



## **SB 34: An Act relating to investment of the Power Cost Equalization Endowment Fund**

### **Bill Purpose**

The bill:

- Removes the stated nominal investment return target of at least 7% from the statute and replaces it with a 4% return over a five-year period.
- Directs to commissioner of revenue to use this target return to invest in a manner to meet the objectives of the power cost equalization and rural electric capitalization program.
- Allows the fund to be invested in less risky investments, when appropriate, that will still meet the financial needs of the program.

The Act would become effective immediately upon signing.

### **Fund History**

Power Cost Equalization Endowment Fund established in 2000 from a Constitutional Budget Reserve Appropriation of \$100 million

Additional \$89.6 million received in 2002 from proceeds of the sale of the four dam pool hydroelectric project.

Additional appropriations of \$182.7 and \$400 million in 2007 and 2012

March 31, 2015 balance: \$980 million

### **Fund Return**

Inception to date compounded annual return 6.05%