Brett Kilbourne
PCCA Annual Convention
March, 19, 2019
Frigate Bay, St. Kitts
About UTC

• Established in 1948 to assist electric utilities in acquiring radio spectrum for communications networks
  • Utility communications networks must work all the time—can’t rely on commercial providers
• Membership expanded to include all utility services: gas, water, electricity, pipelines
UTC Goals

• Advocate for our members as they pursue telecom/IT networks
• Be their voice before Congress, the Administration, the courts, state/federal agencies
• Identify and capitalize on emerging technologies and regulatory trends
• Provide networking opportunities, lessons learned between energy and tech sectors
Market Assessment

• Utilities are undergoing transformational change in terms of their communications needs as they implement smart grid and protect against physical and cyber threats.
• Leased line circuits and legacy carrier services are being discontinued and/or replaced as part of the IP Transition.
• These forces are leading to implementation of higher capacity communications systems further into utility distribution networks.
Market Assessment

• Investor-owned utilities, large public power providers and cooperatively-organized utilities have extensive communications networks.

• Utilities are increasingly interested in or are already offering wholesale or retail services using their existing infrastructure.

• This benefits utilities and improves the quality of life in the communities they serve.
Utility Broadband

• Funding
  • FCC CAFII
  • USDA RUS ReConnect
  • Mapping

• State laws on Utility Broadband
  • State broadband programs
Funding: FCC Connect America Fund

• Overview: 35 electric cooperatives awarded over $225 million in August 2018

• Recipients required to construct 40% in the first three years and 20% for each succeeding year over a 6 year period.

• Funding process completed in February with filing of ETC and financial audits.
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<th>Bidder</th>
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Funding: RUS ReConnect Program

• $600 million authorized in FY2018
  • RUS announces $200M for 100% grants; $200M for 50/50 loans and grants; and $200M for 100% loans.
  • Deadlines for filing: moved back to begin no earlier than May 29, due to federal shutdown.
    • expected every month thereafter

• Restrictions on eligible areas and collateral may limit ability to access funding.
  • Areas must be 90% or more unserved with 10/1 mbps.
Mapping

• FCC Broadband Progress Report (draft, 2/19) – Claims that digital divide has closed significantly, but questions have been raised about the accuracy of the data.

• Improving Broadband Mapping Accuracy Act -- use consumer-reported data and state and local government data to improve the maps; improve challenge process.

• NTIA Announces Partnership w/ States on Broadband Mapping (2/2019)
  • Trump FY19 Budget includes funding for this effort.

• Senate Broadband Hearing (3/13) emphasizes better mapping data and coordination of funding programs.
State Laws on Utility Broadband

• Mississippi – 2019 law lifts restrictions on electric cooperatives to provide broadband.
• Georgia – similar law passed by House
• Tennessee – 2017 law lifts restrictions on cooperative utilities, but not municipals
• North Carolina – restrictions on municipal broadband remains.
State Broadband Funding

- Alabama: Alabama Broadband Accessibility Fund
- California: California Advanced Services Fund (CASF) Infrastructure Grant
- Colorado: Department of Local Affairs (DOLA) Broadband program; SB2 diverts HCSM $ to broadband over 5 years.
- Georgia: SB402 enacted, promoting broadband deployment in rural areas, relies on USDA RUS e-connectivity program for funding. SB426 failed to pass but would have affirmatively authorized electric cooperatives to offer broadband.
- Indiana: $100 million broadband grant program proposed by Gov. Eric Holcomb
- Maine: Statewide Broadband Action Plan recommends 25% contribution for broadband deployment, including $40 million this year and $150 million over 5 years.
- Michigan: Broadband Roadmap unveiled to 1) promote broadband access to Unserved Areas; 2) Increase Broadband Adoption; and 3) Advance Michigan’s Broadband Ecosystem.
- Minnesota: Broadband Grant Program awards $26 million to 32 recipients in 2017.
- Missouri: HB1872 signed into law, establishing Missouri Rural Broadband Development Fund matching grant program
State Broadband Funding

• Nebraska: LB994 creates a Rural Broadband Task Force to develop a plan for the deployment of enhanced broadband services in rural parts of the state.

• New York: Broadband for All program provides $225 million in phase III grants in 2018 to 17 recipients, including $5.7 million in matching grants to Otsego Electric Cooperative.

• North Carolina: Growing Rural Economies with Access to Technology passed in summer session, creating $10 million in grant funding for rural broadband.

• Oregon: Rural Broadband Capacity Program awards $4.8 million in funding to 25 applicants, including a feasibility study by Coos Curry-Elec. Cooperative.

• Pennsylvania: Broadband Investment Incentive Program awards $35 million to private providers bidding on service areas within Pennsylvania in the FCC’s CAFII auction, including $15.6 million to Tri-County Rural Electric Cooperative.

• Tennessee: Broadband Accessibility Act provides $45 million over three years and awarded nine out of 66 applications in the first round, including $1.35 million to Gibson Electric Membership Corporation.

Infrastructure Reliability

• Aftermath of Hurricane Michael leads to FCC inquiries into allegations of fiber cuts by utilities.

• UTC and EEI (as well as Southern Company) file comments reporting that utilities were not responsible and that better practices by carriers could avoid problems in the future.

• Pole Attachments
  • Order and Declaratory Ruling, August 2018
  • Small Cell Ruling, September 2018
Final Thoughts

• Utilities (large and small) are deploying fiber increasingly deeper into their networks for both internal and commercial purposes.
  • Entergy/Cspire in Mississippi and Dominion Broadband Feasibility Report in Virginia indicate IOU interest.
  • Large Co-op G&Ts, Large Public Power Providers, and Federal PMAs are also becoming involved on their transmission assets.
  • Local distribution cooperatives and municipal utilities are increasingly offering retail broadband, primarily using fiber to the home.

• Policymakers are promoting utility broadband.

• Policymakers are becoming more concerned about reliability.

• UTC is advocating for greater coordination across different federal agencies and state PUCs for policies to promote utility communications.

• UTC providing education and networking opportunities:
  • UTC Telecom & Technology Annual Conference, Fort Worth, June 17-21th
  • Utilities Broadband Workshop, Kansas City, August 21-22, 2019.
Questions?

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