



(EASTERN SHORE OF MARYLAND EDUCATIONAL CONSORTIUM)
ESMEC ENERGY TRUST

Mark E. Miller, C.P.M., CFPO, Chairman
Milton E. Nagel, C.P.A., Vice Chairman
Allan Gorsuch, Ed.D., Manager

**January 10, 2008
MINUTES**

- I. Call to Order/Quorum** – A quorum was established by Chairman Mark Miller. Present were: Milton Nagel, Tom Kappra, Tim Brooke, Fay Miller, Robin Landgraf, Rodger Daugherty, Charles Connolly, Mike Spears, Allison Canada and David Jones.

Also present: Allan Gorsuch, Vivian Anders, Jeff Rank, Gene Adkins, Harold Higgins, Bert Wilson and Noel Chesser.

- A. Approval of Minutes – Upon a motion by Fay Miller, seconded by Tim Brooke, the November 8, 2007 minutes were unanimously approved.
- B. Finance Report – Robin Landgraf distributed the finance report dated 12/31/2007. Reviewed and filed for audit.
- C. Other – Salary for Allan Gorsuch redirected to Consultant Services as requested.

II. Managers Report

- A. Communications: Allan Gorsuch commented on the DelmarvaArchive letter (copy included in packets) in regards to a commission related business between he and DelmarvaArchive, which he has declined.
- B. Publications - Designs:
 - 1. Letterhead/Brochure designs passed around for review and/or comments.
- C. Marketing:
 - 1. Chestertown – Information requirements deemed as insurmountable. Not in a position to move forward at this time.
 - 2. Meeting with City of Salisbury – Meeting rescheduled for January 30th.
 - 3. Meeting with Hurlock – Meeting rescheduled for January 30th.

4. ShoreEnergy Renewable Energy Conference – November 29, 2007 – Allan Gorsuch attended the conference and reviewed some of the topics of conversation; rolling blackout concerns as of 2011, capacity issues and the possible political directions when dealing under these kind of conditions.
 5. Breakfast with Senator Thomas McLain Middleton – Allan Gorsuch advised he attended the breakfast on behalf of the ESMEC Energy Trust and at the request of Senator Middleton.
- D. Legislation/PSC – Letter dated December 28, 2007 included in packets. Re: Proposed Regulations – Definition of Small Commercial Customer – This is actually information just being put into regulation defining small commercial customer.
 - E. Fee Policy – Revised Fee Policy dated January 10, 2008 – Upon a motion by Milton Nagel to accept the policy as presented and seconded by Tim Booke, it was unanimously approved.
 - F. Electric Cost Management Policy – To be addressed at the March meeting.
 - G. Electric Purchase Implementation Guidelines – See comments and Motion under Section III. Consultants Report, B – third paragraph.
 - H. Other – Allan Gorsuch distributed copies in the packets of the “Renewable Energy Infrastructure Loan Program” bill that he has been working with Delegate Walkup on. Commented that it was not very realistic in coming about, but this would at least get this matter before the various legislative committees needed.

III. Consultants Report

- A. Block Portfolio Report -
 - B. Market Projections -
- } Bert handed out and reviewed charts (see Electric Forward Market Report, Commodity Cost Estimate) in detail.

Bert also handed out a chart and discussed ESMEC’s Electric Hedge Status as of 1/9/2008. Stated this is always a balancing act and shared in detail the risks versus the parameters given.

Noel handed out revisions to the Electric Purchase Implementation Guidelines and reasons for recommending holding off purchasing blocks right now.

Upon a motion by Milton Nagel and seconded by Charles Connolly, it was unanimously passed to suspend the current policy, in terms of hedge purchases, until the March 2008 meeting.

Noel will make the necessary recommendations readily available for Dr. Gorsuch’s review before the March meeting.

- C. Billing Rates for February and March ‘08 – See handout, “ESMEC Electric Supply Portfolio Budget, Actual and Billing Rates” dated 1/10/08. Noel reviewed and suggested this be addressed in detail at the March meeting.

- D. Survey of Generation Assets – Potential for use – To be discussed at the March meeting.
- E. Other – Handed out “ESMEC Portfolio Monthly Budget Variance”. Explained profiling and the total portfolio distributed on billing rates. Discussed the capacity market (demand charge) being a fixed rate and how this is a totally uncontrollable item due to FERC change.

Demand Response Values – Handed out by Noel Chesser – To be reviewed at the March meeting.

Bert Wilson commented that he was comfortable with the portfolio up to this point and shared that more information lends itself to better pricing, at which time “Metering” was brought up along with the status of the letter sent to Mr. Gary Stockbridge on November 8, 2007 regarding the purchase and installation of “smart meters.” To date no response has been received and it was requested that copies of this letter be sent and personal contact be made with Senator Middleton and the PSC in an attempt to move this project forward.

There being no other business the meeting adjourned at 12:00 p.m. with lunch.

The next meeting is scheduled for Thursday, March 13, 2008 at 10:00 a.m. at the Queen Anne's County Board of Education.

Respectfully submitted,

R. Allan Gorsuch, Ed.D.
Manager, ESMEC Energy Trust