



(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

## PRESS RELEASE

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**CONTACT: R. Allan Gorsuch, Ed.D.**  
**Trust Manager**  
**410-758-2403 x193**

### **EDUCATIONAL ENERGY TRUST INNOVATIVE NEW ELECTRIC PROCUREMENT PROGRAM EXCEEDS SAVINGS OF \$ 5 MILLION**

Centreville, MD – The Eastern Shore of Maryland Educational Consortium (ESMEC) Energy Trust achieved savings of an additional \$2.8 million dollars in electricity costs for fiscal year 2008, bringing the total net savings since 2001 to 6.4 million dollars, after subtracting all costs associated with the program. Savings during the last two fiscal years were achieved through the implementation of a new electric procurement program. Savings estimates are compared to the best case retail fixed rate alternatives offered by energy suppliers. If compared to Delmarva Power's standard offer rates, the estimated savings would be even higher.

The ESMEC Energy Trust electric procurement program is designed to achieve lower electric supply costs and more flexible electric price risk management. This is achieved through a combination of a cost plus structure and managed bid wholesale purchases and utilizing sound commodity purchasing strategies of time diversity (time buys) and market responsive purchases (value buys). The new procurement program was developed in cooperation with South River Consulting LLC, the energy consultant company that serves the ESMEC Energy Trust.

The ESMEC Energy Trust was founded by the nine Eastern Shore school systems in 2001 in response to Maryland's electricity deregulation. There are now 22 institutional members of the Trust, including the 9 school systems, 3 community colleges, 7 county governments and 1 township on the Eastern Shore. It is estimated that total savings will exceed 7 million dollars by the end of the current fiscal year. As a result of this collaborative effort, funding previously spent on electricity is now being used for direct public services.

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202 CHESTERFIELD AVENUE • CENTREVILLE, MD 21617  
PHONE: 410-758-2403, EXT. 193 • FAX: 410-758-0046  
CELL PHONE: 410-924-3320  
esmecenergytrust@gmail.com • www.esmec.org