



Broadband Loan Loss Reserve Fund

Ruling and Staff Proposal Issued

Overview – CASF proceeding R.20-08-021

In 2021, SB 156 established the Broadband Loan Loss Reserve Fund in the State Treasury. The State will continuously appropriate moneys in this fund to the Commission to fund costs related to the financing of the deployment of broadband infrastructure, by a local government agency or nonprofit organization, including, but not limited to, payment of costs of debt issuance not to exceed 5% of the total debt issued, obtaining credit enhancement, and establishing the funding of reserves for payment of principal and interest on the debt.

Timeline

- Assigned Commissioner Houck 2nd Amended Scoping Memo and Ruling – March 2022
- Comments and Reply Comments on 2nd Amended Scoping Memo and Ruling – April 2022
- Ruling and Staff Proposal issued – September 26, 2022
- **Comments on Staff Proposal due - October 14, 2022**
- **Reply Comments on Staff Proposal due - October 24, 2022**

Proposed Program Key Elements

- SB 156 allocates \$750 million to the Loan Loss Reserve Fund, with no expiration date.
- Credit enhancements to support bond issuances for broadband infrastructure: Loan Loss Reserve & Debt Service Reserve Fund
- The Loan Loss Reserve includes principal coverage between 5-20% of the total amount of the project loan, in the event of default.
- Debt Service Reserve Fund includes costs associated with payment of principal and interest on debt not to exceed 20% of the total debt amount and 2 years of debt service payments, in the event a recipient is unable to make payments on project debt.
- Two-part application review process:
 - Part I – A review of applicant eligibility and project eligibility.
 - Part II – A review of the project’s financial solvency and “impact” of the credit enhancement on the loan.

Links

- [Staff Proposal for Broadband Loan Loss Reserve Fund Program Guidelines \(PDF\)](#)
- [Loan Loss Reserve Fund Webpage](#)
- Documents and public comments related to R.20-08-021 can be found on [the docket card](#).
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