



Creative Approaches to Bridging the Digital Divide

Part I: Roles for the Public Sector and Utilities

New England Conference of Public Utilities Commissioners

Commissioner June E. Tierney

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I spy ... a big “new” idea and a big new trend in regulation:

Big new idea: Energy Equity (an old friend with new wrinkles)

Big new trend: Convergence (a new wrinkle among old friends)

Convergence: two pictures paint 1000 words



Energy Equity:

The just distribution of costs and benefits of an energy system (e.g. an electric grid) and universal access to affordable energy across customers in a service territory.

Convergence:

The accelerating interdependency of connectivity and energy infrastructure to deliver ubiquitous and equitable access to two necessities of our time: the internet and power.

ENERGY EQUITY: IS THAT A THING?

- Yes. Energy transformation innovations should be available to all customers in a given electric utility service territory
- Objective: Promote energy equity
- Strategy: Lower cost to broadband providers to connect **unserved** customers in remote parts of the state
- In Vermont, two electric utility tariffs were adopted in Spring 2021 on a **trial basis**
- Tariffs offer a discount toward infrastructure deployment cost per unserved location; approximately 52,000 such locations
 - Unjust cross-subsidy?
 - Inter-generational equity?

Vermont Broadband Expansion

- **Act 71:** *An Act Relating to Accelerated Community Broadband Deployment (6/8/21)*
<https://legislature.vermont.gov/Documents/2022/Docs/ACTS/ACT071/ACT071%20As%20Enacted.pdf>
- **Universal Access to High-Speed (100/100 mbps) Broadband ASAP**
 - Approximately 52,630 addresses in Vermont are either unserved or underserved
- **Vermont Community Broadband Board**
 - Housed “within” Public Service Department, but independent re: decisions
- **\$150M ARPA Appropriation to create the Vermont Community Broadband Fund**
 - Preconstruction Grants for Communications Union Districts
 - Construction Grants

What is a Communications Union District (CUD)?

- A Communications Union District (CUD) is an organization of two or more towns that join together as a municipal entity to build communication infrastructure together. Other types of municipal districts include Solid Waste Districts, Consolidated Sewer Districts, Emergency Medical Service Districts, Natural Resources Conservation Districts, and Consolidated Water Districts.
- ***For more information about the statute creating Vermont CUDs***, please see Title 30: Public Service, Chapter 82: Communications Union Districts in Vermont state statutes.

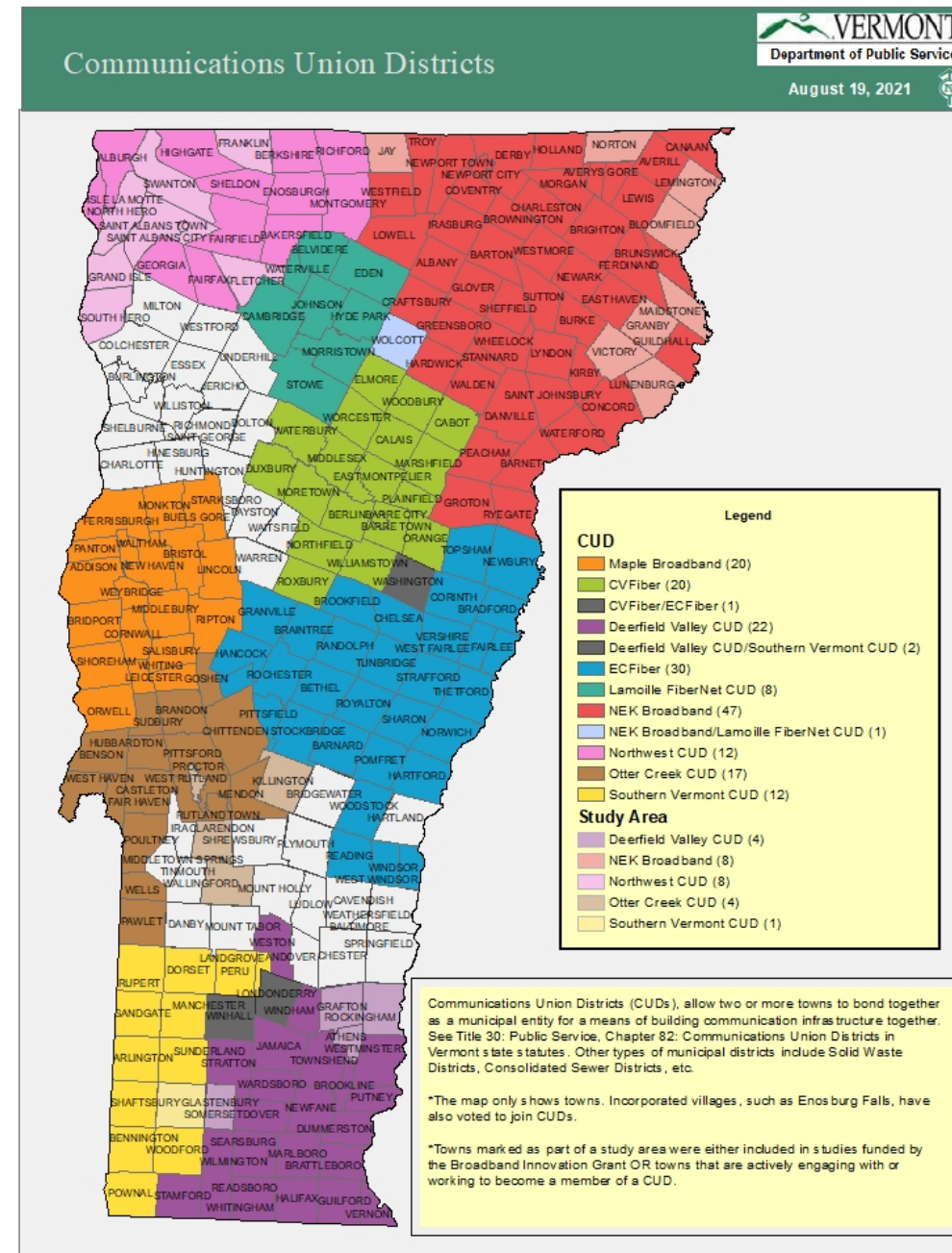
(<https://legislature.vermont.gov/statutes/section/30/082/03051>)

- ***For more information about how CUDs work and issues that come up***, please see the CUD FAQ on the website of the Vermont Department of Public Service.

<https://publicservice.vermont.gov/content/communications-union-districts-faq>

Vermont Broadband Expansion

- Areas in color are CUD territories in VT
- Approximately 52,000 addresses in Vermont are either unserved or underserved
- \$150M Appropriation to the Vermont Community Broadband Fund
- Act 71 provides that CUDs can partner with **Electric Utilities**



Vermont Broadband Expansion

Basic Model:

- Grant Funding and Donations Provide Initial Funding for CUDs
- CUDs build and owns infrastructure. Operator provides the service
- CUDs access the Revenue Bond Market to complete the build-out of their district
- “Rinse and Repeat” - Revenue bonds pay for additional build-out

Convergence:

Connectivity

=

Climate Action

+

Equity