

California's BEAD Program: Updated program design, including Project Areas and negotiations

March 2025



California Public
Utilities Commission

Agenda

1. Welcome
2. Project Area design
3. Alternative pricing for 90 percent coverage
4. Summary of program design
5. Project negotiation and selection process

Project Area design

Project Area design

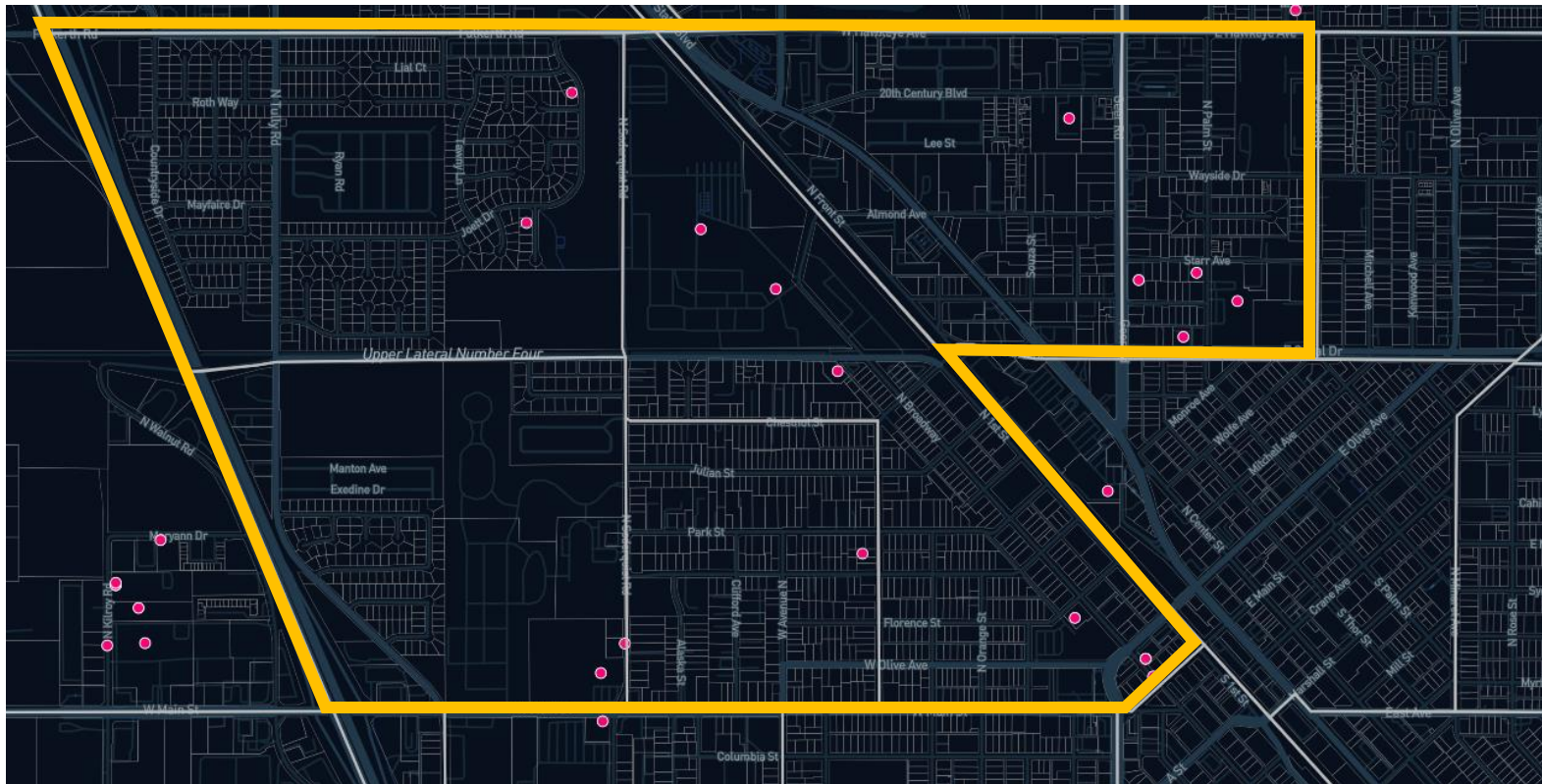
- Project Area units (PAU) are **Census Block Groups** (CBG) or **Tribal lands**, which can be aggregated by applicants within a proposal to form a Project Area.
 - “PAUs were clarified to be no smaller than a census block group but may include more than one contiguous CBGs.” ([Decision](#), p. 47)
 - Tribal lands will be treated as their own PAUs because proposed projects require consent from the Tribe. ([Decision](#), p. 27)
 - Applicants are also encouraged to look more broadly at Tribal PAUs and “seek Tribal consent and collaboration to serve Tribal members living in proximity to Tribal Lands.” ([Decision](#), p. 27)
- Successful applicants will be funded to build to **unserved and underserved locations in their Project Areas.**



Project Areas must be adjacent

- The PAUs that make up a proposed Project Area **must be adjacent**.
- A proposed Project Area can include **intermediate PAUs that do not contain eligible locations** for the purposes of connecting PAUs and satisfying the adjacency requirement.
 - These “empty” PAUs will have no impact on scoring.
 - Applicants should include these non-scoring “empty” PAUs when designing proposed Project Areas in the application solely for the purpose of adjacency.

Example of a compliant Project Area



- This sample Project Area contains:
- Six PAUs with eligible locations that border each other (outlined in solid yellow)
 - 16 eligible locations

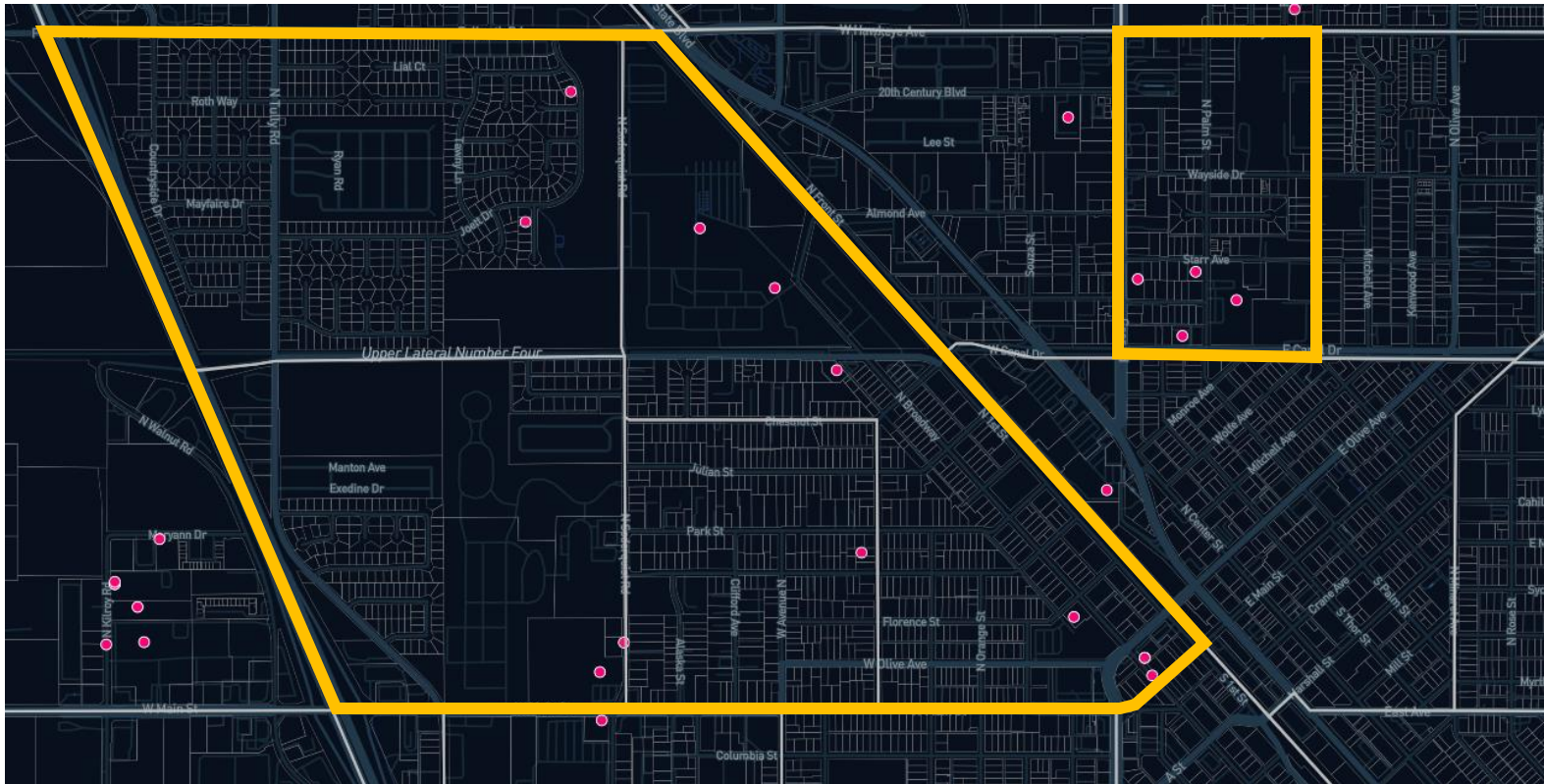
Note: For all maps in this presentation, data and Project Areas are only provided as examples, not as official eligible locations or awarded Project Areas. This does not represent the actual BEAD application map.

Example of a compliant Project Area



- This sample proposed Project Area includes four PAUs with eligible locations (outlined in solid yellow).
- The eligible PAUs are not all adjacent, but a compliant proposed Project Area has been drawn by including “empty” PAUs with no eligible locations (outlined in dotted yellow) that connect the eligible PAUs.
- In the application, an applicant will need to select the “empty” PAUs as part of its project area for it to qualify as adjacent.

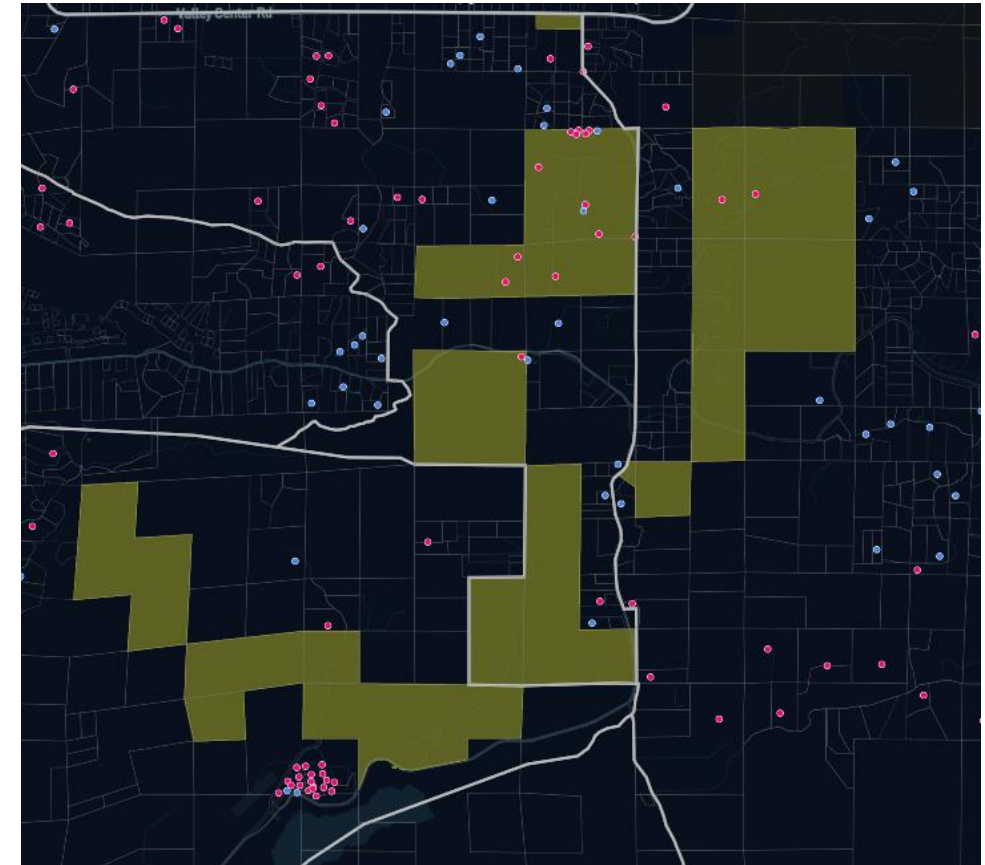
Example of a non-compliant Project Area



- This sample proposed Project Area includes a disconnected PAU that is separated by other PAUs with eligible locations.
- This example could be submitted as:
 - Two separate proposed Project Areas, or
 - One proposed Project Area if it also included a connecting PAU

Tribal land PAUs

- Tribal lands are their own PAUs.
- Some Tribal lands include non-adjacent areas, but the Tribal land is considered one PAU.
- For example, the San Pasqual Reservation contains non-adjacent areas but is considered a single PAU.
- A proposed Project Area could include this PAU and any other PAUs adjacent to any part of the Tribal land.



San Pasqual Reservation
(example of a PAU)

Proposed Project Areas must include High-Need areas

At least **50 percent of PAUs** in a proposed Project Area must be High-Need: PAUs that are low-income or disadvantaged communities (including Tribal areas). This requirement can be waived and reduced to only the immediately contiguous High-Need PAUs available if the proposed Project Area does not have a sufficient number of immediately contiguous High-Need PAUs to reach 50 percent:

- If a proposed Project Area contains less than 50 percent High-Need PAUs, the applicant **must add High-Need PAUs that are immediately contiguous to non-High-Need PAUs in the proposed Project Area** until it has reached at least 50 percent.
 - **If the applicant cannot reach 50 percent** because there are not enough immediately contiguous High-Need PAUs available to include, it must **add all High-Need PAUs that are immediately contiguous to non-High-Need PAUs** in the proposed Project Area and request an automatic **waiver** of the minimum High-Need threshold requirement.
 - The applicant is not required to include a High-Need PAU that is immediately contiguous only to another High-Need PAU in its project area (for example, one that was added to fulfill this requirement).
- “Empty” PAUs with no BEAD-eligible locations do not count towards the percentage of High-Need PAUs included.

Example of a Project Area with the required amount of high-need areas



- This proposed Project Area includes 10 PAUs: six PAUs that are low-income areas and/or disadvantaged communities and four PAUs that are not.
- 60 percent of the PAUs are low-income areas or disadvantaged communities, exceeding the minimum threshold.

Example of a Project Area requiring a waiver for high-need areas



- Only one out of five PAUs in this example is a low-income area or disadvantaged community, which is lower than the 50 percent threshold.
- The applicant must add low-income or disadvantaged PAUs that are immediately contiguous to non-High-Need PAUs in the proposed Project Area.
- However, in this example, there are no low-income areas or disadvantaged communities immediately contiguous to the non-High-Need PAUs in the proposed Project Area.
- As such, this proposed Project Area qualifies for an automatic waiver reducing its minimum threshold to one PAU out of five.

High-Cost Areas and Project Area design

BEAD-eligible locations in NTIA-designated High-Cost Areas will be exempt from the 25 percent match requirement.

- The applicant's match requirement will be reduced proportionally to the percentage of the Project Area's locations that are in High-Cost Areas.
- The new match requirement can be calculated by multiplying the proportion of locations *not* in High-Cost Areas by the typical match requirement of 25 percent.
- For example, if 30 percent of a Project Area's PAUs are in High-Cost Areas:
 - The project's match requirement will be effectively reduced by 30 percent.
 - The resulting match requirement would be 17.5 percent of the total project cost ($0.7 \times 25\% = 17.5\%$).

NTIA's list and definition for High-Cost Areas can be found [here](#).

Project Area design and scoring

- **“Resiliency” scoring criteria** gives higher scores to projects with resilient infrastructure. To list a proposed project as deploying resilient infrastructure, applicants will need to show greater levels of infrastructure hardening for BSLs in Tier 2 or 3 High-Fire Threat Districts than for BSLs outside those Districts.
- **“Equity” scoring criteria** will award points based on the percentage of BSLs in low-income areas or disadvantaged communities (including Tribal areas), with one point awarded for each 10 percentage points of BSLs in such areas.

For more information on the scoring rubric, refer to [IPv2](#) pp. 42-43.

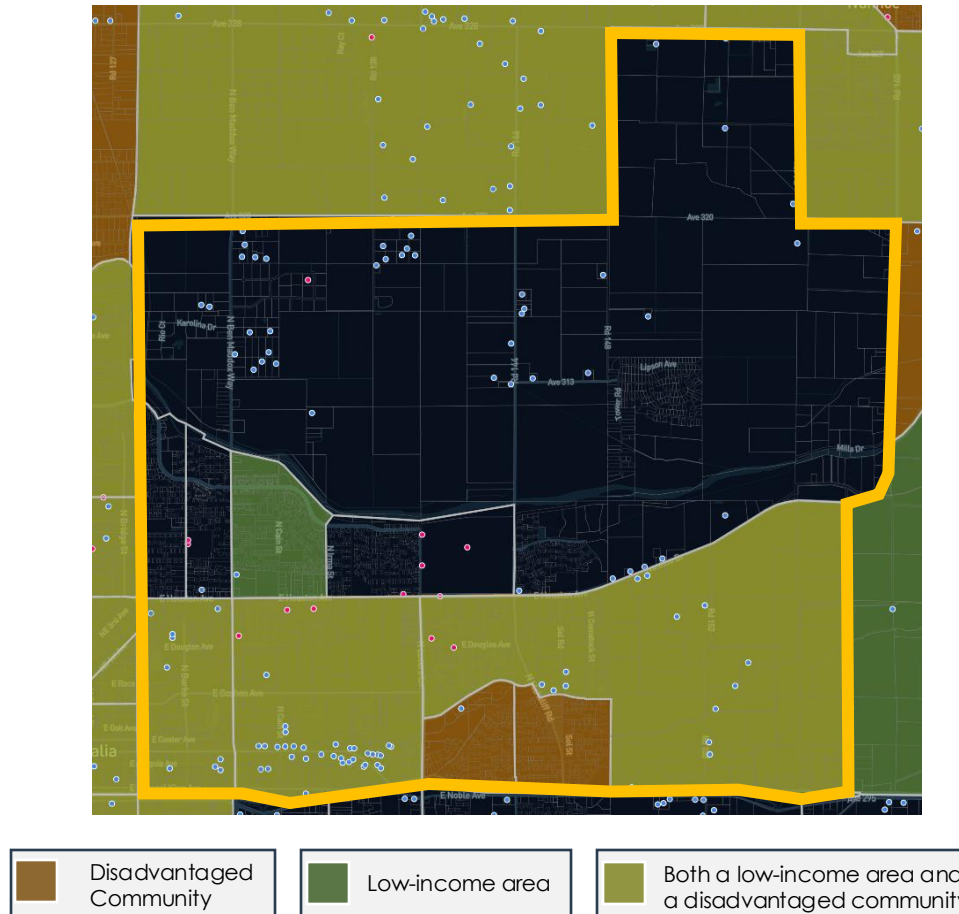
Scoring criteria for Priority Broadband Projects (end-to-end fiber)

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

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

Example of Equity scoring



- According to the map, 51 percent of this sample Project Area's BSLs are in low-income areas, disadvantaged communities, or Tribal areas.
- This proposed Project Area would receive 5 points for Equity.
- If the project contained *only* low-income areas, disadvantaged communities, or Tribal areas, it would receive 10 points.

Alternative pricing for 90 percent coverage

Alternative pricing for 90 percent coverage

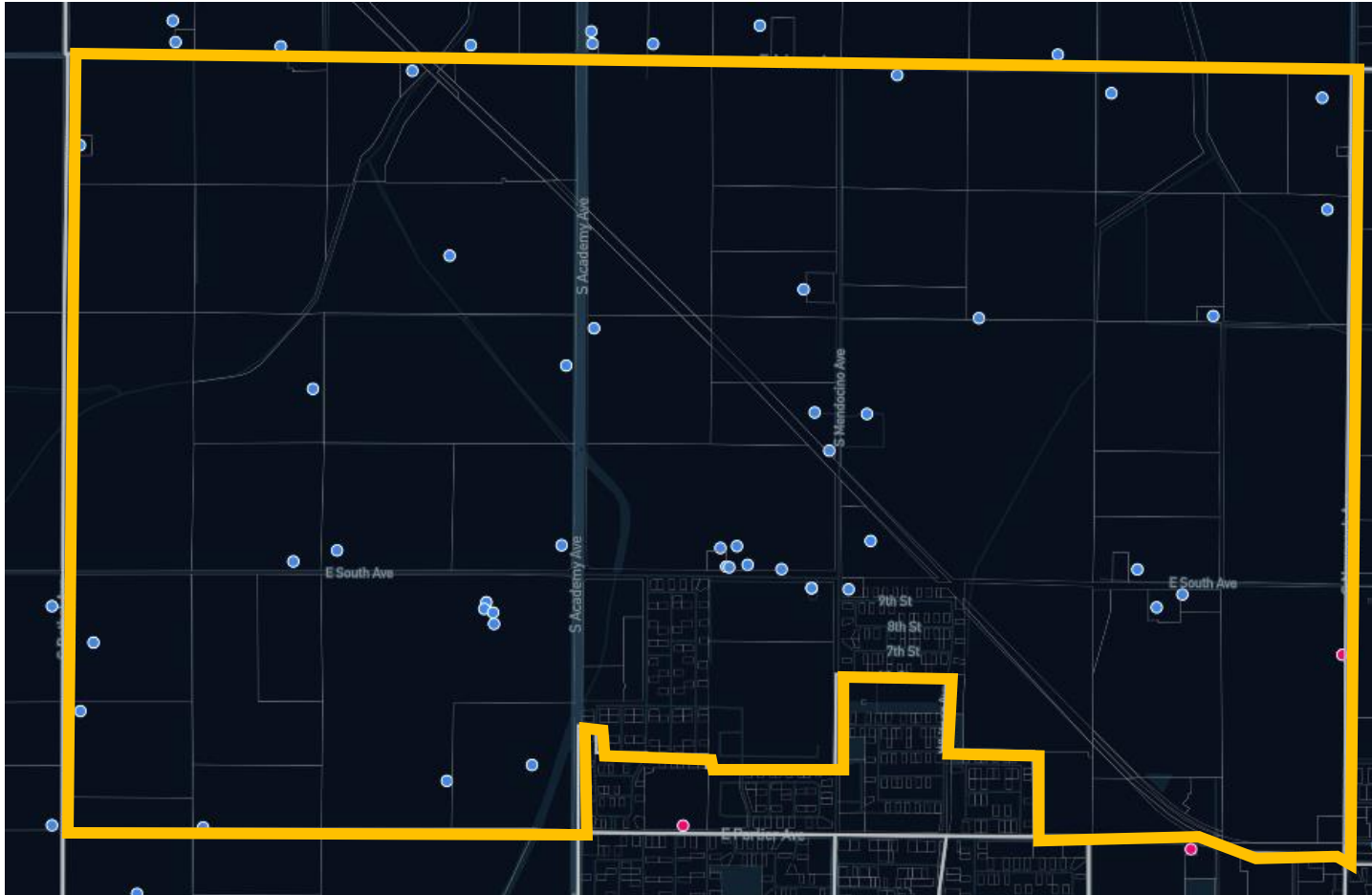
- Each application must propose to serve 100 percent of unserved and underserved locations within the proposed Project Area. ([Decision](#), p. 17)
- Applicants may also submit as part of the same application an optional proposal to serve 90 percent of eligible BSLs in the same Project Area.
 - This 90 percent coverage proposal will be included **within the same application as the 100 percent proposal. Standalone 90 percent proposals will not be accepted without a corresponding full application for 100 percent coverage.**
 - **The 90 percent proposal will not be scored separately.**
- “The Commission would **allow applicants to propose service to less than 100 percent of eligible locations in a Project Area** [which has since been established as 90 percent]... to increase the chances of funding the vast majority of unserved and underserved locations throughout the State, with the best technology possible. Applicants would also be required to provide **a list of any locations excluded from their service commitment.**” ([Decision](#), p. 17)

90 percent coverage option

Applicants will be asked to specify:

- Whether they are submitting an additional cost option for 90 percent coverage of all unserved and underserved locations
- Which locations will be excluded from the Project Area to achieve 90 percent coverage
- The cost and matching funds associated with the 90 percent coverage proposal

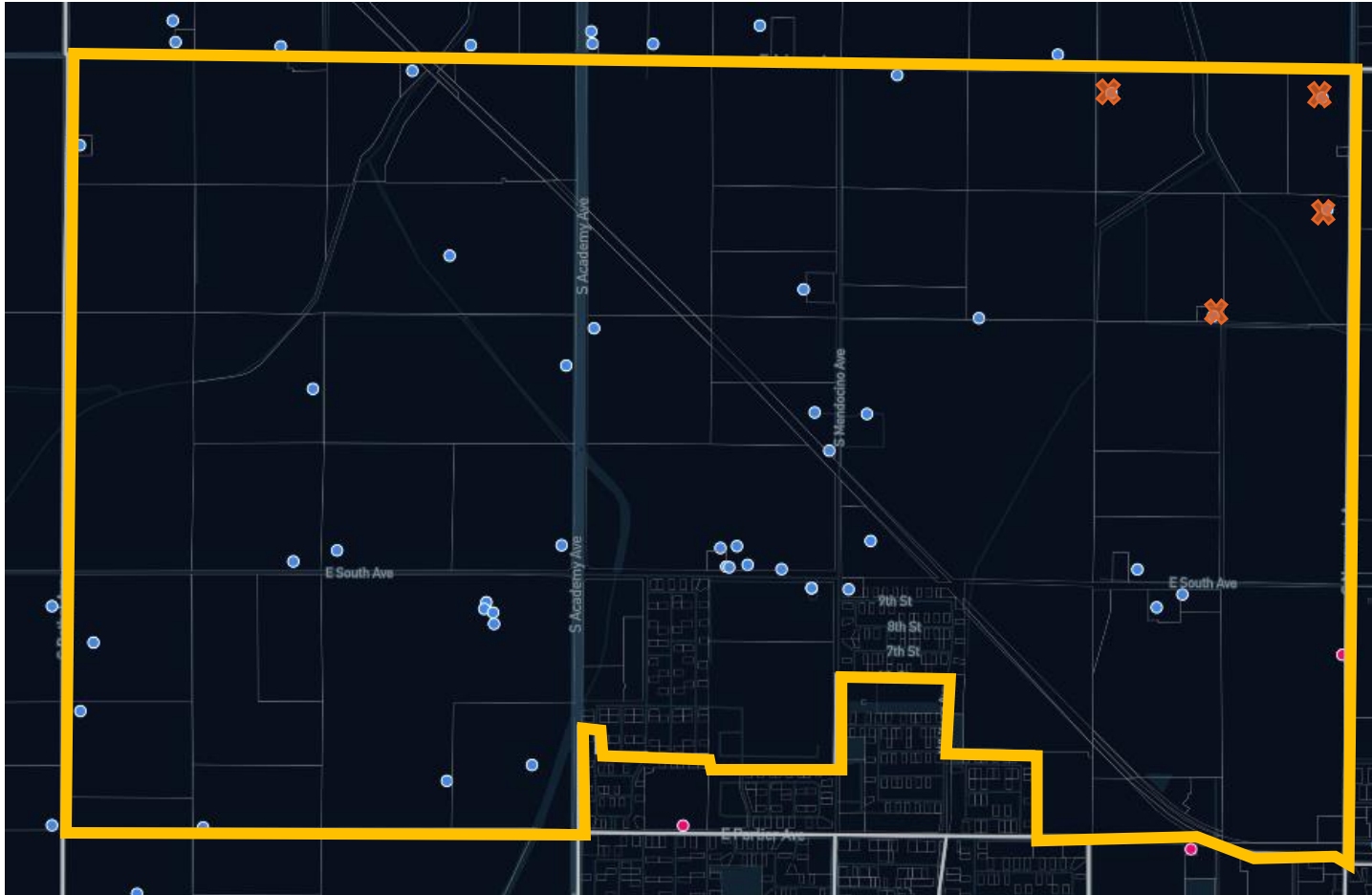
Example 100 percent coverage proposal



- This example shows a Project Area of one PAU containing 41 eligible locations.
- The 100 percent coverage proposal must contain all 41 eligible locations in the Project Area.

Note: This example is for demonstration purposes only. It does not represent an actual BEAD application.

Example 90 percent coverage proposal

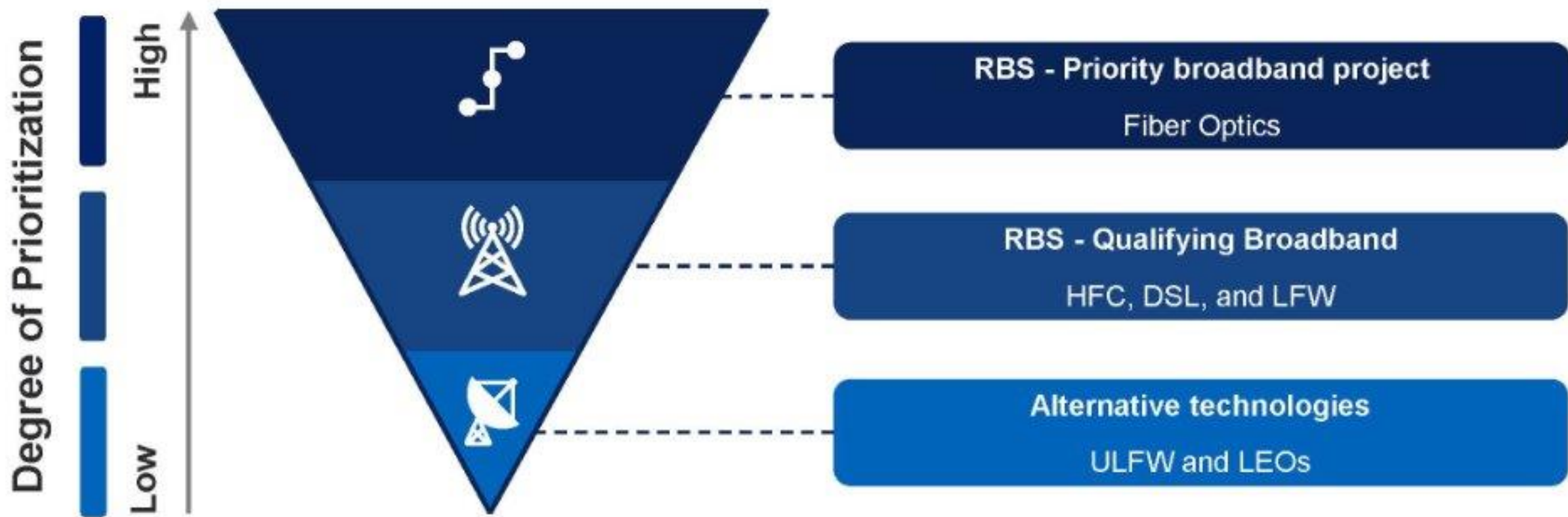


- To arrive at a 90 percent proposal, the applicant would choose four of the 41 locations to descope.
- The remaining locations constitute the 90 percent coverage proposal.

Note: This example is for demonstration purposes only. It does not represent an actual BEAD application or the process for removing locations.

Summary of program design

Broadband technology prioritization



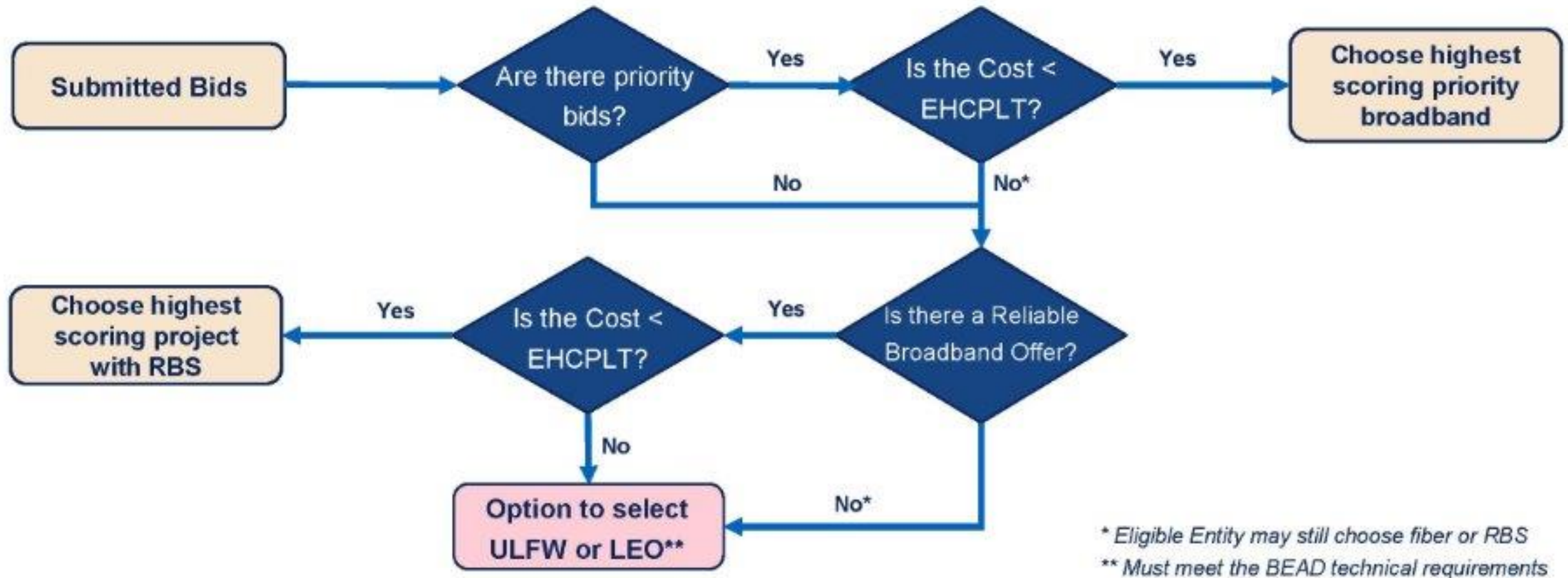
RBS = Reliable Broadband Service

https://broadbandusa.ntia.gov/sites/default/files/2024-01/BEAD_Reliable_Broadband_Service_Alternative_Technologies_Guidance.pdf

Broadband technology prioritization

1. **Priority broadband projects** (end-to-end fiber)
2. **Other reliable broadband service projects** (includes licensed fixed wireless and hybrid fiber-coax)
3. **Alternative technologies** (includes low-earth orbit satellite and unlicensed fixed wireless)

Selection criteria



[https://broadbandusa.ntia.gov/sites/default/files/2024-01/BEAD Reliable Broadband Service Alternative Technologies Guidance.pdf](https://broadbandusa.ntia.gov/sites/default/files/2024-01/BEAD%20Reliable%20Broadband%20Service%20Alternative%20Technologies%20Guidance.pdf)

Project negotiation and selection process

Application scoring and initial calculation of budgets

- “The CPUC will **score all applications** following receipt.” (IPv2, p. 54)
- Concurrently, the CPUC will **use GIS and software tools** to evaluate how the submitted applications impact the overall BEAD budget and estimate an **EHCPLT/area budget for each Project Area Unit**. (IPv2, p. 54)
- The **initial EHCPLT** will be **based on proposed costs in applications** statewide, data from other state grant programs, and cost model information. The EHCPLT/area budgets may be adjusted during the negotiations phase. (IPv2, p. 54)
- The EHCPLT will guide CPUC’s negotiation parameters by **identifying when funding fiber applications could be too expensive and may need another, more cost-effective technology**. This ensures sufficient BEAD budget remains to fund other locations. (IPv2, pp. 52-54)

Review and preliminary assignment of Priority applications

The CPUC will follow the process below, **working through applications ranked by score** until it identifies one with fiber costs below the EHCPLT (area budget).

- After reviewing all applications and developing preliminary budgets, the CPUC will **preliminarily assign PAUs to the highest-scoring applications.**
 - **Priority will be given to applications proposing 100 percent fiber coverage** at a cost that is affordable compared to the statewide need.
- If the highest-scoring application exceeds the EHCPLT, the CPUC will evaluate **other fiber applications from highest- to lowest-scoring** to determine whether any fall below the EHCPLT.
- If the compressed timeline allows, the **CPUC may offer applicants the opportunity to revise their proposals to fall within the EHCPLT/area budget.** (IPv2, p. 55)

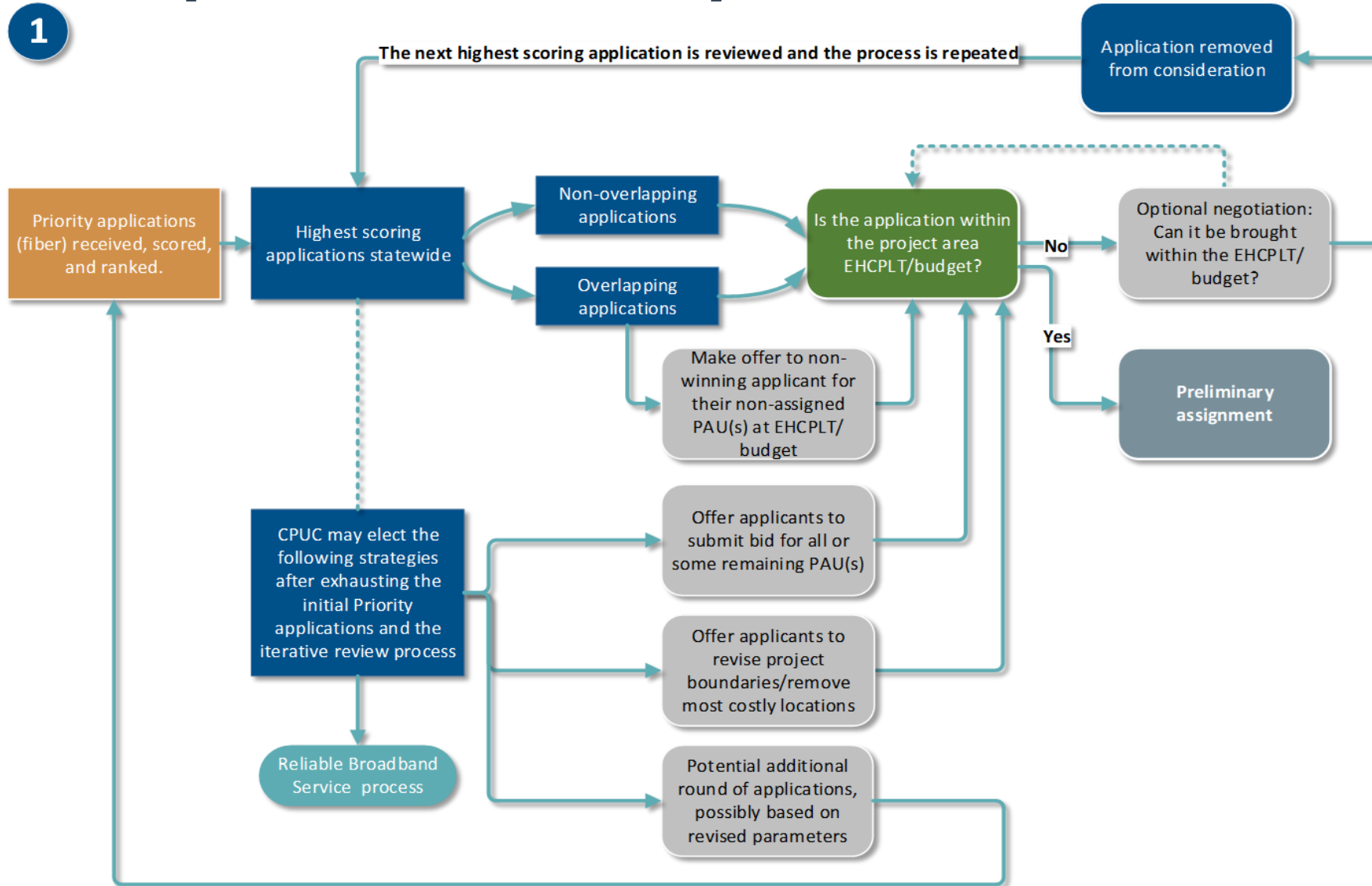
Negotiation and/or second round

For PAUs that have not been preliminarily assigned, the CPUC may take one or more of the following actions (IPv2, pp. 55-56):

- Consider applications proposing an **alternative percentage (90 percent)** of unserved and underserved locations, ranked by score
- **Extend offers to applicants** whose proposals overlapped with a winning applicant, applicants in adjacent PAUs, and/or other applicants, in order of score
- Conduct a **second application round** to solicit additional grant proposals subject to time availability

Selection process: Priority

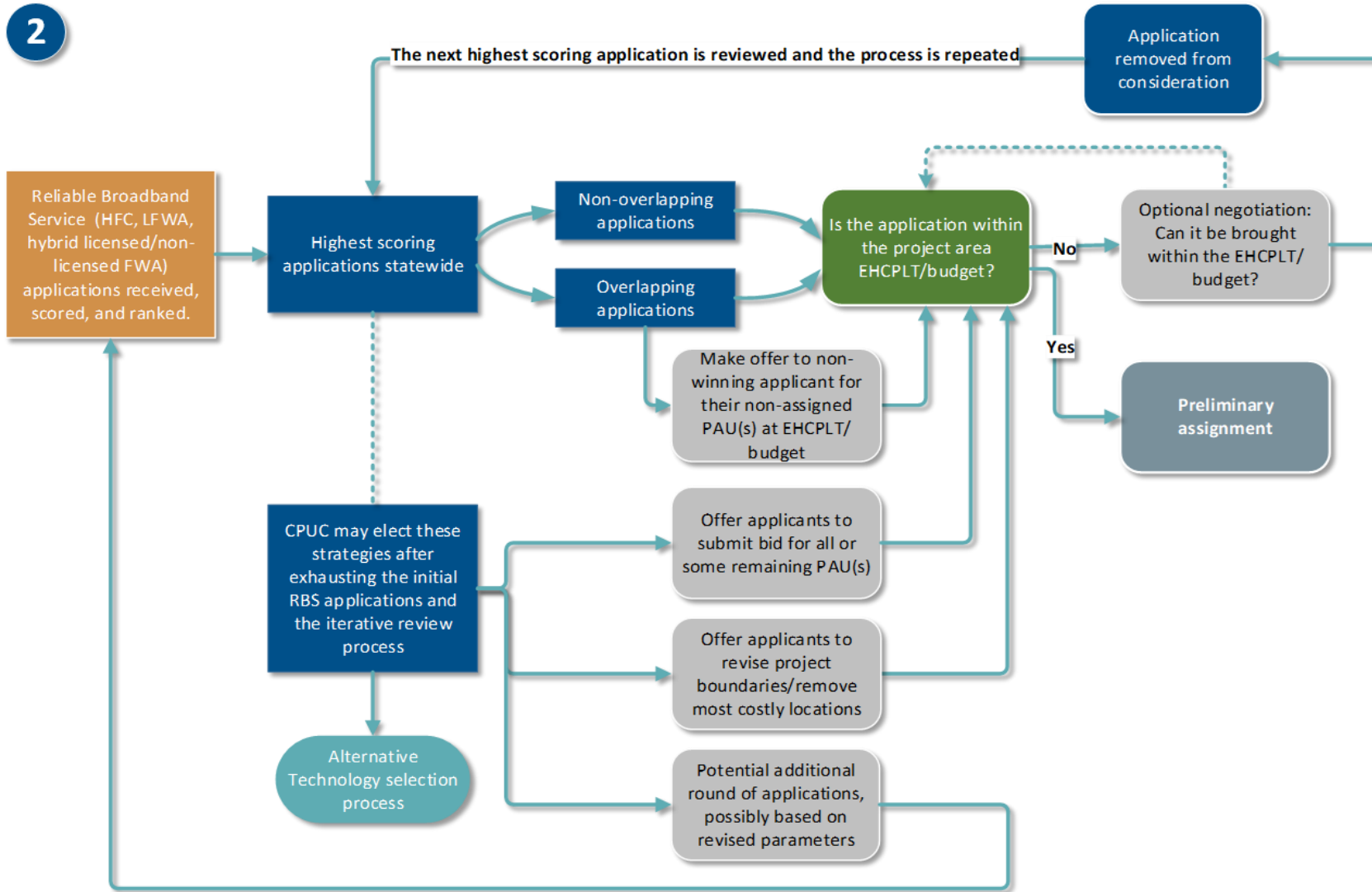
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Assignment to other technologies

- If the processes described earlier do not result in a fiber solution for the remaining PAUs, the CPUC will **repeat the same process for non-Priority Reliable Broadband** technologies (e.g., hybrid fiber coaxial cable or fixed wireless). (IPv2, p. 56)
- If no solution is found after considering Reliable Broadband technologies, the CPUC may initiate a process to **select an alternative technology for specific PAUs or locations**.
- Proposals for such alternative technologies may not meet the definition of Reliable Broadband Service but must still comply with the Program's technical requirements.

Selection process: Other Reliable Broadband



Alternative technology process

3

Remove from eligibility
BSLs that already have
Alternative Technology
satisfying BEAD
technical req's

For remaining PAUs or
unserved addresses,
score and review LEO
and ULFW applications

Assign winning
applications where
feasible

Negotiate and assign
for any remaining areas

Questions?

Please contact us at:

BEADgrant@cpuc.ca.gov



For more information visit:

[California Broadband Equity, Access, and Deployment \(BEAD\) Program](#)





California Public Utilities Commission