

# Fiber Partnership discussion summary:

## Desert Southwest Region/Colorado River Storage Project

July 31, 2019

Participants in the July 31, 2019 Desert Southwest/Colorado River Storage Project regional fiber partnerships meeting discussed interests and opportunities, as well as challenges and concerns related to fiber partnerships. The meeting was held at WAPA's Desert Southwest Regional Office in Phoenix, AZ. The summarized comments and questions listed below were expressed by attendees and are published herein for informational purposes only. Every effort has been made to capture the full context of the comment or question. WAPA has taken no position on them at this point. The comments and questions will be carefully considered and will be used to inform WAPA's feasibility assessment. Information about the feasibility assessment is available on WAPA's website at: <https://www.wapa.gov/About/keytopics/Pages/fiber-feasibility-assessment.aspx>

### Highlights from the discussions include:

#### Interest and opportunities for new partnerships

##### **Customer comments on interests & opportunities for new partnerships:**

- Customers are interested in the potential for revenue associated with new fiber partnerships to reduce transmission system revenue requirements.
- There is a desire to maximize the potential of the American Broadband Initiative for WAPA's customers.
- Customers want to explore cost sharing in new fiber partnerships, such as those on Tribal lands.
- There is an interest in electric cooperative utilities working with WAPA on new fiber partnerships.
- Electric cooperative utilities may be able to gain additional communication security and reliability from new fiber partnerships.
- Customers want to explore how new fiber partnerships might make communication services more affordable in rural areas.

##### **Customer question on interests & opportunities for new partnerships:**

- Is there a potential for sharing tower structures or overhead fiber optic ground wire with customers to bridge gaps in fiber coverage, such as across Tribal lands from the Four Corners area to Phoenix, AZ?

#### Customers' priorities and/or goals for fiber partnership

##### **Customer comments on priorities and/or goals for fiber partnership**

- Documenting existing fiber agreements and inventorying fiber is important.
- While customers are interested in new fiber partnerships, WAPA should remain true to its mission of delivering hydropower and transmission services to its customers.

##### **Customer question on priorities and/or goals for fiber partnership**

- Has WAPA determined the economic value of its fiber inventory?

## **Challenges and concerns with new partnerships**

### **Customer comments on challenges and concerns with new partnerships:**

- Customers are concerned about funding for the fiber feasibility assessment and think WAPA should have received non-reimbursable funding for it.
- WAPA should not expand its current mission.
- WAPA should maintain sufficient reserve fiber for its own future use.
- WAPA needs to ensure fiber cost sharing methodologies are equitable.
- Customers want to ensure fiber partnerships do not negatively affect the security of WAPA's assets and do not risk data integrity.

### **Customer questions on challenges and concerns with new partnerships:**

- Will existing fiber partnerships be disallowed?
- Is the fiber partnership assessment intended to help large companies or will WAPA's small customers be able to benefit from fiber partnerships?
- How will the prioritization for the use of any excess fiber capacity be determined?
- For new fiber partnerships, how would costs be allocated between users? Would WAPA aggregate related fiber O&M costs or allocate them on a proportionate basis or other?
- What will be the effect of new fiber partnerships on WAPA's O&M program? How would WAPA address service level agreements, outages, and O&M costs for fiber partnerships?
- Would large fiber companies pay for the use of WAPA's fiber by small fiber customers? Would small companies and electric cooperative utilities have an opportunity to participate in new fiber agreements and would there be funding from federal sources to assist with these types of partnership?
- How will WAPA ensure that anti-deficiency issues do not arise from new fiber partnerships?
- What legal authority does WAPA have for new fiber partnerships?
- If new fiber is built using a partnership with WAPA, would there be local ownership of the assets?
- Would there be a potential for federalization and preemption of fiber assets?
- Are there lands rights issues associated with 3<sup>rd</sup> party use of communication assets and could WAPA become liable for 3<sup>rd</sup> party use?
- Are customers paying for the fiber partnerships review and assessment process?
- What authority does WAPA have to provide new fiber partnerships to others?

## **Gaps in feasibility assessment elements**

### **Customer comment on challenges and concerns with new partnerships:**

- Customers are concerned about WAPA's fiber being used in agency-to-agency fiber partnerships.

### **Customer questions on challenges and concerns with new partnerships:**

- How will WAPA communicate the availability of any unallocated fiber to customers?
- Will WAPA be able to ensure that fiber equipment sourcing adequately addresses grid security?
- What are the implications for regulatory oversight, and by whom, for new fiber partnerships?