

EXHIBIT A

**2020 LONG BEACH TIDELANDS DRY GAS PRICE AGREEMENT**

**35586**

This 2020 Long Beach Tidelands Dry Gas Price Agreement (Agreement) is dated as of June 23, 2020, for reference purposes only, and is executed by and between the City of Long Beach (City) and the California State Lands Commission (State). Pursuant to section 6 of Chapter 29 of the Statutes of 1956, First Extraordinary Session, the City shall receive into the system of its municipal gas department all Long Beach Tidelands (Tidelands) dry gas that it can economically utilize, and which is not required for oil field injection or repressuring operations in the Tidelands. The City shall pay to the State the reasonable wholesale market value as jointly determined by the City and the State for such gas. Dry gas revenue is defined in Chapter 29 to include the reasonable wholesale market value of both this gas received into the municipal system and the net receipts to the City from the sale of Tidelands dry gas not received into the system. The City and the State's most recent determination of the reasonable wholesale market value of Tidelands dry gas is reflected in the 2010 Long Beach Tidelands Dry Gas Price Agreement dated March 16, 2011 (2010 Agreement).

In 2007, the Long Beach Bond Finance Authority (LBBFA) entered into a long-term agreement with Merrill Lynch Commodities, Inc. (MLCI) pursuant to which LBBFA prepaid for a supply of natural gas. LBBFA receives the prepaid natural gas pursuant to the agreement with MLCI and delivers the gas to the City for use in its municipal system at a discounted price pursuant to a separate natural gas supply agreement (Pre-Pay Supply Agreement). The Pre-Pay Supply Agreement decreased the City's need for Tidelands dry gas in the City's municipal system, but a need arose for Tidelands dry gas at the Long Beach Unit Power Plant (Power Plant). The City sells the majority of Tidelands dry gas to

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the Unit for use at the Power Plant, rather than taking the dry gas into the City's municipal system.

The City gave notice under the terms of the 2010 Agreement for a renegotiation of the reasonable wholesale market value of Tidelands dry gas, and the ensuing negotiations between the City and the State resulted in this Agreement. Therefore, the City and the State agree as follows:

1. The City shall accept Long Beach Tidelands dry gas into the City's municipal gas department system whenever it can be utilized economically.

2. Beginning retroactively on February 1, 2019 (Effective Date), and continuing thereafter, the reasonable wholesale market value of Long Beach Tidelands dry gas shall be First of the Month Price published by Natural Gas Intelligence under the heading "SoCal Border Average Bidweek" California natural gas prices.

3. The price of Tidelands dry gas that is the subject of this Agreement and that is agreed upon in Paragraph 2 shall be applicable to all Tidelands dry gas received into the City's municipal system and all Tidelands dry gas used at the Power Plant. Specifically, Tidelands dry gas includes all dry gas produced in the Long Beach Unit, Tract 1 and Tract 2, and in the Tidelands Unit/West Wilmington.

4. This Agreement supersedes the 2010 Agreement in its entirety, and after the effective date such 2010 Agreement shall have no further force or effect.

5. If either the City or the State believes that the price established by this Agreement no longer reflects the reasonable wholesale market value of Tidelands dry

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gas, either the City or the State may demand a renegotiation of this Agreement. The demand for renegotiation shall be made in writing and shall provide a factual basis for the belief on which the demand is based. Upon the making of a valid demand for renegotiation, the City and the State shall commence negotiations in good faith on a new pricing mechanism for Tidelands dry gas within 30 days of the notice. If a new price is agreed upon, the price shall be adjusted retroactively to reflect the newly established price from 30 days after the date of the notice demanding a price renegotiation.

6. This Agreement shall remain in effect until a new agreement takes its place or until the City and the State mutually determine that this Agreement no longer is needed for purposes of valuing Tidelands dry gas.

7. This Agreement has been approved on behalf of the City by the Long Beach City Council pursuant to a minute order adopted at its meeting held on April 21, 2020 and on behalf of the State by the California State Lands Commission, at its meeting held on June 23, 2020.

July 20, 2020

CALIFORNIA STATE LANDS  
COMMISSION

Jennifer Lucchesi  
Jennifer Lucchesi, Executive Officer

July 1, 2020

CITY OF LONG BEACH, a municipal  
corporation

By Linda J. Saturn for  
Tom Modica, City Manager

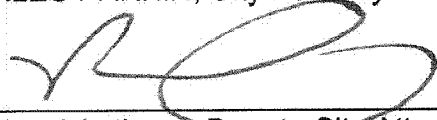
This Agreement is approved as to form on June 23, 2020.

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER

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CHARLES PARKIN, City Attorney

By

A handwritten signature in black ink, appearing to be 'Richard Anthony', written over a horizontal line.

Richard Anthony, Deputy City Attorney