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ATTACHMENT A

Staff Proposal: Extend Flex Alert Funding to 2026

1. What is A Flex Alert?

A Flex Alert is an appeal for Californians to voluntarily reduce their electricity use to help maintain a stable, reliable power grid. Flex Alerts are most often issued during the summer and fall months when statewide electricity demand increases sharply due to increased air-conditioning use, helping to unlock the benefits of shifting energy use away from hours of peak demand. By reducing energy use during peak hours, consumers can directly help safeguard grid stability. These coordinated public actions are a component of California's broader strategy to manage electrical demand during heat-related events.

2. Proposal

The Commission should consider extending funding for the Flex Alert paid media campaign ("marketing") for 2026. The program is currently funded by the large electric utilities, PG&E, SCE and SDG&E. The current contract, which expires at the end of 2025, is managed by SCE, and the vendor is Doyle Dane Bernbach Communications Group "DDB."

The proposal is to keep the current annual budget of \$22 million and extend the current contract through 2026. Extending the current contract, as soon as possible, allows the marketing campaign to be in place to contribute to grid stability in 2026.

Demands for electricity are increasing in California from new data centers and from electrification of automobile fleets and HVAC and water heaters in buildings. Extending the Flex Alert marketing campaign informs Californians about ways to keep the grid stable and avoid outages, and also educates the public on wise energy use.

3. Background

The current Flex Alert Marketing Campaign has been in place for five years and originated as part of a statewide effort to strengthen grid reliability during periods of extreme summer heat. In 2020, following a series of heat-related outages, Governor Gavin Newsom directed the CPUC, the California Energy Commission (CEC), and the California Independent System Operator (CAISO) to develop a comprehensive Summer Reliability Plan. One of the outcomes of that directive was a statewide paid media and public outreach Flex Alert campaign to improve consumer awareness and drive voluntary conservation during peak demand periods.

This most recent iteration of the Flex Alert paid media campaign was formally authorized in D.23-12-005 as part of the 2024-2027 IOUs' Demand Response program and budget Applications (A. 22-05-002 et al.). The Commission extended the program through 2025 with an annual budget of \$22 million. In the five years since the paid Statewide Flex Alert Marketing, Education, and Outreach (ME&O) began, there have been positive outcomes. Highlights from the Opinion Dynamics 2024 Flex Alert Marketing Evaluation include:¹

- 93 percent of Californians report being aware of Flex Alert.
- About two-thirds of households report reducing energy use on a Flex Alert day.
- Over 30 percent of households turned off the AC during a Flex Alert.
- Over 30 percent of households unplugged appliances during a Flex Alert.

4. Questions for the Parties

Questions related to the above proposal that parties are requested to address include:

1. Should the Flex Alert Marketing Program continue in 2026?
2. Should the Commission order Southern California Edison to extend or renew the existing Flex Alert Marketing Program contract with DDB through 2026, and if so, under what conditions or modifications, if any?
3. How much should the Flex Alert Marketing Program Budget be in 2026?

¹ Opinion Dynamics, Flex Alert Marketing Campaign, (September 12, 2024)
<https://pda.energydataweb.com/api/view/4033/CPUC%20Flex%20Alert%20Performance%20Analytics%20Report%20FINAL%202024-09-12.pdf>
<https://pda.energydataweb.com/#/>
https://pda.energydataweb.com/api/view/4134/SWMEOCampaignImpactEvaluationResearchPlan_2025-04-23_PDA.pdf

4. Are there any further issues, procedural requirements, contingencies, or program elements not addressed above that parties believe are necessary for the continuation and administration of the Flex Alert Program?

(END OF ATTACHMENT A)