

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

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

February 8, 2007 MINUTES

- I. Call to Order/Quorum** – A quorum was established by Chairman Mark Miller. Present were: Erin Thornton, Kelly Wood, Tim Brooke, Mike Spears, John Johnson, Robin Landgraf, Rodger Daugherty, and Vince Tolbert.

Also present: Allan Gorsuch, Karina Jackson, Jeff Bauder, Jeff Rank, Mike Haring, Noel Chesser, and Bert Wilson.

- A. Approval of Minutes – Upon a motion by Robin Landgraf, seconded by Tim Brooke, the December 14, 2006 minutes were unanimously approved.
- B. Finance Report – Robin Landgraf gave overview of January 31, 2007 finance report.
- C. Presentation to Senate Finance – January 23, 2007 – Mark Miller commented on presentation and experience in front of the Senate Finance Committee in Annapolis. Allan Gorsuch expressed some disappointment in the attendance and shared with the group that they should be proud of their stance taken on energy management. (Copy of presentation was included in packets.)
- D. Other – Operating Procedures for the ESMEC Energy Trust Electric Supply Portfolio (Approved December 14, 2006). Allan Gorsuch stated Pepco is looking at this very closely and may have to bring back to the table for consideration before executing. Noel Chesser felt there were no major concerns, just that Pepco wanted time to take a closer look at it.

II. Managers Report

- A. Communications – Allan Gorsuch noted they made a second presentation, at the invitation of Delegate Mary Roe Walkup, to the House Economics Committee on Wednesday, February 7, 2007. See Item C below.
- B. Legislation/PSC – Allan Gorsuch handed out information in the packets on four Senate Bills along with the full copy of SB 400, Electric Industry Restructuring – Proceedings – Review and Evaluation. Discussed in detail drafting a bill to encourage public entities to aggregate to save money. Allan Gorsuch will work with SRC to draft a bill that addresses renewable energy incentives and will distribute a draft as soon as it becomes available.
- C. Presentations – 1.) House Economic Matters Committee – February 7, 2007 – Quite the opposite than presentation made to the Senate Finance Committee in that this presentation was well attended and some good questions were asked. A couple spectators were very much interested and asked questions afterwards to make sure they understood what they heard. 2.) Eastern Shore Delegation – Presentation to be made on March 23, 2007 at 9:00 a.m. in Annapolis.

- D. Other – Analysis on Worcester County – Summary distributed in packets. Question was asked as to Worcester County's feedback on this summary. Vince Tolbert is to make contact and will advise accordingly.

III. Consultants Report

- A. Electricity Market/Hedged Position – Bert Wilson reviewed in detail the charts handed out. He and Noel Chesser commented on various details of the report.
- B. Fuel Oil Market/Hedged Position – Noel Chesser advised he had just recently sent out the billing summary. Reviewed the summary and explained why it was a wise decision not to execute a second hedge at this time.

Rate changes – Upon a motion by Rodger Daugherty and seconded by Tim Brooke, it was unanimously approved to set the proposed billing rates as recommended by SRC.

Single Remitter Process – Conversation on rate changes led to discussion of carrying costs/lost opportunity costs. Discussed the possibility of the Fiscal Agent assuming responsibility with billing rates based on the budget with Pepco payment to be wired on the 20th of each month (or the day before, if date is not a business day). Allan Gorsuch will put together a Single Remittal Procedure for consideration at the April meeting.

- C. Other:

U.B.I. – Conversation ensued regarding the usage of this system and justifying the fees associated with keeping information to date. Allan Gorsuch asked if Energy Managers were aware of this system and how many are using the data provided. It was asked that an SRC prepare an exception list to be brought up for a vote at the April meeting.

Advanced Metering – Discussed meters being installed at each site and the costs that may well justify such a project. Allan Gorsuch suggested working with SRC and Noresco to set up some sort of program on how this could be accomplished. This could also answer the needs of U.B.I. Some concerns of not showing the right rate schedule and right taxes were discussed, as well as looking at possible improvements to settlements in the master account along with savings from advanced metering.

Annual Review of Policy – Suggested the August meeting date would be a good time of the year to review this policy.

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

The next meeting is scheduled for Thursday, April 12, 2007 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