



(EASTERN SHORE OF MARYLAND EDUCATIONAL CONSORTIUM)

# ESMEC ENERGY TRUST

Mark E. Miller, CPPO, CPPB, C.P.M. - Chairman  
Allison M. Canada, CPPO, C.P.M. - Vice Chair  
R. Allan Gorsuch, Ed.D. - Manager

## MINUTES September 14, 2023

- I. Meeting was called to Order by Chairman, Mark Miller. Those present representing a quorum were: Bill Mengel, Richard Raulie, Andrew Marshall, Sid Pinder, Jon Hill, Phil Thompson, Karen Smith, Allison Canada, Kelly Griffith.

Also present were Allan Gorsuch, Daniela Dunlap, Purchasing Specialist with Cecil County Public Schools, Steve Dyott, Director of Facilities at Chesapeake College, Eric Meyer and Noel Chesser.

II. **Election of Officers for FY 2023\***

- **Chairman**

Allison Canada made the **Motion** to nominate Mark Miller, seconded by Kelly Griffith. There were no further nominations and Mark Miller was unanimously elected.

- **Vice Chair**

Kelly Griffith made the motion to nominate Allison Canada as Vice Chair seconded by Phil Thompson. There were no further nominations and Allison Canada was unanimously elected.

- **Secretary Appointment**

Mark Miller moved to have Robin Fairall continue as Secretary. Seconded by Bill Mengel and unanimously approved.

III. Chairman's Report - Mark Miller, Chairman

- A. Approval of Minutes - **MOTION** made by Kelly Griffith to approve the May 11, 2023 minutes as submitted, seconded by Phil Thompson and unanimously approved.
- B. Finance Report – Allan Gorsuch reported there was not a financial report for this meeting and the new budget has not been set up due to staffing matters. Noted the FY '24 allocations received were also not up to date, and would be deferring the financial reports until the November meeting.
- C. Amended Budget for FY 2024 – Motion was made by Allison Canada to accept the amended budget as presented, seconded by Karen Smith and unanimously approved.
- D. Audit Report for FY '22 – Allan Gorsuch advised Sarah Jones has everything and will be contacting Queen Anne's to proceed with the audit report.
- E. Other: Mark Miller commented about the Governor's Executive Order relating to MEA accepting grants regarding net zeroing utilities in all public places and the different definitions of net zeroing.

IV. Manager's Report - Allan Gorsuch, Manager

- A. Revised Participant List – Listing was included in packets and noted that the information is also posted on the Energy Trust section of the esmec.org website.

- B. Trustees and Alternate Trustees – Allan Gorsuch gave history of the Energy Trust due to the many new participants present, and stressed the importance and responsibility of them serving in their roles as a Trustee/Alternate Trustee for their entity. Distributed a memo regarding Attendance which included a copy of the Bylaws. Reminded everyone of their fiduciary responsibility and asked that everyone make these meetings a priority with either the Trustee or Alternate Trustee present at each meeting.
- C. Communications/Correspondence –
  - a. Allan Gorsuch shared Thank You cards received.
  - b. Brief update on the ASBO/MACO conferences he attended - One day of the conference for each.
  - c. MCEC – Maryland Clean Energy Center – Serves on Advisory Committee. Conference coming up and noted he will email any items of interest arising from that conference.
  - d. Thanked Enel X for their help with the MEA data requested by the IAC and asked if this would be a one-time request or annually. Dr. Kelly Griffith will ask that question at a meeting she has with IAC present.
  - e. MCEC summit on Decarbonization Strategies and Solutions on October 17<sup>th</sup>. For more information visit <https://www.mcecsummit.org/>
- D. Press Release – Commented on the press release to be sent to the local newspapers and asked participants to revise for their own use in their local area.
- E. Brochures – Mentioned two brochures available for use. Contact the Energy Trust office for copies.
- F. Budget to Actual for FY 2023 – Included in packets. Noted these numbers are accurate and have been verified. Also noted the possible future location for ESMEC and ESMEC Energy Trust and the need may arise to revise the budget if and when that happens.
- G. Management Services Agreement – Copy included in packets and noted the transfer of funds to ESMEC to cover the various fees and costs.
- H. Cost Avoidance/Expense Reports – Allan Gorsuch reviewed accordingly. Note: Second page/summary would be good for participants to share with the Boards; Estimated Net Cost Avoidance Compared to Standard Offer Service.
- I. Enel X Contract – Allan Gorsuch and Mark Miller both gave overviews of the contract for consulting services and what transpired with BRCP in that process and how that led up to ESMEC and BRCP moving to the same contract cycle. With all of that being discussed and since BRCP now has a contract with Enel X, it was noted the following options were now on the table: 1.) To adopt the BRCP contract, 2.) continue with our five-year contract with Enel X or 3.) go out for bids. After considerable conversation and as recommended by Allan Gorsuch, by consensus, it was decided to continue the relationship with Enel X as is and stay the course over the next three years of that 5-year contract.
- J. Town of Federalsburg REC Agreement – Allan Gorsuch gave an overview/update of solar rec purchase from the Town of Federalsburg.
- K. Capital Reserve at WGES – Discussed this reserve held at WGES and some of the benefits and reasons in which the Trust has been able to tap into this resource.
- L. Renewable/Energy Projects Update Form – Allan Gorsuch noted the importance of keeping us updated on any changes to solar, geothermal projects or other renewable energy projects.
- M. Meeting Dates and Times – Noted all meetings will be held via Zoom except for the annual meeting held in September.
- N. Review Handouts – Copy of Account Billing Rates covering FY07 to FY23 included in packets. Copy of two new appointments for Trustees and Alternate Trustees for Queen Anne's County and Somerset County were also included in the packets, along with a copy of the July 18, 2023 Energy Block Confirmation.
- O. Wicomico County Government - Discussed meeting with Wicomico County government and advise they just signed a 5-year contract.

P. Other – Touched briefly on a news article, new effort in the State with University of Maryland creating a searchable database to look at vendors serving education in the State. For more information, visit; <https://contracted-out.netlify.app/>

V. Consultant Report - Enel X - Noel Chesser, Principal Energy Advisor and Eric Meyer, Senior Energy Advisor

A. Market Update – Eric Myer reviewed the Energy Market Update Report, noting key results from August 2023 activity include extremely strong domestic supply, early September heatwave boosted gas generation demand in the northeast. Feedgas to LNG export facilities declined due to lower levels of demand driven by facility maintenance. Also noted the U.S. is not the only country building these LNG facilities and that we don't want to over supply. Also noted that Summer 2023 balancing between higher gas used for power generation, offset by lower LNG exports with two major facilities partially down for maintenance. Noted the Green-e REC's grandfathered price expires FY'26. Allan Gorsuch asked that the group be kept informed of any legislation regarding this. Mark Miller commented the best way to deal with some of this cost avoidance would be energy storage. Continued conversation led to solar REC's and how to fulfill the 2023 obligations.

Solar Rec's - Mark Miller asked for a motion to purchase Solar REC's at market price as opposed to our grandfathered rate in order to support the need for our members to report that their entity supports the state initiative in renewal energy. Rick Raulie made the **MOTION** seconded by Phil Thompson. Mark asked for any opposition, hearing none, the motion passed unanimously.

Please note the estimated cost is an additional \$30,000 annually, but we still will benefit by a 2% cap because of the grandfathered contract. Both Noel and Eric commented this will change the Working Capital Balance. This cost is already Included in billing rates and should be included in FY '24 budgets.

- B. Enel X Portfolio Performance Reports – Eric Meyer stated Portfolio cost was \$5.50 under budget. A noteworthy comment was that they really saw natural gas market come down and that we cannot expect this in the future.
- C. Billing Rates – After discussion it was decided the Billing Rate will remain the same. Will revisit rate again in January or March.
- D. System Peak Predictor – Eric gave overview and talked about how the capacity tags are created and reminded the group that anything they can do to reduce electricity helps everyone.

The meeting adjourned at 12:25 PM.

Respectfully submitted,

R. Allan Gorsuch, Ed.D.  
Manager, ESMEC Energy Trust

Robin W. Fairall  
Secretary, ESMEC Energy Trust

**Next Meeting: via Zoom – November 9, 2023**