California's BEAD Program Evaluation

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Welcome

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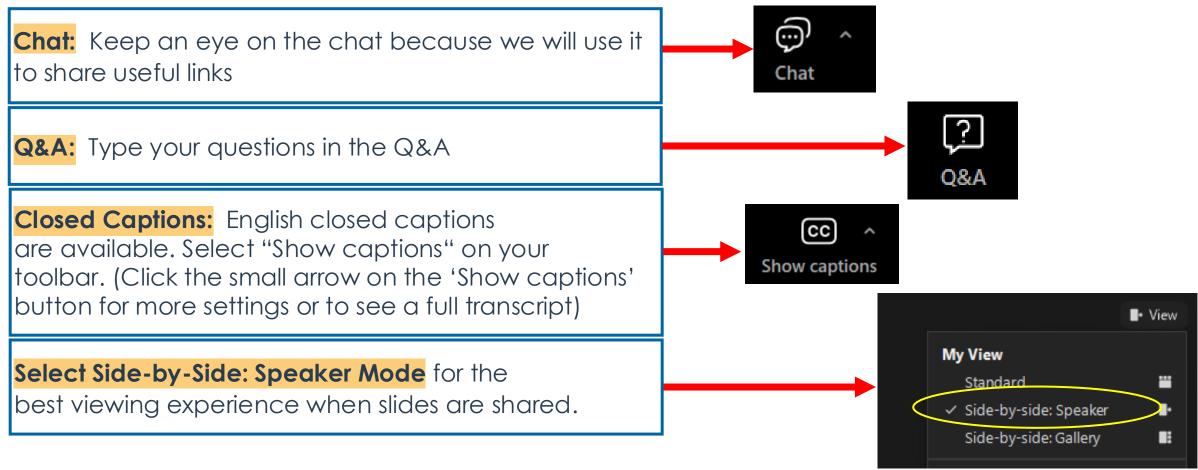
Agenda

- 1. Application types and prioritization
- 2. Scoring criteria overview
- 3. Primary criteria
- 4. Secondary criteria
- 5. Additional prioritization factors
- 6. Application ranking
- 7. Next steps



Housekeeping

Tips for getting the most out of this webinar



Application types and prioritization

Application categories are based on technology

Technology types

The BEAD Program sorts applications into three categories based on technology type:



Priority broadband project:

 "end-to-end fiber-optic facilities to each end-user premises" (IPv2 p. 20)



Other last-mile reliable broadband service:

 Hybrid fiber-coax (HFC), DSL, licensed fixed wireless (LFW)



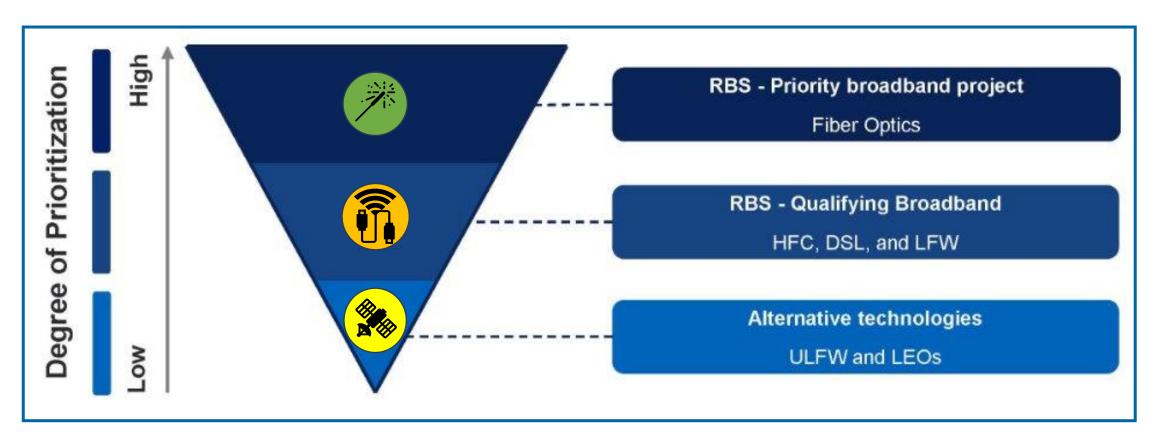
Alternative technologies:

 low-earth orbit (LEO) satellite, unlicensed fixed wireless (ULFW)

- Each category will have slightly different technology-specific application and scoring questions
- Applications will also be prioritized based on technology type

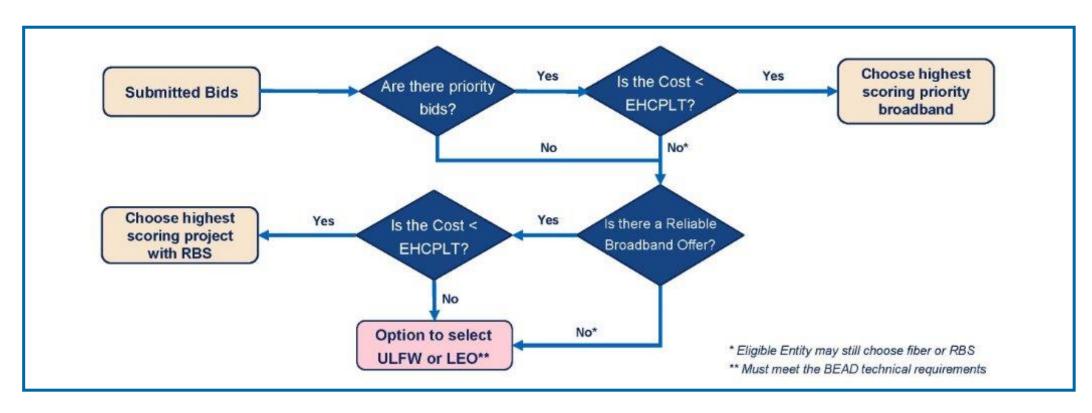
Source: NTIA Reliable Broadband Service & Alternative Technologies Guidance, January 2024

Broadband technology prioritization



Source: NTIA <u>Reliable Broadband Service & Alternative Technologies Guidance</u>, January 2024 RBS = Reliable Broadband Service

Selection criteria



EHCPLT = Extremely high cost per location threshold, which is the budget or benchmark for each project area. For more information, see Webinar 2 on Program design (on the <u>BEAD Events</u> page)

Source: NTIA Reliable Broadband Service & Alternative Technologies Guidance, January 2024

Scoring criteria overview

Scoring in selection of projects

- California's Initial Proposal Volume 2 (<u>IPv2</u>) outlines a competitive, fair, transparent, and open selection process
- Scoring according to criteria adopted in IPv2 is the primary method used to select projects.
 - IPv2 further requires that projects with certain technologies be prioritized (see pp. 39-45)
- The CPUC must also ensure inclusion of as many eligible locations as possible, prioritizing projects that include all eligible locations if they are cost-effective over those that propose an alternative percentage (90 percent) of eligible locations.

Scoring criteria requirements

- NTIA created rules that govern application evaluation and scoring criteria:
 - Primary criteria must amount to at least 75 percent of total points
 - Secondary criteria account for 25 percent of total points
- Other scoring criteria were customized in California's IPv2
- Some scoring criteria and/or point values apply exclusively to Priority (fiber) or Other Reliable Broadband (HFC, LFW, DSL) applications
- More in-depth information is available in the <u>IPv2</u> (pp. 39-45)

Scoring criteria for Priority Broadband Projects (end-to-end fiber)



Scoring Criterion	Points available
Primary Criteria (required under NTIA Rules)	
Affordability	35
Fair Labor Practices	20
Minimum BEAD outlay	20
Primary Criteria subtotal	75
Secondary Criterion (required under NTIA Rules)	
Speed to Deployment	5
Secondary Criteria subtotal	5
Additional Prioritization Factors	
Equity	10
Resilience	10
Additional Prioritization Factors subtotal	20
Total	100

California Public Utilities Commission BEAD Program Evaluation Source: <u>IPv2</u>, pg. 45

Scoring criteria for Other Last-Mile Broadband Deployment Projects





Scoring Criterion	Points available
Primary Criteria (required under NTIA Rules)	
Affordability	35
Fair Labor Practices	20
Minimum BEAD outlay	20
Primary Criteria subtotal	75
Secondary Criteria (required under NTIA rules)	
Technical Capability	4
Speed to Deployment	1
Secondary Criteria subtotal	5
Additional Prioritization Factors	
Equity	10
Resilience	10
Additional Prioritization Factors subtotal	20
Total	100

California Public Utilities Commission BEAD Program Evaluation Source: <u>IPv2</u>, pg. 45

Primary criteria (required by NTIA)

Affordability: 35 points available







Determination varies depending on technology (fiber vs. other technologies)

Description:

Applicant's commitment to providing the most affordable total price to the customer for 1 Gbps symmetrical service (Priority broadband projects) or 100 Mbps/20 Mbps (other last-mile projects) in the project area

CPUC scoring determination:





Based on commitment to offer 1 Gbps symmetrical service to BEADfunded locations at \$55 per month, inclusive of all taxes and fees



Other last-mile:



Based on commitment to offer 100/20 Mbps service to BEADfunded locations at \$35 per month, inclusive of all taxes and fees

For every additional \$1 per month that the applicant proposes to price its service, 1 point will be deducted from the 35-point maximum

For example, a 1 Gbps plan offered at \$65 would receive 25 points

Fair labor practices: 20 points available







Determination varies depending on whether applicant is a new entrant

CPUC scoring determination for existing providers:

- Up to 12 points will be awarded based on the quality and contents of labor practicerelated items submitted during the Application Phase
- Up to 8 points will be awarded on the basis of the applicant's history of compliance and commitment to future compliance

CPUC scoring determination for new entrants:

Up to **12 points** will be awarded based on the quality and contents of **labor practice-related items** submitted during the Application Phase

Up to 5 points will be awarded if the applicant commits to future compliance with federal labor laws

3 additional points will be awarded if the applicant can demonstrate that principals of the organization have a documented history of compliance with federal labor practices

Minimum BEAD outlay: 20 points available







Description:

Awards points for a greater amount of matching funding committed by the applicant relative to the grant amount requested

CPUC scoring determination:

- 20 points for offering matching funds equal to 65 percent or more of the requested funding
- 1 point will be deducted for every 2 fewer percentage points of matching funds offered, for example:
 - 55% match = 15 points
 - 45% match = 10 points
 - 35% match = 5 points
- Scoring will include matching funds originating from other sources to deploy broadband
- Matching awards must be issued no earlier than the time the CPUC issues its Final Proposal for public comment

Secondary criteria









5 points available for Priority; 1 point available for Other Last-Mile

Description:

Applicant will receive points if they can demonstrate that the project will be completes earlier than the mandated four years

CPUC scoring determination:

- To receive full points, applicants must demonstrate that the project
 - 1. Will be complete within two years of receiving funds; and
 - Applicant has authorization to start the project upon fulfilling federal and state environmental requirements, such as excluding time to comply with state environmental laws
- Applicants committing to between two and three years will receive 1
 point for Priority Broadband Projects and zero points for Other Last-Mile
 Broadband Projects
- Timelines exceeding 36 months or failure to demonstrate compliance with this timeline will result in zero points

Speed of network and technical capability (Other Last-Mile projects): 4 points available



Based on certified speed and latency performance commitments that are enforceable subgrant conditions and subject to verification after deployment to all eligible BSLs as well as on length of useful life of the proposed infrastructure and future scalability

CPUC scoring determination:

- Scoring will be based on the speed of the technology used to serve the highest number of locations in the project area
- Speed and latency performance characteristics:
 - Speeds of 200/50 Mbps or faster at 100 maximum latency in milliseconds shall receive 2 points
 - Speeds of less than 200/50 Mbps at 100 maximum latency in milliseconds but more than 100/20 Mbps shall receive 1 point
- Length of useful life and future scalability:
 - Useful life of funded infrastructure, as assessed by the state:
 - Less than 5 years: 0 points
 - 5 or more years: 1 point
 - Cost-effectiveness of future scalability to significant performance levels of proposed technology:
 - Ineffective: 0 points
 - Cost effective: 1 point

Additional prioritization factors







Equity: 10 points available

Description:

As an additional prioritization factor for all projects, applicants will receive up to 10 points for the number of locations they propose to serve that are located in a Disadvantaged Community or Low-Income Area

CPUC scoring determination:

One point will be awarded for proposing a project area consisting of at least 10 percent of BSLs located within a Disadvantaged Community or Low-Income Area

An additional point will be awarded for each additional 10 percentage points (rounded down) of the BSLs in a proposed project that are located in a Disadvantaged Community or Low-Income Area

Definitions for Equity criterion

Disadvantaged Community

Includes the following:

- 1. Census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen 4.01
- 2. Census tracts lacking overall scores in CalEnviroScreen 4.0 due to data gaps but receiving the highest 5 percent of CalEnviroScreen 4.0 cumulative pollution burden scores
- 3. Census tracts identified in the 2017 DAC designation as disadvantaged, regardless of their scores in CalEnviroScreen 4.0
- 4. Lands under the control of federally recognized Tribes

Low-income Area

For the purposes of scoring, a low-income community is a census tract where aggregated household incomes are less than 80 percent of area or state median income (whichever of the two aggregated household incomes data points is higher)

¹CalEnviroScreen provides a Census tract-level weighted score of environmental, health, and socioeconomic information that helps identify California communities that are most affected by many sources of pollution, and where people are often especially vulnerable to pollution's effects. Note: Tract-level CES 4.0 data can be directly downloaded from the California Office of Environmental Health Hazard Assessment (OEHHA) at https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40.







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Resilience: 10 points available

Description:

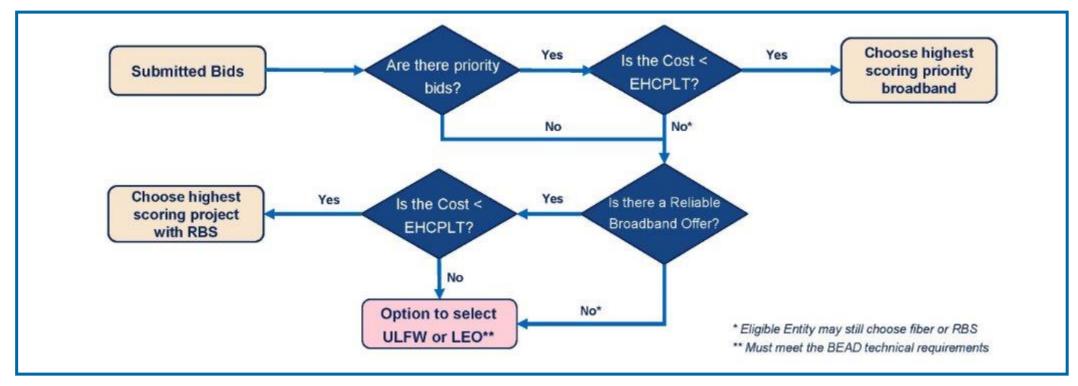
An additional prioritization factor for all projects, for which applicants will receive up to 10 points based on the number of locations to be served by resilient infrastructure

CPUC scoring determination:

- For locations outside Tier 2 or Tier 3 High-Fire Threat Districts, applicant must propose to ensure that 72-hour backup power will be supplied to all facilities necessary to maintain its service to that location
- For locations within Tier 2 or Tier 3 High-Fire Threat Districts, for which 72-hour backup power is already required, the applicant must include reasonable plans to deploy infrastructure serving that location utilizing appropriate risk mitigation and infrastructure hardening practices, such as by:
 - Undergrounding cables and network facilities;
 - Utilizing galvanized steel instead of wooden poles;
 - Using fire-resistant coatings on infrastructure such as poles or other equipment; or
 - Ensuring more than 72 hours of backup power is available to maintain service to a location
- One point will be awarded for proposing a project area consisting of at least 10
 percent of locations meeting the above criteria, with an additional one point awarded
 for every additional 10 percentage points (rounded down) meeting the above criteria

Application ranking

Selection criteria: How score factors into selection



EHCPLT = Extremely high cost per location threshold, which is the budget or benchmark for each project area. For more information, see Webinar 2 on Program design (on the <u>BEAD Events</u> page)

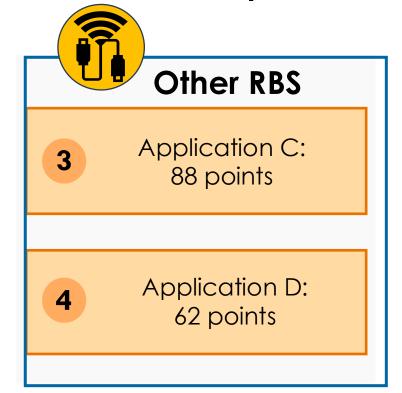
Source: NTIA, Reliable Broadband Service & Alternative Technologies Guidance

Project application ranking

Applications will be first sorted by technology and then ranked by score within each technology type.

Priority RBS Application A: 72 points Application B: 57 points

Illustrative examples





Summary

- Applications will first be ranked by technology type and then by score within each technology type
 - The categories are Priority (fiber), Other Last Mile reliable technologies (cable and licensed fixed wireless), and Alternative Technologies (satellite and unlicensed fixed wireless)
- Primary scoring criteria with the most points include:
 - Affordability (offering service at a certain price)
 - Fair labor practices (history and plans or commitments)
 - Minimum BEAD outlay (match percentage)
- Other criteria include:
 - Speed to deployment (years to complete project)
 - Speed of network and technical capability (for Other Last-Mile projects) (speed, lifetime, and scalability of network)
 - Equity (inclusion of low-income and/or disadvantaged areas)
 - Resilience (back-up power and/or risk mitigation and infrastructure hardening)

Next steps

Upcoming webinars

Webinars are open to all who wish to attend, and registration links will be posted on the BEAD events page.

DATE/TIME	TOPIC
Early January (date TBD)	BEAD Program Application
Thursdays, January 9 to February 27 1:00-2:00 pm PST	Office Hours

Questions? Please contact us at: BEADgrant@cpuc.ca.gov



For more information visit:

<u>California Broadband Equity, Access, and Deployment</u> (BEAD) <u>Program</u>





California Public Utilities Commission