



**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

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Order Instituting Rulemaking to Enhance  
Demand Response in California.

Rulemaking 25-09-004  
(Filed September 29, 2025)

**COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY  
(U 39 E) ON FLEX ALERT QUESTIONS IN RESPONSE TO  
DECEMBER 30, 2025, ALJ RULING**

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**I. INTRODUCTION**

Pursuant to the Administrative Law Judge’s ruling seeking comments on the staff proposal to extend Flex Alert funding to 2026, Pacific Gas and Electric Company (PG&E) submits its comments on the staff proposal attached to the ALJ ruling. PG&E responds to the four questions in the staff proposal. PG&E supports extending funding in 2026 for Flex Alert and identifies the potential need to address continuation of Flex Alert funding in 2027 after holding a competitive solicitation to award a Flex Alert marketing contract for 2027. Flex Alert has been a valuable outreach program to educate and alert Californians throughout the state to the importance of reducing electric energy usage when the electric grid is encountering highly stressed conditions. PG&E’s comments focus on building on the awareness created by Flex Alert and improving its effectiveness.

**II. RESPONSE TO QUESTIONS**

**1. *Question 1: “Should the Flex Alert Marketing Program continue in 2026?”***

**Response: PG&E recommends continuation of the statewide Flex Alert Marketing Program in 2026, with targeted enhancements to improve effectiveness and ensure timely, seasonal outreach.**

The Flex Alert program has been and remains an important resource supporting California’s electric grid reliability by educating customers and providing actionable guidance

during grid emergencies. Continued statewide Flex Alert marketing helps ensure all Californians receive clear, consistent, and timely information. The 2026 marketing can build on the high awareness of the Flex Alerts campaign, 93 percent among survey respondents, with 90 percent of those who were aware, saying that they tried to reduce their usage during the summer 2022 events, as reported in the 2022 Outreach Study<sup>1</sup>. With this foundation, the statewide marketing program is positioned to advance to its next phase in 2026: driving active customer engagement during grid emergencies. The primary call-to-action should focus on CAISO Flex Alert notification sign-ups,<sup>2</sup> ensuring customers receive timely alerts and can respond quickly when conservation is critical. By leveraging the current awareness levels and moving toward active participation – such as enrolling for notifications, reducing electricity use, or shifting consumption outside peak hours – the program will further enhance grid reliability and deliver greater value to ratepayers.

To support Flex Alert in 2026 and maintain both impact and customer affordability, PG&E recommends an approach that builds upon the existing Californians’ awareness and prioritizes relevance, engagement, and efficiency. The following strategies are proposed to help strengthen customer participation during critical periods while making the most of available resources:

1. Targeted, Timely Campaigns.
  - Focus outreach during anticipated grid stress periods, such as extreme heat or supply shortages.
  - To support general awareness, use strategic marketing ahead of potential grid stress periods to support general awareness and encourage CAISO Flex Alert notification sign-ups, customer receipt of timely alerts, and quick response when load reduction is critical.
  - Align campaign timing with grid forecasts so messages are timely and actionable.

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<sup>1</sup> ALJ Ruling, Attachment A, Staff proposal, p. 2, footnote 1.

<sup>2</sup> Sign up for CAISO Flex Alerts, available at: <<https://participate.flexalert.org/register>> (accessed Jan. 12, 2026).

- Use clear calls-to-action like “*Reduce electricity use now to help prevent outages*” to connect messaging to real conditions.
2. Audience-Centered Engagement
- Explore ways to prioritize customer segments with high awareness but lower participation—such as renters, seniors, and multifamily residents—through tailored messaging.
  - Leverage community partnerships and trusted local platforms to encourage engagement in a cost-conscious way. Local platforms could include channels such as neighborhood organizations, local media outlets, and culturally relevant digital channels.
3. Continuous Optimization
- Test different messaging and visuals through A/B comparisons, such as urgency-driven versus community-focused approaches.
  - Monitor real-time dashboards for key metrics like sign-up rates and engagement to adjust tactics quickly.
  - Use insights to ensure outreach resonates and drives measurable action.
4. Cost-Effective Communication Channels
- Consider shifting from prolonged, high-cost broadcast campaigns to more agile options like Connected TV, DirecTV, earned media, and targeted digital platforms.
  - These more agile channels can enable timely, focused communication during emergencies while helping reduce overall costs.

By adopting these strategies, the statewide Flex Alert Marketing Program can build on its current awareness level and transition effectively into an action-oriented phase. These suggestions aim to balance impact with affordability, ensuring outreach efforts remain timely, relevant, and cost-conscious. With a focus on measurable engagement and efficient resource use, the program can continue to play a vital role in supporting grid reliability while delivering

meaningful value to California's customers.

**2. Question 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?"**

**Response: PG&E recommends extending the Flex Alert marketing contract through 2026 and initiating a competitive Request for Proposal (RFP) process in 2026 to select a marketing vendor for 2027.**

**Recommendation 1: Contract Extension for 2026**

Due to limited time in 2026 to conduct a competitive solicitation prior to summer, PG&E supports a one-year contract extension with the 2025 vendor, Doyle Dane Bernbach Communications Group (DDB), as an interim measure, with recommended contract revisions to improve cost-effectiveness, enhance customer affordability, and ensure timely budget forecasting communications. This approach would maintain program continuity in 2026 while enabling a competitive RFP to select the 2027 vendor.

For the 2026 contract extension with DDB, PG&E recommends:

- Refine program scope to prioritize measurable customer actions, including increasing and tracking CAISO Flex Alert notification sign-ups and achieving timely behavioral responses during grid emergencies.
- Target outreach to customer segments to achieve high awareness to improve low engagement, using tailored messaging and hyperlocal channels to improve participation.
- Implement optimization protocols and measurement protocols such as A/B message testing and utilize real-time key program indicators (KPI) dashboards to enable data-driven adjustments as conditions evolve.
- Require the vendor to update its 2026 budget forecasts every 60 days to reflect implementation timing revisions and monthly expenditures. Refreshing the budget forecast will support tracking progress of expenditures towards the

maximum approved budget and forecast planning.

**Recommendation 2: Conduct a competitive RFP to select a marketing vendor for 2027.**

If funding for Flex Alert in 2027 needs to be addressed in R.25-09-004, the Commission should authorize a competitive solicitation. A competitive solicitation for 2027 would better ensure the program remains cost-effective, innovative, and responsive to customer and grid needs than a direct award. The RFP should prioritize affordability and timeliness to deliver maximum value and support grid reliability during emergencies. If the CPUC authorizes a bridge period to continue Demand Response programs beyond the end of the current cycle (due to deferring next Demand Response application beyond its current due date in November 2026), an extension of the 2027 Flex Alert contract awarded in the RFP would be needed until the next cycle of Flex Alert funding is addressed in the Demand Response application.

To inform this process, PG&E proposes part of the authorized 2026 annual budget be reserved to fund an independent evaluation of the 2023–2025 marketing campaign’s effectiveness and cost-efficiency in early 2026 (Q1–Q2). Insights from this review should guide the scope and requirements of the RFP, enabling proposals that reflect lessons learned and focus on continuous improvement. The contract for 2027 should continue to reserve 3 percent for IOU expenses related to the Flex Alert program, financial management and invoice processing, and contract administration costs.

**3. *Question: 3 “How much should the Flex Alert Marketing Program Budget be in 2026?”***

**Response: PG&E recommends removing the additional \$10 million allocation previously used for Power Saver Rewards marketing and setting the 2026 Statewide Flex Alert Marketing Program budget at no more than \$12 million. PG&E provides additional marketing strategy recommendations that could further reduce the necessary expenditure below \$12 million.**

With the conclusion of the Power Saver Rewards program under the Emergency Load Reduction Program (ELRP) pilot, also known as Subgroup A-6, the statewide Flex Alert

marketing budget should return to its prior maximum of \$12 million, reflecting current priorities and supporting customer affordability. The 2025 \$22 million budget corresponds to a \$12 million budget approved in D.21-03-056, “plus \$10 million in additional ratepayer funding that matches a \$10 million [one-time] appropriation for the program from the State General Fund approved in the 2021 Budget Trailer Bill, Assembly Bill 128.”<sup>3</sup> The Commission’s Decision (D.) 21-12-015 (Conclusion of Law 13) declined to reduce the budget for 2022–2023 from \$22 million because additional activities were required, including outreach related to the Power Saver Rewards Program messaging for ELRP triggers (day-ahead Flex Alerts and CAISO Alert, Warning, Emergency signals), and development of messaging to discourage use of backup generators (BUGs).<sup>4</sup> A subsequent decision determined these additional requirements justified maintaining the higher budget at \$22 million for several more years and tied the Flex Alert budget authorization to the end date of Power Saver Rewards in 2025.<sup>5</sup>

Since the ELRP program for residential customers has concluded, these incremental outreach and messaging requirements no longer apply. As a result, the additional \$10 million allocation is unnecessary and the statewide Flex Alert Marketing Program can effectively operate within the original \$12 million budget.

**Additional Response: PG&E further recommends strategies that could further reduce expenditures below \$12 million by focusing on cost-efficient, outcome-driven engagement.**

PG&E further recommends strategies that could reduce expenditures below \$12 million by shifting the emphasis from broad awareness campaigns to outcome-driven engagement. These strategies include leveraging digital platforms, Connected TV, earned media, and hyperlocal outreach—cost-efficient channels that enable timely, adaptable messaging during grid emergencies.

PG&E also supports adoption of a shared funding model in which all beneficiaries of statewide Flex Alerts—including IOUs, CAISO, publicly owned utilities (POUs), and irrigation

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<sup>3</sup> D.21-12-015, p. 71.

<sup>4</sup> *Id.* p. 74.

<sup>5</sup> D.23-12-005, p. 31.

districts with their own electric systems for customers in their territories— contribute equitably to program costs. Planning for this approach in 2026 and implementing it in 2027, with inclusion of the other entities, would align with D.13-04-021 and be consistent with program sustainability and affordability for ratepayers.

By streamlining the budget, prioritizing measurable engagement, and promoting equitable cost-sharing, the statewide Flex Alert Marketing Program can deliver effective, timely outreach that supports California’s grid reliability goals.

**4. *Question 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?”***

**Response: For convenience, the response to question 4 summarizes our additional recommendations as described in more detail in Questions 1–3.**

1. Enhance Program Focus  
Shift from broad awareness to driving measurable customer actions, such as CAISO Flex Alert sign-ups and timely behavioral responses during grid emergencies.
2. Targeted Outreach  
Prioritize segments with high awareness but low engagement (e.g., renters, seniors, multifamily residents) using tailored messaging, hyperlocal channels, and community partnerships.
3. Continuous Optimization  
Implement A/B testing, real-time KPI dashboards, and adaptive strategies to ensure outreach remains effective and data-driven. Track engagement and attribution to identify which channels and messages drive the highest impact, ensuring resources are allocated effectively.
4. Cost-Effective Communication  
Transition from prolonged broadcast campaigns to flexible, lower-cost channels

like digital platforms, Connected TV, earned media, and localized outreach.

5. Shared Funding Model

Adopt an equitable cost-sharing approach among all beneficiaries of protecting grid reliability (IOUs, CAISO, publicly owned utilities (POUs), and irrigation districts with electric distribution systems in their areas) and be consistent with sustainability and affordability.

6. Evaluation of past marketing performance in advance if issuing RFP for 2027.

Conduct an evaluation of the 2023–2025 campaign in Q1–Q2 2026 to inform the scope and requirements of the competitive RFP for the 2027 contract.

7. Provide regular reporting on financial forecasts, actual expenditures, and campaign performance metrics to ensure transparency, enable timely adjustments, and support accountability.

PG&E does not have quantitative savings estimates of the potential amounts that could be saved with its recommendations. Taking the achievements of Flex Alert already realized and building on that foundation for 2026 to focus on increasing customer responsiveness may not require as much as expended in past Flex Alert campaigns. Conducting a competitive solicitation that focused on evolution of the program instead of a direct award based on the past contract would have been beneficial. That said, the \$12 million budget for Flex Alert itself should be a maximum amount for 2026, with the possibility of a modest reduction below that amount.

### **III. CONCLUSION**

PG&E supports a prompt Commission decision on the Flex Alert issues raised on the ALJ's ruling request for comments on the staff proposal for 2026 funding. PG&E sees the opportunity to improve Flex Alert at a lower annual cost and trusts that its comments will be helpful to the ALJ and Commission.

