

# 2018 Economic Development Conference

## **The Emerging Role of Cooperatives in Broadband Deployment**

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Brian O'Hara

Senior Director Regulatory Issues – Telecom & Broadband  
National Rural Electric Cooperative Association (NRECA)

# Broadband Enables Electric Distribution Optimization

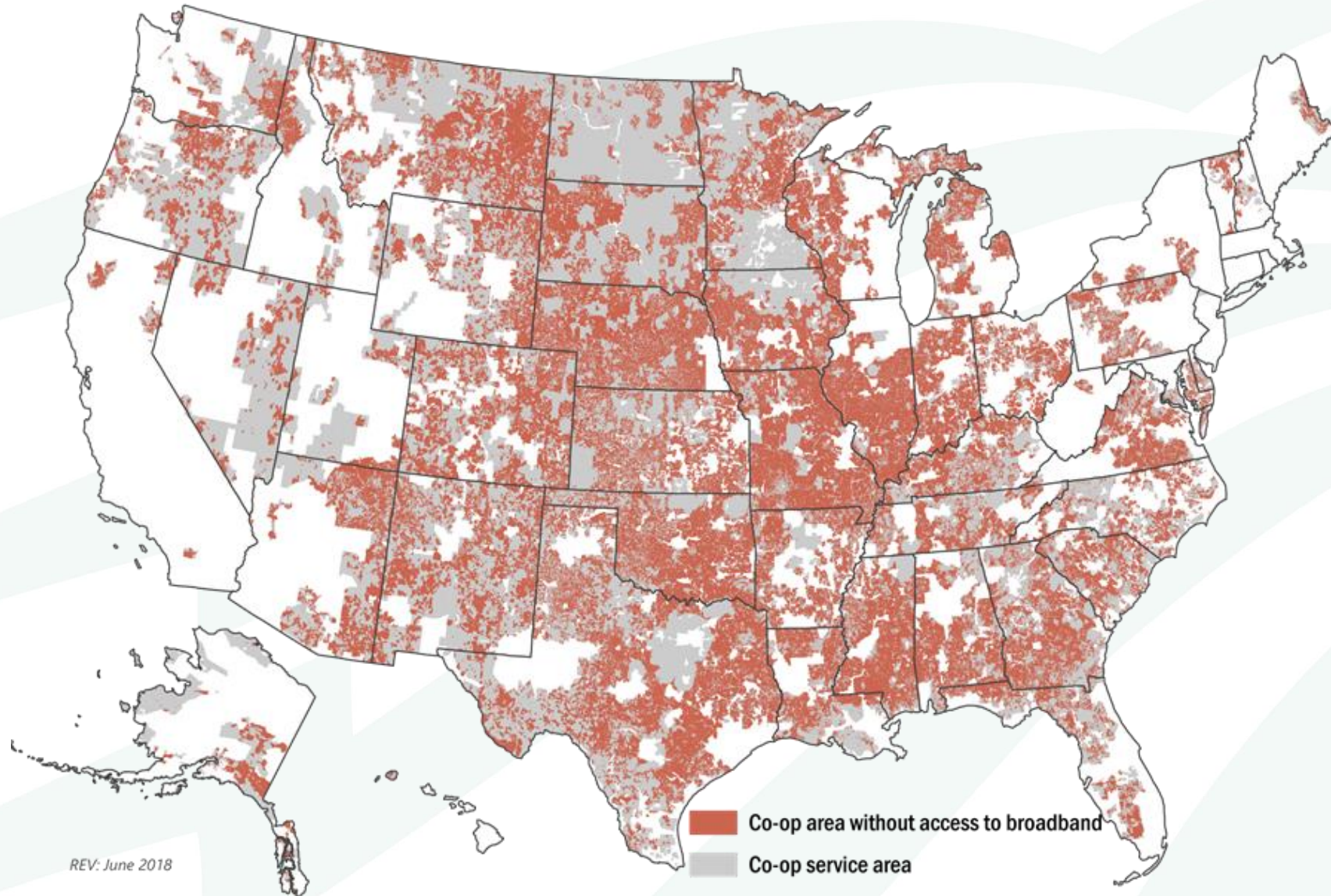
## Digital Applications Enhance Controllability of Costs

Application	
Distribution Automation	
Substation Automation	
Advanced Metering Infrastructure (AMI)	
Volt/Var Optimization	
Demand Management	
Outage Reduction	
Asset Management	
Distributed Energy Resources (DER)	

Broadband enables applications which allow a co-op to avoid costs. Total cost avoidance for a 10,000 member co-op is estimated to be **\$1.7 to \$2.4 million a year**.

*The Value of a Broadband Backbone for America's Cooperatives: A Benefit Assessment Study*

# 6.3 Million Electric Cooperative Households Without 25/3 Mbps Broadband



# Broadband Access Provides Value \$1,950/Household Annually

Lost Value to Electric Co-op Households: **\$68 Billion (over 20 years)**

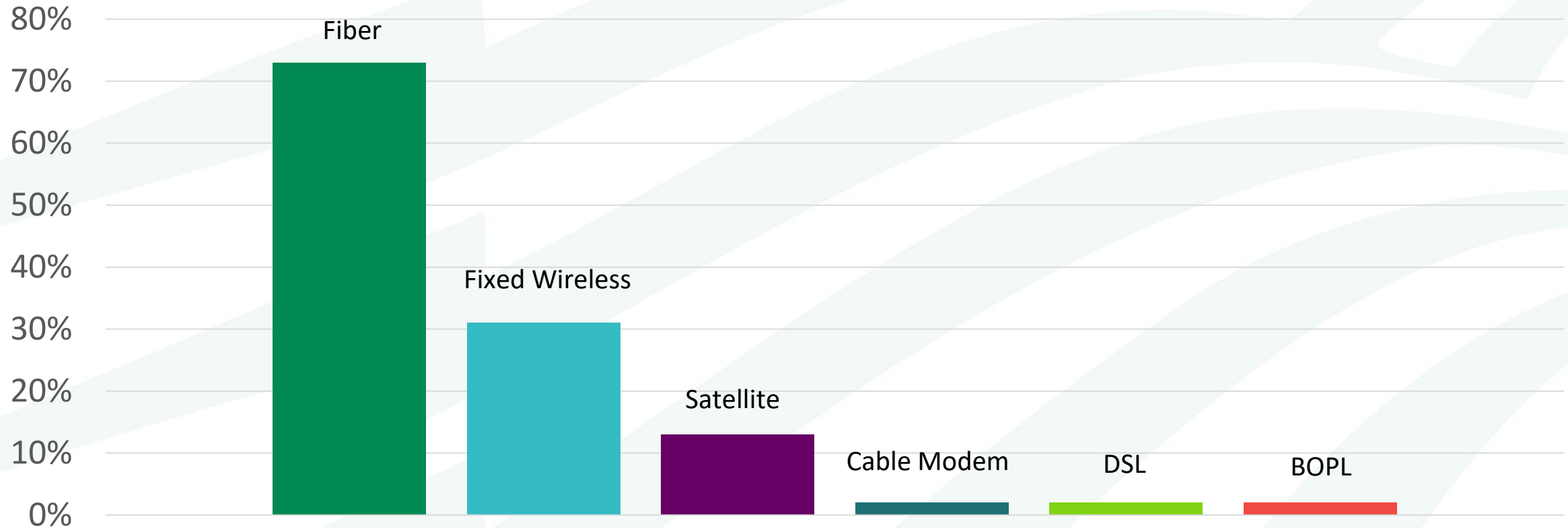


# Purdue University & Indiana EC Study

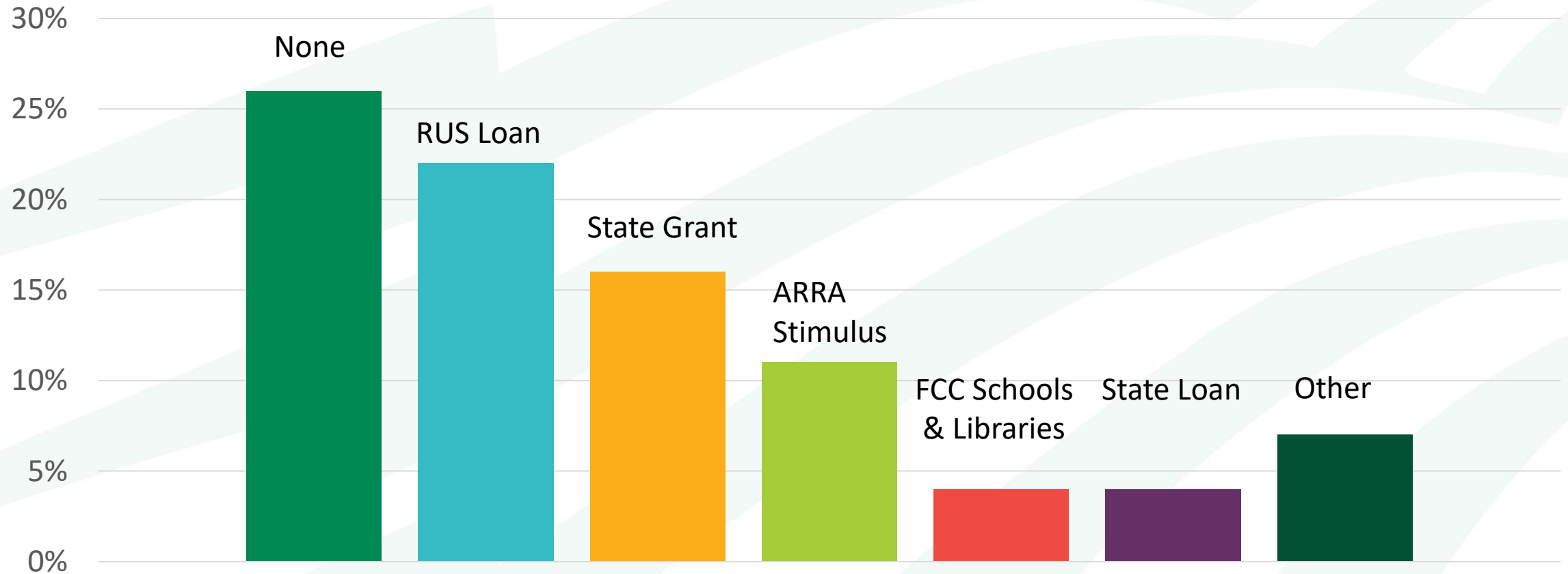
## Report: Broadband access would benefit rural areas, state

- Indiana could reap nearly \$12 billion in present value of net economic benefits over a 20-year period if broadband extended to the state's rural areas
- **Every dollar invested in broadband returns nearly \$4 to the economy**
- Rural broadband's large economic effect would add to state and federal government revenues and create budget savings.
  - \$3.24 billion of the total net benefit would flow to state and federal government via increased tax revenue and healthcare savings

# Technology Used for Retail Internet Service



# Financing Support for Electric Co-op Retail Internet



# Electric Co-ops in CAF II

## About 30 electric co-ops won bids in CAF II

- Thirteen individual co-ops won \$39 million and members of the Rural Electric Cooperative Broadband Consortium won \$186 million
- Impediments to more electric co-op participation in the CAF II
  - Census block group bidding areas large
  - Areas with 10/1 Mbps were deemed served – thus ineligible
  - Unreliable federal data overstated broadband availability – disqualifying many areas
  - Insufficient money allocated
- **27% of locations in CAF II Auction did NOT have a winner**



# RUS e-Connectivity Pilot Program

## **NRECA filed comments with RUS on Sept. 10**

- Adopt a sufficiency standard for areas considered already served of no lower than 25/3 at the outset of the program;
- Prioritize applications that:
  - Would build networks exceeding the minimum speed and those offering symmetrical broadband;
  - Would serve low population density areas and provide more grant money to low-density areas;
- Make affordability a key factor when evaluating applications and if an area is currently sufficiently served;

# Questions?

Brian M. O'Hara

Senior Director Regulatory Issues – Telecom & Broadband  
National Rural Electric Cooperatives (NRECA)

[brian.ohara@nreca.coop](mailto:brian.ohara@nreca.coop)

Ph: 703-9075798