



(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 May 11, 2023 (Abbreviated Meeting via Zoom)

- 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, Sarah Jones, Teresa Searing, Karen Smith, Allison Canada, Phil Thompson, and Kelly Griffith.

Also present were Allan Gorsuch, Jon Hill, Facilities Manager, Somerset County BOE, Tony Practico, Cecil County Government, Eric Meyer and Chad Fisher.

II. Chairman's Report - Mark Miller, Chairman

- A. Approval of Minutes - **MOTION** made by Allison Canada to approve the March 23, 2023 minutes as submitted, seconded by Richard Raulie and unanimously approved.
- B. Finance Report – Allison Canada made the **MOTION** to approve the finance report as presented, seconded by Richard Raulie and unanimously approved.
- C. FY 2024 Budget – **MOTION** made by Phil Thompson to accept the budget submitted with the suggested edits, seconded by Jane Towers and unanimously approved.
- D. State Energy Report Format – Report was put together by Enel X under the current contract. Please note, this report is directed to LEA's, not county governments.

In addition, the following links were provided by Eric Meyer:

Main IAC LEA website [https://iac.mdschoolconstruction.org/?page\\_id=616](https://iac.mdschoolconstruction.org/?page_id=616)

Under Energy Reporting Template for LEA Electricity Data, or link here <https://iac.mdschoolconstruction.org/wp-content/uploads/2022/08/Reporting-Template-for-LEA-Energy-Data-Rev-Aug-2022.pdf>

**NOTE: LEA reporting is due June 30, 2023**

III. Manager's Report - Allan Gorsuch, Manager

- A. Revised Participant List – Updated and posted on the Energy Trust section of the ESMEC website.  
Trustees and Alternate Trustees – Allan Gorsuch stated the importance the participants have serving in a fiduciary capacity as a Trustee/Alternate Trustee for their entity. Stressed that they must be reminded of that fiduciary responsibility and if they are unable to attend a meeting to make sure their entity is represented.

- B. Enacted Legislation – Eric Meyer has been tracking legislation as it relates to the Energy Trust and Allan Gorsuch highlighted bills regarding school buses and rebates in which, facilities people may want to pay attention to.
- C. ESMEC – ET Meeting Dates – **MOTION** was made by Sarah Jones to approve the meeting dates as presented, seconded by Phil Thompson and unanimously approved.


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

Eric Meyer opened the conversation commenting on the Natural Gas market. “In a good position for summertime '23. Storage levels 20% above the 5-year average which is great. Not overloading the pipelines when demands goes up.”

- A. Market Update – Eric commented that most forecasts are calling for a mild summer; relatively neutral June, hot July and neutral August according to a recent weather forecast. Production remains over 100 BCF/day despite some producers calling for cuts.
- B. Enel X Portfolio Performance Reports

Touched on the delayed capacity auction being a separate pricing mechanism, mainly used for reliability in the Grid. As a result of the delay, PJM is initiating an accelerated capacity market reform to address major reliability concerns. The two most likely scenarios are indicated below:

Capacity Auction Delivery Year	Current Auction Schedule	Potential Alternative Schedule #1	Potential Alternative Schedule #2
2025/2026	June 2023	June 2023	May 2024
2026/2027	November 2023	May 2024	November 2024
2027/2028	May 2024	November 2024	May 2025
2028/2029	TBD	May 2025	November 2025
2029/2030	TBD	TBD	May 2026

 Indicates Auctions that would achieve the 3-year auction framework

Commented on the REC market trends – Green-e National Certified RECs, trading down right now from where they were in comparison to last 4-5 months. Both Solar and Wind RECs are trading in contango, meaning that RECs corresponding to further years out are priced at a premium compared to short-term RECs. The spread between VY 2022 and VY 2024 is \$1.25 for Solar as well as for Wind RECs. This gap is narrower than a month ago. If you would like more information on this, send Eric an email. Will cover 1 megawatt hour.

- C. Billing Rates\* - Eric stated to expect great results for May for the Portfolio. Mark Miller added the negative balance is because '21 lower costs than '22 costs. Is aggressiveness something we want to continue? Do you think because of the volatility we should hold a higher fund balance? Eric suggested to keep a high working capital balance in the portfolio to provide stability in the next couple of years due to the state of market right now. On that note, Allan Gorsuch expressed concern and asked to look for another alternative to the set aside fund balance; perhaps a second level where the Trust would gain interest off of the working capital balance. Asked that Eric review the structure for options and asked him to bring something back to the table at the September meeting.

- D. Budget Forecast – Talked about SRECs (page 27 of Portfolio report) and the Town of Federalsburg’s contract. Discussion ensued regarding the grandfathered rate of \$50.00 thru ’26. Eric Meyer is to look into that for the possibility of alternative pricing approaches and will comment on this at the September meeting.
- E. Renewable Energy Report for I.A.C. – See II.D. above.
- F. Other – System Peak Predictor – Eric advised they were finalizing the list this week of those that will be receiving the Green and Red day alerts.

The meeting adjourned at 10:30 AM.

Respectfully submitted,

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

Robin W. Fairall  
Secretary, ESMEC Energy Trust

**Next Meeting: In Person – September 14, 2023**