



(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

**March 13, 2008
MINUTES**

- I. Call to Order/Quorum** – A quorum was established by Chairman Mark Miller. Present were: Milton Nagel, Tim Brooke, Fay Miller, Toni Schelts, Rodger Daugherty, Mike Spears, Allison Canada and Vince Tolbert.

Also present: Allan Gorsuch, Herb Mills, Jim Wright, Sid Pinder, Jeff Rank, Gene Adkins, and Noel Chesser.

- A. Approval of Minutes – Upon a motion by Fay Miller, seconded by Milton Nagel, the January 10, 2008 minutes were unanimously approved.
- B. Finance Report – The finance report dated 2/28/07, prepared by Robin Landgraf, was distributed. It was noted that funding of the Trust Manager was changed from a salaried position to consultant services, as per action taken at the last meeting. Upon a motion by Rodger Daugherty, seconded by Fay Miller, it was unanimously approved to accept the finance report as presented.
- C. Other – Presentation on Renewable Energy in Maryland by Brad North and Greg Fox of Constellation Energy Group. “Going Green” Information was handed out and discussed. Discussion ensued as to what paths to take - making own renewable energy or buying it to include in the portfolio.

Noel Chesser reminded everyone to keep in mind that the best use of the dollar is reducing the amount of usage and to look at all options in regards to cost. The topic of “green energy” projects and ESMEC ET’s role will be on the May 8 agenda.

- D. The Consultant Services Agreement with South River Consulting LLC was discussed and, by mutual consent, it was decided that no action needed to be taken given the continuation clause in the Agreement.

II. Managers Report

- A. Communications: Allan Gorsuch shared communications sent and received by the ESMEC Energy Trust Office since the last meeting.

- B. Marketing:
 - 1.) City of Salisbury – presentation made but no response to-date.
 - 2.) Hurlock – will try to reschedule meeting if they are interested.
- C. Legislation/PSC – Bill listings on Energy Matters were distributed in packets and reviewed by Allan Gorsuch. Also, distributed and commented on renewable energy legislation and shared information on the idea behind HB 1145.
- D. Electric Cost Management Policy
- E. Electric Purchase Implementation Guidelines

Upon a motion by Milton Nagel to adopt the recommended changes to both the Electric Cost Management Policy and the Electric Purchase Implementation Guidelines as presented, seconded by Fay Miller, both policy and guidelines were unanimously approved.

It was noted to keep these policies in the Agreements, Policies, Guidelines and Strategies binder for audit purposes.

- F. Survey of Generation Assets – Next steps – Did not have enough time to do anything collectively at this time. Will ask that Matt Kastantin of EnerNOC attend the next meeting for educational purposes. Information was provided to the members for independent action (if interested), which must be taken quickly to meet the May 1 deadline.

Copies of completed energy generation assets surveys were given to Noel Chesser.

- G. Noresco Agreement – As long as State funding is at the current level there will be very little activity in the area of performance contracting on the Shore. Five Energy Services Companies (ESCO's) are now state approved. No motion to proceed. The Agreement with Noresco ended on March 10, 2008.
- H. FY 2009 Energy Trust Budget – The draft budget includes current salary levels. Salary figures are usually based on ESMEC increases since the Trust pays a percentage of that figure for secretarial services. Will know the new numbers by the next meeting.

With new participants, member assessments should stay the same or be less.

- I. Other – Articles on “A New Math” and other energy related information included in packets.

III. Consultants Report

- A. Block Portfolio Report – Noel handed out and discussed the “Commodity Cost Estimate “ information and reported that the portfolio is right on target with the budget.
- B. Market Projections – See handout, “ESMEC – FY’09 Market Scenarios”.
- C. Billing Rates for April and June ‘08 – Upon a motion by Fay Miller to maintain the current billing rates, as discussed, through May, and seconded by Milton Nagel, the motion was unanimously approved.
- D. Demand Management Proposal – Information distributed as noted above.
- E. Other - Minimum Renewable Standard – Noel Chesser recommended ESMEC go to the market now and solicit bids to meet the 2008-2011 REC requirements. Coordinating this purchase with BRCPC would benefit our purchasing. REC’s are determined by energy use – buy now at their cheapest – can return to the market at a later time. Should look at long term Purchased Power Agreement (PPA). Allan would like to attend a BRCPC meeting.

Upon a motion by Milton Nagel to follow the recommendation by South River Consulting to purchase the minimum REC’s required, seconded by Rodger Daugherty, the motion unanimously passed.

There being no other business the meeting adjourned at 12:35 p.m. with lunch.

The next meeting is scheduled for Thursday, May 8, 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