

ESMEC

Eastern Shore of Maryland Educational Consortium

ENERGY TRUST

202 Chesterfield Avenue • Centreville, MD 21617 • (P) 410-758-2403, ext. 132 • (F) 410-758-0046 • E-Mail: consor@qacps.k12.md.us

Milton E. Nagel, C.P.A., Vice Chairman

R. Allan Gorsuch, Ed.D, Manager

February 13, 2003 MINUTES

- I. **Call to Order and Quorum** – Chairman, Mark Miller called the meeting to order at 10:00 a.m.

A quorum was acknowledged with the following Trustees in attendance: Charles Connolly, Robin Landgraf, Gary McCabe, Fay Miller, Mark Miller, Milton Nagel, and Sandy Smith.

Also present were David Downes, Bruce Ford, Allan Gorsuch, Chip MacLeod, Tom Tyson, and Tim Brooke.
- II. **Approval of Minutes** – Upon a motion by Sandy Smith, seconded by Fay Miller, the December minutes were unanimously approved.
- III. **Finance Report** - Robin Landgraf, Fiscal Agent, handed out the financial report and gave an update.
- IV. **Audit Committee Report** - Milton Nagel reported that as requested he formed an Audit Committee, consisting of himself, Charles Connolly, Talbot County and Mike Spears, Dorchester County. Milton and Charles met prior to this meeting and reviewed the financial matters of the Trust and handed out a report on same. Upon a motion by Fay Miller, seconded by Tim Brooke, the Audit Report was unanimously approved. Milton Nagel advised the next audit is scheduled for late fall.
- V. **Supply Bid Model/Costs** - Allan Gorsuch opened the discussion by making it very clear there was no dissatisfaction whatsoever with Downes Associates, Inc., but emphasized the importance of looking at costs-benefits of the Trust's efforts. Discussed the memo on Consultant Expenses dated February 11, 2003. Reviewed and handed out paid invoices from Downes Associates, Inc. from July 2002. thru December 2002. Discussion ensued regarding billing and models being used by others. Allan Gorsuch handed out the following documents and discussed highlights of each.

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1. Downes Associates, Inc. dated February 5, 2003 - Budget Status
2. Downes Associates, Inc. dated February 6, 2003 - Price-to-Compare
3. CQI Associates, Inc. dated January 3, 2003 - City of Salisbury Electricity Bid.
4. Downes Associates, Inc. dated February 5, 2003 - RFP Process vs. Energy Program.
5. Copy of an e-mail from David Downes - Program Comparison.

After considerable discussion, the Trustees determined that a more detailed scope of services for Downes Associates, Inc. should be developed and that activities not directly related to bidding be limited.

- VI. **Communications** – Allan Gorsuch advised he would be doing a presentation at the Maryland Energy Institute scheduled for February 20, 2003 at Chesapeake College. Also advised he was asked by CQI to do a presentation at the D.C. Energy Conference, which he declined.
- VII. **Marketing/Membership** – Allan Gorsuch gave update on status of Queen Anne's County Government.
- VIII. **ESCO Selection** - To make information available, Allan Gorsuch distributed a letter from Custom Energy dated December 27, 2003 on performance contracting. Conversation ensued regarding the possible need of an ESCO and the financial benefits resulting from greater efficiency measures. Milton Nagel advised he attended a meeting at the Maryland Energy Administration where Dr. Yale Stenzler is working to develop this into an IAC practice possibly resulting in state aid. Allan Gorsuch suggested a subcommittee be formed to review the State's results of RFQ's, and recommend an ESCO for the Energy Trust as a benefit to the members. (Preferably an independent ESCO.) No additional action was taken on this issue.
- IX. **PSC Intervention** - Chip MacLeod discussed the role the Trust should play in dealings with the PSC going forward and offered his services in the basic monitoring of such at a fixed price. Suggested to pay close attention to the PSC Case No. 8908 along with the Maryland General Assembly and things going on there associated with the Trust. Chip also suggested filing a letter to become an Interested Party, by filing a motion/letter to intervene. (See copy of e-mail to Allan Gorsuch dated 1/24/04 - PSC Monitoring).

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Gary McCabe initiated the conversation as to the \$25.00 cost of registering Allan Gorsuch as a lobbyist in an attempt to monitor the PSC. Upon a motion by Milton Nagel, seconded by Charles Connolly, it was unanimously approved to register Allan Gorsuch as a lobbyist on behalf of the Energy Trust. Allan Gorsuch suggested to combine efforts with Chip MacLeod and David Downes to monitor PSC activities. Discussed the impact of Chip MacLeod's and David Downes' knowledge and clout the two would have in matters associated with the PSC. Allan Gorsuch is to submit a proposal for time and costs associated with his monitoring of the PSC on behalf of the Energy Trust.

- X. Alternative Procurement Models - XI. Supply Bids - Update - XII. Market Report** - David Downes distributed the Market Report as of February 13, 2003 and a report on the Status of Data Refresh Request Process. Discussions led to model being used and costs associated. David stood steadfast in his position that RFP's do not work. Explained that there are suppliers that will not bid. He advised he had spoken with three suppliers for bids and two out of the three said no. The third supplier said it depended on who it was (type of entity, type of RFP's). Reiterated one of the goals of the Trust was to greatly reduce the risk to the suppliers and the way the Trust goes to the market now for bids, does just that. Reduced risk to suppliers is expected to reduce the cost of electric.

David Downes discussed the need for a letter of intervention to be submitted to the PSC and how the business rules for May 2004 are being structured into the 8904 document.

- XII. Other** - Allan Gorsuch to share with David Downes, the cost saving reductions in services to the Trust.

Upon a motion by Fay Miller, seconded by Charles Connolly, and unanimously approved, the meeting adjourned with lunch at 1:20 p.m.

The next meeting will be March 13, 2003 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