

Eastern Shore of Maryland Educational Consortium

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PRESS RELEASE

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EDUCATIONAL ENERGY TRUST CONTINUES TO BRING SAVINGS ON ELECTRICITY PURCHASES TO MEMBERS

Centreville, MD (October 24, 2002). The Eastern Shore of Maryland Educational Consortium (“ESMEC”) Energy Trust continues to place member electricity accounts with competitive electricity suppliers. Estimated savings on contracts resulting from competitive bids accepted last September (2001) were more than **\$760,000** in electricity costs over a period of seven to nineteen months. The most recent bidding of accounts conducted this summer yielded an additional **\$183,000** of projected savings resulting in **\$943,000** of savings since the start of the Energy Trust.

In addition to the nine original founding boards of education, the local governments of Caroline, Cecil and Dorchester counties, Chesapeake College and Wor-Wic Community College joined the energy purchasing consortium during this past year, increasing the Trust’s membership to fourteen tax supported governmental entities on the Eastern Shore.

Recent bidding included twenty-one (21) accounts not previously placed with an alternate supplier and seven (7) accounts that were placed with a supplier last year but became available for re-bid this year. All ESMEC-ET accounts currently placed with an alternative electrical supplier are also served by Conectiv Power Delivery, which delivers the power provided by the alternative supplier.

“The turnover of accounts from one supplier to another is a sign that the competitive electricity market is maturing in Maryland,” said R. Allan Gorsuch, ESMEC Energy Trust Manager. “We expect more such turnovers in the future as accounts are continuously offered to competitive suppliers for bidding.”

Non-residential electric customers, like those in the Energy Trust, who do not choose an electricity provider are served through so-called “standard offer service”, which is the current default electric supply service provided by Conectiv. However, this “standard offer service” is scheduled to end in Conectiv’s service territory on June 30, 2003. After that, all commercial and industrial customers will have to purchase their electricity from a third-party supplier or pay market-based prices to Conectiv.

The ESMEC Energy Trust was established by the Eastern Shore of Maryland Educational Consortium (ESMEC), 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:

“...the 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...”.

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 ESMEC Energy Trust is qualified and licensed by the Maryland Public Service Commission (the “PSC”).

Participation in the Energy Trust is open to governmental entities with an interest in the collective procurement of electricity, fuels and related services for their own benefit/use, including boards of education; county and municipal governments; community colleges; other public entities and certain nonprofit or non-stock corporations. Current participants other than the nine school boards include Caroline County Government, Cecil County Government, Dorchester County Government, Wor-Wic Community College, and Chesapeake College.

The ESMEC Energy Trust is organized to facilitate the purchase of electricity, fuels and related services by organizing and analyzing participant load and usage data, developing request for proposals, 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. Energy Consultant David Downes, P.E. of Downes Associates, Inc. has indicated that bids for electric supply will be continually solicited based on market conditions.

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