

# Fiber Broadband Business Plan Update

---

Planning and Public Policy  
Committee Meeting

Sept. 18, 2024



# Agenda

- **Executive summary**
- **2021 enabling legislation**
- **Broadband business model**
- **LCRA value proposition**
- **Review of grant funding**

# Executive Summary

- **Fiscal year 2024 fiber revenue totaled \$1.15 million**
  - 27 total customers using 144 total circuits
    - 92 circuits for Pedernales Electric Cooperative
    - 52 circuits for internet service providers and other utilities
- **Broadband easement curing project 98% complete**
  - 703 parcels cured
  - 14 parcels remaining
  - Opportunity to consider additional regions for curing



# Executive Summary (Continued)

- **Significant state and federal grants available in late calendar year 2024 and 2025**
  - \$729 million in BOOT II funds for 24 counties from Texas Broadband Office
  - \$3.3 billion in federal funds from the Broadband Equity, Access and Deployment program for last-mile builds
  - About \$1 billion from the Texas Broadband Development Office to supplement federal dollars

# 2021 Legislation – Senate Bill 632

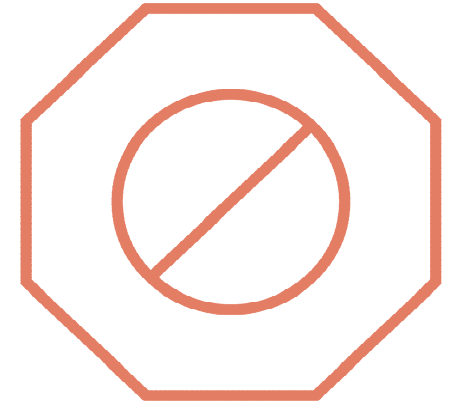
- In May 2021, the legislature passed SB 632, which authorizes LCRA to provide fiber capacity and facilities to facilitate broadband service
- Three key points:



Authorizes LCRA to provide middle-mile and backhaul fiber access to third parties



Allows LCRA to build access point fiber and related facilities for customers



Prohibits LCRA from providing retail broadband  
LCRA cannot be a last-mile internet service provider

# Broadband Business Model



Customers and connections

Wireless internet service providers	Lit fiber: 1, 10, 100 gigabit per second
Wired internet service providers	
Data centers	Dark fiber
Solar and wind farms	Multiprotocol label switching
Utilities	

Infrastructure

Customer access points	San Antonio: H5 Data Center
Property easements	
Networking equipment	Austin: Texas 1 Data Center
LCRA substations	Houston – Coming soon
LCRA fiber network 2500+ miles	

Guiding principles

LCRA Board Policy 220 – Telecommunications	
Senate Bill 632 enabling legislation	
LCRA mission and values	

# LCRA Broadband Investments



**Easement  
curing**

---



**Access points  
outside substations**

---



**Networking gear  
and cybersecurity**

---

# Value Proposition: Why Choose LCRA?

- **Available**
  - High speed fiber in unserved and underserved areas
  - More than 200 terabits of connection capacity
  - 24x7x365 monitoring and support
- **Reliable**
  - 99.99%+ network uptime
  - Transmission aerial fiber is more reliable than typical right-of-way fiber
  - Trade Agreement Act compliant; made in the U.S.
- **Affordable**





# Five Prospective Customer Segments

- **Wireless ISPs**
  - Fixed wireless
    - Licensed
    - Unlicensed
  - Fiber to the tower
    - AT&T, Verizon, T-Mobile
- **Wired ISPs**
  - Fiber to the premises
    - Electric cooperatives
    - Telephone cooperatives
    - Fiber ISPs
    - Cable providers and multisystem operators



# Five Prospective Customer Segments (Continued)

- **Data centers**
  - Internet exchange points
  - Caching of cloud services
- **Utilities: cooperatives and municipalities**
  - Communications, Supervisory Control and Data Acquisition, security
- **Solar and wind farms**
  - Communications, SCADA, security



# Broadband Grants Released

- **U.S. Department of the Treasury – Capital Projects Fund**
  - BOOT I Program awarded July 2024
    - 20 winners, mostly in rural West Texas
    - \$11.8 million awarded for 1,729 new last-mile connections

# Broadband Grants Released (Continued)

- **U.S. Department of the Treasury – Capital Projects Fund (Continued)**
  - BOOT II applications due Aug. 26
    - Twenty-four named Texas counties are eligible for last-mile projects that must serve the entire county
    - Bastrop, Burleson, Caldwell, Coleman, Colorado, Edwards, Irion, Karnes, Medina, Reagan and 14 other counties
    - \$729.9 million available; \$303 million from Texas and \$426 million from federal funds
    - Maximum award \$125 million per county
    - Projects must be completed by Dec. 31, 2026

# Broadband Grants Released (Continued)

- **Texas Broadband Development Office**
  - Technical Assistance Program awarded June 2024
    - Thirty-two counties share \$6 million for broadband planning, led by Cobb Fendley consultants; about \$187,500 per county
    - Bastrop, Blanco, Burnet, Caldwell, Llano, Matagorda, Menard, Washington counties and 24 other counties selected
  - Rural Hospital Broadband Program
    - \$22.8 million awarded to improve broadband at rural hospitals through Texas Department of Agriculture

# Broadband Grants Released (Continued)

- **Texas Broadband Development Office (Continued)**

- Pole Replacement Program

- \$75 million for utilities to replace aging poles; applications due Sept. 10

- Next Generation 911 Services

- \$155 million transferred to the Texas Commission on State Emergency Communications
- To be distributed statewide to all 911 service entities in late 2024 (a total of 76)

# Upcoming Grants

- **Funding options are available for internet service providers, municipalities and communities to provide broadband services to underserved and unserved populations**
  - National Telecommunications and Information Administration
    - Texas awarded \$3.31 billion in funding for last-mile providers through Broadband Equity, Access and Deployment program
    - Applications expected to open late 2024
  - Texas Broadband Development Office
    - About \$1 billion expected in new State Match Program for last-mile providers who win Broadband Equity, Access and Deployment grants

# Connecting Central Texas to Broadband

---

Erik Andersen  
512-730-6409  
erik.andersen@lcra.org

[www.lcra.org/telecom](http://www.lcra.org/telecom)

Help us spread the word:

- We continue to make an impact on the digital divide
- LCRA is actively developing more partnerships with internet service providers and utilities
- LCRA's unique offering:
  - Available
  - Reliable
  - Affordable





# LCRRA

ENERGY • WATER • COMMUNITY SERVICES