

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Enhance
Demand Response in California.

**OPENING COMMENTS OF
LEAPFROG POWER, INC. ON ADMINISTRATIVE LAW JUDGE'S RULING
SEEKING COMMENTS ON STAFF PROPOSAL TO EXTEND FLEX ALERT
FUNDING TO 2026**

January 20, 2026

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I. INTRODUCTION

Leapfrog Power, Inc. (“Leap”) submits these Opening Comments on the Administrative Law Judge’s Ruling Seeking Comments on Staff Proposal to Extend Flex Alert Funding to 2026, issued in this proceeding on December 30, 2025 (“ALJ Ruling”). Attachment A to the ALJ Ruling is the “Staff Proposal: Extend Flex Alert Funding to 2026” (“Staff Proposal”). These Opening Comments have been timely filed and served pursuant to the Commission’s Rules of Practice and Procedure and the instructions contained in the ALJ Ruling.

II. BACKGROUND

Leap is a Demand Response Provider (“DRP”) founded in 2017 and headquartered in Sacramento, California. The company provides demand response (“DR”) services to residential, commercial, industrial, and agricultural customers throughout the state of California. Through its technology platform, Leap enables distributed energy resource (“DER”) providers in California to provide grid flexibility, delivering revenue for their customers and integrating additional demand-side resources into the California electricity system. Leap believes that demand-side resources integrated into California’s wholesale electricity market will play an increasingly important role in helping California achieve a resilient and zero carbon future. Leap

is a registered DRP, as well as a registered Scheduling Coordinator, with the California Independent System Operator Corporation (“CAISO”).

III. LEAP’S COMMENTS ON THE STAFF PROPOSAL

The Commission should not extend the Flex Alert Marketing Program into 2026. The structure and budget for the program are not appropriate for its purposes. For reference, the Flex Alert program’s annual budget of \$22 million is higher than the budget allocated to the Demand Response Auction Mechanism (“DRAM”) in 2019 and almost two times higher than the budget allocated to the investor-owned utilities’ combined Capacity Bidding Programs (“CBPs”) in 2025.¹ Despite having a budget on par (or significantly higher) than established DR programs, Flex Alert participants have no set load reduction commitments, and it is unclear how well the program “performs” compared to the capabilities of its participants.

If the Commission wishes to dedicate ratepayer funds to a program that does not have performance goals, it should repurpose those funds as incentives under a “pay-for-performance” structure like the one used in the Demand Side Grid Support program. In this structure, aggregators could target their outreach to customers that have the most potential to provide load reductions (e.g., those with batteries or smart thermostats), and the funds would provide an incentive for those customers to maximize their respective load reduction capabilities. If customers do not perform, then the incentives would not be paid, allowing the program’s expenditures to remain in line with the benefits it provides.

In addition, Leap agrees with San Diego Gas and Electric Company (“SDG&E”) that the Flex Alert funding was initially expanded to support the Power Saver Rewards program (i.e., Emergency Load Reduction Program (“ELRP”) A.6).² This program ended in 2025 due to lack

¹ Decision (“D.”) 23-12-005, at p. E-1.

² SDG&E Post-Hearing Conference Statement, at pp. 2-3.

of evidence that it provided significant incremental load reductions, despite paying over \$100 million in incentives to auto-enrolled customers.³ With the Power Saver Rewards program appropriately being discontinued, it follows that funding for the Flex Alert Marketing Program is no longer justified, as well. As such, Leap recommends that the Flex Alert Market Program be discontinued and, to the extent possible, its funds redirected to DR programs that are better structured to effectively support the grid.

IV. CONCLUSION

Leap appreciates the opportunity to provide Opening Comments on the Staff Proposal.

Dated: January 20, 2026

Respectfully submitted,

/s/ COLLIN SMITH

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³ D.23-12-005, at pp. 136-137.