any shares of Common Stock, options, warrants or rights to subscribe for or purchase shares of Common Stock, unless, prior to the consummation thereof, NRG shall have been afforded the opportunity to join in such sale with respect to all of the shares of Common Stock owned by NRG, as hereinafter provided in this Section 8.3.

(b) Prior to consummation of any proposed sale, disposition or transfer of shares of Common Stock (or options, warrants or rights) described in Section 8.3(a), the Buyer (the "Disposing Stockholder") shall cause the person or group that proposes to acquire such shares (the "Proposed Purchaser") to offer NRG in writing ("Purchase Offer") the right to sell all of the shares of Common Stock (or options, warrants or rights) owned by NRG. The Purchase Offer shall be accompanied by a copy of the Proposed Purchaser's final offer to the Disposing Stockholder. If the Purchase Offer is accepted by NRG, then the number of shares of Common Stock (or options, warrants or rights) to be sold to the Proposed Purchaser by the Disposing Stockholder shall be reduced by the aggregate number of

shares of Common Stock (or options, warrants or rights) to be purchased by the Proposed Purchaser from NRG pursuant thereto. Such purchase shall be made on the same terms and conditions as the Proposed Purchaser shall have offered to purchase shares of Common Stock to be sold by the Disposing Stockholder (net, in the case of any options, warrants or rights, of any amounts required to be paid by the holder upon exercise thereof); provided, however, that the valuation of NRG's Common Stock shall take into account not only the consideration received by the Buyer for its Common Stock but also only consideration received by the Buyer or its Affiliates for the sale, transfer or disposition of any ownership or other interests, contract rights, permits or any other asset of the Buyer or its Affiliates with respect to its investment in the Company related to or contemplated by the sale of the Buyer's Common Stock. NRG shall have 30 days from the date of receipt of the Purchase Offer during which to accept such Purchase Offer, and the closing of such purchase shall occur within 30 days after such acceptance or at such other time as NRG and the Proposed Purchaser may agree.

Section 8.4 Purchase Option.

(a) The Buyer shall, for a period of 365 days commencing on the day after the expiration of the Restricted Period (the "Option Period"), have the option to acquire from NRG all, but not less than all, of the shares of Common Stock held by NRG (the "Option").

(b) In the event that the Buyer determines that it may exercise the Option, it shall, at any time during the Option Period or within the 60 days prior to the commencement of the Option Period, give notice to NRG that it intends to obtain a fair market value determination pursuant to this Section 8.4 (the "Valuation Notice"). The fair market value of the Company shall be determined by one nationally recognized and independent investment bank mutually acceptable to NRG and the Buyer (the "Valuing Investment Bank"), it being understood that for the purpose of this Section 8.4 an independent investment bank shall be one which is neither affiliated with nor employed as the primary investment banking firm of NRG, the Buyer or the Company. The Buyer shall include in its Valuation Notice a list of at least three (3) investment banks acceptable to the Buyer as the Valuing Investment Bank and satisfying the criteria set forth in the preceding sentence. Upon receipt of such list, NRG shall promptly notify the Buyer which of such investment banks, if any, is acceptable to it. If NRG rejects each such investment bank as unacceptable to it, NRG shall promptly notify the Buyer of the identity of at least three investment banks acceptable to NRG and satisfying the criteria set forth in the second sentence of this paragraph. Upon receipt of such notice, the Buyer shall promptly notify NRG which of such investment banks, if any, is acceptable to it. NRG and the Buyer shall each act with such promptness and diligence that the procedures described in the foregoing sentences will result in the selection of a Valuing Investment Bank in as short a period of time as practicable. NRG and the Buyer shall each be responsible for 50% of the total fees and expenses charged by the Valuing Investment Bank; provided, however, in the event that the Buyer does not exercise the Option, the Buyer shall be responsible for 100% percent of the total fees and expenses charged by the Valuing Investment Bank.

(c) The Valuing Investment Bank may use, among other methodologies, discounted cash flow, comparable transaction and traded company analyses to determine the fair market value of the Company. In determining the fair market value of the Company, the Valuing Investment Bank shall evaluate the Company (i) without any consideration of the

management fee to be paid to the Buyer under Section 9.3, (ii) without factoring in any discount arising from NRG's minority ownership position and limited representation on the Company's Board of Directors, and (iii) without any consideration of any discount applicable to an initial Public Offering. Moreover, to the extent that, as of the time of the valuation determination, financing for the Company or its Subsidiaries or their generation assets is available under terms more favorable than those terms in place, the more favorable financing terms shall be utilized by the Valuing Investment Bank in its fair market value determination; provided, however, that to the extent the financing for any of the Subsidiaries at the time of such valuation is on substantially the same material economic terms as the financing for such Subsidiary on the date hereof, such financing terms shall be utilized by the Valuing Investment Bank in its fair market value determination.

(d) In the event that the Buyer wishes to exercise the Option, the aggregate price payable to NRG for its Common Stock (the "Option Price") shall be equal to NRG's Pro Rata Portion of the fair market value of the Company (on a consolidated basis) as determined by the Valuing Investment Bank pursuant to Section 8.4(c) above. The Buyer shall exercise the Option by providing written notice to NRG prior to the expiration of the Option Period, which notice shall be irrevocable.

Section 8.5 Waiver. For purposes of this Article VIII, any Person who has failed to give notice of the election of an option hereunder within the specified time period will be deemed to have waived its rights with respect thereto on the day immediately following the last day of such period.

ARTICLE IX

CERTAIN AGREEMENTS

Section 9.1. Access to Information Regarding Subsidiaries. The Buyer and the Company shall cause the NRG Director to be provided with all material information regarding the Company's Subsidiaries, including without limitation their respective business, operations, property, assets, condition (financial or otherwise) or prospects thereof, and such other information regarding the Company's Subsidiaries as the NRG Director, may reasonably request. NRG shall at all times preserve in strict confidence all information of a proprietary or confidential nature relating to the business of the Company and which is acquired by virtue of this Agreement and shall use all such information solely in connection with the monitoring of NRG's investment in the Company; provided, that NRG shall be entitled to disclose any such information in

confidence to any of its professional advisors or publicly disclose such information to the extent required by law, regulation or Commission filing.

Section 9.2. Financial Statements; Inspections.

(a) The Company and the Buyer shall provide NRG with (i) the unaudited consolidated and consolidating quarterly financial statements of the Company and each of its Subsidiaries for each calendar quarter within 35 days of the end of such calendar quarter, and (ii) the audited consolidated and consolidating financial statements of the Company and each of its Subsidiaries for each calendar year within 70 days after the end of each calendar year.

(b) NRG's independent auditors shall, for purposes of certifying the financial statements of NRG and its direct and indirect parents, have the right, upon reasonable prior notice to the Company, to visit and inspect the properties of the Company and its Subsidiaries and to examine and copy (at NRG's own expense) their books of record and accounts, and to discuss their affairs, finances, and accounts with their officers and their current

and prior independent public accountants, all at such times (during normal business hours) as NRG may reasonably request. The foregoing rights are in addition, and are not intended to limit, any rights that NRG may have under the law of the State of Delaware, including Sections 219 and 220 of the Delaware General Corporation Law.

Section 9.3 Management Fee.

(a) The Company shall pay to the Buyer a management fee (the "Management Fee") determined in accordance with the provisions of this Section 9.3(a). The Management Fee shall be determined in arrears following each calendar year and shall be equal to the amount, if any, by which Actual Adjusted Net Income for the immediately preceding calendar year exceeds the Projected Adjusted Net Income for such calendar year. No Management Fee shall be payable with respect to the year ending December 31, 1999.

"Actual Adjusted Net Income" shall mean, for any period, the consolidated net income of the Company for such period determined in accordance with GAAP consistently applied, except that such amount shall be (i) increased by the taxes that were deducted from operating income to arrive at net income for such period, (ii) adjusted to exclude any accrual made for estimated management fees for such period, and (iii) calculated without regard to any extraordinary items of income or expense

in such period or other transactions not in the ordinary course of the Company's business in such period.

"Projected Adjusted Net Income" shall mean, for any period, the projected pre-tax net income for such period set forth on Schedule 3 hereto, as amended with respect to the line items indicated on Schedule 3, to take account of the adjusted book basis amount and depreciation amount for the applicable period set forth on a schedule approved by the parties as soon as reasonably practicable following the Effective Date. Projected Adjusted Net Income with respect to the year ending December 31, 2000 shall be pro-rated to the extent the Effective Date occurs after December 31, 1999 (such pro-ration to be calculated on the basis of the number of days after the Effective Date remaining in the year divided by 365).

(b) Notwithstanding the foregoing, the obligations of the Company to pay the Management Fee shall be null and void and shall no longer apply to any calendar year after the fourth anniversary of the Effective Date.

ARTICLE X

REGISTRATION RIGHTS

Section 10.1 Piggyback Registrations.

(a) In no event shall the Company register any of its equity securities during the Restricted Period. If, at any time after the fourth anniversary of the Effective Date, the Company at any time proposes to register any of its equity securities under the Securities Act, whether or not for sale for its own account, on a form and in a manner that would permit registration of Registrable Securities for sale to the public under the Securities Act, it will give written notice to all the holders of Registrable Securities promptly of its intention to do so, describing such securities and specifying the form and manner and the other relevant facts involved in such proposed registration, including, without limitation, (x) the intended method of disposition of the securities offered, including whether or not such registration will be effected through an underwriter in an underwritten offering or on a "best efforts" basis, and, in any case, the identity of the managing underwriter, if any, and (y) the price at which the Registrable Securities are reasonably expected to be sold. Upon the written request of any holder of Registrable Securities delivered to the Company within 30 calendar days after the receipt of any such notice

(which request shall specify the Registrable Securities intended to be disposed of by such holder), the Company will effect the registration under the Securities Act of all the Registrable Securities that the Company has been so requested to register; provided, however, that:

(i) if, at any time after giving such written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall reasonably determine not to register such securities, the Company may, at its election, give written notice of such determination to each holder of Registrable Securities who shall have made a request for registration as hereinabove provided and thereupon the Company shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the right of any Person to request that such registration be effected as a registration under this Section 10.1; and

(ii) if such registration involves an Underwritten Offering, all holders of Registrable Securities requesting to be included in the Company's registration must sell their Registrable Securities to the underwriters selected by the Company on the same terms and conditions as apply to the Company.

(b) The Company shall not be obligated to effect any registration of Registrable Securities under this Section 10.1 incidental to the registration of any of its securities in connection with mergers, acquisitions, exchange offers, dividend reinvestment plans or stock option or other employee benefit plans.

(c) If a registration pursuant to this Section 10.1 involves an underwritten offering and the managing underwriter advises the issuer that, in its opinion, the number of securities proposed to be included in such registration should be limited due to market conditions, the Company will so advise each holder of Registrable Securities that has requested registration pursuant to Section 10.1(a), and shares shall be excluded from such offering in the following order until such limitation has been met: First, the Registrable Securities requested to be included in such offering by a Stockholder other than a NRG or any Permitted Transferee of NRG

shall be excluded pro rata, based on the respective number of Registrable Securities as to which registration has been so requested by such Stockholders, until all such Registrable Securities shall have been so excluded; second, the Registrable Securities requested to be included in such offering by NRG or any Permitted Transferee of NRG shall be excluded pro rata, based on the respective number of Registrable Securities as to which registration has been so requested by NRG or any Permitted Transferee of NRG, until all such Registrable Securities shall have been so excluded; and thereafter, the securities requested to be registered by the Company shall be excluded.

(d) In connection with any underwritten offering with respect to which holders of Registrable Securities shall have requested registration pursuant to this Section 10.1, the Company shall have the right to select the managing underwriter with respect to the offering; provided that such managing underwriter shall be a nationally recognized investment banking firm.

(e) The Company will pay all Registration Expenses incurred in

connection with each of the registrations of Registrable Securities effected by it pursuant to this Section 10.1.

ARTICLE XI

TERMINATION

Section 11.1. Termination.

(a) The provisions of this Agreement shall terminate on the date on which any of the following events first occurs: (i) an initial Public Offering or, (ii) the Merger Agreement is terminated in accordance with its terms.

(b) Notwithstanding the foregoing, this Agreement shall in any event terminate with respect to any Stockholder when such Stockholder no longer owns any shares of Common Stock, or other warrants, options or rights to subscribe for or purchase Common Stock.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Successors and Assigns. Except as otherwise provided herein, all the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and assigns of the parties hereto. No Stockholder may assign any of its rights or obligations hereunder to any Person other than in accordance with this Agreement to a transferee that has complied in all respects with the requirements of this Agreement. The Company may not assign any of its rights or obligations hereunder to any other Person. If any transferee of any Stockholder shall acquire any shares of Common Stock in any manner, whether by operation of law or otherwise, such shares shall be held subject to all of the terms of this Agreement, and by taking and holding such shares such Person shall be entitled to receive the benefits of and be conclusively deemed to have agreed to be bound by and to comply with all of the terms and provisions of this Agreement.

Section 12.2. Amendment and Modification; Waiver of Compliances; Conflicts.

(a) This Agreement may be amended only by a written instrument duly executed by each of the Stockholders party hereto. In the event of the amendment or modification of this Agreement in accordance with its terms, the Stockholders shall cause the Board of Directors to meet within 30 calendar days following such amendment or modification or as soon thereafter as is practicable for the purpose of adopting any amendment to the Certificate of Incorporation and By-Laws that may be required as a result of such amendment or modification to this Agreement, and, if required, proposing such amendments to the Stockholders entitled to vote thereon, and the Stockholders agree to vote in favor of such amendments.

(b) Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

(c) In the event of any conflict between the provisions of this Agreement and the provisions of any other agreement, the provisions of

this Agreement shall govern and prevail.

Section 12.3. Notices. All notices and other communications provided for hereunder shall be in writing and delivered by hand or sent by first class mail or sent by telecopy (with such telecopy to be confirmed promptly in writing sent by first class mail), sent as follows:

(i) If to the Buyer, addressed to

Calpine Corporation
50 West San Fernando Street
San Jose, California 95113
Attention: John T. King
Telecopy: (408) 995-0505

with a copy to:

Howard, Smith & Levin LLP
1330 Avenue of the Americas
New York, New York 10019
Attention: William R. Collins, Esq.
Telecopy No.: (212) 841-1010

(ii) If to NRG, addressed to

NRG Energy, Inc.
1221 Nicollet Mall, Sutie 700
Minneapolis, Minneapolis 55403-2445
Attention: James J. Bender, Esq.
Telecopy No.: (612) 373-5392

with a copy to

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue NW
Washington, D.C. 20005
Attention: Jeanine L. Matte, Esq.
Telecopy No.: (202) 393-5760

(iii) If to the Company, addressed to

Cogeneration Corporation of America
c/o Calpine Corporation
50 West San Fernando Street
San Jose, California 95113
Attention: John T. King
Telecopy No.: (408) 995-0505

with a copy to

Howard, Smith & Levin LLP
1330 Avenue of the Americas
New York, New York 10019
Attention: William R. Collins, Esq.
Telecopy No.: (212) 841-1010

or to such other address or addresses or telecopy number or numbers as any of the parties hereto may most recently have designated in writing to the other parties hereto by such notice. All such communications shall be deemed to have been given or made when so delivered by hand or sent by telecopy, or three business days after being so mailed.

Section 12.4 Entire Agreement: Governing Law; Consent to Jurisdiction

(a) This Agreement and the other writings referred to herein or delivered pursuant hereto which form a part hereof contain the entire agreement among the parties hereto with respect to the subject transactions contemplated hereby and supersede all prior oral and written agreements and memoranda and undertakings among the parties hereto with regard to this subject matter. The Company represents to the Stockholders that the rights granted to the holders hereunder do not in any way conflict with and are not inconsistent with the rights granted or obligations accepted under any other agreement (including the Certificate of Incorporation) to which the Company is a party. Neither the Company nor any Subsidiary of the Company will hereafter enter into any agreement with respect to its equity or debt securities which is inconsistent with the rights granted to any Stockholder under this Agreement without obtaining the prior written consent of the Stockholder whose rights would be thereby affected.

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without giving effect to the choice of law principles thereof).

(c) Each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any federal court located in the State of Delaware or any Delaware state court in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a federal or state court sitting in the State of Delaware.

Section 12.5. Severability. The validity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

Section 12.6. Injunctive Relief. The Stockholders acknowledge and agree that a violation of any of the terms of this Agreement will cause the Stockholders irreparable injury for which an adequate remedy at law is not available. Therefore, the Stockholders agree that each Stockholder shall be entitled, in addition to any other remedy to which they may be entitled at law or in equity, (i) to an injunction, restraining order or other equitable relief from any court of competent jurisdiction, restraining any Stockholder from committing any violations of the provisions of this Agreement, and (ii) to compel specific performance of the terms of this Agreement.

Section 12.7. Availability of Agreement. For so long as this Agreement shall be in effect, this Agreement shall be made available for inspection by any Stockholder upon request at the principal executive offices of the Company.

Section 12.8. Headings. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 12.9. Expenses. Except as otherwise expressly provided in Section 5.1(b) or any other provision of this Agreement, each of the Buyer, the Company and NRG will bear its own costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby and the Merger. This Section 12.9 shall survive the termination of this Agreement.

Section 12.10. Adjustments to Prevent Dilution, Etc. In the event of a stock dividend or distribution, or any change in the common stock of Cogen by reason of

any stock dividend, split-up, reclassification, recapitalization, combination or the exchange of shares, the term "shares" used herein shall be deemed to refer to and include the shares of common stock of Cogen owned by NRG as well as such stock dividends and distributions and any shares into which or for which any or all of the shares of common stock of Cogen may be changed or exchanged. In such event, the amount to be paid per share by the Buyer shall be proportionately reduced.

Section 12.11. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[The next page is the signature page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CALPINE CORPORATION

By: /s/ John T. King

Name: John T. King
Title: Vice President - Business Development

NRG ENERGY, INC.

By: /s/ David H. Peterson

Name: David H. Peterson
Title: Chairman, President and
Chief Executive Officer

CALPINE EAST ACQUISITION CORP.

By: /s/ John T. King

Name: John T. King
Title: Vice President

EXHIBIT (d)

COGENERATION CORPORATION OF AMERICA

One Carlson Parkway, Suite 240
Minneapolis, Minnesota 55447-4454

November , 1999

Dear Stockholder:

You are cordially invited to attend a special meeting of stockholders of Cogeneration Corporation of America ("CogenAmerica") to be held on December , 1999 at 9:00 a.m., local time, at [INSERT LOCATION OF SPECIAL MEETING]. Stockholders of record as of November , 1999 are entitled to vote at the special meeting.

At the special meeting, you will be asked to approve (1) the merger of a subsidiary of Calpine Corporation with and into CogenAmerica and (2) an amendment to CogenAmerica's certificate of incorporation to facilitate the merger. As a result of the merger, you will receive $25.00 in cash for each share of CogenAmerica common stock which you own and CogenAmerica will be owned 80% by Calpine and 20% by NRG Energy, Inc., an existing stockholder.

THE COGENAMERICA BOARD OF DIRECTORS, BASED UPON THE UNANIMOUS RECOMMENDATION OF THE INDEPENDENT DIRECTORS COMMITTEE, COMPRISED OF THREE DISINTERESTED DIRECTORS, HAS DETERMINED THAT THE MERGER AGREEMENT IS ADVISABLE AND IS FAIR TO, AND IN THE BEST INTERESTS OF, THE STOCKHOLDERS OF COGENAMERICA (OTHER THAN NRG ENERGY, INC.), AND HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE AMENDMENT AND HAS UNANIMOUSLY RECOMMENDED THAT THE COGENAMERICA STOCKHOLDERS APPROVE AND ADOPT THE MERGER AGREEMENT AND THE AMENDMENT.

Approval and adoption of the merger agreement at the special meeting requires the affirmative vote of the holders of more than 66 2/3% of the outstanding shares of CogenAmerica common stock entitled to vote at the special meeting. Approval of the charter amendment at the special meeting requires the affirmative vote of the holders of more than 50% of the outstanding shares of CogenAmerica common stock entitled to vote at the special meeting.

EVEN IF YOU PLAN TO ATTEND THE MEETING, WE URGE YOU TO MARK, SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT PROMPTLY. You have the option to revoke it at any time or to vote your shares personally on request if you attend the special meeting of stockholders. If the merger agreement and the charter amendment are approved by the stockholders, you will receive instructions as soon as practicable after completion of the merger on how to surrender your shares to receive payment.

Sincerely,

David H. Peterson, Chairman

COGENERATION CORPORATION OF AMERICA

One Carlson Parkway, Suite 240
Minneapolis, Minnesota 55447-4454

November , 1999

Dear Stockholder:

You are cordially invited to attend a special meeting of stockholders of Cogeneration Corporation of America ("CogenAmerica") to be held on December , 1999 at 9:00 a.m., local time, at [INSERT LOCATION OF SPECIAL MEETING]. Stockholders of record as of November , 1999 are entitled to vote at the special meeting.

At the special meeting, you will be asked to approve (1) the merger of a subsidiary of Calpine Corporation with and into CogenAmerica and (2) an amendment to CogenAmerica's certificate of incorporation to facilitate the merger. As a result of the merger, you will receive $25.00 in cash for each

share of CogenAmerica common stock which you own and CogenAmerica will be owned 80% by Calpine and 20% by NRG Energy, Inc., an existing stockholder.

THE COGENAMERICA BOARD OF DIRECTORS, BASED UPON THE UNANIMOUS RECOMMENDATION OF THE INDEPENDENT DIRECTORS COMMITTEE, COMPRISED OF THREE DISINTERESTED DIRECTORS, HAS DETERMINED THAT THE MERGER AGREEMENT IS ADVISABLE AND IS FAIR TO, AND IN THE BEST INTERESTS OF, THE STOCKHOLDERS OF COGENAMERICA (OTHER THAN NRG ENERGY, INC.), AND HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE AMENDMENT AND HAS UNANIMOUSLY RECOMMENDED THAT THE COGENAMERICA STOCKHOLDERS APPROVE AND ADOPT THE MERGER AGREEMENT AND THE AMENDMENT.

Approval and adoption of the merger agreement at the special meeting requires the affirmative vote of the holders of more than 66 2/3% of the outstanding shares of CogenAmerica common stock entitled to vote at the special meeting. Approval of the charter amendment at the special meeting requires the affirmative vote of the holders of more than 50% of the outstanding shares of CogenAmerica common stock entitled to vote at the special meeting.

EVEN IF YOU PLAN TO ATTEND THE MEETING, WE URGE YOU TO MARK, SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT PROMPTLY. You have the option to revoke it at any time or to vote your shares personally on request if you attend the special meeting of stockholders. If the merger agreement and the charter amendment are approved by the stockholders, you will receive instructions as soon as practicable after completion of the merger on how to surrender your shares to receive payment.

Sincerely,

David H. Peterson, Chairman

COGENERATION CORPORATION OF AMERICA

One Carlson Parkway, Suite 240
Minneapolis, Minnesota 55447-4454

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER , 1999

To the Stockholders of Cogeneration Corporation of America:

Notice is hereby given that a special meeting of stockholders of Cogeneration Corporation of America ("CogenAmerica"), will be held on December , 1999 at 9:00 a.m., local time, at [INSERT LOCATION OF SPECIAL MEETING]:

(1) To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of August 26, 1999, pursuant to which Calpine East Acquisition Corp., a Delaware corporation ("Acquisition Sub") and a subsidiary of Calpine Corporation, a Delaware corporation, will be merged with and into CogenAmerica, and each outstanding share of CogenAmerica common stock, $.01 par value, other than shares owned by CogenAmerica, Acquisition Sub and stockholders who exercise their appraisal rights, will be converted into the right to receive $25.00 in cash. A copy of the merger agreement is attached as Appendix A to the accompanying proxy statement. The merger agreement is also summarized in the proxy statement.

(2) To consider and vote upon a proposal to amend CogenAmerica's certificate of incorporation to permit NRG Energy, Inc., a Delaware corporation ("NRG"), to transfer and contribute shares of CogenAmerica common stock owned by NRG to Acquisition Sub immediately prior to consummation of the merger so that, upon completion of the merger, NRG will retain a 20% equity interest in CogenAmerica. A copy of the proposed amendment is attached as Appendix B to the accompanying proxy statement. The amendment is also summarized in the proxy statement.

(3) To consider and act upon such other matters as may properly come before the special meeting or any adjournment or adjournments thereof.

A proxy card and a proxy statement containing more detailed information with respect to the matters to be considered at the special meeting accompany this notice.

THE INDEPENDENT DIRECTORS COMMITTEE AND THE BOARD OF DIRECTORS OF COGENAMERICA HAVE UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE CHARTER AMENDMENT AND RECOMMEND THAT THE STOCKHOLDERS APPROVE AND ADOPT THE MERGER

AGREEMENT AND THE CHARTER AMENDMENT.

Only holders of CogenAmerica common stock of record at the close of business on November , 1999, are entitled to notice of, and to vote at, the special meeting. The quorum required to hold the special meeting is 60% of the shares of CogenAmerica common stock entitled to vote at the meeting, present in person or by proxy. The affirmative vote of more than 66 2/3% of the outstanding shares of CogenAmerica common stock is required to approve the merger agreement and the affirmative vote of more than 50% of the outstanding shares of CogenAmerica common stock is required to approve the

amendment to CogenAmerica's certificate of incorporation. Each stockholder who signs and returns a proxy in the form enclosed with this proxy statement may revoke the same at any time prior to its use by giving notice of such revocation to CogenAmerica in writing or in person at the special meeting. Unless so revoked, the shares represented by each proxy will be voted at the special meeting and at any adjournments thereof. Presence at the special meeting of a stockholder who has signed a proxy does not alone revoke that proxy.

Holders of CogenAmerica common stock who do not vote their shares in favor of the merger agreement and who strictly comply with Section 262 the Delaware General Corporation Law (the "DGCL") have appraisal rights to make written demand for payment of the "fair value" of their shares. For a description of the appraisal rights of stockholders, see Section 262 of the DGCL, a copy of which is attached as Appendix D to the accompanying proxy statement. In addition, a description of procedures to be followed in order to exercise appraisal rights is set forth in the accompanying proxy statement.

It is very important that your shares be represented at the special meeting. You are urged to complete and sign the accompanying proxy card, which is solicited by the CogenAmerica Board of Directors, and mail it promptly in the enclosed envelope.

BY ORDER OF THE BOARD OF DIRECTORS

Thomas L. Osteraas
Secretary

Minneapolis, Minnesota
November , 1999

PLEASE DO NOT SEND YOUR STOCK CERTIFICATES AT THIS TIME. IF THE MERGER IS COMPLETED, YOU WILL BE SENT INSTRUCTIONS REGARDING THE SURRENDER OF YOUR STOCK CERTIFICATES.

WHETHER OR NOT YOU ARE ABLE TO ATTEND THE MEETING, PLEASE SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD PROMPTLY IN THE ENCLOSED ENVELOPE WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

THE TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THE TRANSACTION NOR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT, INCLUDING THE ACCOMPANYING PROXY STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

COGENERATION CORPORATION OF AMERICA

One Carlson Parkway, Suite 240
Minneapolis, Minnesota 55447-4454

PROXY STATEMENT
FOR SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER , 1999

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What will happen in the merger?

A: In the merger, a subsidiary of Calpine Corporation will be merged into CogenAmerica, and CogenAmerica will be the surviving corporation. At the time of the merger, each outstanding share of CogenAmerica common stock (other than shares owned by CogenAmerica, by Calpine's acquisition subsidiary and by stockholders who exercise their appraisal rights) will be converted into the right to receive $25.00 per share in cash. After the merger, CogenAmerica will no longer be publicly traded and will be owned 80% by Calpine and 20% by NRG Energy, Inc., an existing stockholder of CogenAmerica. To review the structure of the merger in greater detail, see pages through of this proxy statement.

Q: Why does the CogenAmerica Board of Directors recommend the merger?

A: The CogenAmerica Board of Directors believes that the sale of CogenAmerica is in your best interests by providing you the right to receive $25.00 per share in cash for your shares of CogenAmerica common stock. To review the background of and reasons for the merger in greater detail, see pages through of this proxy statement.

Q: What will I receive in the merger?

A: You will have the right to receive $25.00 in cash, without interest, for each share of CogenAmerica common stock that you own. For example, if you own 100 shares of CogenAmerica common stock, you will have the right to receive merger consideration of $2,500.00 in cash upon completion of the merger.

Q: When do you expect the merger to be completed?

A: We are working to complete the merger by December 31, 1999.

Q: What are the tax consequences of the merger to me?

A: The merger will be a taxable transaction for federal income tax purposes to CogenAmerica stockholders and option holders. To review the federal income tax consequences to you in greater detail, see pages through of this proxy statement. Your tax consequences will depend on your personal situation. You should consult your tax advisor for a full understanding of the tax consequences of the merger to you.

Q: What am I being asked to vote upon?

A: You are being asked to approve and adopt the merger agreement that provides for the merger and the amendment to CogenAmerica's certificate of incorporation that permits NRG to transfer a portion of its shares of CogenAmerica common stock to Acquisition Sub which will allow NRG to retain a 20% interest in CogenAmerica after the merger. The Board of Directors and the Independent Directors Committee of CogenAmerica have unanimously approved the merger agreement and the amendment, and recommend that the CogenAmerica stockholders vote "FOR" the approval and adoption of the merger agreement and the amendment.

Q: What do I need to do now?

A: Simply indicate on your proxy card how you want to vote and then sign, date and mail the proxy card in the enclosed envelope as soon as possible so that your shares will be represented at the special meeting. In addition, you may attend the special meeting and vote your shares in person, rather than voting by proxy. You may withdraw your proxy up to and including the day of the special meeting and either change your vote or attend the special meeting and vote in person.

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A: Your broker will vote your shares only if you provide instructions on how to vote. You should instruct your broker how to vote your shares by following the directions your broker provides to you. If you do not provide instructions to your broker, your shares will not be voted and they will be counted as votes against the proposals to approve and adopt the merger agreement and the amendment.

Q: Should I send in my stock certificates now?

A: No. After the merger is completed we will send you written instructions for exchanging your CogenAmerica common stock certificates for the merger consideration.

Q: Whom can I contact if I have additional questions or would like additional copies of the proxy statement or proxy card?

A: You should contact:

Thomas L. Osteraas, Secretary
Cogeneration Corporation of America
One Carlson Parkway, Suite 240
Minneapolis, MN 55447-4454

TABLE OF CONTENTS

SUMMARY

This summary highlights selected information from this proxy statement and may not contain all of the information that is important to you. For a more complete understanding of the merger and for a more complete description of the legal terms of the merger, you should read this proxy statement carefully, as well as the appendices to this proxy statement, including the merger agreement. For additional information on CogenAmerica, see "Where You Can Find More Information" (page).

THE COMPANIES

Cogeneration Corporation of America
One Carlson Parkway, Suite 240
Minneapolis, Minnesota 55447-4454
Telephone: (612) 745-7900

Cogeneration Corporation of America, a Delaware corporation, is an independent power producer engaged primarily in the business of developing, owning and managing the operation of cogeneration projects which produce electricity and thermal energy for sale under long-term contracts with industrial and commercial users and public utilities. CogenAmerica's current

project portfolio consists of (1) a 122 megawatt ("MW") cogeneration facility in Parlin, New Jersey, (2) a 58 MW cogeneration facility in Newark, New Jersey, (3) a 117 MW cogeneration facility in Morris, Illinois, (4) a 110 MW cogeneration facility in Pryor, Oklahoma, (5) an 83% interest in two standby/peak shaving facilities with an aggregate capacity of 22 MW in Philadelphia, Pennsylvania, and (6) a 50% interest in a 150 MW cogeneration facility in Philadelphia, Pennsylvania. Through its United Kingdom subsidiary called Puma, CogenAmerica also designs and assembles diesel and natural gas fueled power generation systems ranging in size from 5 kilowatts to 5 MW. The CogenAmerica common stock trades on the The Nasdaq Stock Market under the symbol "CGCA".

Calpine Corporation
50 West San Fernando Street
San Jose, California 95113
Telephone: (408) 995-0505

Calpine Corporation, a Delaware corporation, is a leading independent power company engaged in the development, acquisition, ownership and operation of power generation facilities and the sale of electricity predominantly in the United States.

Calpine East Acquisition Corp.
50 West San Fernando Street
San Jose, California 95113
Telephone: (408) 995-0505

Calpine East Acquisition Corp., a Delaware corporation ("Acquisition Sub"), is currently a wholly-owned subsidiary of Calpine. Calpine formed Acquisition Sub shortly before execution of the merger agreement for the purpose of carrying out the merger. Immediately prior to the merger NRG will contribute to Acquisition Sub approximately

1.4 million shares of its CogenAmerica common stock in exchange for a 20% interest in Acquisition Sub.

NRG Energy, Inc.
1221 Nicollet Mall, Suite 700
Minneapolis, Minnesota 55403-2445
Telephone: (612) 373-5300

NRG Energy, Inc., a Delaware corporation, is one of the world's leading independent power producers, specializing in the development, construction, operation, maintenance and ownership of low-cost, environmentally sensitive power plants. Established in 1989 as a wholly owned subsidiary of Northern States Power Company, NRG has a diversified energy portfolio of projects in the United States, Europe, the Pacific Rim, and Latin America. NRG is involved in approximately 15,000 MW of projects utilizing diverse fuel types including natural and landfill gas, hydro and solid fuels such as coal, lignite, biomass and refuse-derived fuel.

THE SPECIAL MEETING (PAGE)

The special meeting will be held on December , 1999 at 9:00 a.m., local time, at [INSERT LOCATION OF THE SPECIAL MEETING]. At the special meeting, stockholders will be asked to consider and vote upon a proposal to approve and adopt the merger agreement and a proposal to approve the amendment to CogenAmerica's certificate of incorporation. The special meeting has been called by order of the CogenAmerica Board of Directors.

RECORD DATE; VOTING POWER; VOTES REQUIRED (PAGE)

Holders of record of CogenAmerica common stock at the close of business on November , 1999 are entitled to notice of and to vote at the special meeting. As of that date, there were 6,857,269 shares of CogenAmerica common stock issued and outstanding held by approximately 2,200 holders of record. Holders of record of CogenAmerica common stock on the record date are entitled to one vote per share on any matter that may properly come before the special meeting. The quorum required to hold the special meeting is 60% of the shares of CogenAmerica common stock entitled to vote at the meeting, present in person or by proxy. If a quorum is present, the affirmative vote of the holders of more than 66 2/3% of the outstanding shares of CogenAmerica common stock is required to approve and

adopt the merger agreement and the affirmative vote of the holders of more than 50% of the outstanding shares of CogenAmerica common stock is required to approve the amendment to CogenAmerica's certificate of incorporation.

On the record date, NRG owned 3,106,612 shares of CogenAmerica common stock or approximately 45.3% of the outstanding shares. Pursuant to the contribution and stockholder agreement dated as of August 26, 1999 (the "Calpine/NRG Agreement") between NRG and Calpine, NRG has granted its proxy to Calpine to vote the CogenAmerica shares held by NRG for approval and adoption of the merger agreement and the charter amendment.

If either proposal is not approved, the merger will not be completed, CogenAmerica will remain a public company and the stockholders of CogenAmerica will not have the right to receive $25.00 per share for the CogenAmerica common stock. A stockholder who wishes to exercise appraisal rights under the Delaware General Corporation Law

("DGCL") must vote against or fail to vote for approval and adoption of the merger agreement.

POTENTIAL BENEFITS AND DETRIMENTS OF THE MERGER TO UNAFFILIATED STOCKHOLDERS; BENEFITS TO INSIDERS (PAGES , AND)

The primary benefit of the merger to you is the opportunity to sell all of your shares of CogenAmerica common stock at a cash price which represents a substantial premium over historical trading prices. The merger consideration of $25.00 per share in cash represents a premium of approximately 48.6% over the average market price for CogenAmerica common stock for the 20 trading days preceding the announcement of the execution of the merger agreement on August 27, 1999. As a result of the merger, however, you will not be entitled to participate in future earnings or growth of CogenAmerica. In addition, you will be required to recognize a taxable gain as a result of the merger if your cost basis in your shares of CogenAmerica common stock is less than $25.00 per share.

Upon completion of the merger, Calpine will own 80% and NRG will own 20% of the equity interests of CogenAmerica. As the stockholders of CogenAmerica, Calpine and NRG will have complete control over the management and conduct of CogenAmerica's business, all income generated by CogenAmerica and any future increase in CogenAmerica's value. Similarly, Calpine and NRG will also bear the risk of any losses incurred in the operation of CogenAmerica and any decrease in the value of CogenAmerica. Calpine will have operating control over CogenAmerica subject to certain limitations set forth in the Calpine/NRG Agreement.

Like the unaffiliated stockholders of CogenAmerica, the executive officers and directors of CogenAmerica will have the right to receive $25.00 per share for each of their shares of CogenAmerica common stock. In addition, the officers and directors of CogenAmerica who hold options will have the right to receive (a) the excess of $25.00 over the exercise price of each option multiplied by (b) the number of shares of CogenAmerica common stock purchasable upon exercise of the option (after giving effect to any acceleration of the option as a result of the merger), net of withholding and applicable taxes.

At November , 1999, the executive officers and directors of CogenAmerica beneficially owned 737,000 shares of CogenAmerica common stock, including 647,000 shares subject to options that will become exercisable as a result of the merger, representing an aggregate cash payment to such persons upon completion of the merger of $9,482,625. Because current NRG corporate policy prohibits NRG employees from receiving the economic benefit of options granted to them in their capacity as a director of an affiliated company, the three NRG employees, who currently serve as directors of CogenAmerica and were previously granted stock options in their capacity as directors of CogenAmerica, have agreed to cancel their stock options. The three NRG employees who serve as directors of CogenAmerica will receive no cash payment for cancellation of these options.

RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS COMMITTEE AND THE BOARD OF DIRECTORS (PAGE)

Because NRG will retain a 20% equity interest in CogenAmerica after the merger and certain directors of CogenAmerica are or were officers of NRG, the Independent Directors

Committee of the CogenAmerica Board of Directors reviewed and evaluated the proposals to acquire CogenAmerica. At special meetings held on August 26, 1999, the Independent Directors Committee and the Board of Directors of CogenAmerica each unanimously determined that the merger is in furtherance of and consistent with the long-term business strategies of CogenAmerica and is fair to and in the best interest of the CogenAmerica stockholders (other than NRG). The CogenAmerica Board of Directors unanimously recommends that you vote "FOR" approval and adoption of the merger agreement and the charter amendment. You should refer to the matters considered by the Independent Directors Committee and the Board of Directors of CogenAmerica in determining whether to approve the merger agreement, beginning at page .

OPINION OF COGENAMERICA'S FINANCIAL ADVISOR (PAGE)

Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ"), a nationally recognized investment banking firm, rendered an opinion, dated August 26, 1999 to the Independent Directors Committee of the CogenAmerica Board of Directors that, as of such date, based upon and subject to the assumptions, limitations and qualifications in the opinion, the consideration to be received by the holders (other than NRG) of CogenAmerica common stock in the merger is fair to the holders from a financial point of view. THE FULL TEXT OF THE WRITTEN OPINION OF DLJ IS ATTACHED TO THIS PROXY STATEMENT AS APPENDIX C. YOU SHOULD READ THE FAIRNESS OPINION OF DLJ IN ITS ENTIRETY.

TERMS OF THE MERGER AGREEMENT (PAGE)

The merger agreement is attached to this proxy statement as Appendix A. You should read the merger agreement in its entirety. It is the legal document that governs the merger.

General. The merger agreement provides that Acquisition Sub will be merged into CogenAmerica and CogenAmerica will be the surviving corporation. As a result of the merger, the stockholders of CogenAmerica will have the right to receive $25.00 in cash, without interest, for each share of common stock that they own, other than shares owned by CogenAmerica, Acquisition Sub or CogenAmerica stockholders who exercise their appraisal rights.

Conditions to the Merger. The completion of the merger depends upon the satisfaction of a number of conditions, including:

- approval of the merger agreement by the holders of more than 66 2/3% of the outstanding shares of common stock;
- approval of the charter amendment by the holders of more than 50% of the outstanding shares of CogenAmerica common stock;
- receipt of all necessary orders and consents of governmental authorities and other persons and the expiration of any regulatory waiting periods;
- material accuracy of the representations and warranties of the parties and the fulfillment of each party's promises contained in the merger agreement;
- absence of any court or governmental entity rendering the merger illegal; and
- absence of litigation having a material adverse effect on CogenAmerica.

Each party may waive the satisfaction of any condition to its obligations under the merger agreement, other than approval of the merger agreement and the charter amendment by the CogenAmerica stockholders. EVEN IF THE COGENAMERICA STOCKHOLDERS APPROVE THE MERGER AGREEMENT, THERE CAN BE NO ASSURANCE THAT THE CONDITIONS TO THE OBLIGATIONS OF THE PARTIES TO COMPLETE THE MERGER WILL BE MET OR WAIVED OR THAT THE MERGER WILL BE COMPLETED.

No Solicitation. Until completion or abandonment of the merger,

CogenAmerica and its affiliates are not permitted to solicit, initiate or encourage any acquisition proposals from any other party. CogenAmerica may respond to unsolicited acquisition proposals and enter into discussions if, after receiving advice of counsel, the CogenAmerica Board of Directors determines such response is necessary to fulfill its fiduciary obligations and such proposal provides for consideration to CogenAmerica stockholders that is superior to the consideration to CogenAmerica stockholders under the merger agreement.

Termination. Either CogenAmerica or Calpine may terminate the merger agreement under certain circumstances, including if:

- CogenAmerica and Calpine mutually consent in writing;
- the merger is not completed by the close of business on February 28, 2000 or, if the special meeting has not been held by February 28, 2000, then the merger is not completed by the close of business on March 31, 2000;
- legal constraints or prohibitions prevent the completion of the merger;
- CogenAmerica stockholders do not approve the merger agreement and the charter amendment;
- the other party breaches in a material manner any of its representations, warranties or covenants under the merger agreement and the breach is not cured within 30 business days after notice; or
- CogenAmerica enters into or the CogenAmerica Board of Directors approves an agreement for CogenAmerica to be acquired by another party for consideration to CogenAmerica stockholders that is superior to the consideration to CogenAmerica stockholders under the merger agreement (a "Superior Proposal") so long as (a) CogenAmerica notifies Calpine of the Superior Proposal, (b) Calpine has an opportunity to respond, and (c) CogenAmerica pays Calpine a termination fee of $7,500,000.

In addition, Calpine may terminate the merger agreement if the CogenAmerica Board of Directors withdraws or modifies its recommendation that CogenAmerica stockholders approve the merger agreement, or recommends an alternative acquisition proposal.

Fees and Expenses. Each of CogenAmerica, Calpine and Acquisition Sub agreed to pay its own fees and expenses. CogenAmerica will pay a termination fee of $7,500,000 to Calpine if the merger agreement is terminated by reason of a superior proposal permitting termination of the merger agreement or if CogenAmerica is acquired by another party within 12 months following termination of the merger agreement under certain circumstances specified in the merger agreement.

ACCOUNTING TREATMENT (PAGE)

CogenAmerica believes that the merger will be accounted for by Acquisition Sub using the purchase method of accounting in accordance with generally accepted accounting principles.

CONFLICTS OF INTERESTS (PAGE)

Board of Directors and Officers of Cogenamerica. Four members of the CogenAmerica Board of Directors were, at the time the CogenAmerica Board of Directors approved the merger agreement, officers of NRG. However, none of the NRG officers on the Board of Directors were members of the Independent Directors Committee. Because current NRG corporate policy prohibits NRG employees from receiving the economic benefit of options granted to them in their capacity as a director of an affiliated company, the NRG employees, who currently serve as directors of CogenAmerica and were previously granted stock options in their capacity as directors of CogenAmerica, have agreed to the cancellation of their stock options. The NRG employees who serve as directors of CogenAmerica will receive no cash payment for cancellation of these options. The officers of CogenAmerica, including its President and Chief Executive Officer who is also a

director of CogenAmerica, own or have options to purchase a substantial number of shares of CogenAmerica common stock. All three disinterested directors of CogenAmerica who comprise the Independent Director Committee own or have options to purchase a substantial number of shares of CogenAmerica common stock.

NRG. As of the close of business on November , 1999, NRG beneficially owned 3,106,612 shares of CogenAmerica common stock which represents approximately 45.3% of the outstanding shares. Pursuant to the Calpine/NRG Agreement, NRG has agreed to contribute immediately prior to completion of the merger part of its holdings (approximately 1.4 million shares of common stock) to Acquisition Sub in exchange for a 20% interest in Acquisition Sub. NRG has granted its proxy to Calpine to vote the CogenAmerica shares held by NRG for approval and adoption of the merger agreement and the charter amendment at the special meeting. In addition, NRG or its subsidiaries and CogenAmerica or its subsidiaries are currently parties to agreements (the "Affiliate Agreements") pursuant to which (1) NRG has agreed to offer to sell to CogenAmerica certain independent power plants developed by NRG, (2) NRG has agreed to provide certain management services to CogenAmerica and CogenAmerica has agreed to reimburse NRG for its costs incurred to provide the management services, and (3) NRG manages the operation of independent power plants owned by CogenAmerica in Morris, Illinois, and in Newark and Parlin, New Jersey, and CogenAmerica pays NRG certain management fees and reimburses NRG for its operating costs. In connection with the completion of the merger, NRG and CogenAmerica will terminate these agreements and exchange mutual general releases.

REGULATORY APPROVALS (PAGE)

CogenAmerica is required to make filings with or obtain approvals from regulatory authorities in connection with the merger. These filings and approvals include filings with the Securities and Exchange Commission (the "SEC"), the Federal Trade Commission, the Department of Justice, the Federal Energy Regulatory Commission ("FERC") and the New Jersey Department of Environmental Protection. The filings with the SEC consist

of this proxy statement and a Schedule 13E-3 providing certain disclosures to CogenAmerica stockholders concerning the merger and the parties to the transactions contemplated by the merger agreement. An application and notice was filed with the Federal Trade Commission and the Department of Justice as required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") on September , 1999. An application and notice was filed with the FERC on September 17, 1999. The requisite filings under the New Jersey Industrial Site Recovery Act were made on August 31, 1999.

APPRAISAL RIGHTS (PAGE)

Any stockholder of CogenAmerica who does not vote in favor of the proposal to approve the merger agreement and who strictly complies with the applicable provisions of Section 262 of the DGCL has appraisal rights to receive cash for the "fair value" for such holder's shares of CogenAmerica common stock, which may be more than, the same as, or less than the agreed consideration of $25.00 per share. "Fair value" will be determined based on the value of the shares immediately before completion of the merger without any appreciation or depreciation in anticipation of the merger and may be more than, the same or less than the merger consideration of $25.00 per share. To exercise appraisal rights with respect to the merger, you must follow the required procedures precisely, which include the requirement to give written notice to CogenAmerica before the special meeting of your intent to demand payment. A stockholder who wishes to exercise appraisal rights under the DGCL must vote against or fail to vote for approval and adoption of the merger agreement. The provisions of Section 262 of the DGCL are attached to this proxy statement as Appendix D.

THE SPECIAL MEETING

GENERAL

This proxy statement is furnished in connection with the solicitation of proxies by the CogenAmerica Board of Directors for the special meeting of

Stockholders of CogenAmerica to be held on December , 1999 at 9:00 a.m., local time, at [INSERT LOCATION OF SPECIAL MEETING] and at any adjournments thereof.

PROPOSALS TO BE CONSIDERED AT THE SPECIAL MEETING

At the special meeting, the CogenAmerica stockholders will be asked to consider and vote upon:

- a proposal to approve and adopt the merger agreement,

- a proposal to approve and adopt the charter amendment, and

- consider and act upon such other matters as may properly come before the special meeting.

The merger is conditioned on the approval of the merger agreement and the charter amendment by the CogenAmerica stockholders. Subject to the receipt of regulatory approvals, approval by the CogenAmerica stockholders and satisfaction of other conditions, the merger agreement provides for the merger of Acquisition Sub with and into CogenAmerica. If the proposed merger is completed, each issued and outstanding share of CogenAmerica common stock at the effective time of the merger (other than shares owned by CogenAmerica, by Acquisition Sub and by stockholders who exercise their appraisal rights) will be converted into the right to receive $25.00 in cash. The charter amendment enables NRG to transfer and contribute to Acquisition Sub immediately prior to completion of the merger approximately 1.4 million shares of its CogenAmerica common stock in exchange for a 20% equity interest in Acquisition Sub. After completion of the merger, CogenAmerica will be owned 80% by Calpine and 20% by NRG.

RECORD DATE; VOTING POWER; VOTES REQUIRED

Only holders of record of CogenAmerica common stock on the record date are entitled to notice of and to vote at the special meeting. As of November , 1999, there were 6,857,269 shares of CogenAmerica common stock issued and outstanding and held by approximately 2,200 holders of record. Holders of record of CogenAmerica common stock on the record date are entitled to one vote per share on any matter that may properly come before the special meeting. The quorum required to hold the special meeting is 60% of the shares of CogenAmerica common stock entitled to vote at the meeting, present in person or by proxy. If a quorum is present, the affirmative vote of the holders of more than 66 2/3% of the total voting power of the shares of CogenAmerica common stock entitled to vote is required to approve and adopt the merger agreement, and the affirmative vote of the holders of more than 50% of the shares of CogenAmerica common stock entitled to vote is required to approve the charter amendment.

On the record date, NRG owned 3,106,612 shares of CogenAmerica common stock or approximately 45.3% of the outstanding shares. Pursuant to the Calpine/NRG Agreement, NRG granted its proxy to Calpine to vote the CogenAmerica shares held by NRG for approval and adoption of the merger agreement and the charter amendment. Accordingly,

CogenAmerica needs the affirmative vote of an additional 1,464,901 shares to approve and adopt the merger agreement and 322,023 shares to approve the charter amendment.

VOTING PROCEDURES; PROXIES

If you fail to vote, or vote to abstain, it will have the same legal effect as a vote cast against the proposals. Your broker and, in many cases, your nominee will not have discretionary power to vote on the proposals to be presented at the special meeting. Accordingly, you should instruct your broker or nominee how to vote. A broker non-vote will have the same effect as a vote against the proposals.

If there are insufficient votes to approve the proposals at the special meeting and if you voted in favor of the merger agreement and the charter amendment, your proxy may be voted to adjourn the special meeting in order to solicit additional proxies in favor of the proposals. If the special meeting is adjourned or postponed for any purpose, at any subsequent reconvening of the special meeting, your proxy will be voted in the same manner as it would have been voted at the original convening of the meeting unless you withdraw or

revoke your proxy. Your proxy may be voted this way even though it may have been voted on the same or any other matter at a previous meeting.

Under Delaware law, if you do not vote in favor of the proposals and comply with certain notice requirements and other procedures, you will have the right to dissent and to be paid cash for the "fair value" of your shares as finally determined under such procedures. This payment may be more, the same as or less than the consideration to be received by other CogenAmerica stockholders under the terms of the merger agreement. If you fail to follow such procedures precisely, you may lose your appraisal rights. See "Appraisal Rights."

Each stockholder who signs and returns a proxy in the form enclosed with this proxy statement may revoke the same at any time prior to its use by giving notice of such revocation to CogenAmerica in writing or in person at the special meeting. Signing and returning a later dated proxy in the form enclosed with this proxy statement will revoke a prior proxy. Presence at the special meeting of a stockholder who has signed a proxy does not alone revoke that proxy. Unless so revoked, all of the shares represented by each proxy will be voted at the special meeting and at any adjournments thereof. IF NO INSTRUCTIONS ARE INDICATED, SUCH PROXIES WILL BE VOTED FOR THE PROPOSALS TO APPROVE AND ADOPT THE MERGER AGREEMENT AND THE CHARTER AMENDMENT, FOR POSTPONEMENT OR ADJOURNING OF THE SPECIAL MEETING FOR THE PURPOSE OF SOLICITING ADDITIONAL PROXIES FOR APPROVAL AND ADOPTION OF THE MERGER AGREEMENT, THE CHARTER AMENDMENT AND, IN THE DISCRETION OF THE PERSONS NAMED ON THE PROXY, ON SUCH OTHER MATTERS AS MAY PROPERLY BE PRESENTED AT THE SPECIAL MEETING.

The cost of preparing, assembling and mailing this proxy statement, the notice, the proxy card and other material which may be sent to the stockholders will be borne by CogenAmerica. In addition, directors, officers and regular employees of CogenAmerica and its subsidiaries, at no additional compensation, may solicit proxies by telephone, telegram or in person. Upon request, CogenAmerica will reimburse brokers and other persons holding shares for the benefit of others for their expenses in forwarding proxies and accompanying material and in obtaining authorization from beneficial owners of CogenAmerica common stock to give proxies.

In order to assure the presence of the necessary quorum at the special meeting, please sign and mail the enclosed proxy promptly in the envelope provided. No postage is required if mailed within the United States. The signing of the proxy will not prevent you from attending the meeting and voting in person, should you so desire.

HISTORICAL MARKET INFORMATION

CogenAmerica common stock is currently traded on Nasdaq National Market tier of The Nasdaq Stock Market under the symbol "CGCA". From March 1997 to November 1997, the CogenAmerica common stock was traded on the Nasdaq SmallCap Market. Prior to March 1997, the CogenAmerica common stock was not listed on an exchange or on The Nasdaq Stock Market, but traded from time to time on the pink sheets and on the OTC Bulletin Board. The following table sets forth the high and low sales prices for each quarterly period since 1997 from the quotations published by Nasdaq-Amex Online. Such prices may have reflected inter-dealer prices, without retail mark-ups, mark-downs or commissions, and may not necessarily represent actual transactions.

	HIGH	LOW
1999:		
First Quarter	$ 9.375	$ 8.00
Second Quarter	$ 14.50	$ 8.125
Third Quarter	$	$
Fourth Quarter (through November , 1999)	$	$
1998:		
First Quarter	$19.531	$15.125
Second Quarter	$ 18.25	$13.313
Third Quarter	$ 15.00	$ 7.25

Fourth Quarter	$ 10.00	$ 7.625
1997:		
First Quarter	$ 13.75	$ 11.25
Second Quarter	$ 16.00	$11.125
Third Quarter	$ 21.00	$ 14.25
Fourth Quarter	$22.375	$ 18.00

On August 26, 1999, the last trading day prior to announcement of the execution of the merger agreement, the closing sale price per share of CogenAmerica common stock on The Nasdaq Stock Market as published by Nasdaq-Amex Online was $16.813. On November , 1999, the closing sale price per share of CogenAmerica common stock was $. The high and low bid quotations during the period from August 26, 1999 (the date the merger was announced) through November , 1999 were $ and $, respectively.

CogenAmerica has not paid any cash dividends on its common stock.

SELECTED CONSOLIDATED FINANCIAL DATA OF COGENAMERICA

The following table shows summarized historical financial data for CogenAmerica. This information is based on historical information presented in CogenAmerica's filings with the SEC. You should read all of the summary financial information in the table in connection with this historical financial information. This historical financial information is incorporated into this proxy statement by reference. See "Where You Can Find More Information" on page . Effective December 31, 1996, CogenAmerica changed its fiscal year end from June 30 to December 31.

	SIX MONTHS ENDED JUNE 30, 1999	SIX MONTHS ENDED JUNE 30, 1998	YEAR ENDED DECEMBER 31, 1998	YEAR ENDED DECEMBER 31, 1997	SIX MONTHS ENDED DECEMBER 31, 1996(1)	YEAR ENDED JUNE 30, 1996	YEAR ENDED JUNE 30, 1995	YEAR ENDED JUNE 30, 1994
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)							
STATEMENT OF OPERATIONS DATA:								
Revenues:								
Energy	$ 45,302	$ 21,801	$ 52,216	$ 43,210	$ 21,669	$ 66,623	$ 74,455	$ 62,647
Equipment sales and services	7,096	8,334	19,342	19,415	15,607	25,344	19,639	24,304
Rental	--	1,481	2,438	2,179	1,062	1,895	2,362	5,372
Development fees and other	--	--	--	--	1,578	2,685	5,791	14,266
Total	52,398	31,616	73,996	64,804	39,916	96,547	102,247	106,589
Income (loss) before extraordinary item	12,816	4,052	8,002	23,352	4,780	(17,713)	(40,919)	(16,501)
Net income (loss)(4)	12,816	4,052	8,002	23,352	6,423	(17,713)	(40,919)	(16,501)
Basic earnings (loss) per share(2):								
Before extraordinary Item	$ 1.87	$ 0.59	$ 1.17	$ 3.59	$ 0.75	$ (4.24)	$ (11.02)	$ (4.45)
Extraordinary item	--	--	--	--	0.25	--	--	--
After extraordinary Item	$ 1.87	$ 0.59	$ 1.17	$ 3.59	$ 1.00	$ (4.24)	$ (11.02)	$ (4.45)
Diluted earnings (loss) per share(2):								
Before extraordinary Item	$ 1.85	$ 0.58	$ 1.15	$ 3.48	$ 0.74	$ (4.24)	$ (11.02)	$ (4.45)
Extraordinary item	--	--	--	--	0.25	--	--	--
After extraordinary Item	$ 1.85	$ 0.58	$ 1.15	$ 3.48	$ 0.99	$ (4.24)	$ (11.02)	$ (4.45)
BALANCE SHEET DATA:								
Total assets	$341,612	$263,178	$318,674	$227,894	$173,624	$178,162	$189,748	$237,816
Long-term debt, net of current maturities:								
Loans due NRG	40,123	4,439	36,123	4,439	14,388	96,929	--	--
Nonrecourse long-term debt(3)	186,810	201,077	189,848	143,697	143,972	60,415	3,405	60,310
Recourse long-term debt	45,225	25,000	45,225	46,323	6,339	6,374	--	7,073
Total	272,158	230,516	271,196	194,459	164,699	163,718	3,405	67,383

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(1) Effective July 1, 1996, CogenAmerica changed its fiscal year-end from June

30 to December 31.

(2) Net income (loss) per share has been restated for all periods presented to reflect the common shares issued under the terms of the plan of reorganization for O'Brien Environmental Energy, Inc. (now called Cogeneration Corporation of America) which emerged from reorganization under Chapter 11 of the Federal bankruptcy laws on April 30, 1996.

(3) Amount at June 30, 1995 excludes $60,310 of long-term project financing which was included in current liabilities due to a default under the debt agreement.

(4) Amount for 1997 reflects a net tax benefit of $20,454 resulting from the reduction of a tax valuation allowance. See Note 16 of CogenAmerica's Consolidated Financial Statements incorporated by reference into this proxy statement.

PROPOSAL 1: THE MERGER

SPECIAL FACTORS

BACKGROUND OF THE MERGER

CogenAmerica's predecessor, O'Brien Environmental Energy, Inc., filed for protection under Chapter 11 of the Federal bankruptcy laws on September 28, 1994. NRG proposed a plan of reorganization that was approved by the Bankruptcy Court and O'Brien emerged from bankruptcy on April 30, 1996 under the name NRG Generating (U.S.) Inc. ("NRG Generating") which subsequently changed its name to Cogeneration Corporation of America. Under the reorganization plan, NRG advanced NRG Generating $71.2 million under loan agreements, purchased approximately 41.86% of the NRG Generating common stock for approximately $21.2 million, purchased certain subsidiaries of NRG Generating for $7.5 million and funded a cash distribution to the former O'Brien stockholders totaling $7.5 million. The former O'Brien stockholders also retained the remaining common stock or approximately 58.14% of the then outstanding shares that were publicly traded. In addition, as part of the reorganization plan, NRG and NRG Generating entered into a co-investment agreement under which NRG agreed to offer NRG Generating ownership interests in certain power projects that NRG initially developed or had the right under contract to acquire from a third party and a management services agreement under which NRG agreed to provide, at its cost, management and support services. Pursuant to the co-investment agreement, CogenAmerica acquired from NRG the Pryor, Oklahoma plant for $23.9 million in 1998 and the Morris, Illinois plant for a development fee of $4.8 million paid to NRG plus assumption of liabilities related to the project in 1997. Because of NRG's substantial ownership of CogenAmerica and the number of NRG representatives on the CogenAmerica Board of Directors, the new bylaws for CogenAmerica approved as part of the bankruptcy reorganization plan established an Independent Directors Committee of the Board of Directors that is responsible for making all decisions for CogenAmerica in connection with the co-investment agreement and the management services agreement with NRG. Under the bylaws, the Independent Directors Committee must consist of at least two disinterested directors. Currently, the Independent Directors Committee is comprised of the three disinterested directors on the CogenAmerica Board of Directors, Mark Liddell, Lawrence I. Littman, and Charles J. Thayer.

From January 26, 1999 through May 13, 1999, CogenAmerica received indications of interest from four independent power companies, including Calpine and Bidder A, to acquire 100% of the equity interests of CogenAmerica. The bids ranged from $16.00 to $19.00 per share in cash. During this period, the range of the public trading prices for CogenAmerica common stock was $8.00 to $13.00 per share.

Based on the level of interest from the four parties and the significant premium in their indications of interest over the then market price of the CogenAmerica common stock, management informed the CogenAmerica Board of Directors of the indications of interest and sought advice from financial and legal advisors on how best to proceed in considering the offers. Management contacted DLJ since DLJ had previously served as CogenAmerica's investment banker and was familiar with CogenAmerica's business and the independent power and public utility industries. Management also sought advice from Kaplan, Strangis and Kaplan, P.A. ("KSK"), a Minneapolis, Minnesota law firm experienced

in acquisition and merger transactions. Copies of the indications of interest from the four parties were also provided to the directors of CogenAmerica. Based upon the

advice of DLJ and KSK, and after the directors had reviewed that advice and considered their alternatives, a meeting of the CogenAmerica Board of Directors was scheduled for May 20, 1999.

At the meeting of the CogenAmerica Board of Directors on May 20, 1999, the directors reviewed the indications of interest, counsel explained the fiduciary duties of the CogenAmerica Board of Directors under the circumstances and DLJ provided a presentation on current industry conditions and the strategic alternatives available to the CogenAmerica Board of Directors. The CogenAmerica Board of Directors determined that a sale of 100% of the equity interests of CogenAmerica should be explored, approved the engagement of DLJ and KSK, and authorized DLJ to assist management and counsel in the conduct of a process for the sale of CogenAmerica.

Following the May 20, 1999 CogenAmerica Board of Directors meeting, DLJ assisted management in preparing an "Information Package" to provide interested parties with relevant information on CogenAmerica and its business, assets, operations and personnel. The Information Package consisted of (i) the Annual Report of CogenAmerica for the year ended December 31, 1998; (ii) the Quarterly Report on form 10-Q of CogenAmerica for the Quarter ended March 31, 1999; (iii) the Proxy Statement dated April 26, 1999 for CogenAmerica's annual stockholders meeting; and (iv) a financial model based on management's internal projections for each of CogenAmerica's existing six plants and consolidated statements for CogenAmerica for the period from January 1, 1999 to December 31, 2009. From May 25, 1999 through June 4, 1999, DLJ contacted 13 parties in the independent power industry or the public utility industry that had the financial resources to acquire CogenAmerica and that had been active in acquiring generation capacity. Nine of the 13 parties indicated an interest in reviewing the Information Package for CogenAmerica, including Calpine and Bidder A. CogenAmerica executed confidentiality agreements with each of the eight bidders that had not previously executed a confidentiality agreement. After each bidder had signed a confidentiality agreement, it received an Information Package. After receiving the Information Package, the nine parties were requested to submit preliminary bids on June 11, 1999. Seven parties submitted preliminary indications of interest, while two parties declined to submit indications of interest. The preliminary indications of interest ranged from a low of $15.09 per share to a high of $24.00 per share for 100% of the equity interests in CogenAmerica. On June 11, 1999, DLJ received an unsolicited indication of interest from an investment fund for an acquisition of CogenAmerica.

On June 21, 1999, the CogenAmerica Board of Directors met to consider the preliminary indications of interest. DLJ summarized the current status of the solicitation process and described the terms of each preliminary bid. DLJ also advised the CogenAmerica Board of Directors that an investment fund had approached DLJ with an unsolicited indication of interest in acquiring CogenAmerica. The CogenAmerica Board of Directors decided to continue the sale process with the five highest bidders and the investment fund upon its execution of a confidentiality agreement. Continuation of the sale process included allowing the six bidders access to CogenAmerica's management and records for purposes of conducting due diligence. The CogenAmerica Board of Directors established July 13, 1999 as the date on which the six remaining parties would be required to submit firm offers. The CogenAmerica Board of Directors also decided to invite the highest bidder from the June 11 round of bids to make a preemptive bid.

The due diligence process included an opportunity to review of the corporate, legal and financial records of CogenAmerica, including material contracts, and a management

presentation with an opportunity to ask questions of management. Each prospective bidder was also provided forms of merger agreement with CogenAmerica and a stockholder agreement with NRG that had been prepared by CogenAmerica's outside counsel with the input of management and NRG, and approved by

CogenAmerica and NRG. The highest bidder in the June 11, 1999 round of bids declined to submit a preemptive offer. On July 13, 1999, the six parties submitted their bids and comments on the proposed forms of merger agreement and stockholder agreement. The cash bids ranged from a low of $18.50 per share to a high of $23.00 per share. All of the bids also required CogenAmerica and NRG to terminate the Affiliate Agreements.

On July 15, 1999, the CogenAmerica Board of Directors met to consider the bids. DLJ summarized the current status of the solicitation process and described the terms of each bid. Counsel reviewed the changes proposed by the bidders to the forms of merger agreement and stockholder agreement. In this round, Calpine and Bidder A were the highest bidders with bids of $22.50 per share and $23.00 per share, respectively. The CogenAmerica Board of Directors determined that negotiations should proceed with Calpine and Bidder A on the terms of the merger agreement and the stockholder agreement and that each party should complete its due diligence.

Later that day, Calpine and Bidder A were notified that they were the two final bidders in the sale process and that their bids were virtually equal. Subsequently, representatives of NRG indicated to CogenAmerica's management and outside counsel that NRG might not be able to sell all of its equity interest in CogenAmerica in light of the pending merger transaction involving NRG's parent company, Northern States Power Company ("NSP") which effectively limits the disposition of assets by parties to the merger. As a result, meetings of the Independent Directors Committee and the Board of Directors of CogenAmerica were scheduled for July 22, 1999.

A meeting of the Independent Directors Committee was held by telephone on July 22, 1999 followed by a meeting of the CogenAmerica Board of Directors. DLJ briefed the independent directors on the status of discussions with the remaining two bidders. Counsel apprised the Independent Directors Committee of the issue that NRG had raised and that resolution of the issue might require a different transaction structure. Counsel also updated the Independent Directors Committee on the progress of negotiations with NRG on the terms of an agreement pursuant to which the various contracts with NRG and its subsidiaries would be terminated in the event of a sale of CogenAmerica. The Independent Directors Committee and the Board of Directors of CogenAmerica determined that the new concerns regarding the transaction structure should be resolved as quickly as possible and that the sale process with the remaining two bidders should proceed.

On July 27, 1999, representatives from Calpine and its counsel met with representatives of CogenAmerica and its management to negotiate Calpine's proposed changes to the form of merger agreement. Thereafter, NRG's representatives, with CogenAmerica's management and representatives present, negotiated with Calpine its proposed changes to the form of stockholder agreement with NRG. On July 28, 1999, representatives from Bidder A and its counsel met with representatives of CogenAmerica and its management to negotiate Bidder A's proposed changes to the form of merger agreement. Thereafter, NRG's representatives, with CogenAmerica's management and representatives present, negotiated with Bidder A its proposed changes to the form of stockholder agreement with NRG. At each meeting, counsel for CogenAmerica informed Calpine and Bidder A of the possibility of an alternative transaction structure. Both parties were willing to proceed with the sale process while a viable transaction structure was developed. Based on the

negotiating sessions over the definitive agreements, CogenAmerica delivered to Calpine and Bidder A on or about July 30, 1999 revised forms of the merger agreement and stockholder agreement that were acceptable to CogenAmerica. The parties were requested to submit revised bids and any revisions to the merger agreement and the stockholder agreement by August 3, 1999.

On August 3, 1999, both Calpine and Bidder A submitted new bids, including a mark-up of the merger agreement and stockholder agreement that each party was willing to execute. Calpine initially offered $23.52 per share in cash for 100% of the equity interests of CogenAmerica and Bidder A offered $24.00 per share in cash for 100% of the equity interests in CogenAmerica. A meeting of the CogenAmerica Board of Directors was held on August 4, 1999 to consider the bids. Shortly before the meeting, Calpine increased its bid to $24.52 per share in cash. At the meeting, DLJ summarized the sale process to date and confirmed its view that either party had the requisite financial resources available to

consummate the transaction. Counsel described the material changes proposed by Calpine and Bidder A to the merger agreement and stockholder agreement. NRG's representative informed the CogenAmerica Board of Directors that the transaction would have to be restructured to meet NRG's needs if a transaction were to proceed. The CogenAmerica Board of Directors then determined that the Independent Directors Committee should be given full control of the sale process because NRG might have interests that differ from those of CogenAmerica and the unaffiliated stockholders. The Independent Directors Committee met briefly and requested that NRG outline the proposed structure of the transaction before requiring the two remaining bidders to submit final bids. The full CogenAmerica Board of Directors meeting then reconvened and the CogenAmerica Board of Directors was apprised of the determinations by the Independent Directors Committee.

On August 6, 1999, the Independent Directors Committee held a meeting to determine how to proceed. Counsel reviewed the outline of the possible transaction structure developed by NRG's representatives, which remained subject to approval by NRG's board of directors and advised the committee members that an outline of the proposed transaction could be provided to the two bidders later that day. The outline proposed that the winning bidder would have the right to acquire 80% of the equity interests in CogenAmerica and NRG would retain a 20% equity interest in CogenAmerica. Counsel confirmed that, as a result of the restructuring of the proposed transaction, NRG did in fact have interests that differed from those of CogenAmerica and the unaffiliated stockholders.

Later that day, the two bidders received the outline of the proposed structure of the transaction. Each of the bidders was also advised that it would have an opportunity to discuss and negotiate the proposed terms of a possible transaction with NRG and that each bidder would be required to resubmit its bid for CogenAmerica by the close of business on August 10, 1999. On Monday, August 9, 1999, each party separately reviewed and negotiated the terms of a possible transaction with NRG representatives. Representatives of DLJ and KSK were present during such discussions.

At the close of business on August 10, 1999, both Calpine and Bidder A resubmitted their respective bids. Each party provided a mark-up of the merger agreement previously provided by CogenAmerica to reflect the changes required by it and a mark-up of the outline of the possible transaction structure. Neither party changed the price per share in its bid; Calpine offered $24.52 per share in cash and Bidder A offered $24.00 per share in cash for 80% of the equity interests in CogenAmerica.

On August 11 and 12, 1999, the Independent Directors Committee held telephonic meetings. At each meeting, DLJ reported on the rebids received from the two bidders and counsel summarized the changes to the merger agreement proposed by each Bidder And reported the status of the continuing discussions between NRG and each bidder. Following the meetings, at the direction of the Independent Directors Committee, DLJ communicated with both bidders contemporaneously. Bidder A was informed that it needed to increase its bid and Calpine was advised that it needed to accept the merger agreement as proposed by CogenAmerica and the outline as acceptable to NRG's management which remained subject to approval by NRG's board of directors.

In the evening of August 12, 1999, Calpine delivered a letter to CogenAmerica increasing its offer to $24.77 per share in cash, accepting the merger agreement as proposed by CogenAmerica, accepting the terms acceptable to NRG's management, which remained subject to approval by NRG's board of directors, and indicating its willingness to negotiate and finalize definitive documents on such terms. Calpine stated that its offer required an exclusive period through 5:00 p.m. Eastern Time on August 17, 1999 to finalize the documentation with NRG.

On August 13, 1999, commencing at approximately 6:00 a.m., Central Time, the Independent Directors Committee held a telephonic meeting. The Independent Directors Committee received reports from KSK and DLJ on the events that transpired the previous evening. At approximately 7:30 a.m., Central Time, Bidder A increased its offer to $24.77 per share, confirmed its acceptance of the merger agreement as proposed by CogenAmerica, and requested a two week exclusivity period to conclude negotiation of a definitive agreement with NRG on the terms acceptable to NRG's management subject to NRG's Board approval. A

representative of Bidder A verbally indicated to DLJ that Bidder A did not expect to increase its offer above $24.77 per share.

The Independent Directors Committee reconvened its meeting at approximately 7:45 a.m., Central Time, on August 13, 1999. DLJ informed the independent directors of the August 13, 1999 letter from Bidder A and the conversation in which Bidder A indicated that it did not expect to increase its offer. After further discussion and considering the recommendations of DLJ and KSK, the Independent Directors Committee authorized DLJ to contact Calpine. DLJ was directed to inform Calpine that the Committee would accept Calpine's proposal with the following modifications: (1) the price would be $25.00 per share, (2) the merger agreement would be changed to provide for a one-step merger rather than a tender offer followed by a second-step merger, and (3) any debt of CogenAmerica that could be accelerated as a result of the merger, including the debt owed to NRG, would be repaid upon completion of the merger.

Calpine requested that the message be in writing and signed on behalf of the Independent Directors Committee. Counsel for CogenAmerica then prepared a letter dated August 13, 1999 (the "August 13 Exclusivity Letter") incorporating the terms approved by the Independent Directors Committee. The August 13 Exclusivity Letter was signed on behalf of the Independent Directors Committee and transmitted to Calpine via facsimile. Calpine accepted the proposal and returned the August 13 Exclusivity Letter countersigned by Calpine. With the consent of Calpine, DLJ advised Bidder A that Calpine had been given an exclusive period to conclude the documentation and no further communications would occur with Bidder A during the exclusive period.

CogenAmerica's counsel then informed NRG of the decision by the Independent Directors Committee and provided NRG with a copy of the August 13 Exclusivity Letter

and a revised merger agreement reflecting the change in the structure to a one-step merger from a tender offer followed by a second-step merger.

During the morning on August 16, 1999, Calpine and its counsel met with CogenAmerica and its counsel to finalize the merger agreement. Commencing in the afternoon of August 16, 1999 and continuing through August 19, 1999, Calpine, NRG and their respective counsel discussed the terms of the proposed definitive agreement between Calpine and NRG (the "Calpine/NRG Agreement").

On August 19, 1999, Bidder A sent by facsimile a letter addressed to the Board of Directors of NRG, the Independent Directors Committee and the CogenAmerica Board of Directors. The letter affirmed the interest of Bidder A to proceed with a transaction and increased its bid to $24.99 per share. Because CogenAmerica was bound by the exclusivity terms of the August 13 Exclusivity Letter, no response to Bidder A's letter was made by CogenAmerica or its officers, directors, employees, agents or representatives.

On August 19, 1999, a Calpine representative advised CogenAmerica and NRG that the Calpine board of directors approved the merger agreement and the Calpine/NRG Agreement.

On August 25, 1999, an NRG representative advised CogenAmerica and Calpine that the NRG board of directors approved the Calpine/NRG Agreement. Meetings of the Independent Directors Committee and Board of Directors of CogenAmerica were called for 9:00 a.m. and 12:00 noon, respectively, on August 26, 1999.

On August 26, 1999, commencing at approximately 9:00 a.m., Central Time, the Independent Directors Committee held a meeting. All independent directors were present in person as were representatives of DLJ and KSK. At the request of the independent directors, a representative of O'Melveny & Myers ("O&M"), counsel to the Independent Directors Committee, attended by telephone. Representatives of KSK briefed the Independent Directors Committee regarding their fiduciary duties and the terms of the merger agreement, the Calpine/NRG Agreement, the agreement between CogenAmerica and NRG (the "Termination Agreement") terminating the Affiliate Agreements upon completion of the merger, and an agreement among CogenAmerica, Calpine and NRG (the "Cooperation Agreement") pursuant to which the parties agree to cooperate with each other in the preparation of this Proxy Statement and the Schedule 13E-3 that are required to be filed with the SEC. Copies of the final agreements were available to the independent directors and were reviewed during the meeting. Representatives of

DLJ briefed the Independent Directors Committee on the sale process and the bases for DLJ's fairness opinion. DLJ also delivered its executed fairness opinion addressed to the Independent Directors Committee. The independent directors also reviewed the benefits and detriments of the proposed merger to the unaffiliated stockholders of CogenAmerica. The factors considered by the Independent Directors Committee are discussed below in the section called "Reasons for the Merger." After considering these factors and the advice of its financial and legal advisors, the Independent Directors Committee unanimously approved the merger agreement, the charter amendment, the Calpine/NRG Agreement, the Termination Agreement and the Cooperation Agreement, and unanimously recommended that the CogenAmerica Board of Directors approve the merger agreement, the charter amendment, the Calpine/NRG Agreement and the Cooperation Agreement.

Following conclusion of the meeting of the Independent Directors Committee and commencing at approximately 12:00 noon, Central Time, the CogenAmerica Board of Directors convened its meeting in Minneapolis, Minnesota to consider the transactions contemplated by the merger agreement. All directors of CogenAmerica were present in

person, except for Craig A. Mataczynski and Michael O'Sullivan who participated by telephone. KSK briefed the CogenAmerica Board of Directors on the fiduciary duties of the directors and the terms of the merger agreement, the Calpine/NRG Agreement, the Termination Agreement and the Cooperation Agreement. Copies of the agreements were available to the directors at the meeting and were reviewed during the presentation by KSK on the agreements. Representatives of DLJ reviewed the sale process and the bases for DLJ's fairness opinion. DLJ also confirmed that it had delivered its executed fairness opinion to the Independent Directors Committee and that the entire CogenAmerica Board of Directors was entitled to rely on the opinion. The directors also reviewed the benefits and detriments of the proposed merger to the unaffiliated stockholders of CogenAmerica. The factors considered by the CogenAmerica Board of Directors are discussed below in the section called "Reasons for the Merger." After considering these factors and the advice of the financial and legal advisors to CogenAmerica, the CogenAmerica Board of Directors unanimously approved the merger agreement, the charter amendment, the Calpine/NRG Agreement and the Cooperation Agreement, and unanimously recommended that the CogenAmerica stockholders approve the merger agreement and the charter amendment.

After the close of business on August 26, 1999, CogenAmerica executed and delivered the merger agreement to Calpine, the Cooperation Agreement to Calpine and NRG, and the Termination Agreement to NRG. Contemporaneously, Calpine executed and delivered the merger agreement to CogenAmerica, the Cooperation Agreement to CogenAmerica and NRG, and the Calpine/NRG Agreement to NRG. Contemporaneously, NRG executed and delivered the Termination Agreement to CogenAmerica, the Cooperation Agreement to CogenAmerica and Calpine, and the Calpine/NRG Agreement to Calpine. Press releases announcing the transactions contemplated by the merger agreement and Calpine/NRG Agreement were issued on the morning of August 27, 1999.

PURPOSE, TIMING AND STRUCTURE OF THE MERGER

The purpose for the merger is to enable Calpine to acquire 80% and NRG to retain 20% of the entire equity interests of CogenAmerica in a transaction that provides the public stockholders of CogenAmerica and NRG, to the extent its equity interest in CogenAmerica is not being retained, with the opportunity to sell all of their CogenAmerica common stock at a price which represents a substantial premium over market prices in effect immediately prior to the announcement of the merger.

The timing of the execution of the merger agreement resulted from an extensive sale process conducted by CogenAmerica after it had received four indications of interest for the acquisition of CogenAmerica at significant premiums to the then market price of CogenAmerica common stock. In addition, the market for the sale of independent power company assets has recently been favorable to sellers of such assets as significant consolidation is occurring in the independent power industry. In addition, the Independent Directors Committee and the Board of Directors of CogenAmerica concluded that sufficient additional capital for CogenAmerica to make acquisitions and expand its business would be difficult to obtain given CogenAmerica's current leverage and current stock price and that the development of new plants, so called "green field" projects,

would be time consuming and involved significant risk that they would not be completed after substantial management time and expense had been invested in the projects.

The transaction was structured to achieve both (1) the requirement by NRG that it retain a 20% interest in CogenAmerica after completion of the merger and (2) the

requirement of Calpine that it acquire the remaining 80% equity interest in CogenAmerica in a single transaction, while at the same time facilitating a direct cash payment at a premium price to all holders of CogenAmerica common stock (other than shares held by CogenAmerica, by Acquisition Sub or by stockholders who properly exercise their appraisal rights). CogenAmerica also wished to present its stockholders with a simple transaction that treats equally all unaffiliated stockholders.

Acquisition Sub is currently a wholly owned subsidiary of Calpine. Immediately prior to the completion of the merger, NRG will contribute shares of CogenAmerica common stock to Acquisition Sub which will enable NRG to retain a 20% equity interest in CogenAmerica after completion of the merger. Calpine formed Acquisition Sub shortly before execution of the merger agreement for the sole purpose of carrying out the merger.

REASONS FOR THE MERGER

The Independent Directors Committee and the Board of Directors of CogenAmerica have determined that the merger is fair to and in the best interests of all CogenAmerica stockholders other than NRG and unanimously recommend that the CogenAmerica stockholders approve and adopt the merger agreement and the charter amendment. In reaching these conclusions, the Independent Directors Committee and the Board of Directors of CogenAmerica considered and analyzed a number of factors. All of the material factors considered by the CogenAmerica Board of Directors are described below.

1. Competitive Sale Process. The merger consideration of $25.00 per share was arrived at after an intense and competitive sale process. During the sale process, 13 parties were contacted of which seven parties submitted preliminary indications of interest ranging from $15.09 to $24.00 per share for 100% of the equity interests of CogenAmerica. Six parties were invited to conduct extensive due diligence after which firm bids were submitted. The bids ranged from $18.50 to $23.00 per share for 100% of the equity interests in CogenAmerica. The two highest bidders, Calpine and Bidder A, were invited to conduct on-site plant visits and to negotiate the terms of the definitive documents. Calpine and Bidder A subsequently submitted final bids of $24.52 and $24.00, respectively. Thereafter, Calpine raised its bid to $25.00 per share. Both the Independent Directors Committee and the Board of Directors of CogenAmerica determined that the manner in which the sale process was conducted was a very important factor in concluding that the price resulting from that process was fair to the unaffiliated stockholders.

2. Premium over Current Market Price. On August 25, 1999, the trading day immediately preceding the meetings of the Independent Directors Committee and the Board of Directors of CogenAmerica, the closing sales price for CogenAmerica common stock was $16.75 per share. The merger consideration of $25.00 per share represented a premium of 49.3% over the closing market price on August 25, 1999. Both the Independent Directors Committee and the Board of Directors of CogenAmerica concluded that the significant premium over the current market price was a very important factor in favor of the transaction and determining the merger consideration was fair to the unaffiliated stockholders.

3. Premium over Historical Market Price. The merger consideration of $25.00 per share represented a significant premium over the historical market price of CogenAmerica common stock. The following premiums over historical market price were considered to be very important factors to both the Independent Directors Committee and the Board of

Directors of CogenAmerica in favor of the transaction and in their determination

that the merger consideration was fair to the unaffiliated stockholders:

ATE OR PERIOD TO MEASURE PREMIUM	PREMIUM OVER HISTORICAL MARKET PRICE
January 26, 1999 (the first date Bidder A met formally with NRG to express its interest in an acquisition transaction)	170.3%
May 20, 1999 (the date the CogenAmerica Board of Directors determined to explore strategic alternatives)	102.0%
July 29, 1999 (four weeks prior to the approval of the merger agreement by the Independent Directors Committee and the Board of Directors of CogenAmerica)	40.8%
August 19, 1999 (one week prior to the approval of the merger agreement by the Independent Directors Committee and the Board of Directors of CogenAmerica)	50.4%

In addition, both the Independent Directors Committee and the Board of Directors of CogenAmerica considered very important the fact that the historical daily trading volume of CogenAmerica common stock was relatively small, it being in the range of 12,000 to 13,000 shares or approximately 0.2% of the outstanding shares. The merger would enable all unaffiliated stockholders to sell their shares for cash without any depressing effect that the sale of a considerable number of shares might have on the market price of the CogenAmerica common stock.

4. Presentation and Opinion of DLJ. Both the Independent Directors Committee and the Board of Directors of CogenAmerica considered very important the presentation made by DLJ at their meetings on August 26, 1999 and DLJ's fairness opinion addressed to the Independent Directors Committee in determining that the merger was fair to the unaffiliated stockholders. For a discussion of the DLJ presentation, see the caption entitled "Opinion of Financial Advisor" below and see Appendix C for a copy of the full text of the written opinion of DLJ dated August 26, 1999 which sets forth assumptions made, matters considered and limitations on the review undertaken in connection with the opinion.

5. Going Concern Value. As part of its presentation to the Independent Directors Committee and the Board of Directors of CogenAmerica on August 26, 1999, DLJ presented a discounted cash flow analysis of the value of CogenAmerica as a going concern. Depending on the assumptions for discount rate and multiple of earnings before interest, taxes, depreciation and amortization for the terminal value, the discounted cash flow analysis indicated an implied value of CogenAmerica common stock in the range of $9.62 per share to $22.39 per share. Although the Independent Directors Committee and the Board of Directors of CogenAmerica considered the going concern value (as expressed by the discounted cash flow analysis by DLJ) as an important factor supporting the fairness of the merger consideration to the unaffiliated stockholders, this factor was somewhat less important than the other four factors discussed above.

6. Future Prospects as a Public Company. Both the Independent Directors Committee and the Board of Directors of CogenAmerica considered the future prospects of CogenAmerica as an independent public company. In order for CogenAmerica to continue its growth, CogenAmerica had to acquire or develop additional independent

power plants. CogenAmerica would require additional capital to provide the financial resources necessary for the acquisition or development of new projects. Due to the current high leverage of CogenAmerica, additional debt might not be available or, if available, would be at high interest rates. An analysis by management indicated that the sale of CogenAmerica common stock at a price below $20.00 per share would be dilutive of future earnings and, therefore, not a viable alternative to raising capital. Also, due to the low earnings multiple for CogenAmerica and the competitive prices for independent

power plants, it would be difficult for CogenAmerica to make acquisitions using its stock that would be accretive to future earnings. The current competitive market for existing independent power plants made acquisitions of existing plants expensive. The development of new plants, so-called "green field" projects, required a substantial amount of time and investment without any assurance that CogenAmerica would be awarded the project. Based on CogenAmerica's capital constraints and risks of future expansion, both the Independent Directors Committee and the Board of Directors of CogenAmerica considered this factor to be important in determining that the merger was the best alternative for the unaffiliated stockholders.

7. Right to Terminate Merger Agreement. After following certain procedures and paying Calpine a termination fee of $7,500,000, CogenAmerica has the right to terminate the merger agreement in order to accept a superior takeover proposal from a third party. This so-called "fiduciary out" provision is described in "Summary of Material Features of the Merger -- Termination" below. The Calpine/NRG Agreement provides that the agreement terminates in the event the merger agreement terminates. As a result, if CogenAmerica received a superior takeover proposal from a third party, it would be able to terminate the merger agreement by following the requisite procedures, and NRG would be able to enter into an agreement with the third party on terms comparable to the Calpine/NRG Agreement. This would enable the Independent Directors Committee and the Board of Directors of CogenAmerica to accept a takeover proposal that provides more value to the unaffiliated stockholders of CogenAmerica. Both the Independent Directors Committee and the Board of Directors of CogenAmerica considered the fiduciary out provision of the merger agreement a significant factor in determining the merger was fair to the unaffiliated stockholders.

8. Financial Ability of Calpine. Calpine has the financial ability to complete the merger and support CogenAmerica's future business operations. The merger agreement is not conditioned on financing by Calpine. Both the Independent Directors Committee and the Board of Directors of CogenAmerica considered the financial ability of Calpine to fund the merger consideration to be a significant factor in approving the merger agreement.

9. Appraisal Rights. Stockholders of CogenAmerica who do not support the merger or are dissatisfied with the consideration to be received by the holders of CogenAmerica common stock are able to obtain "fair value" for their shares if they properly exercise their appraisal rights under the DGCL. Both the Independent Directors Committee and the Board of Directors of CogenAmerica considered the ability of unaffiliated stockholders to exercise their appraisal rights as a favorable factor, but not as important as the factors enumerated above in paragraphs 1 through 8.

10. Stockholder Vote. Pursuant to the Calpine/NRG Agreement, NRG has granted its proxy to Calpine to vote the CogenAmerica shares held by NRG for approval and adoption of the merger agreement and the charter amendment. Based on the fact that Calpine would not proceed with the transaction unless NRG agreed to grant its proxy to Calpine to vote NRG's CogenAmerica shares in favor of the merger agreement and the

charter amendment at the special meeting and that, as discussed in paragraph 7 above, the Calpine/NRG Agreement would terminate in the event the CogenAmerica Board of Directors exercised its "fiduciary out" to terminate the merger agreement in order to accept a superior takeover proposal from another party, the Independent Directors Committee and the Board of Directors of CogenAmerica did not consider the lack of a vote of the majority of the minority as an important factor.

11. Net Book Value. The Independent Directors Committee and the Board of Directors of CogenAmerica did not consider the net book value of CogenAmerica as a relevant factor in its determination.

12. Liquidation Value. Neither the Independent Directors Committee nor the Board of Directors of CogenAmerica considered the liquidation value of CogenAmerica as a relevant factor in its determination. A liquidation of the assets would result in CogenAmerica paying taxes on the gain from the sale of its assets. Therefore, the net proceeds from the sale of its assets would be reduced by taxes and transaction costs before any distribution could be made to stockholders.

13. Price Paid by NRG for CogenAmerica Common Stock. NRG facilitated the reorganization of CogenAmerica's predecessor in 1996 under Chapter 11 of the Federal Bankruptcy Laws by contributing an aggregate of $21.2 million to the predecessor in exchange for 2,710,357 shares of the predecessor's common stock representing approximately 41.86% of the outstanding shares of CogenAmerica common stock after giving effect to such issuance. The price per share of CogenAmerica common stock paid by NRG was $3.27. Since the operations of CogenAmerica have substantially improved since that time, including the addition of two plants after the 1996 reorganization, neither the Independent Directors Committee nor the Board of Directors of CogenAmerica considered the price paid by NRG for its shares of CogenAmerica common stock as a relevant factor in its determination.

In view of the variety of factors considered in connection with its evaluation of the merger, the Independent Directors Committee and the Board of Directors of CogenAmerica found it impracticable to, and did not, quantify, rank or otherwise assign relative weights to the reasons for the merger described above or determine that any reason was of particular importance in reaching its determination that the merger is fair to and in the best interest of CogenAmerica stockholders (other than NRG), except that the factors enumerated in paragraphs 1 through 4 above were the most important, the factors enumerated in paragraphs 5 and 6 above were important, the factors in paragraphs 7 and 8 were also important but less significant than the first six factors, the factor enumerated in paragraph 9 was less significant than the first eight factors, the factor enumerated in paragraph 10 was not important, and the factors enumerated in paragraphs 11 through 13 were not relevant. The Independent Directors Committee and the Board of Directors of CogenAmerica view their recommendations as being based upon their judgment, in light of the totality of the information presented and considered, as summarized in the reasons for the merger described above, and the overall effect of the merger on CogenAmerica's stockholders compared to continuing the business of CogenAmerica in the ordinary course or seeking other potential parties to effect a business combination.

RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS COMMITTEE AND THE BOARD OF DIRECTORS

The Independent Directors Committee is a standing committee of the CogenAmerica Board of Directors that is comprised of three disinterested directors. The purpose of the Independent Directors Committee is to consider and act upon matters where the interests of NRG, as the principal stockholder and whose officers constitute four members of the CogenAmerica Board of Directors, may be in conflict with the interests of the unaffiliated stockholders of CogenAmerica. When it became apparent in the sale process undertaken by CogenAmerica that NRG would be treated differently from the unaffiliated stockholders of CogenAmerica, the Independent Directors Committee took over control of the sale process. The Independent Directors Committee then retained financial and legal advisors to assist it in the sale process and the other matters related to the transactions contemplated by the merger agreement. On August 26, 1999, the Independent Directors Committee determined that the merger was in the best interests of CogenAmerica and was fair to CogenAmerica stockholders (other than NRG). Accordingly, the Independent Directors Committee unanimously approved the merger agreement, the charter amendment, the Termination Agreement, the Calpine/NRG Agreement and the Cooperation Agreement, and recommended that the CogenAmerica Board of Directors approve the merger agreement, the charter amendment and the Cooperation Agreement after receiving reports from its financial and legal advisors, including reports on the sale process, the terms of the operative documents and the valuation analysis by DLJ, and the written opinion from DLJ that, as of its date and subject to the assumptions, limitations and qualifications set forth in the written opinion, the consideration to be paid to the CogenAmerica stockholders (other than NRG) in the merger was fair from a financial point of view. The Independent Directors Committee took such actions for the reasons set forth above under the caption "Reasons for the Merger."

Following the meeting of the Independent Directors Committee, the CogenAmerica Board of Directors held a meeting on August 26, 1999 to consider the transactions contemplated by the merger agreement. The CogenAmerica Board of Directors received reports from financial and legal advisors for CogenAmerica. The reports included a review of the sale process, a discussion of the terms of the operative agreements and the valuation analysis by DLJ. DLJ also provided the directors with a copy of the opinion of DLJ addressed to the Independent

Directors Committee that, as of its date and subject to the assumptions, limitations and qualifications set forth in the written opinion, the consideration to be paid to the stockholders other than NRG in the merger was fair from a financial point of view, and DLJ indicated that the directors were entitled to rely on the opinion. The Independent Directors Committee also informed the CogenAmerica Board of Directors that it had unanimously approved the merger agreement, the charter amendment, the Termination Agreement, the Calpine/NRG Agreement and the Cooperation Agreement, and unanimously recommended that the CogenAmerica Board of Directors approve the merger agreement, the charter amendment and the Cooperation Agreement. Based on these reports and recommendations and for the reasons set forth above under the caption "Reasons for the Merger," the CogenAmerica Board of Directors also determined that the merger was in the best interests of CogenAmerica and was fair to the unaffiliated stockholders of CogenAmerica. The CogenAmerica Board of Directors unanimously approved the merger agreement, the charter amendment, the Calpine/NRG Agreement and the Cooperation Agreement and recommended that the CogenAmerica stockholders approve the merger agreement and the charter amendment.

THE INDEPENDENT DIRECTORS COMMITTEE AND THE BOARD OF DIRECTORS OF COGENAMERICA HAVE UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE CHARTER AMENDMENT, AND THE COGENAMERICA BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE COGENAMERICA STOCKHOLDERS VOTE FOR APPROVAL AND ADOPTION OF THE MERGER AGREEMENT AND THE CHARTER AMENDMENT.

OPINION OF FINANCIAL ADVISOR

CogenAmerica asked DLJ, in its role as financial advisor to CogenAmerica, to render an opinion to the Independent Directors Committee of CogenAmerica as to the fairness, from a financial point of view, to the holders of CogenAmerica common stock, other than NRG, of the consideration to be received by such holders in the merger. On August 26, 1999, DLJ delivered to the Independent Directors Committee its written opinion to the effect that, as of such date, based on and subject to the assumptions, limitations and qualifications set forth in such written opinion, the consideration to be received in the merger by the holders of CogenAmerica common stock, other than NRG, was fair to such holders from a financial point of view.

THE FULL TEXT OF DLJ'S OPINION IS ATTACHED AS APPENDIX C TO THIS PROXY STATEMENT. THE SUMMARY OF DLJ'S OPINION SET FORTH IN THIS PROXY STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF DLJ'S OPINION. COGENAMERICA STOCKHOLDERS ARE URGED TO READ DLJ'S OPINION CAREFULLY AND IN ITS ENTIRETY FOR THE PROCEDURES FOLLOWED, ASSUMPTIONS MADE, OTHER MATTERS CONSIDERED AND LIMITS OF THE REVIEW BY DLJ IN CONNECTION WITH SUCH OPINION.

DLJ PREPARED ITS OPINION FOR THE INDEPENDENT DIRECTORS COMMITTEE SOLELY WITH RESPECT TO THE FAIRNESS FROM A FINANCIAL POINT OF VIEW OF THE CONSIDERATION TO BE RECEIVED IN THE MERGER BY HOLDERS OF COGENAMERICA COMMON STOCK, OTHER THAN NRG, AS OF THE DATE THEREOF. DLJ EXPRESSED NO OPINION AS TO THE PRICES AT WHICH COGENAMERICA COMMON STOCK WOULD ACTUALLY TRADE AT ANY TIME AND DOES NOT ADDRESS THE RELATIVE MERITS OF THE MERGER AND THE OTHER BUSINESS STRATEGIES CONSIDERED BY THE INDEPENDENT DIRECTORS COMMITTEE NOR DOES IT ADDRESS THE INDEPENDENT DIRECTORS COMMITTEE'S DECISION TO PROCEED WITH THE MERGER. DLJ'S OPINION DOES NOT ADDRESS ANY OTHER ASPECT OF THE MERGER NOR DOES IT CONSTITUTE A RECOMMENDATION TO ANY COGENAMERICA STOCKHOLDER AS TO HOW TO VOTE ON THE MERGER AND SHOULD NOT BE RELIED UPON BY ANY STOCKHOLDER AS SUCH.

CogenAmerica selected DLJ as its financial advisor because DLJ is an internationally recognized investment banking firm that has substantial experience providing strategic advisory services. DLJ was not retained as an advisor or agent to the stockholders of CogenAmerica or any other person. As part of its investment banking business, DLJ is regularly engaged in the valuation of businesses and securities in connection with mergers, acquisitions, underwritings, sales and distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. CogenAmerica did not impose any restrictions or limitations upon DLJ with respect to the investigations made or the procedures followed by DLJ in rendering its opinion. For purposes of rendering its opinion, DLJ among other things, reviewed the Agreement and Plan of Merger and the company letter, dated August 26, 1999, and the Calpine/NRG Agreement, also dated August 26, 1999, which sets forth the essential terms and conditions upon which NRG would be able to sell its

CogenAmerica common stock. DLJ also reviewed certain financial and other business information that was publicly available or furnished by CogenAmerica, including information provided during discussions with management, for recent years and interim

periods to date. Included in the information provided during discussions with management were certain internal financial forecasts and projections of the Company for the period beginning January 1, 1999 and ending December 31, 2009 prepared by the management of the Company. DLJ met with the management of CogenAmerica to review and discuss such information and the Company's business, operations, assets, financial condition and future prospects.

In addition, DLJ reviewed the historical stock prices and trading volumes of CogenAmerica common stock, reviewed prices and premiums paid in certain other business combinations and conducted such other financial studies, analyses and investigations as DLJ deemed appropriate for purposes of rendering its opinion.

In rendering its opinion, DLJ assumed and relied upon without independent verification the accuracy and completeness of all of the financial and other information that was available to it from public sources, that was provided to it by CogenAmerica, or its representatives, or that was otherwise reviewed by DLJ. With respect to the financial projections and assumptions supplied to DLJ, DLJ assumed that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of CogenAmerica as to the future operating and financial performance of CogenAmerica. DLJ expressed no opinion with respect to such projections, forecasts and analyses or the assumptions upon which they were based. DLJ did not make any independent valuation or appraisal of the assets or liabilities of CogenAmerica and did not make any independent verification of the information reviewed by DLJ. DLJ was not furnished with any such valuations or appraisals. DLJ's opinion was necessarily based on economic, market, financial and other conditions as they existed on, and on the information made available to DLJ as of, the date of its opinion. DLJ states in its opinion that, although subsequent developments may affect its opinion, DLJ does not have any obligation to update, revise or reaffirm its opinion.

The following is a summary of the financial analyses presented by DLJ to the Independent Directors Committee on August 26, 1999 in connection with the preparation of DLJ's opinion.

Common Stock Trading History. DLJ examined the historical closing prices of CogenAmerica common stock from August 20, 1998 to August 23, 1999. During this time period, CogenAmerica common stock reached a high of $18.13 per share and a low of $7.94 per share. DLJ also examined the historical trading range of CogenAmerica common stock from August 20, 1998 to August 23, 1999 relative to an independent power producer index made up of The AES Corporation, Calpine Corporation, MidAmerican Energy Holdings Company, Trigen Energy Corporation and CogenAmerica. This information was presented solely to provide the Independent Directors Committee with background information on the stock price of CogenAmerica over the periods indicated.

Premiums Paid Analysis. DLJ determined the premium over the common stock trading prices for one day, one week and four weeks prior to the announcement date in all merger and acquisition transactions of U.S. public companies ranging from $250 million to $750 million in size announced between January 1, 1996 and August 20, 1999. DLJ obtained information for this analysis from Securities Data Corp. DLJ analyzed the high, low and median of the premiums paid one day, one week and four weeks prior to the announcement date. The median premiums for the selected transactions over the common stock trading prices for one day, one week and four weeks prior to the announcement date were 23.3%, 29.3% and 36.7%, respectively. Applying the median premiums to the closing

price of CogenAmerica one day, one week and four weeks prior to the announcement date, DLJ estimated a value per share of CogenAmerica common stock ranging from $21.42 to $24.61.

Comparable Publicly Traded Company Analysis. As part of its analysis, DLJ

compared the market values and trading multiples of CogenAmerica with that of the following publicly traded independent power companies:

1. The AES Corporation

2. Calpine Corporation

3. MidAmerican Energy Holdings Company (formerly CalEnergy Company, Inc.), and

4. Trigen Energy Corporation.

In examining these comparable companies, DLJ calculated the enterprise value of each company as a multiple of its respective: LTM revenue; LTM EBITDA and LTM EBIT. LTM means last reported twelve months. EBITDA means earnings before interest expense, income taxes, depreciation and amortization. EBIT means earnings before interest expense and income taxes. DLJ also calculated the equity value of each company as a multiple of its respective: LTM net income; and projected net income for the calendar year 1999. The enterprise value of a company is equal to the value of its fully-diluted common equity plus debt and the liquidation value of outstanding preferred stock, if any, minus cash and the value of certain other assets, including minority interests in other entities. Projected net income for the calendar year 1999 was obtained from First Call estimates. For the purpose of this analysis, DLJ calculated EBITDA and EBIT to include equity in income/loss of affiliates, and calculated enterprise value to include investment in unconsolidated affiliates.

DLJ's analysis of the comparable companies yielded the following: revenue multiples for the LTM ended June 30, 1999 ranging from 1.8x to 8.3x; EBITDA multiples for the LTM ended June 30, 1999 ranging from 7.9x to 16.7x; EBIT multiples for the LTM ended June 30, 1999 ranging from 14.1x to 24.8x; net income multiples for the LTM ended June 30, 1999 ranging from 9.7x to 41.6x; and projected net income multiples for the calendar year 1999 ranging from 14.0x to 34.0x. Based on an analysis of this data and CogenAmerica's results for comparable periods, DLJ estimated a value per share of CogenAmerica common stock ranging from $16.10 to $34.40.

No company utilized in the comparable public company analysis is identical to CogenAmerica. Accordingly, an analysis of the results of the foregoing necessarily involves complex considerations and judgements concerning differences in financial and operating characteristics of CogenAmerica and other factors that could affect the public trading value of the companies to which it is being compared. In evaluating the comparable companies, DLJ made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of CogenAmerica, such as the impact of competition on CogenAmerica and the industry generally, industry growth and the assumed absence of any adverse material change in the financial conditions and prospects of CogenAmerica or the industry or in the financial markets in general. Mathematical analysis (such as determining the mean or median) is not, in itself, a meaningful method of using comparable company data.

Precedent Merger and Acquisition Transaction Analysis. DLJ analyzed acquisition multiples paid in the acquisition of Sithe Energies by Marubeni Corporation. This was the most comparable acquisition of a publicly traded independent power company occurring prior to August 26, 1999. DLJ's analysis of this comparable transaction yielded the following: (i) a revenue multiple for the LTM ended September 30, 1995 of 3.3x; (ii) an EBITDA multiple for the LTM ended September 30, 1995 of 10.4x; (iii) an EBIT multiple for the LTM ended September 30, 1995 of 13.7x; and (iv) a net income multiple for the LTM ended September 30, 1995 of 29.2x. Based on an analysis of this data and CogenAmerica's results for comparable periods, DLJ estimated a value per share of CogenAmerica common stock ranging from $20.81 to $32.80.

Using publicly available information, DLJ also reviewed certain acquisitions involving the sale of generation assets by various independent power companies and public utilities conducted over the year to date period beginning January 1, 1999. In examining these transactions, DLJ analyzed the enterprise value of the acquired assets as a multiple of their net generating capacity. DLJ applied the high, low, median and average of these multiples to CogenAmerica's net generating capacity to obtain an enterprise value, and equity

value per share. DLJ's analysis yielded an enterprise value multiple range of $147/kW to $955/kW. Based on an analysis of this data and CogenAmerica's net generating capacity, DLJ estimated a valuation range of CogenAmerica common stock with a high end of $27.78 per share. The other end of the range was deemed not meaningful due to CogenAmerica's relatively high enterprise value to net generating capacity compared to the sample transactions that were examined by DLJ. No transaction utilized as a comparison in the analysis of selected precedent transactions is identical to the merger in both timing and size. Accordingly, an analysis of the results of the foregoing necessarily involves complex considerations and judgments concerning differences in financial and operating characteristics of CogenAmerica and other factors that would affect the acquisition value of the companies to which it is being compared. In evaluating the precedent transactions, DLJ made judgments and assumptions with regard to industry performance, global business, economic, market and financial conditions and other matters, many of which are beyond the control of CogenAmerica, such as the impact of competition on CogenAmerica and the industry generally, industry growth and the assumed absence of any adverse material change in the financial conditions and prospects of CogenAmerica or the industry or the financial markets in general. Mathematical analysis (such as determining the mean or median) is not, in itself, a meaningful method of using precedent transactions data.

Discounted Cash Flow ("DCF") Analysis. DLJ also performed a DCF analysis of the projected cash flows of CogenAmerica for the fiscal years ending December 31, 2000 through December 31, 2009, using projections and growth assumptions provided by the management of CogenAmerica. The DCFs for CogenAmerica were estimated using discount rates ranging from 9% to 11%, based on estimates of and judgments related to the weighted average costs of capital of CogenAmerica, and terminal multiples of estimated EBITDA for CogenAmerica's fiscal year ending December 31, 2009 ranging from 9.0x to 12.0x. Based on this analysis, DLJ estimated a value per share of CogenAmerica common stock ranging from $9.62 to $22.39.

The summary set forth above does not purport to be a complete description of the analyses performed by DLJ but describes, in summary form, the material elements of the presentation made by DLJ to the Independent Directors Committee on August 26, 1999. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods

to the particular circumstances and, therefore, such an opinion is not readily susceptible to partial analysis or summary description. Each of the analyses conducted by DLJ was carried out in order to provide a different perspective on the transaction and to add to the total mix of information available. DLJ did not form a conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion as to fairness from a financial point of view. Rather, in reaching its conclusion, DLJ considered the results of the analyses in light of each other and ultimately reached its opinion based on the results of all analyses taken as a whole. DLJ did not place any particular reliance or weight on any individual analysis or factor considered by it, but instead concluded that its analyses, taken as a whole, supported its determination. Accordingly, notwithstanding the separate factors summarized above, DLJ has indicated to CogenAmerica that it believes that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all analyses and factors, could create an incomplete view of the evaluation process underlying its opinion. The analyses performed by DLJ are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. Such analyses were prepared solely as part of DLJ's analysis of the fairness of the merger price, pursuant to the merger agreement, from a financial point of view to the holders of shares of CogenAmerica common stock, other than NRG, and were provided to the CogenAmerica Board of Directors in connection with the delivery of DLJ's written opinion, dated August 26, 1999. The analyses do not purport to be appraisals or to reflect the prices at which CogenAmerica might actually be sold. In addition, as described above, DLJ's opinion and presentation to the CogenAmerica Board of Directors is one of many factors taken into consideration by the CogenAmerica Board of Directors in making its determination to approve the merger. Consequently, the DLJ analysis described above should not be viewed as determinative of the opinion of the CogenAmerica Board of Directors or the view of the management of CogenAmerica with respect to the value of CogenAmerica.

Other Relationships. In the ordinary course of business, DLJ and its affiliates may own or actively trade the securities of CogenAmerica, Calpine and NSP for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a long or short position in CogenAmerica, NSP or Calpine securities. In addition, DLJ, as part of its investment banking services, is regularly engaged in the valuation of businesses and securities in connection with mergers, acquisitions, underwritings, sales and distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. DLJ has performed investment banking services for CogenAmerica and Calpine in the past and has been compensated for such services.

Engagement Letter. Pursuant to the terms of a letter agreement, dated June 3, 1999, between CogenAmerica and DLJ, CogenAmerica (1) has agreed to pay DLJ (a) a retainer fee of $200,000 and (b) a fee of $750,000 upon notification by DLJ that it is prepared to deliver a fairness opinion with respect to a transaction covered under the letter agreement, and (2) a transaction fee equal to $2,500,000; plus, if the price per share of the outstanding CogenAmerica common stock in any transaction exceeds $21.00, three percent (3%) of the amount by which such price per share exceeds $21.00 multiplied by the number of shares of CogenAmerica common stock outstanding (treating any shares issuable upon exercise of options, warrants or other rights of conversion as outstanding) upon consummation of the merger. The fees paid to DLJ pursuant to clause (1) of the first sentence of this paragraph are to be deducted from the transaction fee to which DLJ is entitled upon consummation of the merger. In addition, CogenAmerica has agreed to

reimburse DLJ, upon request by DLJ from time to time, for all out-of-pocket expenses (including the reasonable fees and expenses of counsel) incurred by DLJ in connection with its engagement and to indemnify DLJ and certain related persons against certain liabilities and expenses in connection with its engagement, including liabilities under federal securities laws. DLJ and CogenAmerica negotiated the terms of the fee arrangement.

PERSPECTIVE OF NRG ON THE FAIRNESS OF THE MERGER

NRG made no independent evaluation or determination of the substantive fairness of the merger to the unaffiliated CogenAmerica stockholders. The Independent Directors Committee and DLJ made a determination as to the substantive fairness of the transaction. See "Special Factors - Recommendations of the Independent Directors Committee and the Board of Directors" and "-- Opinion of Financial Advisor." NRG believes that the merger is procedurally fair to the holders of the non-affiliated stock for the following reasons:

1. The Independent Directors Committee consisted only of board members representing solely the interests of CogenAmerica and the stockholders other than NRG.

2. The Independent Directors Committee was advised by independent legal counsel retained to negotiate on behalf of CogenAmerica and the stockholders other than NRG.

3. The Independent Directors Committee retained, and received advice from, DLJ as its independent financial advisor to assist in the conduct of a sale process and assist in the evaluation of the proposed transaction.

4. The $25.00 per share price and the other terms and conditions of the merger agreement resulted from an extensive sale process and arms'-length bargaining between representatives of the Independent Directors Committee and Calpine and their respective advisors.

PLANS FOR COGENAMERICA AFTER THE MERGER

Calpine intends to conduct a review of CogenAmerica and its assets, corporate structure, dividend policy, capitalization, operations, properties and policies and to consider, subject to the terms of the merger agreement, what, if any, changes would be desirable in light of the circumstances then existing, and reserves the right to take such actions or effect such changes as it deems desirable. Such changes could include changes in CogenAmerica's business, operations, corporate structure, capitalization, Board of Directors, or policies.

Upon consummation of the merger, Calpine will own 80% of the fully-diluted equity and voting power of CogenAmerica. The merger agreement provides that the directors and officers of Acquisition Sub will be the directors and officers of CogenAmerica after the completion of the merger. The Calpine/NRG Agreement provides that the board of directors of the surviving corporation will consist of no more than seven directors, one of which shall be appointed by NRG.

Except as described in this proxy statement, Calpine and its affiliates currently have no plans or proposals which relate to or would result in an extraordinary corporate transaction involving CogenAmerica or any of its subsidiaries, such as a merger,

reorganization, liquidation, relocation of any operations or sale or other transfer of a material amount of assets, any change in the CogenAmerica Board of Directors or management (other than as described above), any material change in CogenAmerica's capitalization or dividend policy or any other material change in CogenAmerica's corporate structure or business, CogenAmerica Board of Directors or management.

CERTAIN EFFECTS OF THE MERGER

As a result of the merger, the equity interests of CogenAmerica will be owned 80% by Calpine and 20% by NRG, and the current stockholders, other than NRG, will have no continuing interest in CogenAmerica. Therefore, following the merger, the stockholders of CogenAmerica, other than NRG, will no longer benefit from any increases in the value of CogenAmerica and will no longer bear the risk of any decreases in the value of CogenAmerica. Following the merger, the operation of CogenAmerica will be subject, among other things, to the agreements between Calpine and NRG reflected in the Calpine/NRG Agreement. For a description of the Calpine/NRG Agreement, see the section under the caption "Summary of Calpine/NRG Agreement" below.

Following the merger, the CogenAmerica common stock will no longer meet the requirements of The Nasdaq National Market for continued listing and therefore will be delisted from The Nasdaq National Market.

CogenAmerica common stock is currently registered as a class of securities under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Registration of the CogenAmerica common stock under the Exchange Act may be terminated upon application of CogenAmerica to the SEC if the CogenAmerica common stock is not listed on a national securities exchange or quoted on the Nasdaq National Market and there are fewer than 300 record holders of the CogenAmerica common stock. Termination of registration of the CogenAmerica common stock under the Exchange Act would substantially reduce the information required to be furnished by CogenAmerica to its stockholders and to the SEC and would make certain provisions of the Exchange Act, such as the short-swing trading provisions of Section 16(b), the requirement of furnishing a proxy statement in connection with the stockholders' meetings pursuant to Section 14(a), and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions, no longer applicable to CogenAmerica. It is the present intention of Calpine and NRG to cause CogenAmerica to make an application for the termination of the registration of the CogenAmerica common stock under the Exchange Act as soon as practicable after completion of the merger.

UNSOLICITED OFFERS FROM THIRD PARTIES

Since entering into the merger agreement on August 26, 1999 to the date of this proxy statement, CogenAmerica has not received any unsolicited offers from third parties for a merger or other business combination involving CogenAmerica or any of its subsidiaries or any unsolicited proposal or offer to acquire in any manner a substantial equity interest in, a substantial portion of the voting securities of, or a substantial portion of the assets of CogenAmerica or any of its subsidiaries, other than the transactions contemplated by the merger agreement.

CONFLICTS OF INTEREST

In considering the actions of the Independent Directors Committee and the Board of Directors of CogenAmerica with respect to the merger, stockholders should be aware that directors and officers of CogenAmerica, as well as NRG, have interests in connection with the merger which may present them with actual or potential conflicts of interest as summarized below. The CogenAmerica Board of Directors was aware of these interests and considered them among the other matters described, but such conflicts,individually or in the aggregate, did not influence the determination of the Independent Directors Committee or the Board of Directors of CogenAmerica that the merger is fair to and in the best interests of the CogenAmerica stockholders (other than NRG).

Arrangements with NRG. As of the close of business on August 26, 1999, the date on which the merger agreement was signed, NRG beneficially owned 3,106,612 shares of CogenAmerica common stock, or approximately 45.3% of the outstanding shares of CogenAmerica common stock. NRG and its subsidiaries also have various agreements with CogenAmerica and its subsidiaries that affect the operation and conduct of CogenAmerica's business. The agreements consist of the following: (1) a co-investment agreement pursuant to which NRG agreed to offer to sell CogenAmerica certain independent power plants which is how CogenAmerica acquired the power plants it currently owns in Pryor, Oklahoma and Morris, Illinois; (2) a management services agreement pursuant to which NRG provides certain management and technical services to CogenAmerica and its subsidiaries and is reimbursed for its costs and expenses for providing the services; (3) separate operation and maintenance agreements (each an "O&M Agreement") for CogenAmerica's plants in Newark and Parlin, New Jersey and Morris, Illinois pursuant to which NRG operates those plants in return for a fixed annual fee subject to certain offsets plus reimbursement of all costs and expenses incurred to operate the plants; (4) loan and security agreements pursuant to which NRG made certain loans to CogenAmerica or its subsidiaries and was granted certain security interests in the assets of CogenAmerica or its subsidiaries; and (5) various agreements pursuant to which either NRG or CogenAmerica sold the other certain assets or stock of certain corporations. Pursuant to the co-investment agreement, NRG sold CogenAmerica the plant in Pryor, Oklahoma for $23.9 million in 1998 and the plant in Morris, Illinois for a development fee of $4.8 million paid to NRG plus assumption of liabilities related to the project. For the year ended December 31, 1998 and the six months ended June 30, 1999, NRG has charged CogenAmerica $422,227 and $52,527, respectively, under the management services agreement. For the year ended December 31, 1998 and the six months ended June 30, 1999, NRG has charged CogenAmerica management fees of $147,033 and $73,641, respectively, and operating cost reimbursements of $35,657 and $17,904, respectively, under the O&M Agreement for the Newark, New Jersey plant. For the year ended December 31, 1998 and the six months ended June 30, 1999, NRG has charged CogenAmerica management fees of $196,044 and $98,189, respectively, and operating cost reimbursements of $59,705 and $24,180, respectively, under the O&M Agreement for the Parlin, New Jersey plant. For the year ended December 31, 1998 and the six months ended June 30, 1999, NRG has charged CogenAmerica management fees of none and $166,667, respectively, and operating cost reimbursements of none and $35,883, respectively, under the O&M Agreement for the Morris, Illinois plant. As of August 31, 1999, CogenAmerica owed NRG for borrowed money an aggregate of $55,191,100 consisting of $53,933,649 in principal and $1,257,451 in accrued interest. In connection with completion of the merger, the various Affiliate Agreements will be terminated

pursuant to the Termination Agreement and the NRG and CogenAmerica parties will exchange mutual general releases subject to certain exceptions.

Arrangements between Calpine and NRG. In addition to the Calpine/NRG Agreement, Calpine and NRG entered into an acknowledgement pursuant to which NRG consented to the execution of certain agreements by CogenAmerica at the effective time of the merger with Calpine including (i) a tax sharing agreement, (ii) a management services agreement, (iii) operating and maintenance agreements for certain of CogenAmerica's project subsidiaries and (iv) a form of energy services agreement which may be entered into with certain of CogenAmerica's project subsidiaries.

The tax sharing agreement, which will be entered into at the effective time of the merger, allocates responsibility between Calpine and CogenAmerica for preparing and filing tax returns and specifies which party will make tax payments and how tax liabilities and obligations will be allocated among the

parties.

The form of energy services agreement, if entered into between Calpine and a CogenAmerica project subsidiary, provides that Calpine will provide fuel management, marketing and contract administration services in connection with such subsidiary's gas agreements and will perform certain other services related to the project. The agreement also provides that Calpine will provide marketing, scheduling and contract administration services with respect to power generated by each such project. Under the agreement, in exchange for such services, CogenAmerica will pay Calpine $10,000 per month in the aggregate for all project subsidiaries which execute energy services agreements.

The management services agreement, if entered into at the effective time of the merger, will be on substantially the same terms as CogenAmerica's existing management services agreement with NRG. The management services agreement provides that Calpine will provide management, administrative, operation, maintenance and certain other services to CogenAmerica in connection with CogenAmerica's day to day business.

The operating and maintenance agreement for the Morris, Illinois, Newark, New Jersey and Parlin, New Jersey projects, if entered into at the effective time of the merger, will be on substantially the same terms as CogenAmerica's existing operating and maintenance agreements with NRG for such projects. The operating and maintenance agreement for the Pryor, Oklahoma project, if entered into at the effective time of the merger, will be in a form previously agreed to by Calpine and NRG.

Directors and Officers of Cogenamerica. Four members of the CogenAmerica Board of Directors were officers of NRG as of the date the CogenAmerica Board of Directors approved the merger agreement. David H. Peterson, a director and Chairman of CogenAmerica, is Chairman of the Board, President and Chief Executive Officer of NRG. Craig A. Mataczynski, a director of CogenAmerica, is the President and Chief Executive Officer of NRG's North America Division. Ronald J. Will, a director of CogenAmerica, is the Managing Director and Chief Executive Officer of NRG's European operations. Michael O'Sullivan, a director of CogenAmerica, was a Vice President NRG's North America Division until he resigned effective September 3, 1999 to accept a position with a party not affiliated with NRG. Messrs. Peterson, Mataczynski and Will each hold options to acquire 30,000 shares of CogenAmerica common stock at an exercise price of $5.4375 per share. NRG has advised CogenAmerica that current NRG corporate policy prohibits NRG employees, including Messrs. Peterson, Mataczynski and Will, from receiving the economic benefit of the options granted to them in their capacities as directors of

CogenAmerica. Current NRG corporate policy prohibits NRG employees from receiving the economic benefit of options granted to them in their capacity as a director of an affiliated company. The NRG employees who serve as directors of CogenAmerica and were previously granted stock options in their capacity as directors of CogenAmerica, have agreed to the cancellation of their stock options. The amount of NRG's required contribution into Acquisition Sub will be reduced by the amount determined by multiplying (i) the number of cancelled options by (ii) the excess of $25.00 over the exercise prices for the options, thereby ensuring that NRG receives credit equal to the value of the cancelled options by the Board members who are employees of NRG. The NRG employees who serve as directors of CogenAmerica and whose options have been cancelled will receive no cash payment for these options. Julie A. Jorgensen, a director and the President and Chief Executive Officer of CogenAmerica, owns 1,500 shares of CogenAmerica common stock and has options to purchase 30,000 shares of CogenAmerica common stock at $9.125 per share and 200,000 shares of CogenAmerica common stock at $11.5625 per share, including 100,000 shares which will become vested and exercisable as a result of the completion of the merger. The three disinterested directors who comprise the Independent Directors Committee are Mark Liddell, Lawrence I. Littman and Charles T. Thayer. CogenAmerica has a policy of granting options to non-employee directors. Mr. Liddell who was elected as a director at the 1999 annual meeting has an option to acquire 10,000 shares of CogenAmerica common stock at $12.375 per share which will become vested and exercisable upon completion of the merger. Mr. Littman owns 70 shares of CogenAmerica common stock and has options to acquire 30,000 shares at an exercise price of $5.4375 per share. Mr. Thayer owns 20,000 shares of CogenAmerica common stock and has options to acquire 10,000 shares at an exercise price of $5.4375 per share. A description of the value of options for

each executive officer is included under "Interests in Securities of CogenAmerica" (page).

Severance Agreements for Officers. Under the employment agreement dated May 1, 1999 between CogenAmerica and Ms. Jorgensen, Ms. Jorgensen will be entitled to terminate her employment after completion of the merger and receive a lump sum severance payment equal to her base annual salary ($200,000) plus her current annual target bonus ($100,000) for a total payment of $300,000. On June 11, 1999, the Compensation Committee of the CogenAmerica Board of Directors adopted a severance policy for designated employees, including officers other than Ms. Jorgensen, that provides the following severance in the event of a termination of employment for any reason after the merger: (1) the payment in a lump sum of the balance of the employee's 1999 base salary and target bonus or maximum bonus depending upon the timing of the payment elected by the employee; (2) the payment in a lump sum of the employee's base salary for a specified period that is 12 months for officers of CogenAmerica, and (3) continuation of health, dental, life and disability insurance benefits for the severance period. Assuming that the merger and termination of employment occurs on December 15, 1999, officers of CogenAmerica other than Ms. Jorgensen would receive the following payments for salary and bonus: $278,092 (target bonus) or $459,292 (maximum bonus) to Timothy P. Hunstad, Vice President and Chief Financial Officer; $307,558 (target bonus) or $507,958 (maximum bonus) to Richard C. Stone, Vice President -- Business Development and Marketing; and $208,125 (target bonus) or $329,625 (maximum bonus) to Thomas L. Osteraas, General Counsel and Secretary.

Indemnification. The bylaws of CogenAmerica provide for the indemnification of its directors and officers against expenses and liabilities in connection with any proceeding by

reason of his or her being or having been a director or officer. The merger agreement provides that for six years after the merger, Calpine will cause CogenAmerica to indemnify all past and present officers and directors of CogenAmerica and its subsidiaries to the same extent as is indemnified at the date of the merger agreement for acts or omissions occurring at or prior to the merger. Calpine also agreed to provide, or cause CogenAmerica as the surviving corporation in the merger, for not less than six years after the merger, a directors' and officers' insurance and indemnification policy providing coverage for events occurring prior to the merger with coverage substantially similar to CogenAmerica's existing policy or, if substantially similar coverage is unavailable, then best available coverage. Calpine and CogenAmerica are not collectively required to pay premiums of more than $360,000 in any calendar year.

SUMMARY OF MATERIAL FEATURES OF THE MERGER

THE MERGER

General. The merger agreement provides that, subject to its conditions and in accordance with the DGCL, Acquisition Sub will be merged into CogenAmerica when a certificate of merger is filed with the Delaware Secretary of State or such other date or time as is stated in the certificate of merger. Following the merger, the separate existence of Acquisition Sub will cease, and CogenAmerica will continue as the surviving corporation. At the effective time, each issued and outstanding share of CogenAmerica common stock, other than shares owned by CogenAmerica, by Acquisition Sub or by stockholders who exercise their appraisal rights, will be converted into the right to receive, upon surrender of the certificate formerly representing the shares of CogenAmerica common stock (the "Certificate"), $25.00 in cash. As a result of the merger, the CogenAmerica common stock will no longer be publicly traded and the equity of the surviving corporation will be owned 80% by Calpine and 20% by NRG.

Merger Consideration. When the merger is completed, each share of CogenAmerica common stock issued and outstanding immediately prior to the effective time of the merger will no longer be outstanding and will automatically be canceled and retired. Each holder of a Certificate will have only the right to receive an amount in cash equal to the number of such shares

multiplied by $25.00 per share at the time the Certificate is surrendered.

Payment for Shares. As soon as practicable, after the effective time, America Stock Transfer Company (the "Payment Agent") will mail to each holder of record of a Certificate a form of letter of transmittal which instructs CogenAmerica stockholders how to surrender their shares of CogenAmerica common stock and receive the merger consideration. Risk of loss and title to the Certificate will pass only when the Payment Agent receives delivery. When a record holder has delivered to the Payment Agent all Certificates for its shares of CogenAmerica common stock together with the duly executed letter of transmittal, the Payment Agent will issue a check for the merger consideration, net of any withholding or other taxes, if applicable, and mail the check to the record holder.

Stock Options. The merger agreement provides that at the effective time of the merger all options to purchase CogenAmerica common stock will be canceled and each holder of an option will have the right to receive, upon execution and delivery to the Payment Agent of an option termination agreement, with respect to his or her options, a cash payment equal to (a) the excess, if any, of $25.00 over the exercise price of his or her options, multiplied by (b) the total number of shares of CogenAmerica common stock for which such options are then vested and exercisable (after giving effect to any acceleration of vesting as a result of the consummation of the merger) pursuant to the terms of such options. The payment of the consideration for an option, net of any withholding or other applicable taxes, upon delivery to the Payment Agent of an option termination agreement, will constitute full satisfaction of all rights pertaining to the option.

Closing of Transfer Books. At the effective time of the merger, the stock transfer books of CogenAmerica will be closed and no further transfer of shares of CogenAmerica common stock will be made on the records of CogenAmerica. On or after the effective time, any Certificates presented to the surviving corporation or the Payment Agent will be canceled and exchanged for the merger consideration.

CONDITIONS TO THE MERGER.

Each party's obligation to complete the merger is conditioned upon the following: (a) adoption and approval of the merger agreement by the vote of the holders of more than 66 2/3% of the outstanding shares of the CogenAmerica common stock, (b) approval of the charter amendment by the vote of the holders of more than 50% of the outstanding shares of CogenAmerica common stock, (c) expiration or termination of the waiting period (and any extension thereof) applicable to the merger under the HSR Act, (d) the obtaining of all authorizations, consents, orders, declarations or approvals of, or filings with, or terminations or expirations of waiting periods imposed by, any governmental entity, the failure of which would have the effect of making the merger or any transaction described in the merger agreement illegal or would have, individually or in the aggregate, a material adverse effect on Calpine (assuming the merger has taken place), and (e) the absence of any statute, rule, regulation, legislation, interpretation, judgment, order or injunction or other action (i) challenging the acquisition by Calpine or Acquisition Sub of any CogenAmerica common stock, (ii) seeking to prohibit or limit the ownership or operation by CogenAmerica, Calpine or any of their respective subsidiaries of any material portion of the business or assets of CogenAmerica, Calpine or any of their respective subsidiaries, or to compel CogenAmerica, Calpine or any of their respective subsidiaries to dispose of or hold separate any material portion of the business or assets of CogenAmerica, Calpine or any of their respective subsidiaries, (iii) seeking to impose limitations on the ability of Calpine or Acquisition Sub to acquire or hold, or exercise full rights of ownership of, any shares of CogenAmerica common stock, including the right to vote the CogenAmerica common stock purchased by it on all matters properly presented to the stockholders of CogenAmerica, (iv) seeking to prohibit Calpine or any of its subsidiaries from effectively controlling in any material respect the business or operations of CogenAmerica and its subsidiaries in connection with the merger or the merger agreement, or (v) which otherwise is reasonably likely to have a material adverse effect on CogenAmerica.

The obligation of CogenAmerica to complete the merger is subject to the satisfaction of the following conditions at or prior to the effective time: (a) each of Calpine and Acquisition Sub has performed in all material respects each

of its agreements contained in the merger agreement and the representations and warranties of Calpine and Acquisition Sub contained in the merger agreement are true and complete except for such exceptions as would not have a material adverse effect on Calpine; and (b) no governmental entity has imposed any requirement which, individually or in the aggregate, would have a material adverse effect on Calpine.

The obligations of Calpine and Acquisition Sub to complete the merger are subject to the satisfaction of the following conditions at or prior to the effective time: (a) CogenAmerica shall have complied with covenants regarding conduct of CogenAmerica's business in the merger agreement and complies with its agreements and covenants contained in the merger agreement in all material respects and the representations and warranties of CogenAmerica contained in the merger agreement shall be true and complete except for such exceptions as would not have a material adverse effect on CogenAmerica; (b) there shall not be instituted or pending any suit, action or proceeding initiated as a result of the merger agreement or any transactions contemplated thereby (i) challenging the acquisition by Calpine or Acquisition Sub of any CogenAmerica common stock, seeking to restrain or prohibit the making or consummation of the merger or any other transaction, (ii) seeking to prohibit or limit the ownership or operation by CogenAmerica, Calpine or any of their respective subsidiaries of any material

portion of the business or assets of CogenAmerica, Calpine or any of their respective subsidiaries, or to compel CogenAmerica, Calpine or any of their respective subsidiaries to dispose of or hold separate any material portion of the business or assets of CogenAmerica, Calpine or any of their respective subsidiaries, (iii) seeking to impose limitations on the ability of Calpine or Acquisition Sub to acquire or hold, or exercise full rights of ownership of, any shares of CogenAmerica common stock, including the right to vote CogenAmerica common stock purchased by it on all matters properly presented to the CogenAmerica stockholders, (iv) seeking to prohibit Calpine or any of its subsidiaries from effectively controlling in any material respect the business or operations of CogenAmerica and its subsidiaries in connection with the merger or the merger agreement, or (v) which otherwise is reasonably likely to have a material adverse effect on CogenAmerica; and (c) since the date of the merger agreement, there shall not have occurred any event, change, effect or development that, individually or in the aggregate, has had or would be reasonably expected to have a material adverse effect on CogenAmerica.

EVEN IF THE COGENAMERICA STOCKHOLDERS APPROVE AND ADOPT THE MERGER AGREEMENT, THERE CAN BE NO ASSURANCE THAT THE MERGER WILL BE COMPLETED.

Representations and Warranties. CogenAmerica made representations and warranties in the merger agreement, qualified in certain instances by materiality or as disclosed in CogenAmerica's disclosure letter (the "CogenAmerica Letter") regarding the following: its organization and good standing; authority to enter into the merger agreement and complete the transactions contemplated by the merger agreement; the capital structure of CogenAmerica and its subsidiaries; the non-contravention of the merger agreement with CogenAmerica's certificate of incorporation, Bylaws, any contract or law; requisite governmental and other consents and approvals; compliance with the SEC filing requirements; its financial statements; the accuracy of information in this proxy statement and compliance with the Exchange Act; the absence of certain material changes since December 31, 1998; possession of permits and compliance with governing documents and laws; absence of undisclosed material contracts; absence of material events of default or basis for material events of default; requisite tax filings and examinations; absence of outstanding orders, judgments, injunctions and similar actions and absence of disputes involving CogenAmerica or its subsidiaries or their businesses; agreements relating to certain employment, consulting and benefit matters of CogenAmerica; compliance with worker safety, labor and employment and environmental laws; absence of state takeover laws applicable to CogenAmerica; the required vote of stockholders of CogenAmerica necessary to approve the merger agreement; absence of brokers or similar fees other than to DLJ; the receipt of the DLJ fairness opinion; the applicability and compliance with certain utility regulations; insurance coverage; and related party transactions.

CERTAIN COVENANTS.

Until the merger is completed, CogenAmerica has agreed that CogenAmerica and its subsidiaries will conduct their business in the ordinary course and use

their best efforts to preserve their current business organizations, keep available the services of its current officers and employees and preserve their third party relationships.

CogenAmerica has also agreed that, without the consent of Calpine unless contemplated by the CogenAmerica disclosure, neither CogenAmerica nor its subsidiaries will: (a) declare or pay any dividend on or make any other distribution in respect of its

capital stock, or split, combine or reclassify any class of stock or purchase, redeem or acquire any shares of capital stock; (b) issue or encumber any shares of its capital stock or other securities other than the issuance of shares of CogenAmerica common stock upon the exercise of options; (c) amend its governing documents; (d) acquire by merger or consolidation or asset purchase or equity purchase any entity or division other than transactions in the ordinary course of business consistent with past practice and that have a transaction value of less than $250,000 individually or $1,000,000 in the aggregate and which are not material to CogenAmerica; (e) sell or otherwise dispose of assets other than in the ordinary course of business consistent with past practice and that have a transaction value of less than $250,000 individually or $1,000,000 in the aggregate; (f) incur indebtedness for borrowed money or make loans or investments, except for obligations incurred in the ordinary course of business consistent with past practice that are less than $500,000 in the aggregate and transactions between or among CogenAmerica and its subsidiaries; (g) alter the corporate structure or ownership of CogenAmerica or its subsidiaries; (h) adopt or amend existing benefit plans, severance plans or employment or consulting agreements, except for immaterial changes as required by applicable law; (i) increase compensation to directors, officers, employees, independent contractors or consultants, grant severance or termination pay or enhance or accelerate rights under any plan or arrangement for the benefit of any director, officer, employee, independent contractor or consultant; (j) violate or fail to perform any obligation imposed by material federal, state or local law rule or regulation; (k) change any accounting policies or procedures, except as required to by generally accepted accounting principles; (l) file tax returns inconsistent with past practice or take any position inconsistent with prior positions; (m) make tax elections or settle or compromise any material tax liability; (n) enter into or amend any contract which involves aggregate payments in excess of $250,000 for individual contracts or $1,000,000 in the aggregate for all contracts or make or agree to make new capital expenditures in excess of $250,000 individually or $500,000 in the aggregate; or (o) pay or discharge any obligations other than the payment or discharge of obligations in the ordinary course of business consistent with past practice that are reflected in or as contemplated by the most recent financial statements, or certain payments of indebtedness owed by CogenAmerica or a subsidiary under an existing credit facility.

NO SOLICITATION OF TRANSACTIONS.

The merger agreement provides that CogenAmerica will not, directly or indirectly (a) solicit, initiate or encourage the submission of any Takeover Proposal (as defined below), (b) enter into any agreement with respect to any Takeover Proposal, or (c) participate in any discussions or negotiations regarding, or furnish to any person any information with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Takeover Proposal. If the CogenAmerica Board of Directors reasonably determines the Takeover Proposal constitutes a Superior Proposal (as defined below), then, to the extent required by the fiduciary obligations of the CogenAmerica Board of Directors, as determined in good faith by a majority of the disinterested members after receiving the advice of independent legal counsel, CogenAmerica may, in response to an unsolicited request, furnish information with respect to CogenAmerica to, and enter into discussions with, any person that has made such a Takeover Proposal pursuant to a customary confidentiality agreement.

The merger agreement defines a "Takeover Proposal" to mean any proposal for a merger or other business combination involving CogenAmerica or any of its subsidiaries or

any proposal or offer to acquire in any manner, directly or indirectly, a substantial equity interest in, a substantial portion of the voting securities of, or a substantial portion of the assets of CogenAmerica or any of its subsidiaries, other than the transactions contemplated by the merger agreement. A "Superior Proposal" means a bona fide Takeover Proposal made by a third party which a majority of the disinterested members of the CogenAmerica Board of Directors determines in its reasonable good faith judgment to be more favorable to CogenAmerica's stockholders than the merger, and for which financing, to the extent required, is then committed or which, in the reasonable good faith judgment of a majority of such disinterested members is highly likely to be financed by the third party. In making these determinations and judgments, the CogenAmerica Board of Directors must receive a written opinion from an independent financial advisor of nationally recognized reputation that the value of the consideration provided for in the alternative proposal exceeds the value of the consideration provided for in the merger and written advice as to the likelihood of the third party obtaining any necessary financing.

The merger agreement requires CogenAmerica to advise Calpine of (a) any Takeover Proposal or inquiry with respect to or which could lead to any Takeover Proposal, (b) the material terms of such Takeover Proposal, and (c) the identity of the person making any such Takeover Proposal or inquiry. The merger agreement also requires CogenAmerica to keep Calpine fully informed of the status and details of any such Takeover Proposal or inquiry.

TERMINATION.

The merger agreement may be terminated at any time prior to the effective time, whether before or after approval of the matters presented in connection with the merger by the stockholders of CogenAmerica:

1. by mutual written consent of Calpine and CogenAmerica; or

2. by either Calpine or CogenAmerica if the other party fails to comply in any material respect with any of its covenants or agreements in the merger agreement, and the failure is not cured within 30 business days following receipt of notice; or

3. by either Calpine or CogenAmerica if there has been a breach by the other party (in the case of Calpine including a material breach by Acquisition Sub) of any representation or warranty that would have a material adverse effect on the breaching party or would prevent the breaching party from consummating the merger; or

4. by either Calpine or CogenAmerica if the merger has not been effected on or prior to the later of (a) February 28, 2000 or, if the sole reason that the merger has not been consummated by February 28, 2000 is that the special meeting has not been held by such date, or (b) March 31, 2000, in either case for a reason other than the failure of the terminating party to comply with its obligations under the merger agreement; or

5. by either Calpine or CogenAmerica if any court or other governmental entity having jurisdiction has issued an order or taken other action permanently enjoining or otherwise prohibiting the transactions contemplated by the merger agreement and such action has become final and nonappealable; or

6. by either Calpine or CogenAmerica if the stockholders of CogenAmerica do not approve the merger agreement at the special meeting or any adjournment or postponement thereof; or

7. by CogenAmerica if concurrently with or immediately after such termination, CogenAmerica enters into a merger, acquisition or other agreement to affect a Superior Proposal and prior to such termination CogenAmerica has (a) delivered to Calpine a written notice of intent to enter into an agreement to effect a Superior Proposal, (b) four business days have elapsed following the notice, (c) CogenAmerica informed Calpine of the terms and conditions of the Takeover Proposal and the identity of the person making the proposal, (d) the CogenAmerica Board of Directors has continued reasonably to believe following the notice period that the Takeover Proposal constitutes a Superior Proposal after taking into account

any amendment of the terms of the merger by Calpine or any proposal by Calpine to amend the terms of the merger agreement, the merger or any other Takeover Proposal made by Calpine, and (e) CogenAmerica has paid Calpine a termination fee of $7,500,000; or

8. by Calpine if prior to the effective time the CogenAmerica Board of Directors or any committee thereof shall have withdrawn or modified in a manner adverse to Calpine or Acquisition Sub its approval or recommendation of the merger or shall have recommended or approved a Superior Proposal, or shall have resolved to do any of the foregoing.

TERMINATION FEE.

If (a) the merger agreement is terminated pursuant to paragraph 7 of the preceding section entitled "-- Termination" or (b) if (i) the merger agreement is terminated by (A) CogenAmerica or Calpine pursuant to paragraph 6 of the preceding section or (B) by Calpine pursuant to paragraphs 2, 3 or 8 of the preceding section, (ii) prior to such termination any person makes a Takeover Proposal, and (iii) concurrently with or within 12 months after such a termination a Third Party Acquisition Event (as defined below) occurs, in each case CogenAmerica will be obligated to pay to Calpine a termination fee of $7,500,000 in cash (the "Termination Fee").

A "Third Party Acquisition Event" occurs when, pursuant to a legally binding definitive agreement or agreement in principal with CogenAmerica, any person, entity or group (other than Calpine, Acquisition Sub or any of their affiliates), in one or a series of transactions, acquires more than 50% of the outstanding CogenAmerica common stock or assets of CogenAmerica through open market purchases, merger, consolidation, tender or exchange offer, reorganization or other business combination.

Indemnification. The merger agreement provides that for six years from the effective time, Calpine will cause the surviving corporation to indemnify and hold harmless all past and present officers and directors of CogenAmerica to the same extent as such persons are indemnified at the date of the merger agreement for acts or omissions occurring at or prior to the effective time. Calpine has agreed to provide, or cause the surviving corporation to provide, for not less than six years from the effective time a directors and officers insurance and indemnification policy providing coverage for events occurring prior to the effective time with coverage substantially similar to CogenAmerica's existing policy or if substantially similar coverage is unavailable, then best available, provided that Calpine shall not be required to pay premiums aggregating more than $360,000 in any calendar year.

Amendment and Waiver. The merger agreement may be amended pursuant to action taken or authorized by the respective Boards of Directors of Calpine and CogenAmerica at any time prior to or after approval of the merger agreement by the stockholders of CogenAmerica but, after such approval, no amendment will be made without the further approval of the stockholders if further approval is required by law. At any time prior to the effective time, any of the parties to the merger agreement may extend, in writing, the time for performance of any obligations or other acts of the other party, waive any inaccuracies in the representations and warranties contained in the merger agreement or any document delivered pursuant to the merger agreement and waive compliance with any of the agreements or conditions contained in the merger agreement.

Expenses. Whether or not the merger is consummated, all costs and expenses incurred in connection with the merger agreement and the transactions contemplated thereby will be paid by the party incurring such expense.

EFFECTIVE TIME

The merger will become effective at the effective time. It is expected that the effective time will be the date of closing of the merger, which is expected to be December , 1999, or as soon thereafter as is practicable subject to satisfaction or waiver of the conditions to closing.

CONVERSION OF COMMON STOCK

As of the effective time, each share of CogenAmerica common stock issued and outstanding immediately prior to the effective time of the merger (other

than shares owned by CogenAmerica, by Acquisition Sub or by stockholders who properly exercise their appraisal rights under the DGCL) will be converted into the right to receive the merger consideration when the Certificate formerly representing such share of CogenAmerica common stock is surrendered and a duly executed letter of transmittal is delivered to the Payment Agent. The Payment Agent will mail to each record holder of CogenAmerica common stock, as soon as practicable after the effective time of the merger, a letter of transmittal which will contain instructions for surrendering the Certificates for CogenAmerica common stock in exchange for the merger consideration. When so converted, all such shares of CogenAmerica common stock will no longer be outstanding and will automatically be canceled and retired and each holder of a Certificate formerly representing any such shares will have only the right to receive the merger consideration in cash (without interest) upon the surrender of the Certificate. Holders of options will receive payment in accordance with the procedures described below under "Payment for Stock Options."

As soon as practicable after the effective time of the merger, Calpine will deposit with the Payment Agent, in trust for the holders of the CogenAmerica common stock converted in the merger and holders of options, an amount of cash equal to or exceeding the aggregate merger consideration and the consideration for the options, net of any withholding or other taxes, if applicable.

COGENAMERICA'S STOCKHOLDERS SHOULD NOT FORWARD THEIR STOCK CERTIFICATES TO THE PAYMENT AGENT WITHOUT A LETTER OF TRANSMITTAL. STOCK CERTIFICATES SHOULD NOT BE RETURNED WITH THE ENCLOSED PROXY CARD.

The payment of the merger consideration, net of any withholding or other taxes, if applicable, upon surrender of any Certificate will be deemed to constitute full satisfaction of all rights pertaining to the shares of CogenAmerica common stock represented by the Certificate. Until surrendered as contemplated by the merger agreement, each Certificate for CogenAmerica common stock will be deemed at any time after the effective time to represent only the right to receive the merger consideration upon surrender; no interest will be paid or will accrue on any merger consideration payable to stockholders. At the effective time of the merger, the stock transfer books of CogenAmerica will be closed. Neither Calpine nor the surviving corporation will be liable to any former stockholder or holder of a option for any cash held in the payment fund which is delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

PAYMENT FOR STOCK OPTIONS

Each option to purchase CogenAmerica common stock which is outstanding immediately prior to the effective time of the merger will be canceled, and the holder will have the right to receive, upon execution and delivery to the Payment Agent of an option termination agreement, a cash payment equal to the (a) excess of $25.00 over the exercise price of the option, multiplied by (b) the total number of shares of CogenAmerica common stock for which such options are then vested and exercisable (after giving effect to any acceleration of vesting as a result of the consummation of the merger) pursuant to the terms of such options. The payment of the consideration for an option, net of any withholding or other applicable taxes, upon delivery to the Payment Agent of an option termination agreement signed by the holder of the option, will constitute full satisfaction of all rights pertaining to the option.

CONDUCT OF BUSINESS PENDING THE MERGER

Pursuant to the merger agreement, CogenAmerica has agreed to carry on its business prior to the effective time of the merger in all material respects in the ordinary course of its business as conducted on the date of the merger agreement, subject to certain covenants by CogenAmerica in the merger agreement.

REGULATORY FILINGS AND APPROVALS

CogenAmerica believes that the following filings or approvals are required with respect to the merger: (a) filings with and approvals of the FERC, (b) filings by CogenAmerica and Calpine with the Federal Trade Commission and the Department of Justice pursuant to the requirements of the HSR Act, (c) filings by CogenAmerica, Calpine, Acquisition Sub and NRG with the SEC pursuant to the Exchange Act, (d) filings by CogenAmerica under the New Jersey Industrial Site Recovery Act, (e) filing the certificate of amendment to effect the charter

amendment with the Delaware Secretary of State, and (e) filing of the certificate of merger to effect the merger with the Delaware Secretary of State.

CONDITIONS TO THE MERGER

The obligations of Calpine, Acquisition Sub and CogenAmerica to effect the merger are subject to the fulfillment of certain conditions described more fully under "Summary of Material Features of the Merger Agreement -- Conditions to the Merger" (page).

FEDERAL INCOME TAX CONSEQUENCES OF THE TRANSACTION

The following discussion summarizes the material federal income tax considerations relevant to the merger that are generally applicable to holders of CogenAmerica common stock and those options to purchase CogenAmerica common stock that were granted by CogenAmerica or any of its subsidiaries as compensation for services. This discussion is based on currently existing provisions of the Internal Revenue Code, existing and proposed Treasury Regulations and current administrative rulings and court decisions, all of which are subject to change. Any change, which may or may not be retroactive, could alter the tax consequences to the holders of the CogenAmerica common stock or options as described here. Special tax consequences not described below may be applicable to particular classes of taxpayers, including financial institutions, broker-dealers, persons who are not citizens or residents of the United States or who are foreign corporations, foreign partnerships or foreign estates or trusts and stockholders who acquired CogenAmerica common stock through the exercise of options or otherwise as compensation prior to the effective time of the merger.

The conversion of the CogenAmerica common stock at the effective time of the merger into the right to receive the merger consideration of $25.00 per share in cash will be a taxable transaction for federal income tax purposes and may also be a taxable transaction under applicable state and other tax laws. In general, a stockholder will recognize gain or loss equal to the difference between the tax basis of the CogenAmerica common stock and the amount of merger consideration received in exchange for the CogenAmerica common stock. The gain or loss will be treated as capital gain or loss if the CogenAmerica common stock is a capital asset in the hands of the stockholder.

The receipt of the consideration for options (that were granted by CogenAmerica or any of its subsidiaries as compensation for services) upon delivery to the Payment Agent of an option termination agreement will be taxable as ordinary income for federal and state income and other tax purposes. The consideration for such options will be paid to the holders of such options net of withholding and other applicable taxes.

The federal income tax consequences set forth above are for general information only. Each stockholder and each holder of options is urged to consult his or her own tax advisor to determine the particular tax consequences to him or her of the merger, including the applicability and effect of state and other tax laws.

FINANCING OF THE MERGER; SOURCE OF FUNDS

Calpine has represented in the merger agreement that it has sufficient capital resources necessary to perform its obligations under the merger agreement. Calpine intends to finance the transaction with working capital funds and borrowings under existing credit facilities.

ANTICIPATED ACCOUNTING TREATMENT

CogenAmerica believes that the merger will be accounted for by Calpine using the purchase method of accounting in accordance with generally accepted accounting principles.

APPRAISAL RIGHTS

If the merger is consummated, holders of shares of CogenAmerica common stock are entitled to appraisal rights under Section 262 of the DGCL, provided that they comply with the conditions established by Section 262.

Section 262 is reprinted in its entirety as Appendix D to this proxy statement. The following discussion is not a complete statement of the law relating to appraisal rights and is qualified in its entirety by reference to Appendix D. This discussion and Appendix D should be reviewed carefully by any stockholder who wishes to exercise statutory appraisal rights or who wishes to preserve the right to do so, as failure to comply with the procedures set forth herein or therein will result in the loss of appraisal rights.

A record holder of shares of CogenAmerica common stock who makes the demand described below with respect to such shares, who continuously is the record holder of such shares through the effective time of the merger, who otherwise complies with the statutory requirements of Section 262 and who neither votes in favor of the merger nor consents thereto in writing will be entitled, in lieu of the $25.00 cash per share of CogenAmerica common stock to be paid in the merger, to an appraisal by the Delaware Court of Chancery (the "Delaware Court") of the fair value of his or her shares of CogenAmerica common stock. All references in this summary of appraisal rights to a "stockholder" or "holders of shares of common stock" are to the record holder or holders of shares of CogenAmerica common stock. Except as set forth herein, stockholders of CogenAmerica will not be entitled to appraisal rights in connection with the merger.

VOTING AGAINST, ABSTAINING FROM VOTING OR FAILING TO VOTE ON APPROVAL AND ADOPTION OF THE MERGER WILL NOT CONSTITUTE A DEMAND FOR APPRAISAL WITHIN THE MEANING OF SECTION 262 OF THE DGCL.

Under Section 262, where a merger is to be submitted for approval at a meeting of stockholders, such as the special meeting, not less than 20 days prior to the meeting a constituent corporation must notify each of the holders of its stock for whom appraisal rights are available that such appraisal rights are available and include in each such notice a copy of Section 262. This proxy statement constitutes such notice to the record holders of CogenAmerica common stock.

Holders of shares of CogenAmerica common stock who desire to exercise their appraisal rights must not vote in favor of the merger and must deliver a separate written demand for appraisal to CogenAmerica prior to the vote by the stockholders of CogenAmerica on the merger. A demand for appraisal must be executed by or on behalf of the stockholder of record and must reasonably inform CogenAmerica of the identity of the stockholder of record and that such stockholder intends thereby to demand appraisal of the CogenAmerica common stock. A proxy or vote against the merger will not by itself constitute such a demand. Within ten days after the effective time of the merger, CogenAmerica must provide notice of the effective time of the merger to all stockholders who have complied with Section 262.

A stockholder who elects to exercise appraisal rights should mail or deliver his or her written demand to: Cogeneration Corporation of America, Attention: Thomas L. Osteraas, General Counsel and Secretary, One Carlson Parkway, Suite 240, Minneapolis, Minnesota, 55447-4454.

A person having a beneficial interest in shares of CogenAmerica common stock that are held of record in the name of another person, such as a broker, fiduciary, depositary or other nominee, must act promptly to cause the record holder to follow the steps summarized herein properly and in a timely manner to perfect appraisal rights. If the shares of CogenAmerica common stock are owned of record by a person other than the beneficial owner, including a broker, fiduciary (such as a trustee, guardian or custodian), depositary or other nominee, such demand must be executed by or for the record owner. If the shares of CogenAmerica common stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, such demand must be executed by or for all joint owners. An authorized agent, including an agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner and expressly disclose the fact that, in exercising the demand, such person is acting as agent for the record owner. If a stockholder holds shares of CogenAmerica common stock through a broker who in turn holds the shares through a central securities depository nominee such as Cede & Co., a demand for appraisal of such shares must be made

by or on behalf of the depository nominee and must identify the depository nominee as record holder.

A record holder, such as a broker, fiduciary, depositary or other nominee who holds shares of CogenAmerica common stock as a nominee for others, may exercise appraisal rights with respect to the shares held for all or less than all beneficial owners of shares as to which such person is the record owner. In such case, the written demand must set forth the number of shares covered by such demand. Where the number of shares is not expressly stated, the demand will be presumed to cover all shares of CogenAmerica common stock outstanding in the name of such record owner.

Within 120 days after the effective time of the merger, either CogenAmerica or any stockholder who has complied with the required conditions of Section 262 may file a petition in the Delaware Court, with a copy served on CogenAmerica in the case of a petition filed by a stockholder, demanding a determination of the fair value of the shares of all dissenting stockholders. There is no present intent on the part of CogenAmerica to file an appraisal petition and stockholders seeking to exercise appraisal rights should not assume that CogenAmerica will file such a petition or that CogenAmerica will initiate any negotiations with respect to the fair value of such shares. Accordingly, holders of CogenAmerica common stock who desire to have their shares appraised should initiate any petitions necessary for the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262. Within 120 days after the effective time of the merger, any stockholder who has theretofore complied with the applicable provisions of Section 262 will be entitled, upon written request, to receive from CogenAmerica a statement setting forth the aggregate number of shares of CogenAmerica common stock not voting in favor of the merger and with respect to which demands for appraisal were received by CogenAmerica and the number of holders of such shares. Such statement must be mailed (i) within 10 days after the written request therefor has been received by CogenAmerica or (ii) within 10 days after the expiration of the period for the delivery of demands as described above, whichever is later.

If a petition for an appraisal is filed timely, at the hearing on such petition, the Delaware Court will determine which stockholders are entitled to appraisal rights. The Delaware Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings;

and if any stockholder fails to comply with such direction, the Delaware Court may dismiss the proceedings as to such stockholder. Where proceedings are not dismissed, the Delaware Court will appraise the shares of CogenAmerica common stock owned by such stockholders, determining the fair value of such shares exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value.

Although CogenAmerica believes that the merger consideration for each share of CogenAmerica common stock held by a stockholder is fair, no representation is made as to the outcome of the appraisal of fair value as determined by the Delaware Court and stockholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the merger consideration. Moreover, CogenAmerica does not anticipate offering more than the merger consideration to any stockholder exercising appraisal rights and reserves the right to assert, in any appraisal proceeding, that, for purposes of Section 262, the "fair value" of a share of CogenAmerica common stock is less than the merger consideration. In determining "fair value," the Delaware Court is required to take into account all relevant factors. In Weinberger v. UOP, Inc. the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered and that "fair price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court has stated that in making this determination of fair value the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts which could be ascertained as of the date of the merger which throw any light on future prospects of the merged corporation. Section 262 provides that fair value is to be "exclusive of any element of value arising from the

accomplishment or expectation of the merger." In Cede & Co. v. Technicolor, Inc., the Delaware Supreme Court stated that such exclusion is a "narrow exclusion that does not encompass known elements of value," but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In Weinberger, the Delaware Supreme Court construed Section 262 to mean that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered."

Delaware courts have decided that the statutory appraisal remedy, depending on factual circumstances, may or may not be a dissenter's exclusive remedy. Several decisions by the Delaware courts have held that a controlling stockholder has a fiduciary duty to the other stockholders which requires that the merger be "entirely fair" to such other stockholders. In determining whether a merger is fair to minority stockholders, the Delaware courts have considered among other things, the type of and amount of consideration to be received by stockholders and whether there was fair dealing among the parties. The Delaware Supreme Court stated in Weinberger, that although the remedy ordinarily available in a merger that is found not to be "fair" to minority stockholders is the right to appraisal described above, such appraisal remedy may not be adequate "in certain cases, particularly where fraud, misrepresentations, self-dealing, deliberate waste of corporate assets, or gross and palpable overreaching are involved,"and that in such cases the Delaware Court would be free to fashion any form of appropriate relief.

Stockholders considering seeking appraisal should recognize that the fair value of their shares determined under Section 262 could be more than, the same as or less than the

consideration they are entitled to receive pursuant to the merger agreement if they do not seek appraisal of their shares. The Delaware Court will determine the amount of interest, if any, to be paid on amounts to be received by persons whose shares have been appraised. The cost of the appraisal proceeding may be determined by the Delaware Court and taxed against the parties as the Delaware Court deems equitable in the circumstances. However, costs do not include attorneys' and expert witness fees. Each dissenting stockholder is responsible for his or her attorneys' and expert witness expenses, although, upon application of a dissenting stockholder of CogenAmerica, the Delaware Court may order that all or a portion of the expenses incurred by any dissenting stockholder in connection with the appraisal proceeding, including without limitation, reasonable attorneys' fees and the fees and expenses of experts, be charged pro rata against the value of all shares of stock entitled to appraisal.

Any stockholder who has duly demanded appraisal in compliance with Section 262 will not, after the effective time of the merger, be entitled to vote for any purpose any shares subject to such demand or to receive payment of dividends or other distributions on such shares, except for dividends or distributions payable to stockholders of record at a date prior to the effective time of the merger.

At any time within 60 days after the effective time of the merger, any stockholder will have the right to withdraw such demand for appraisal and to accept the terms offered in the merger; after this period, the stockholder may withdraw such demand for appraisal only with the consent of CogenAmerica. If no petition for appraisal is filled with the Delaware Court within 120 days after the effective time of the merger, stockholders' rights to appraisal shall cease, and all holders of shares of CogenAmerica common stock will be entitled to receive the consideration offered pursuant to the merger agreement. Inasmuch as CogenAmerica has no obligation to file a petition for an appraisal, and CogenAmerica has no present intention to do so, any stockholder who desires such a petition to be filed is advised to file it on a timely basis. Any stockholder may withdraw such stockholders' demand for appraisal by delivering to CogenAmerica a written withdrawal of his or her demand for appraisal and acceptance of the merger consideration, except (i) that any such attempt to withdraw made more than 60 days after the effective time of the merger will require written approval of CogenAmerica and (ii) that no appraisal proceeding in the Delaware Court shall be dismissed as to any stockholder without the approval of the Delaware Court, and such approval may be conditioned upon such terms as the Delaware Court deems just.

A stockholder will fail to perfect his or her right of appraisal if he or

she (a) does not deliver a written demand for appraisal to CogenAmerica prior to the vote for approval and adoption of the merger agreement, (b) votes his or her shares of CogenAmerica common stock in favor of approval and adoption of the merger agreement, (c) does not file a petition for appraisal within 120 days after the effective time of the merger, or (d) delivers to the company both a written withdrawal of his or her demand for appraisal and an acceptance of the terms of the merger agreement, except that any such attempt to withdraw such demand not made within 60 days after the effective time of the merger requires the written approval of CogenAmerica. If any stockholder who properly demands appraisal of such stockholder's shares of CogenAmerica common stock under Section 262 fails to perfect, or effectively withdraws or loses, such stockholder's right to appraisal, the shares of CogenAmerica common stock of such stockholder will be converted into the right to receive $25.00 per share in cash in accordance with the merger agreement.

Cash received pursuant to the exercise of appraisal rights may be subject to federal or state income tax. See "Federal Income Tax Consequences of the Transaction" (page).

ANY HOLDER OF COGENAMERICA COMMON STOCK WHO FAILS TO COMPLY FULLY WITH THE STATUTORY PROCEDURE SUMMARIZED ABOVE WILL FORFEIT HIS OR HER APPRAISAL RIGHTS UNDER THE DGCL AND WILL RECEIVE THE MERGER CONSIDERATION FOR HIS OR HER SHARES. SEE APPENDIX D.

IN VIEW OF THE COMPLEXITY OF THESE PROVISIONS IN THE DGCL, STOCKHOLDERS WHO ARE CONSIDERING DISSENTING FROM THE APPROVAL AND ADOPTION OF THE MERGER AGREEMENT AND EXERCISING THEIR RIGHTS UNDER SECTION 262 SHOULD CONSULT THEIR LEGAL ADVISORS.

SUMMARY OF MATERIAL FEATURES OF THE CALPINE/NRG AGREEMENT

Concurrently with the execution of the merger agreement, Calpine, Acquisition Sub and NRG entered into the Calpine/NRG Agreement on August 26, 1999. The Calpine/ NRG Agreement provides that, subject to the terms and conditions thereof, immediately prior to the consummation of the merger:

- NRG will contribute to Acquisition Sub a number of shares of CogenAmerica common stock equal in value to (i) at least 20% of the total equity value of CogenAmerica less (ii) the value of the CogenAmerica stock options held by NRG employees which have been or will be cancelled prior to the merger, in exchange for 20% of the ownership interest in Acquisition Sub; and

- Calpine will contribute to Acquisition Sub cash equal to 80% of the total equity value of CogenAmerica in exchange for 80% of the ownership interest in Acquisition Sub. The total equity value of CogenAmerica is defined as the sum of (i) the total number of issued and outstanding shares of CogenAmerica common stock immediately prior to completion of the merger multiplied by $25.00 and (ii) the aggregate amount of the excess of $25.00 per share over the exercise price per share of each of the outstanding CogenAmerica options.

Pursuant to the Calpine/NRG Agreement, Calpine has also agreed to contribute cash, in the form of a loan, sufficient to satisfy certain obligations of CogenAmerica. Upon consummation of the merger, NRG shall own 20% and Calpine shall own 80% of the outstanding shares of CogenAmerica common stock. The obligations of Calpine and NRG to make their respective capital contributions described above is conditioned upon the satisfaction or waiver of all of the closing conditions set forth in the merger agreement, including the approval and adoption of the merger agreement by CogenAmerica stockholders.

The Calpine/NRG Agreement provides that the Board of Directors of the surviving corporation (i.e., CogenAmerica following the merger) will consist of no more than seven directors with one director being appointed by NRG. In addition, the consent of NRG is

required for the surviving corporation or its subsidiaries to take certain

actions including, without limitation, actions relating to:

- the issuance of securities;

- the sale or disposition of subsidiaries or assets;

- amendments to the certificate of incorporation or by-laws;

- mergers or consolidations with third parties; and

- certain agreements with affiliates.

The Calpine/NRG Agreement prohibits Calpine and NRG from transferring their respective shares of CogenAmerica common stock of the surviving corporation for a period of three years after completion of the merger without the prior written consent of the other stockholder, which consent cannot be unreasonably withheld or delayed.

Pursuant to the Calpine/NRG Agreement, NRG has granted Calpine an irrevocable proxy with respect to all of the shares of CogenAmerica common stock held by it (constituting 45.3% of the outstanding shares) to vote such shares in favor of approval of the merger agreement and charter amendment at a duly convened meeting of CogenAmerica's stockholders for such purpose. NRG has also agreed that prior to the consummation of the merger, it shall not (i) solicit third parties with respect to sale of shares of CogenAmerica common stock owned by NRG and (ii) transfer the shares of CogenAmerica common stock owned by NRG except as contemplated by the Calpine/ NRG Agreement.

NRG and Calpine have agreed that prior to the consummation of the merger, each party shall use reasonable efforts to take all actions and to do all things necessary, proper or advisable in order to permit the consummation of the merger. Calpine has agreed not to cause the merger agreement to be amended or waive any of its rights thereunder in any way that would be materially adverse to NRG without NRG's prior written consent.

In the Calpine/NRG Agreement, NRG has granted Calpine with a right of first refusal to acquire the shares of surviving corporation stock held by NRG. Further, the Calpine/NRG Agreement provides that (i) Calpine can require that NRG sell its shares in the event Calpine sells all or substantially all of its shares in the surviving corporation (i.e., drag-along rights), and (ii) NRG can require that its shares of surviving corporation stock be included in a transaction in which Calpine sells any of its shares in the surviving corporation to a third party (i.e., tag-along rights). The Calpine/NRG Agreement also provides that Calpine shall have the right to acquire NRG's 20% interest in CogenAmerica during the 365-day period commencing on the third anniversary of the closing of the merger for the fair market value of the interest as determined by an independent investment bank. Pursuant to the Calpine/NRG Agreement, the surviving corporation is required to pay Calpine certain management fees for management services to be provided by Calpine after consummation of the merger through the fourth anniversary thereof.

PROPOSAL 2: THE CHARTER AMENDMENT

SUMMARY OF THE CHARTER AMENDMENT

Article VII of CogenAmerica's Amended and Restated Certificate of Incorporation places certain restrictions on the transfer of shares of CogenAmerica common stock by any person that owns more than 5% of the outstanding shares of CogenAmerica common stock until April 30, 2002. The purpose of Article VII is to assure that the net operating loss carryforwards ("NOLs") of CogenAmerica will not be adversely affected by the transfer of shares by such a holder. Article VII would require NRG to provide certain legal opinions or that the CogenAmerica Board of Directors make certain determinations as to the continued availability of the NOLs. Article VII provides an exception for these requirements in the event the transfer is pursuant to a tender offer for at least 66 2/3% of the outstanding shares of CogenAmerica common stock that is followed by a merger in which the remaining stockholders receive the same consideration as the stockholders that tendered their shares in the tender offer. Since the merger does not technically fit within the express language of Article VII and it may be difficult to comply the requirements of Article VII in connection with the transfer of shares by NRG to Acquisition Sub immediately

prior to completion of the merger, the CogenAmerica Board of Directors has approved and recommends that stockholders approve an amendment to Article VII that will permit NRG to transfer shares of CogenAmerica common stock to Acquisition Sub immediately prior to completion of the merger in order for NRG to retain a 20% equity interest in CogenAmerica after the merger. A copy of the charter amendment is attached as Appendix B to this proxy statement.

THE COGENAMERICA BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE CHARTER AMENDMENT, AND THE COGENAMERICA BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR APPROVAL OF THE CHARTER AMENDMENT.

MANAGEMENT OF COGENAMERICA

Information concerning the management of CogenAmerica, the names, principal occupations and employment history of the directors and executive officers of CogenAmerica, is provided in CogenAmerica's Annual Report on Form 10-K for the fiscal year ended December 31, 1998 that is incorporated by reference in this proxy statement (SEC File No. 1-9208). All of the directors and executive officers of CogenAmerica are citizens of the United States. The business addresses of each director and executive officer of CogenAmerica is listed in footnote 1 to the table under "Interests in Securities of CogenAmerica."

INTEREST IN SECURITIES OF COGENAMERICA

The following table sets forth certain information with respect to the beneficial ownership of the CogenAmerica common stock as of November , 1999 by (a) all persons known to CogenAmerica to own beneficially more than 5% of the CogenAmerica common stock, (b) each executive officer and each director of CogenAmerica, (c) all executive officers and directors of CogenAmerica as a group, (d) the Employee Savings Plan (401(k) Plan) of CogenAmerica, (e) NRG and Calpine, and (f) four officers or former officers of NRG who are directors of CogenAmerica. Except as set forth below, no

other executive officer or director of Calpine, Acquisition Sub or NRG or its ultimate parent, NSP, beneficially owns CogenAmerica common stock. As of November , 1999, there were 6,857,269 outstanding shares of CogenAmerica common stock. Information presented with respect to options for purposes of this proxy statement assumes that, as provided in the merger agreement on the date of completion of the merger all options that are then exercisable, including the acceleration of vesting as a result of the merger, will be converted into the right to receive a cash amount equal to the excess, if any, of $25.00 over the exercise price of the options multiplied by the number of shares of CogenAmerica common stock so exercisable under the options. Value of stock options is the aggregate cash amount payable to each owner of options upon completion of the merger.

	SHARES BENEFICIALLY OWNED(1)			
NAME AND ADDRESS	NUMBER OF SHARES	PERCENTAGE OF OUTSTANDING SHARES AS OF NOVEMBER , 1999	NUMBER OF OPTIONS	VALUE OF OPTIONS
NRG Energy, Inc.(2)..... 1221 Nicollet Mall, Suite 700 Minneapolis, MN 55403-2445	3,106,612		--	--
Wexford Capital Partners II, L.P.(3)..... 411 West Putnam Avenue Greenwich, CT 06380	443,976		--	--
Calpine Corporation(2)..... 50 West San Fernando Street San Jose, CA 95113	3,106,612			
David H. Peterson(4)(14).....	31,000		30,000	$ 586,875
Julie A. Jorgensen(5).....	231,500		230,000	3,163,750
Mark Liddell(6).....	10,000		10,000	126,250
Lawrence I. Littman(7).....	30,070		30,000	586,875
Craig A. Mataczynski(8)(14).....	30,500		30,000	586,875
Michael O'Sullivan.....	--		--	

Charles J. Thayer(9).....	40,000		10,000	195,625
Ronald J. Will(10)(14).....	32,500		30,000	586,875
Timothy P. Hunstad(11).....	112,500		112,000	1,922,938
Thomas L. Osteraas(12).....	45,000		45,000	604,687
Richard C. Stone(13).....	120,000		120,000	1,121,875
Directors and Executive Officers of CogenAmerica as a group.....	683,070			

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* Represents less than 1.0% of the outstanding shares of CogenAmerica common stock.

(1) Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if he or she has or shares the power to vote or to direct the voting of such security, or the power to dispose or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities that such person has the right to acquire beneficial ownership of within 60 days as well as any securities

owned by such person's spouse, children or relatives living in the same household. Accordingly, more than one person may be deemed to be a beneficial owner of the same securities. The address of Messrs. Peterson, Mataczynski, O'Sullivan and Will is 1221 Nicollet Mall, Suite 700, Minneapolis, Minnesota 55403-2445. The address of Ms. Jorgensen and Messrs. Hunstad, Osteraas and Stone is One Carlson Parkway, Suite 240, Minneapolis, Minnesota 55447-4454. The address of Mr. Liddell is 6307 Waterford Boulevard, Suite 100, Oklahoma City, Oklahoma 73118. The address of Mr. Littman is 1660 S A1, Apt. 212, Jupiter, Florida 33477-8449. The address of Mr. Thayer is 420 Isle of Capri Drive, Fort Lauderdale, Florida 33301-2438.

(2) Calpine may be deemed to be the beneficial holder of securities owned by NRG as a result of entering into the Calpine/NRG Agreement. Under the terms of the Calpine/NRG Agreement, NRG has granted Calpine an irrevocable proxy with respect to all of the shares of CogenAmerica common stock held by NRG to vote those shares in favor of approval and adoption of the merger agreement and the charter amendment at a duly convened meeting of CogenAmerica's stockholders.

(3) Includes 348,672 shares owned by Wexford Capital Partners II, LP and 95,304 shares owned by Wexford Overseas Partners Fund I, LP. Through an investment management agreement, Wexford Management LLC, which manages the funds, has sole voting and investment power of the funds. This information is as of the date set forth in and based on the Schedule 13D filed May 8, 1997 and other information furnished to the Company by Wexford Management LLC.

(4) Includes 30,000 shares issuable upon exercise of stock option at an exercise price of $5.4375 per share.

(5) Represents 300 shares owned jointly with spouse and 1,200 beneficially owned by Ms. Jorgensen and includes 30,000 shares issuable upon exercise of stock option at an exercise price of $9.125 per share and 200,000 shares issuable upon exercise of stock option at an exercise price of $11.5625 per share, including 100,000 shares which will become vested and exercisable as a result of the completion of the merger.

(6) Includes 10,000 shares issuable upon exercise of stock option at an exercise price of $12.375 per share which will become vested and exercisable as a result of the completion of the merger.

(7) Includes 30,000 shares issuable upon exercise of stock option at an exercise price of $5.4375 per share.

(8) Represents 500 shares beneficially owned by Mr. Mataczynski and includes 30,000 shares issuable upon exercise of stock option at an exercise price of $5.4375 per share.

(9) Represents 30,000 shares beneficially owned by Mr. Thayer and includes 10,000 shares issuable upon exercise of stock option at an exercise price of $5.4375 per share.

(10) Represents 2,500 shares held jointly with spouse and includes 30,000 shares issuable upon exercise of stock option at an exercise price of $5.4375 per

share.

(11) Represents 500 shares owned by Mr. Hunstad and includes 75,000 shares issuable upon exercise of stock option at an exercise price of $5.4375 per share, 17,000 shares issuable upon exercise of stock option at an exercise price of $14.00 per share, including 11,333 shares which will become vested and exercisable as a result of the merger, and 20,000 shares issuable upon exercise of stock option at an exercise price

of $11.5625 per share, all of which will become vested and exercisable as a result of the completion of the merger.

(12) Includes 45,000 shares issuable upon exercise of stock options at an exercise price of $11.5625, all of which will become vested and exercisable as a result of the completion of the merger.

(13) Includes 100,000 shares issuable upon exercise of stock option at an exercise price of $16.46875 per share, including 86,667 shares which will become vested and exercisable as a result of the completion of the merger, and 20,000 shares issuable upon exercise of stock option at an exercise price of $11.5625 per share, all of which will become vested and exercisable as a result of the completion of the merger.

(14) Current NRG corporate policy prohibits NRG employees from receiving the economic benefit of options granted to them in their capacity as a director of CogenAmerica. The NRG employees who currently serve as directors of CogenAmerica and were previously granted stock options in their capacity as directors of CogenAmerica, have agreed to the cancellation of their stock options. The NRG employees who serve as directors of CogenAmerica will receive no cash payment for these options.

CERTAIN TRANSACTIONS IN COMMON STOCK AND STOCK OPTIONS

No transactions in CogenAmerica common stock or options have been effected during the 60 days preceding the date of this proxy statement by CogenAmerica or by the persons named under the caption "Interest in Securities of CogenAmerica" except as provided in the Calpine/NRG Agreement described under the caption "Summary of Calpine/NRG Agreement."

EXPENSES OF THE TRANSACTION

The aggregate fees and expenses paid and estimated to be paid by CogenAmerica in connection with the merger and related transactions are as follows:

Investment Banking Fee	$ 3,418,500(1)
Legal and Accounting	775,000
Printing and Distribution	50,000
SEC and Regulatory Filings	36,635
Miscellaneous	19,865
Total	$ 4,300,000

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(1) DLJ is also entitled to reimbursement of out-of-pocket expenses incurred in connection with its engagement (including reasonable fees and expenses of counsel).

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP, independent certified public accountants, are the independent accountants for CogenAmerica. A representative of PricewaterhouseCoopers LLP, will be available at the special meeting to answer questions.

WHERE YOU CAN FIND MORE INFORMATION

CogenAmerica files annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any such reports, statements or other information at the SEC's public reference rooms in Washington, DC, New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. CogenAmerica's SEC filings are also available to the public from commercial document retrieval services and at the world wide web site maintained by the SEC at Reports, proxy statements and other information concerning CogenAmerica also may be inspected at the offices of the National Association of Securities Dealers, Inc., 1735 K Street, N.W., Washington, DC 20006.

The SEC allows CogenAmerica to incorporate by reference information into this document, which means that CogenAmerica can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be a part of this document, except for any information superseded by information contained directly in this document. This document incorporates by reference certain documents that CogenAmerica has previously filed with the SEC. These documents contain important business information about CogenAmerica and its financial condition.

CogenAmerica may have sent to you some of the documents incorporated by reference, but you can obtain any of them through CogenAmerica or the SEC or the SECs World Wide Web site described above. Documents incorporated by reference are available from CogenAmerica without charge, excluding all exhibits, unless specifically incorporated by reference as an exhibit to this document. Stockholders may obtain documents incorporated by reference in this document by requesting them in writing or by telephone at the following address:

Cogeneration Corporation of America
One Carlson Parkway, Suite 240
Minneapolis, Minnesota 55447-4454
Attention: Thomas L. Osteraas
Telephone: (612) 745-7900

Calpine, Acquisition Sub and NRG have filed a Schedule 13E-3 with the SEC with respect to the merger. The Schedule 13E-3, including any amendments and exhibits filed or incorporated by reference as a part thereof, is available for inspection or copying as set forth above. Statements contained in this proxy statement or in any document incorporated herein by reference as to the contents of any contract or other document referred to herein or therein are not necessarily complete and in each instance reference is made to such contract or other document filed as an exhibit to the Schedule 13E-3 or such other document, and each such statement shall be deemed qualified in its entirely by such reference.

IF YOU WOULD LIKE TO REQUEST DOCUMENTS FROM COGENAMERICA, PLEASE DO SO AT LEAST FIVE BUSINESS DAYS BEFORE THE DATE OF THE SPECIAL MEETING IN ORDER TO RECEIVE TIMELY DELIVERY OF SUCH DOCUMENTS PRIOR TO THE SPECIAL MEETING.

You should rely only on the information contained or incorporated by reference in this document to vote your shares at the special meeting. CogenAmerica has not authorized anyone to provide you with information that is different from what is contained in this

document. This document is dated November , 1999. You should not assume that the information contained in this document is accurate as of any date other than that date, and the mailing of this document to stockholders does not create any implication to the contrary. This proxy statement does not constitute a solicitation of a proxy in any jurisdiction where, or to or from any person to whom, it is unlawful to make such proxy solicitation in such jurisdiction.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents previously filed with the SEC by CogenAmerica (SEC File No. 1-9208) are incorporated by reference in this proxy statement:

(i) CogenAmerica's Annual Report on Form 10-K for the fiscal year

ended December 31, 1998;

(ii) CogenAmerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999;

(iii) CogenAmerica's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999; and

(iv) CogenAmerica's Current Report on Form 8-K filed on September 2, 1999.

All documents filed by CogenAmerica with the SEC pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date of this document and prior to the date of the special meeting will be deemed to be incorporated by reference in this document. Information filed with the SEC in future documents will automatically update and supersede the information in this document.

STOCKHOLDER PROPOSALS

If the merger is not completed for any reason, proposals of stockholders intended to be presented at the 2000 Annual Meeting of Stockholders must be received by Thomas L. Osteraas, Secretary and General Counsel, Cogeneration Corporation of America, One Carlson Parkway, Suite 240, Minneapolis, Minnesota 55447-4454 on or prior to January 20, 2000 to be eligible for inclusion in CogenAmerica's proxy statement and proxy card relating to that meeting. CogenAmerica is not required to include in its proxy statement and proxy card for the 2000 Annual Meeting any stockholder proposals which do not meet all of the requirements then in effect for inclusion.

OTHER MATTERS

Management knows of no other business to be presented at the special meeting. If other matters do properly come before the meeting, or any adjournment or adjournments thereof, it is the intention of the persons named in the proxy to vote on such matters according to their best judgment unless the authority to do so is withheld in such proxy.

By Order of the Board of Directors

Julie A. Jorgensen
President and Chief Executive Officer

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

THIS PROXY STATEMENT, THE SCHEDULE 13E-3 TRANSACTION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION AND OTHER STATEMENTS MADE FROM TIME TO TIME BY COGENAMERICA, CALPINE, ACQUISITION SUB, NRG OR THEIR REPRESENTATIVES CONTAIN FORWARD-LOOKING STATEMENTS. THOSE STATEMENTS INCLUDE STATEMENTS REGARDING THE INTENT, BELIEF OR CURRENT EXPECTATIONS OF COGENAMERICA, CALPINE, ACQUISITION SUB AND NRG AND MEMBERS OF THEIR RESPECTIVE MANAGEMENT TEAMS, AS WELL AS THE ASSUMPTIONS ON WHICH SUCH STATEMENTS ARE BASED. SUCH FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND INVOLVE RISKS AND UNCERTAINTIES. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY SUCH FORWARD-LOOKING STATEMENTS. IMPORTANT FACTORS CURRENTLY KNOWN TO MANAGEMENT OF COGENAMERICA, CALPINE, ACQUISITION SUB AND NRG THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE IN FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, THE RISKS DETAILED IN THIS PROXY STATEMENT AND THE SCHEDULE 13E-3 TRANSACTION STATEMENT, AND THOSE FACTORS SET FORTH FROM TIME TO TIME IN REPORTS OF COGENAMERICA FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE PROTECTION FROM LIABILITY OF THE SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS CONTAINED IN THE PRIVATE SECURITIES REFORM ACT OF 1995 IS NOT APPLICABLE TO THE INFORMATION CONTAINED IN THIS PROXY STATEMENT OR THE SCHEDULE 13E-3 TRANSACTION STATEMENT OR IN STATEMENTS INCORPORATED BY REFERENCE IN EITHER DOCUMENT

APPENDIX TO THE PROXY STATEMENT