



# SENATE BILL 323: Joint Municipal Power Agencies/Investments.

2021-2022 General Assembly

<b>Committee:</b>	Senate Pensions and Retirement and Aging. If favorable, re-refer to Rules and Operations of the Senate	<b>Date:</b>	March 31, 2021
<b>Introduced by:</b>	Sen. Newton	<b>Prepared by:</b>	Jennifer McGinnis, LAD Attorney Theresa Matula, Committee Staff
<b>Analysis of:</b>	First Edition		

**OVERVIEW:** *Senate Bill 323 would authorize moneys deposited in certain decommissioning funds established by North Carolina Municipal Power Agency Number 1 to be invested through the State Treasurer's Ancillary Governmental Participant Investment Program.*

[As introduced, this bill was identical to H257, as introduced by Rep. Arp, which is currently in House Finance.]

**BILL ANALYSIS:** Senate Bill 323 would authorize moneys deposited in Catawba Unit No. 1 Decommissioning Trust Fund and the Catawba Unit No. 2 Decommissioning Trust Fund by NCMPA1 to be invested through the State Treasurer's Ancillary Governmental Participant Investment Program.

**EFFECTIVE DATE:** The bill would be effective when it becomes law.

## BACKGROUND:

### North Carolina Municipal Power Agency Number 1

North Carolina Municipal Power Agency Number 1 (NCMPA1 or Agency) was formed in 1976 under authority of [Chapter 159B of the General Statutes \(Joint Municipal Electric Power and Energy Act\)](#). NCMPA1 is comprised of 19 cities and towns in the piedmont and western North Carolina. The Agency has a 75% ownership interest in Catawba Nuclear Station Unit 2, located in York County, S.C., which is operated by Duke Power.

### Decommissioning Funds Required

Under [federal law](#), the United States Nuclear Regulatory Commission (NRC) requires each holder of an operating license for a nuclear facility to establish and maintain funds to decommission the facility. The license issued by the NRC for the Catawba project expires in 2043. NCMPA1 established the Catawba Unit No. 1 Decommissioning Trust Fund and the Catawba Unit No. 2 Decommissioning Trust Fund pursuant to a Decommissioning Trust Agreement executed on June 28, 1990.

### Ancillary Governmental Participant Investment Program

The North Carolina Department of State Treasurer (Treasurer) maintains an Ancillary Governmental Participant Investment Program (AGPIP) in which the Treasurer is authorized to invest monies for governmental entities that are outside the North Carolina Retirement System. As part of that program, the Treasurer has established several investment pools (or Funds), as authorized by North Carolina law, for

Jeffrey Hudson  
Director



Legislative Analysis  
Division  
919-733-2578

# Senate Bill 323

*Page 2*

investment by participants in the AGPIP to help ensure these investments benefit from low-cost professional management.

**CURRENT LAW:** [G.S. 159B-18](#) requires a joint power agency to invest all moneys it receives, whether as proceeds from the sale of bonds or as revenues, in various methods specifically set forth in the statute. Investment of such funds in the AGPIP is not currently authorized.