



(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

**November 13, 2008
MINUTES**

- I. Call to Order/Quorum** – A quorum was established by Vice Chairman Milton Nagel. Present were: Tom Kappra, Tim Brooke, Fay Miller, Robin Landgraf, Rodger Daugherty, Vince Tolbert, Mike Spears, Jeff Bauder and Dave Jones.

Also present: Allan Gorsuch, Jeff Rank, Herb Mills, Adele Cruise, Lee O'Brien, Bert Wilson and Amy York.

The meeting began with introductions as there were a couple new sub-participants in attendance.

- A. Approval of Minutes – Upon a motion by Rodger Daugherty, seconded by Fay Miller, the September 11, 2008 minutes were unanimously approved.
- B. Finance Report – The finance report dated 10/31/2008 was prepared and reviewed by Robin Landgraf. Upon a motion by Tim Brooke, seconded by Rodger Daugherty, the finance report was unanimously approved.

Other – Milton Nagel advised due to the absence of Charles Connolly, the Audit Committee (Charles Connolly, Chairman, Milton Nagel, and Mike Spears) would conduct their annual review in January 2009, prior to the next Energy Trust meeting.

II. Managers Report

- A. Communications/Press Release – Allan Gorsuch advised the press release has received a good response. He also suggested using the news release for the individual county news releases.
- B. Projected Savings Report – Allan Gorsuch noted the savings reports were in the packets handed out. Said at first it was easy to compare with the RFP's. Now the comparison is made with the best case scenario for Retail Fixed Rate contracts.
- C. Marketing – Allan Gorsuch discussed the feedback he had received as a result of the October 8, 2008 press release and shared current status of those contacts.
- D. Applications – Allan Gorsuch welcomed the two new sub-participants; Caroline County Public Library and Cecil County Public Library.
- E. Legislation – Allan Gorsuch advised he was sure there would be legislation introduced to re-regulate deregulation, calling for an increased burden on the rate payers. He does not anticipate that this will go anywhere.

Also expects additional efforts to increase in Tier I and Tier II REC requirements. Advised that Bert will talk about BRCPC and the role we may want to play into that.

- F. Demand Response – Allan Gorsuch shared the letter he received from North America Power Partners (copy included in packets) and spoke to the process behind Demand Response (PJM Program) and the capability to turn electricity demand on and off by their signal. In exchange they will pay you so much a month, whether they contact you to reduce demand or not. Also noted there were hefty fines associated with those in the program who do not respond.
- G. MEA Grant – Dr. Gorsuch advised he made contact with MEA and was advised the nearly ½ million dollar grant they were awarded is for study purposes, not implementation purposes. (See Maryland Energy press release dated September 18, 2008 included in the packets.)
- H. Other – Allan Gorsuch noted the press release in the Star Democrat and included copies in the packet, along with an article in the Baltimore Sun on methane energy at the Back River plant.

III. Consultants Report – Bert Wilson introduced Amy York, formerly with Hess Oil.

- A. Electric Portfolio Reports – Bert discussed in detail the numbers behind the graphs in the handouts. Expects the budget to remain the same for the rest of the year. Discussed the hedge status and suggested holding off on hedging until the next meeting. Talked about capacity costs and provided a summary on page 13 of the handout. Discussed interval metering as the only means to make a difference in capacity tags. If there are no interval meters, ratio is the same as everyone else. Stated that it makes sense to have interval meters for each account; better information provides for better pricing. Discussed the Electric Forward Market (fixed price commitments) and how it had little impact on the Trust due to the fact we didn't buy direct this period.
- B. Market Projections – Bert discussed BRCPC and the alternate way they are looking to hedge their portfolio. Talked about that structure and the role that ESMEC Energy Trust may or may not want to play into it.

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

The next meeting is scheduled for Thursday, January 8, 2009 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