

STATE REVERSE-PRE-EMPTION: A BAD IDEA

NARUC

NOVEMBER 11, 2017

H. Russell Frisby, Jr.

OVERVIEW

1. The electric industry is undergoing a sea change—disruptive technology and change in customer focus.
2. Ensuring safety and reliability are still the primary concerns of electric utilities.
3. Pole attachments can be very complex and are often dependent on a number of site-specific or other local factors.
4. Unlike competitive telecom providers, electric utilities have no incentive to delay pole attachments.
5. Much of any delay in pole attachments is caused by faulty applications, the inability of competitive telecoms to cooperate and/or unauthorized attachments.
6. State Reverse-Preemption is not appropriate!

THE SMART GRID IS BEING DEPLOYED

- The energy IoT/Smart Grid is real.
- Electric utilities are investing +/- \$100 billion per year in new infrastructure.
- There has been a tremendous growth in Distributed Energy Resources and Renewables: microgrids, battery storage, EVs, utility scale/universal solar, wind *etc.*
- Smart Cities have been the beneficiaries: smart street lighting, smart transportation, smart buildings, DERs, and data analytics and intelligent services.
- Electric utilities have made a commitment to help advance smart city goals.

CONSUMERS ARE DRIVING THE NEED FOR MASSIVE COMMUNICATION DENSITY

- The communications assets required for broadband deployments and smart communities are anticipated to be numerous compared to macro sites.
- The assets follow population and require an intersection of:
 - ❖ Open air, electric power, and fiber backhaul.
 - ❖ Poles infrastructure helps communications infrastructure achieve scale, speed, and cost.
 - ❖ Significant cost/revenue is at risk for all.

SMART INFRASTRUCTURE REQUIRES SMART DEPLOYMENT

- It requires greater collaboration to achieve mutual benefit.
- Stakeholders like municipalities have critical priorities, like aesthetics, for economic development.
- Electric assets can and will be used for multiple other interests beyond communications: security, sensors, cameras, traffic management, etc.
- Both networks must be safe and extremely reliable.
- The world cannot be viewed through a simplistic “telecom only” lens!

DIFFERING GOALS OF COMMUNICATION COMPANIES AND ELECTRIC UTILITIES CAN CREATE CONFLICTING OBJECTIVES

- Worker & Public Safety
- System Reliability
- Minimize Operational Impact

VERSUS

- Speed to market
- Priority service
- Minimize Cost
- One size fits all rules

SAFETY & RELIABILITY MUST TAKE PRIORITY

- The electric system poses inherent hazards.
- Electric distribution systems are exposed to a variety of environmental conditions.
- Nothing is more important than the safety of workers and the public.
- Unique skills are required
- Compromising time can compromise safety.
- Nothing related to accommodating pole attachers should compromise safety.

SAFE RELIABLE DISTRIBUTION SYSTEMS REQUIRE RIGOROUS DESIGN

- Each electric company designs their system based on the environment where they operate.
- The NESC only establishes minimum level standards for safety.
- Many utilities are under state regulated reliability standards established by their PUC.
- Accommodating pole attachments must be done in a way that does not compromise safety or reliability.

REVERSE-PREEMPTION WILL NOT DEAL WITH THE REAL PROBLEM

- More often than not, utilities complete their work in the supply space on time.
- There can be legitimate reasons for local permit delays.
- Reverse-Preemption will not address delays caused by:
 - ❖ Failure of competing telecoms to cooperate in relocation [Single largest contributor towards delayed deployment]
 - ❖ Faulty Applications
 - ❖ Unauthorized attachments

H. Russell Frisby, Jr.
Stinson Leonard Street
1775 Pennsylvania Ave, N.W. #800
Washington, DC 20006
russell.frisby@stinson.com
(202) 572-9937