Data-Driven Planning for Telecom Infrastructure Under Climate-Related Uncertainty

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## **Building Climate Resilience through Forward-Looking Data**

### What

Assess the physical risk climate change poses to AT&T's business



### Visualize data

Leveraging forward-looking climate projections to see changes in flooding, wildfire, wind, drought and temperature.



### Assess vulnerabilities

Identifying critical assets and assessing their vulnerability to climate hazards. Take Action Enhance infrastructure, fireproof equipment, put in flood gates, etc.

## Why

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#### Reporting/Regulation Requirements

- Top institutional investors request companies report to the Task Force on Climate-Related Financial Disclosures (TCFD) framework, which requires companies complete a climate scenario analysis.
- U.S. Security Exchange Commission issued proposed rule on climate that requests company's evaluate potential climate risks.

#### **Financial Value**

- CDP estimates that \$4 trillion worth of assets will be at risk from climate change by 2030 globally
- > Knowing your company's risks helps you plan today to reduce costs tomorrow.
- Opportunity to reduce insurance costs if able to show quantified risks and mitigation plans.

### **Customer Considerations**

- > Planning helps to **minimize disruptions** to customers.
- > Avoid **reputational** challenges associated with climate-related disruptions.
- Customers looking to purchase from companies that are working to address environmental and social issues like climate change.



### AT&T's Unique Approach to Manage Physical Risk to Infrastructure and Network Performance

#### OVERVIEW

Several years ago, AT&T collaborated with Argonne National Labs to generate climate data that help us visualize **how climate change will affect our network and operations** out to mid-century. Using this data, we can take steps to **prepare our infrastructure** to withstand more frequent and severe extreme weather.

#### CLIMATE DATA HELPS US CAPTURE RISKS POSED BY

- Inland flood depths (Precipitation-based)
- Coastal flood depths (Storm Surge & Sea level rise)
- $\circ$  Wind Speeds
- o Drought
- $\circ$  Wildfire

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#### COMPETITIVE ADVANTAGE OF DATASET

- **Forward-looking data** (most use historical FEMA data that doesn't incorporate sea level rise, temp changes and other climate factors)
- High resolution (data is downscaled to neighborhood level)
- Renders **worst case climate scenario**



# AT&T's collaboration with Argonne and FEMA to help build a more climate resilient country



#### AT&T, FEMA & Argonne National Laboratory Collaborate to Launch Climate Risk and Resilience Portal for U.S. Communities

New portal is aligned with the Biden Administration's efforts to address the climate crisis and make communities across America more resilient to climate change



## **Fortifying the Past**

#### CRITICAL NETWORK INFRASTRUCTURE

- Leverage climate data and historical data to understand risk
- Prioritize most vulnerable network assets with largest impact

#### RESULTS

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- o Flood gate installation
- Electrical equipment upgrades
- Backup power upgrades
- Maintenance and inspection routine adjustments





## **AT&T's Resilient Future**

#### MOBILITY & WIRELINE PLANNING

- Climate informed decision making baked into workflows
- Identify optimal locations for new infrastructure builds
- Understand what risk are present during design engineering phase
- Plan for specific risk

#### RESULTS

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- o Buried vs. aerial fiber installations
- o Elevated equipment
- Backup power selection
- o Low vs. high-risk location selection
- o Reduced downtime expected
- o Faster restoration expected
- Cost effective





# AT&T Climate Change Risk Model

### For Central Offices Resiliency Measures and Restoration Priority



Expected Building Annual Loss =  $\Sigma \Sigma$  Expected Annual Loss  $H_{T}^{CT}$  +  $\Sigma \Sigma$  Exposure T Annualized Frequency T Historic Loss Ratio T

Applying **FEMA** Location-Based Hazard Data@ Census Tract level Flooding Type (FT): Coastal Flooding, Riverine Flooding (improving to latitude/longitude level)

Hazard Type (HT): Cold Wave, Earthquake, Hail, Heat Wave, Hurricane, Ice Storm, Landslide, Lightning, Strong Wind, Tornado, Tsunami, Volcanic Activity, Wildfire, Winter Weather, Avalanche

Consequence Type (CT): Building

Exposure <sup>CT</sup> : Building Value

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Incorporate with **Argonne** National Lab. forward-looking Climate Change data

Integrated FEMA historical flood data with Argonne climate modeling

- Coastal Flooding
- Inland Flooding

#### AT&T Central Offices

- Location informatio
- Location information
- Restoration Priority

Model output: Vulnerability on Expected Building Annual Loss value

#### On FEMA NRI 2023 version

	V1	V2	V3	V4	V5
RP1	#	#	#	#	#
RP2	#	#	#	#	#
RP3	#	#	#	#	#
RP4	#	#	#	#	#

### Planning for Changing Hurricane Patterns on the US East / Gulf Coast



Historic: FEMA Annualized Frequency Map



Future: STORM Return Periods at 50 m/s [1]

- Spatial distributions of hurricane events over the US East / Gulf Coast aren't predicted to change significantly over the next 30 years
- We can maintain our current planning / processes in this case

[1] <u>Bloemendaal et al., 2022</u> A globally consistent local-scale assessment of future tropical cyclone risk Sci. Adv., 8 (17) (2022)

