

ESMEC

Eastern Shore of Maryland Educational Consortium

ENERGY TRUST

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EASTERN SHORE OF MARYLAND EDUCATIONAL CONSORTIUM ENERGY TRUST

The Eastern Shore of Maryland Educational Consortium (“ESMEC”) is a cooperative administrative agency established pursuant to Section 4-123 of the Education Article of the Annotated Code of Maryland. ESMEC was formed in 1986 as a separate administrative entity for the purpose of facilitating and administering cooperative and joint programs by and between the Boards of Education of the nine (9) counties located on the Eastern Shore of Maryland:

Caroline County	Cecil County	Dorchester County
Kent County	Queen Anne’s County	Talbot County
Somerset County	Wicomico County	Worcester County

The ESMEC Energy Trust was established under a Trust Agreement dated May 21, 2001 for the cooperative procurement of electricity, fuels and related services on behalf of the Energy Trust participants. A stated purpose under the Trust Agreement provides:

“[T]he Founding Boards of Education wish to take advantage of the deregulated electricity marketplace...by establishing the ESMEC Energy Trust as a Maryland trust for the purposes of considering, promoting, facilitating, coordinating and administering the collective procurement of electricity, fuels and related services for the Founding Boards of Education and Participants...”.

Participation in the Energy Trust is open to certain governmental entities with an interest in the collective procurement of electricity, fuels and related services for their own benefit/use, including:

- (a) Boards of Education;
- (b) Local Governments (counties and municipal corporations), and

- (c) Public Entities (defined in the Trust Agreement as (i) the State or any political subdivision or unit, agency or instrumentality of the State; (ii) any Local Government or any unit, agency or instrumentality of a Local Government; or (iii) any nonprofit or non-stock corporation that is exempt from taxation under Section 501(c)(3) or (4) of the Internal Revenue Code and receives 50 percent or more of its annual operating budget from a Public Entity described in (i) or (ii) above)

The Electric Customer Choice and Competition Act of 1999 (the “Act”) enacted by the Maryland General Assembly opened the electricity market in Maryland, thereby enabling consumers to competitively shop for and choose the company that supplies them with electricity and related services. Pursuant to the Act, the Energy Trust is qualified as a “broker”. The Energy Trust’s application to the Maryland Public Service Commission (the “PSC”) for a Broker’s License is pending (scheduled for action by the PSC on June 27, 2001)

As a broker, the Energy Trust facilitates the purchase of electricity, fuels and related services by organizing and analyzing participant load and usage data, developing a concerted request for proposals (RFP), coordinating (packaging and timing) the marketing of participant energy demands and advising participants regarding supply contract terms and conditions. The Energy Trust does not take ownership of the electricity or other fuels.

The Energy Trust is governed by the Trust Agreement, Bylaws and by a ten (10) member Board of Trustees - consisting of one person appointed by each Founding Board of Education and the Director of ESMEC. The Board of Trustees approves applications for participation and establishes the cost of participation, referred to as “Contribution”.

South River Consulting of Baltimore, Maryland serves as the Trust’s energy consultant. General Counsel to the Trust is Charles D. “Chip” MacLeod, Esq. of Funk & Bolton, P.A.

For more information or to apply for participation, contact:

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