



(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 15 2022**

- I. Meeting was called to Order by Chairman, Mark Miller. Those present representing a quorum were: Bill Mengel, Richard Raulie, Andrew Marshall, Alleesa Stewart, Jane Towers, Teresa Searing, Karen Smith, Allison Canada, Kelly Griffith.

Also present were Allan Gorsuch, Eric Meyer and Chad Fisher.

II. **Election of Officers for FY 2022\***

- **Chairman**

Allison Canada made the **Motion** to nominate Mark Miller, seconded by Jane Towers. There were no further nominations and Mark Miller was unanimously approved.

- **Vice Chair**

Mark Miller made the motion to nominate Allison Canada as Vice Chair seconded by Rick Raulie. There were no further nominations and Allison Canada was unanimously approved.

- **Secretary Appointment**

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

III. Chairman's Report - Mark Miller, Chairman

- A. Approval of Minutes - **MOTION** made by Jane Towers to approve the May 12, 2022 minutes as submitted, seconded by Bill Mengel and unanimously approved.
- B. Finance Report – Jane Towers made the **MOTION** to approve the finance report as presented, seconded by Bill Mengel and unanimously approved.
- C. Budget Amendment – Mark Miller discussed Zoom meetings and protocols. Mark Miller indicated that future proposed budgets are to be based on historical practices for determining increases, including any changes in the amount for the Trust Manager. Upon a **MOTION** by Kelly Griffith, seconded by Karen Smith, all were in favor of the Amended 2023 Trust Budget dated 9-15-22.
- D. Audit Report for FY '22 – Allan Gorsuch reminded everyone Tim Brooke conducted the audit report for FY '21 and said he would also do it for FY'22. Allan Gorsuch is to follow-up with Tim Brooke on this. Also reminded everyone that Queen Anne's County serves as the Fiscal Agent for the Energy Trust and the Trust accounts are included in the annual, independent audit conducted for the Queen Anne's County Board of Education
- E. Other: Town of Sudlersville – Mark Miller advised that the Town of Sudlersville has left the trust.

III. 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 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.
- C. Communications/Correspondence –
  - a. Allan Gorsuch updated all on the BRCPC bid process and explained what had transpired over the course of a year and never materialized, resulting in a new contract between Enel X and the Energy Trust.
- 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 – Updated and included in packets.
- F. Budget to Actual for FY 2022 – Included in packets.
- G. Management Services Agreement – Copy included in packets and noted the transfer of funds to ESMEC to cover the various fees.
- H. Cost Avoidance/Expense Reports – Allan Gorsuch reviewed and noted the 2<sup>nd</sup> page/summary would be good for participants to share with the Boards; Estimated Net Cost Avoidance Compared to Standard Offer Service.
- I. Renewable/Energy Projects Update Form – Allan Gorsuch noted the importance of keeping us updated on any changes to solar or geothermal projects, as WGL purchases for ESMEC.
- J. Meeting Dates and Times – Noted all meetings will be held via Zoom except for the annual meeting held in September.
- K. Review Handouts – The two sections of the new contract with Enel X were included in the packet. These are not to be generally distributed. New participant representatives should review the documents on the website that describe how the Trust conducts business in the energy market.
- L. Other – Block Purchase dated May 16, 2022 – copy in the packets.

IV. Consultant Report - Enel X - Eric Meyer, Senior Portfolio Analyst and Chad Fischer

- A. Market Update – Eric Myer reviewed the Energy Market Update Report, noting key market price drivers of the oil and natural gas markets. Natural Gas is the most abundant type of generation, 65-70% natural gas based, and that gas prices directly affect the price of electricity.  
  
Eric advised they are seeing very volatile winter pricing, all related to natural gas. This happened one other time during the Polar Vortex period, over which we have no control.
- B. Another option to offset rising costs would be to buy more electricity with fixed rates and eliminate the Day Ahead market. (See Slide 22 comparing weighted average of hedges vs the current market.) It was noted to look at facility use agreements in each of the counties as an option to pass along some of the costs.
- C. Portfolio Performance Report – Eric Meyer reviewed the portfolio results and discussed in more detail the costs of doing business and the options to offset some of those costs; hedge status, usage reduction. Spoke about gas storage definitely being a driver with no likely U.S. storage being developed.

- D. Billing Rates\* - Enel X recommended the Trust increase the billing rate to **\$87.00** per megawatt hour as of October and continue to bill at the new rate through FY 2024. The increase is due to the unexpected changes in the energy market and the fund balance deficit in the energy fund held by Washington Gas Energy Services. The billing rate only applies to usage through Delmarva Power accounts.

Upon a **MOTION** by Jane Towers to accept the recommended billing rate as presented, seconded by Allison Canada, the motion was unanimously passed. (See page 19 of the Portfolio Report).

System Peak Predictor - Discussed the PJM hourly peak load (see slide 13 of Portfolio report) determining the capacity tags and stressed the Red Day Alerts and the best way to approach rising costs is to utilize the peak predictor program to reduce usage.

- E. Cost Avoidance and Usage Reports – 5 Page report included in packets. Allan Gorsuch reviewed and commented that these are all related to usage and that some participants have reduced their usage dramatically. Anything you can do to reduce usage reduces the overall costs. Noted on the last page of the handout that this usage was just for Delmarva Power accounts.

The meeting adjourned at 12:00 AM.

Respectfully submitted,

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

Robin W. Fairall  
Secretary, ESMEC Energy Trust

**Next Meeting: via Zoom – November 10, 2022**