BEFORE THE PUBLIC UTILITIES COMMISSION OF THE

STATE OF CALIFORNIA

Order Instituting Rulemaking to Enhance Demand Response in California.	R.25-09-004

COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENTS ON STAFF PROPOSAL TO EXTEND FLEX ALERT FUNDING TO 2026

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Pursuant to Ordering Paragraph 2 of the Administrative Law Judge's Ruling Seeking Comments on Staff Proposal to Extend Flex Alert Funding to 2026 (Ruling) issued December 30, 2025, Southern California Edison (SCE) respectfully submits these responses to the four questions appended in Attachment A (Staff Proposal).

I.

INTRODUCTION

Flex Alert is a California Independent System Operator (CAISO) emergency notification designed to ask Californians to voluntarily conserve electricity when the CAISO anticipates energy supply may not meet high electricity demand. On November 19, 2020, the California Public Utilities Commission (Commission) initiated Rulemaking (R.)20-11-003 to establish policies, processes, and rules to ensure reliable electric service in California in the event of an extreme weather event in 2021. On March 26, 2021, the Commission issued D.21-03-056, directing the Joint IOUs to take actions to prepare for potential extreme weather in the summers of 2021 and 2022. Among other things, the Commission authorized funding for a statewide paid media campaign for Flex Alert to inform and encourage people to voluntarily conserve energy when Flex Alerts are issued. The Commission authorized $12 million for 2021 and $22 million for 2022-2025 for the Flex Alert paid media campaign.[1] In compliance with the Commission's decisions, SCE has held and managed the contract for the statewide Flex Alert paid marketing campaign since 2021. The Ruling seeks stakeholder input on whether the Flex Alert paid marketing campaign should be extended in 2026 and if SCE should be ordered to extend or renew its current contract with the existing marketing vendor Doyle Dane Bernbach Communications Group (DDB).

II.
DISCUSSION

A. Questions in Attachment A to Ruling Seeking Comments

1. Should the Flex Alert Marketing Program continue in 2026?

The Commission Staff Proposal indicates interest in continuing to fund the Flex Alert paid marketing campaign through 2026, citing increasing demand for electricity and the need to continue to contribute to grid stability through information campaigns to Californians.[2] If the Commission determines the Flex Alert paid marketing campaign provides sufficient benefits and should continue in 2026, SCE supports implementing the necessary contractual updates to continue the paid marketing campaign through 2026. In these comments SCE recommends specific procedural and contractual steps necessary to extend or renew its existing

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1 D.21-03-056, Ordering Paragraph 3 authorized $12 million each year for 2021 and 2022. D.21-12-015 authorized an additional $10 million for 2022 and $22 million for 2023. D.23-12-005 authorized $22 million for 2024 and 2025. The State of California authorized an additional $10 million in the 2021 Budget Trailer Bill from the State's General Fund for Flex Alert [See Assembly Bill 128. Stats. 2021, Ch. 21, Sec. 2.00, subd. 8660-001-0001, item 2].

2 Staff Proposal, p. 1.

Flex Alert marketing contract with DDB so that SCE can operationalize the contract in a timely manner.

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?

If the Commission determines the Flex Alert paid marketing campaign should continue in 2026, the Commission should authorize extending the *current* contract with DDB to ensure a timely 2026 campaign can be launched, as a new competitive solicitation will not allow sufficient time to launch a paid marketing campaign in time for summer 2026. In this scenario, SCE recommends the Commission take the following procedural steps SCE highlighted in its December 23, 2025 Post-Prehearing Conference Statement:[3]

- Open a rate-setting track to address portfolio bridge funding, including Flex Alert paid media and marketing, and other funding issues as necessary;
- Authorize SCE to extend the *current* DDB contract for an additional year (2026);[4]
- Authorize incremental funding for 2026,[5] including how the costs and funding should be split or shared by the three IOUs and collected from their respective customers;[6] and

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[3] SCE Post-Prehearing Conference Statement, p. 2.

[4] To mitigate potential contracting delays, the Decision should explicitly extend the current DDB contract to include the continuation of the 2025 payment terms and rates for 2026, including the agency monthly retainer fee.

[5] If there are unspent funds from the 2025 budget and the Commission explicitly authorizes the 2026 campaign to use those funds, the Commission should state that the total authorized funding for Flex Alert paid marketing increase from $44 million (2024-2025) to $66 million (2024-2026) and should authorize the Flex Alert paid marketing budget to carryover or carryforward funding over the three-year period.

[6] Consistent with prior Commission decisions (D.21-03-056, D.21-12-015, and D.23-12-005), PG&E, SCE, and SDG&E would share the costs of this funding based on each IOU's portion of Commission-jurisdictional share of CAISO peak load (45 percent for SCE, 45 percent for PG&E, and 10 percent

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- Authorize IOUs 3% of the annual budget to cover IOU administration costs.

Further, while SCE's contract with DDB indicates that all work shall be completed by December 31, 2025, the Purchase Order (SCE's mechanism by which a procurement contract for goods and/or services is effectuated) remains open through March 31, 2026. As such, to expedite the extension or renewal of this contract, SCE recommends the Commission authorize SCE to do so with incremental funding at or before the March 19, 2026 Commission Voting Meeting.

3. How much should the Flex Alert Marketing Program Budget be in 2026?

The Staff Proposal recommends keeping the current annual budget of $22 million in 2026.[7] SCE notes, however, that the scope for the 2026 paid marketing campaign will no longer include marketing of the Power Saver Rewards program (the program for residential customers (Sub-Group A.6.) of the Emergency Load Reduction Program Pilot or ELRP). To ensure a continued effective and affordable Flex Alert program the Commission may consider updating the budget to reflect the closure of the Power Saver Rewards program in 2025. D.23-12-005 stated that the "The Flex Alert paid media campaign is a key means of noticing enrolled customers that a Power Saver Rewards event has been called and is therefore integral to the design of that program."[8] Given this statement, the Commission determined in D.23-12-005 that funding for the Flex Alert program end when the Power Saver Rewards program ended in 2025.[9] Therefore, it may be appropriate to reduce the budget to reflect the removal of Power Saver Rewards from the marketing scope.

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for SDG&E) and IOUs would be directed to collect the authorized funds from all customers in their respective service territories.

7 Staff Proposal, p. 1.

8 D.23-12-005, p. 30.

9 *Id.*, p. 31.

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?

SCE recognizes the timeliness of the Commission's consideration of continuing a Flex Alert paid marketing campaign in 2026, and as such authorizing SCE to extend the *current* contract with DDB with minimal changes and additional funding is the most expeditious approach. If the Commission determines that a Flex Alert paid marketing campaign should continue beyond 2026, SCE recommends moving away from a directed bid to a specific vendor. In addition, as is customary and consistent with the practice of other statewide solicitations, SCE would no longer be the lead utility. The Commission should require either Pacific Gas and Electric Company or San Diego Gas & Electric Company to open a competitive bidding process and solicitation to support the refreshed scope and seek competitive pricing proposals.

Furthermore, if the Commission is considering extending marketing for Flex Alert beyond 2026, SCE recommends building on the findings from the 2022 Flex Alert Marketing, Education and Outreach Effectiveness Study (Study),[10] and the 2025 Statewide ME&O Campaign Impact Evaluation Research Plan (Impact Evaluation Plan).[11] The Study reaffirms that awareness of Flex Alerts remains extremely high—over 90% of Californians report being aware of Flex Alerts—yet this awareness is not a significant driver of event performance.[12] The Study recommends shifting from broad awareness campaigns to action-oriented strategies that drive measurable behaviors, such as increasing sign-ups for Flex Alerts and promoting specific energy-saving actions during periods of grid stress. The Impact Evaluation Plan further

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10 Study *available at* https://pda.energydataweb.com/api/view/4033/CPUC%20Flex%20Alert%20Performance%20Analytics%20Report%20FINAL%202024-09-12.pdf.

11 Impact Evaluation Plan *available at* https://pda.energydataweb.com/api/view/4134/SW%20MEO%20Campaign%20Impact%20Evaluation%20Research%20Plan_2025-04-23_PDA.pdf.

12 Study, pp. 8, 31.

emphasizes the importance of performance-based metrics, ensuring that future campaigns are evaluated on measurable outcomes rather than impressions alone. This strategic shift should prioritize targeted outreach during high-demand conditions rather than year-round general campaigns. To ensure cost efficiency, SCE further recommends transitioning to lower-cost marketing channels and implementing reporting to demonstrate accountability and performance outcomes. Additional enhancements should include leveraging real-time alerts and behavioral prompts to encourage immediate action, personalized messaging based on usage patterns, integration with smart home devices and utility apps for seamless participation and reinforcing engagement through micro-incentives or gamified challenges. Clear, prioritized action lists and educational content—such as short videos or infographics—should accompany these efforts, supported by coordinated outreach across paid media, owned channels, and community partnerships to maximize impact.

Implementing these recommendations should deliver measurable benefits for both grid reliability and customer engagement. By shifting to action-oriented strategies and focusing outreach during periods of grid stress, customers can achieve more consistent and verifiable load reductions, directly supporting system stability during critical events. Personalized messaging and integration with smart devices will make participation easier and more convenient, fostering a stronger sense of partnership between customers and the grid. Additionally, leveraging lower-cost channels and rigorous reporting will ensure marketing investments are efficient and transparent, while incentive-based engagement strategies will deepen customer involvement and encourage sustained behavioral change. Collectively, these enhancements position customers to move beyond awareness toward meaningful action, aligning with statewide goals for demand-side management and resiliency.

III.

<u>CONCLUSION</u>

SCE appreciates the opportunity to submit these comments and looks forward to coordinating with the Commission and DDB.

Respectfully submitted,

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