

SACE STATEMENT TO CITY COUNCIL ON KUB BROADBAND PROPOSAL

Comments given by Brady Watson at City Council Meeting on 6/29/21

I'm here as a Knoxville resident and as a representative of the Southern Alliance for Clean Energy or SACE. As many of you know, SACE is a Knoxville-based nonprofit organization that promotes responsible and equitable energy choices to ensure clean, safe, and healthy communities throughout the Southeast, including here in Knoxville where we often engage on issues related to KUB. In recent years, we have mainly offered pointed feedback for KUB and their policies, but tonight I'd like to offer a statement of support for KUB's proposed broadband plan.

Now, you may be wondering what does broadband have to do with energy? Municipal broadband, and the fiber infrastructure that goes along with it, offers the potential for a multitude of both environmental and social benefits to our community.

First, the build out of fiber infrastructure that will allow KUB to offer broadband services, will also greatly improve the reliability of the electric grid. We need look no further than our neighbors to the south in Chattanooga at the Electric Power Board who have seen around a 50% reduction in power outages as a result of their investments in fiber, and offer excellent service as evidenced by their 70% market share of broadband in their service territory. Fiber infrastructure improves the electric grid by allowing for more realtime relaying of information, better connectivity, and fewer maintenance trips required by KUB trucks deployed to address service issues. Fewer outages means better experience for customers, including the opportunity to integrate smart grid technologies such as programmable thermostats, and smart water heaters that consume less energy, and lower carbon emissions as a result of fewer deployments of KUB maintenance vehicles to respond to those outages.

Second, the social benefits of investing in municipal broadband are numerous. As the COVID-19 pandemic has shown in stark contrast, we as a society have become increasingly reliant on reliable, high speed internet access, and many in our community, especially low-income folks and communities of color, lack access to reliable high speed internet. In fact, according to a recently published economic impact study from the University of Tennessee, there are more than 30,000 households in Knox county that do not have an internet connection. This leads to a "digital divide" that makes existing disparities even more pronounced as students who need reliable internet access to complete assignments fall behind their peers with more consistent access. Without reliable internet access, many adults also find themselves struggling to work from home, pay bills, and access

information. By offering reliable, high speed internet access, we believe KUB can begin to close that digital divide and help decrease some of the disparities that exist.

Thirdly, municipal broadband offers real economic benefits as KUB's proposal would add around 200 local jobs, with fiber installers earning a base rate of \$55,000. These jobs would catalyze our local economy and provide an opportunity, especially for our young people who are faced with an overwhelming number of issues and should be offered as many opportunities as possible to attain well-paying employment without the need for a college degree. Other possible economic benefits, according to the UT study, include small firm growth, a 1.1 percent increase in the region's gross domestic product, and a 25% reduction in job search time for unemployed individuals.

Of course, the rollout of this program must be done in an equitable manner that ensures access to households that need it most. KUB has taken initial steps to ensure this by offering a low-income internet program as well, and we look forward to further details regarding this.

Now that I've outlined the benefits of broadband, I want to touch on the topics of rates and fixed fees. According to KUB, the average customer will see a \$10.80 increase in their monthly electric bill after all three electric rate increases take effect over the 3 year period, but subsequent increases would not be expected for at least another seven years. It is important to note that the rate increases being proposed to help pay for the fiber infrastructure are also based on usage, and not fixed fees. This is a more equitable solution as fixed fees are felt most by low-income families who can be charged up to \$85 if they receive all four KUB services, even before they turn on a light or use a drop of water. Rate increases on usage fees can actually help conserve energy by sending the correct market signals and encouraging high energy users to consume less as their bills go up.

All that being said, I would like to encourage you to NOT delay a vote on this proposal that will benefit Knoxvilleans. Big telecom companies are pushing to delay the vote, and businesses stand to lose, if that happens. KUB has held public meetings with meaningful public participation, and the benefits from this program should not be delayed. A delay could also mean missing out on federal funding that may soon be available through an infrastructure bill. Establishing a municipal broadband service through KUB will be a net positive for Knoxvilleans, and our environment. Thank you.