



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

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Order Instituting Rulemaking to Enhance
Demand Response in California.

R.25-09-004

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS ON
ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENTS ON STAFF
PROPOSAL TO EXTEND FLEX ALERT FUNDING TO 2026**

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SUMMARY OF RECOMMENDATIONS¹

CalCCA recommends that the Commission:

- Adopt the Staff Proposal’s recommendation to continue funding the Flex Alert Marketing Program for 2026 to further foster customer participation in the Flex Alert program; and
- Initiate an analysis of the Flex Alert Marketing Program’s annual spend compared to incremental changes in awareness and customer willingness to respond to messaging to ensure any future versions of the program address diminishing marginal returns to marketing spend.

¹ Acronyms used herein are defined in the body of this document.

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California Community Choice Association² (CalCCA) submits these comments pursuant to the *Administrative Law Judge's Ruling Seeking Comments on Staff Proposal to Extend Flex Alert Funding to 2026*³ (Ruling), dated December 30, 2025. The Ruling invites comments on Attachment A to the Ruling, titled *Staff Proposal: Extend Flex Alert Funding to 2026* (Staff Proposal).

I. INTRODUCTION

Five years ago, Governor Gavin Newsom directed the California Public Utilities Commission (Commission) and the California Independent System Operator (CAISO) to develop a Summer Reliability Plan, which launched the statewide public outreach for the Flex Alert program. The Flex Alert program calls Californians to action during periods of grid stress to reduce electricity usage to maintain reliability. The Flex Alert program proved to be a valuable tool to shed loads during grid stress during the unprecedented peak loads experienced in the

² California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance of Southern California, CleanPowerSF, Desert Community Energy, Energy For Palmdale's Independent Choice, Lancaster Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

³ *Administrative Law Judge's Ruling Seeking Comments on Staff Proposal to Extend Flex Alert Funding to 2026*, Rulemaking (R.) 25-09-004 (Dec. 30, 2025), <https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=591699379>.

Summer of 2022. In addition, the Flex Alert program highlights for customers how reducing usage during certain times of the day can help customers save money by curtailing or shifting load to times of the day when electricity is less expensive.

Current load growth, especially the electrification of buildings and vehicles and the growth of data center loads, continues to present the need for reliability through load flexibility. Through the Ruling, the Commission requests party comments on an Energy Division Staff Proposal recommending extending the funding for statewide marketing of the Flex Alert program through 2026. The Staff Proposal cites a 2024 study of the effectiveness of the Flex Alert Marketing Program, demonstrating that 93 percent of Californians are aware of the Flex Alert program, and that two-thirds of households reduced energy usage on Flex Alert days.⁴

Given the effectiveness of the Flex Alert Marketing Program, the Commission should adopt the Staff Proposal's recommendation to continue funding for 2026. Additionally, the Commission should review historical marketing spend and trends in awareness, as well as customer actions taken in response to marketing to understand whether the Commission should adjust funding levels for future versions of the Flex Alert Marketing Program. Indeed, there may be diminishing marginal returns to marketing given relatively high levels of customer awareness. This does not mean that some level of marketing and outreach is unnecessary on a continued basis. Rather, it may mean the program could be more cost-effective by shifting some funding to marketing efforts that would markedly increase Californians' engagement in and awareness of Flex Alert, or right-sizing total funding for the program. Given the lack of time to perform such

⁴ See Staff Proposal at 2 (stating that 93 percent of Californians report being aware of Flex Alert, about two thirds of households report reducing energy use on a Flex Alert day, and over 30 percent of households turned off air conditioning and unplugged appliances during a Flex Alert).

an analysis before the Summer of 2026, the Commission should begin the analysis now to inform any iterations of the Flex Alert Marketing Program beyond the 2026 program year.

CalCCA therefore recommends that the Commission:

- Adopt the Staff Proposal’s recommendation to continue funding the Flex Alert Marketing Program for 2026 to further foster customer participation in the Flex Alert program; and
- Initiate an analysis of the Flex Alert Marketing Program’s annual spend compared to incremental changes in awareness and customer willingness to respond to messaging to ensure any future version of the program address diminishing marginal returns to marketing spend.

II. CALCCA’S RESPONSES TO STAFF PROPOSAL QUESTIONS 1-4

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

The Commission should adopt the Staff Proposal to extend funding for the Flex Alert Marketing Program in 2026, continuing to build awareness of and willingness to participate in potential Flex Alerts. As the Staff Proposal states:

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.⁵

The Staff Proposal describes the two primary benefits the Flex Alert Marketing Program provides: (1) awareness of the Flex Alert program, how it works, and how customers can contribute to calls-to-action as part of the program; and (2) general knowledge that will help customers align usage to cleaner, more affordable times of the day when the grid is less stressed.

As more customers electrify their homes and vehicles, the potential for high, unmanaged loads increases. With recent discussions of significant data center loads forthcoming, this

⁵ *Id.* at 1.

potential increases further. Fortunately, CAISO has not called a Flex Alert since 2022,⁶ but California's use of the grid is evolving through these technological paradigm shifts. The effectiveness study cited by the Staff Report demonstrates customer awareness of and willingness to act on Flex Alerts, indicating the outreach has been successful. This includes an estimated 93 percent of Californians knowing about the Flex Alert program, two-thirds of households reducing usage on Flex Alert Days, and more than 30 percent of households turning off appliances during Flex Alerts.⁷ Continuing active outreach to customers about managing energy use (e.g., how much and when) will ensure customers are up to date and equipped to use energy wisely. While awareness is high, there is still more potential for customers to take action when needed, which further outreach and education can address.

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?

To the extent that the existing implementer of the Flex Alert Marketing Program has met performance goals and satisfies contractual requirements, it is likely that extending or renewing the existing contract is the most cost-effective method of continuing the program for 2026. The process of starting a contract from scratch, with a new or existing implementer, will require more resources than a contract extension. Releasing a new request for proposals, vetting applicants, and establishing a new contract may also make it impossible to accomplish ahead of the Summer of 2026, when warmer weather will tend to increase loads. Therefore, the Commission should order Southern California Edison Company to extend or renew the existing contract.

⁶ *Grid Emergencies History Report*, CAISO (Revised June 12, 2025), at 1, <https://www.caiso.com/documents/grid-emergencies-history-report-1998-to-present.pdf>.

⁷ *2022 Flex Alert Marketing, Education, and Outreach Effectiveness Study* (Mar. 3, 2024), https://pda.energydataweb.com/api/view/3936/2022%20Flex%20Alert%20Evaluation%20Draft%20Report_Public%20Comment.pdf.

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

CalCCA does not oppose the Staff Proposal's recommendation to continue the historical annual funding amount of \$22 million, but the Commission should direct a review of the budget in parallel to implementing the Flex Alert Marketing Program in 2026. Such a review will allow the Commission to understand any diminishing marginal returns to raising awareness given the already high level of awareness of Flex Alerts.⁸ The results of this review can then inform the Commission and stakeholders of any future versions of the Flex Alert Marketing Program, especially given the technological shifts occurring related to building and transportation electrification and the potential for significant data center loads.

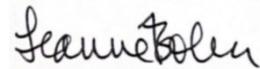
4. Are there any further issues, procedural requirements, contingencies, or program elements not addressed above that parties believe are necessary for the continuation and administration of the Flex Alert Program?

CalCCA has no additional comments on further issues, procedural requirements, contingencies, or program elements at this time.

III. CONCLUSION

For all the foregoing reasons, CalCCA respectfully requests consideration of the comments herein and looks forward to an ongoing dialogue with the Commission and stakeholders.

Respectfully submitted,



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CALIFORNIA COMMUNITY CHOICE
ASSOCIATION

January 20, 2026

⁸ See Staff Proposal at 2 (stating that 93 percent of Californians report being aware of Flex Alert).