



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%