Broadband Implementation Update

March 2023

The California Public Utilities Commission (CPUC) is actively implementing several new broadband grant funding programs, as well as updating existing programs pursuant to Senate Bill (SB) 156 (Committee on Budget and Fiscal Review, 2021), Assembly Bill (AB) 14 (Aguiar-Curry, 2021), and SB 4 (Gonzalez, 2021). This includes:

- Local Agency Technical Assistance (LATA) Grant Program
- Federal Funding Account (FFA)
- Loan Loss Reserve (LLR) Program
- California Advanced Services Fund (CASF) subprograms - Broadband Public Housing Account, Broadband Adoption Account, Rural and Urban Regional Broadband Consortia Account, Broadband Infrastructure Grant Account, Line Extension Program, and Tribal Technical Assistance.

The CPUC is also supporting the California Department of Technology (CDT) with the Middle-Mile Broadband Initiative by providing publicly vetted and comprehensive data analysis and maps. These efforts help guide the deployment of this state-owned, open-access broadband network that will serve as the backbone for statewide infrastructure to enable last-mile broadband infrastructure connections.

In addition, the CPUC was awarded $4,996,502 in federal funding from the Infrastructure Investment and Jobs Act (IIJA) of 2021 through the National Telecommunications and Information Administration (NTIA) Broadband Equity, Access, and Deployment (BEAD) program to do planning activities related to the BEAD last mile subgrantee program, which will be administered by the CPUC. The CPUC is coordinating with CDT in planning outreach activities and aligning digital equity planning with BEAD as CDT received a Digital Equity Planning Grant from NTIA and is the designated state entity for Digital Equity.

Below is an update on the CPUC's implementation of each of these programs and supporting activities. If you have any questions or would like to discuss further, please contact Grant.Mack@cpuc.ca.gov and Amanda.Singh@cpuc.ca.gov within the CPUC Office of Governmental Affairs.

Snapshot Update
- The CPUC has awarded Local Agency Technical Assistance (LATA) grants to 83 applicants for a total of $36.9 million, to date.
    - The CPUC continues to accept applications for the LATA Grant Program with monthly application windows. More information here: https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/local-agency-technical-assistance

- To date, via ministerial award, the CPUC awarded $6.1 million to fund 75 adoption digital inclusion projects from 20 applicants that will serve 23,638 participants on September 23, 2022.
- On December 15, 2022, the CPUC awarded $1.398 million to fund 19 public housing broadband projects from three applicants that will serve residents of 800 units.
  - More information can be found here: https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-public-housing-account
- On January 12, 2023, the CPUC awarded $10.3 million to fund 15 consortia projects representing 51 counties in California.
- The CPUC has awarded two tribal technical grants received in January 2023 to Ft. Bidwell Indian Community and Resighini Rancheria.
  - The CPUC continues to accept applications for the Tribal Technical Assistance program with quarterly application windows. More information can be found here: https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/tribal-technical-assistance
- The CPUC continues to accept applications for CASF subprogram grants including for Adoption/Digital Equity, Consortia, and Public Housing/Eligible "low-income communities". Latest round of applications was due on January 3, 2023.
  - The next Adoption/Digital Equity and (2) Public Housing/Low-Income Communities' applications are due July 1, 2023.
- To date, the Broadband Infrastructure Grant Account and Line Extension programs are supporting 104 projects that provide access to an estimated 64,872 potential households.
  - The next Broadband Infrastructure Grant Account applications are due April 3, 2023.

Webinars & Roundtables

The CPUC hosted or participated in the following public outreach and engagement meetings in the past quarter:

- Tribal Broadband Consultation and Broadband Roundtable in Indian Country at Blue Lake, California (February 28 and March 1, 2023)
- Statewide Digital Equity Planning Group Meeting (January 25, 2023)
- California Broadband Council Meeting (January 25, 2023)
- Middle Mile Advisory Committee Meeting (January 20, 2023)
- Middle Mile Broadband Initiative Regional Tribal Engagements (January 11, 2023, January 17, 2023, and February 2, 2023)
- FCC Broadband Map Availability Challenge Process for California Stakeholders (December 2, 2022)
- California Broadband Council, Middle Mile Advisory Committee, and other meetings

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Local Agency Technical Assistance

SB 156 tasked the CPUC with developing and administering a $50 million technical assistance program for tribes and local governments deploying last-mile broadband infrastructure. The program funds pre-construction costs such as permitting, planning, and designing, including for agencies that may later apply for a last-mile grant. This program is being implemented through the CASF proceeding (R.20-08-021).

Recent Actions:
- To date, the CPUC has awarded LATA grants to 82 applicants for a total of $36.4 million.
- The CPUC has received 119 applications totaling $53.7 million in funding requests, as of March 1, 2023.
- The CPUC is reviewing the first set of quarterly progress reports from 57 LATA grantees, received on January 31, 2023.
- Program funds are available to reimburse eligible local entities and tribes for specific pre-last-mile broadband deployment project development costs, including needs assessments and strategic plans.
- The public website for the program with additional resources can be found here: https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/local-agency-technical-assistance.

Next Steps:
- The CPUC is in the process of seeking additional LATA funding and will continue conducting additional external outreach to interested program applicants.

Federal Funding Account

SB 156 appropriated $2 billion to broadband last mile infrastructure development through the Last Mile Broadband Initiative FFA. The CPUC is implementing this program through the public broadband infrastructure and deployment proceeding (R.20-09-001). A petition for modification is pending in the proceeding.

Recent Actions:
- The CPUC has been working on several tasks to prepare for the opening of the first FFA grant application cycle. These actions will assist in the CPUC in efficiently reviewing, deciding on, and reporting out project applications that have the highest probability of delivering high-speed, reliable, and affordable broadband service.
  - These actions include hiring staff, developing a grant application interface system, creating funding eligibility maps, awarding technical assistance grants, and developing federal and state funding reports.
- The CPUC published a first draft of the Federal Funding Account Public Map. The preliminary Public Map showed the location of and data about potential last mile broadband infrastructure grant projects.
- The CPUC received extensive feedback from legislators, stakeholders, and members of the public on key issues with the first draft of the map. Specifically:
  - Too many unserved locations were not appearing on the map.

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- Application scoring should be more closely tied to specific equity measures, which should be reflected on the Public Map.
- Applicants needed more data to enable them to evaluate unserved areas and create projects.

Next Steps:
- In response to feedback on the preliminary draft map, the CPUC plans to update the data used for the map.
  - The Federal Funding Account data will be updated with validated unserved data, based on California's 2022 address-level data collection.
  - Application scoring will be applied such that 20 points in "Existing broadband service need" category will go to applications for disadvantaged areas.
  - The CPUC Federal Funding Account decision ([D.22-04-055](#)) county allocation will remain in place after June 30, 2023. The statute specifies an allocation between and among "urban counties" and "rural counties" for funds encumbered before July 1, 2023, and there are no plans to change the decision allocation; if the allocation is changed it would only be after public notice and comment.
- Currently, the CPUC is working to communicate and update access to data on the following subjects:
  - All unserved locations are presumed eligible for the federal funding account. These locations are going to change from the locations which were presented on the preliminary draft map.
  - An applicant can put forward information to show that a served area is unserved, and request funding.
  - The CPUC will be continuing to hold meetings with stakeholders in the coming weeks to solicit feedback and communicate critical programmatic information.
- The CPUC anticipates releasing a new version of the Public Map by April 2023.
- The CPUC will release an applicant's tool which provides more information on the priority areas.
- The CPUC Plans to accept applications starting in June 2023.

Loan Loss Reserve

SB 156 tasked the CPUC with designing and administering a [Loan Loss Reserve](#) (LLR) program of $750 million for local governments and nonprofit entities. This program will assist local-governments and non-profit entities to finance the build out of their own last-mile broadband infrastructure. The CPUC is designing this program through the CASF proceeding ([R.20-08-021](#)). The Loan Loss Program Fact Sheet can be found here: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/broadband-implementation-for-california/bb-loan-loss-factsheet-0816-v2.pdf.

Recent Actions:
- Comments and on the LLR proposal were received October 14, 2022, and reply comments were received October 24, 2022. More information can be found here: https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/loan-loss-reserve-fund.

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- On November 1, 2022, the CPUC and the California Infrastructure and Economic Development Bank (iBank) signed an Interagency Agreement to work together to develop the Loan Loss Reserve Fund.
- The CPUC held a public participation workshop on November 8, 2022 to provide an opportunity for community organizations to provide feedback on staff's proposal.
- Due to state budget modifications, the LLR program will receive $175M instead of the $750M for current year 2023-2024, the remaining $575M will be appropriated to 2024-2025 ($300M) and 2025-2026 ($275M).
- CPUC is evaluating whether to include modified versions of a bond guarantee or a state revolving loan fund as options to the staff proposal.
- CPUC is drafting proposed amendments to Public Utilities Code Section 281.2 that will allow for a state revolving loan fund.

Next Steps:
- The CPUC will develop a revised staff proposal and proposed decision to implement the LLR Program by July 1, 2023.
- The CPUC will need to develop an additional interagency agreement with iBank for program implementation.

Supporting Broadband Deployment & Adoption – CASF Subprograms

The CASF program has five subprograms – Last-mile Infrastructure, Line Extension Program, Public Housing, Consortia, Adoption and Tribal Technical Assistance. SB 156, AB 14, and SB 4 made changes to these subprograms governing statutes and extended the CASF program funding until 2032 to further increase the accessibility of broadband service throughout California. New program rules for these subprograms will be implemented through the CASF proceeding (R.20-08-021).

Recent Actions:
- The CPUC adopted Decision 22-05-029 which adopted new rules for the Broadband Adoption Account and the Rural and Urban Regional Broadband Consortia Account. In addition, it revised rules for the Broadband Public Housing Account for publicly supported housing developments and farmworker housing. Eligibility rules for other low-income housing developments and mobile home parks with low-income residents will continue in proceeding R.20-08-021. The decision also sets the allocations for these CASF subprograms as follows for the 2022-2023 fiscal year:
  - Infrastructure: $24,860,000
  - Consortia: $10,710,000
  - Public Housing: $15,000,000
  - Adoption: $20,024,000
  - Tribal Technical Assistance: $2,000,000

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- On November 17, 2022, the CPUC adopted Decision 22-11-023 that included program design changes for the CASF Infrastructure Account and modifications needed to implement recent legislation regarding project eligibility and performance criteria.

Next Steps: The CPUC plans to open the next application cycle for CASF Infrastructure projects in the 2nd Quarter of 2023.

- The Public Housing, Adoption, and Consortia accounts' application windows closed in July 2022 and January 2023.
    - *Adoption Account*
        - Received 100 applications totaling $29,027,843.95.
        - To date, awarded 75 projects via ministerial approval totaling $6,052,226.25 (74 projects accepted totaling $5,922,606.25)
        - 9 projects withdrawn and 3 denied.
        - Anticipate a resolution for remaining projects in early 2023.
    - *Public Housing Account*
        - Received and approved 19 applications via Resolution T-17775 totaling $1,398,593.
    - *Consortia Account*
        - Received 15 applications for $11,571,134 (The $11,571,134 was the amount originally requested. Due to some applications exceeding the max. annual funding cap, the updated amount is $10,333,173).
        - Approved via Resolution T-17778 for $10,333,173.
    - *Adoption Account January 2023 Application Round:*
        - Received 37 applications totaling $7,570,735.27. The CPUC is reviewing these projects.
    - *Public Housing Account January 2023 Application Round:*
        - Received 31 projects totaling $1,738,223.30. The CPUC is reviewing these projects.
    - *Tribal Technical Assistance January 2023 Application Round:*
        - Received and awarded two project applications totaling $300,000.