



(EASTERN SHORE OF MARYLAND EDUCATIONAL CONSORTIUM)

ESMEC ENERGY TRUST

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EDUCATIONAL ENERGY TRUST

Eastern Shore Collaborative Purchasing of Electricity Marks 22 Years and Millions in Avoided Costs

Centreville, MD —The Eastern Shore of Maryland Educational Consortium (ESMEC) **Energy Trust** achieved cost avoidance of an **additional 9.9** million dollars compared to the Delmarva Power standard offer service (S.O.S.) rates for the fiscal year 2023, for a total of **more than 39 million in gross cost avoidance over the last 22 years**. This has been accomplished through implementation of an innovative electric procurement program for Energy Trust Participants.

The ESMEC Energy Trust electric procurement program was designed to achieve lower electric supply costs and more flexible electric price risk management. A central goal of the program is to reduce price volatility while meeting public procurement requirements in a cost effective manner. This is achieved through a combination of a cost-plus structure and managed bid wholesale purchases, utilizing sound commodity purchasing strategies of time diversity (time buys) and market responsive purchases (value buys). This electricity procurement is guided by established procurement policies and implemented by Enel X, Inc., Baltimore, MD.

The ESMEC Energy Trust was founded by the nine Eastern Shore school systems in 2001 in response to Maryland's electricity deregulation. Since inception, the **Energy Trust has avoided over 36.4 million dollars in "net" electricity costs**, saving tax resources for direct programs and services. There are 26 public institutional Trust Participants, including 10 school systems, 3 community colleges, 8 county governments and 5 towns, most of which are on the Eastern Shore of Maryland.

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