BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Enhance Demand Response in California.	Rulemaking 25-09-004 (Filed September 18, 2025)

OPENING COMMENTS OF THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL ON ASSIGNED COMMISSIONER'S PROPOSED DECISION EXTENDING FLEX ALERT PAID MEDIA CAMPAIGN FUNDING TO 2026

March 5, 2026

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I. INTRODUCTION

The California Efficiency + Demand Management Council (the "Council") submits these Opening Comments on the Assigned Commissioner's Proposed Decision to Extend Flex Alert Funding to 2026, issued in this proceeding on February 13, 2026 ("Proposed Decision"). 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 Proposed Decision.

II. BACKGROUND

The Council is a statewide trade association of non-utility businesses that provide energy efficiency ("EE"), demand response ("DR"), and data analytics services and products in California.[1] Our member companies employ many thousands of Californians throughout the state. They include EE, DR and distributed energy resources ("DER") service providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and energy efficient product manufacturers. The Council's mission is to support appropriate EE, DR, and DER policies, programs, and technologies to create sustainable jobs, long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

[1] Additional information about the Council, including the organization's current membership, Board of Directors, antitrust guidelines and code of ethics for its members, can be found at http://www.cedmc.org. The views expressed by the Council are not necessarily those of its individual members.

III. THE COUNCIL'S COMMENTS ON THE STAFF PROPOSAL

In Opening Comments on the Administrative Law Judge's ("ALJ's") Ruling Seeking Comments on Staff Proposal to Extend Flex Alert Marketing Program ("Flex Alerts") Funding, the Council expressed support for the continuation in 2026 and 2027 of the Flex Alerts as an important tool in informing the public of the value of peak demand reduction. The Council's support, however, was dependent on the Commission modifying the Flex Alerts approach and messaging, consistent with Opinion Dynamics's recommendations in their 2024 independent evaluation of Flex Alerts. In that report, Opinion Dynamics underscores the need to further enhance the value of Flex Alerts to the grid, ratepayers and the environment by offering tailored, customer-specific outreach and pre-and post-event messaging. On page 8, Opinion Dynamics states that Flex Alerts should:

> Help customers understand event-day behaviors that should occur outside event hours including pre-cooling the home before the event to increase comfort and shifting actions such as the use of major appliances and charging of electronic devices before or after event hours.[2]

The Proposed Decision refers to the Opinion Dynamics report but does not specifically indicate that the approach and messaging for Flex Alerts should be modernized. Absent those changes for 2026 Flex Alerts, the Council finds less value in extending the program at the full budget of $22 million.

The Council supports the Proposed Decision's finding that given the lapse of the Power Save Rewards ("PSR") program, it is appropriate to reduce the budget:

> "It is reasonable to authorize a one-year Program budget of $15 million for the 2026 calendar year. Given the lapse of the PSR program, it is appropriate to reduce the budget closer to the budget approved by D.21-03-056. "[3]

Cal Advocates notes that: "The Commission authorized a cumulative budget of $31.12 million for all other demand response ME&O activities combined over the entire 2024-2027 cycle."[4] Leapfrog Power, Inc. ("Leap") further notes that:

> "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

[2] Opinion Dynamics: "2022 Flex Alert Marketing, Education and Outreach Effectiveness Study," dated July 30, 2024, at p. 8.

[3] Proposed Decision, at p. 9

[4] Id, at p. 6.

> almost two times higher than the budget allocated to the investor-owned utilities' combined Capacity Bidding Programs ("CBPs") in 2025. Despite having a budget on par with (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."[5]

Leap further recommends that funds from the Flex Alert program be redirected to DR programs that are better structured to effectively support the grid.[6]

The above comments suggest that before considering a 2027 extension or any increases in funding, the Commission should:

1. Consider additional evaluation of the Flex Alerts program performance against DR programs that are doing more to support the grid;
2. Determine if funding would be better allocated to the Emergency Load Reduction Program or similar DR programs; and
3. Modify the Flex Alerts messaging consistent with Opinion Dynamic' recommendations.

IV. CONCLUSION

The Council appreciates the opportunity to provide Opening Comments on the Proposed Decision. The Council supports the Commission's position to continue Flex Alerts in 2026 at a decreased budget of $15 million but recommends specific modifications as set forth above for any budget beyond 2026.

Dated: March 5, 2026
Respectfully submitted,

/s/ CHRIS BURMESTER

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[5] Leapfrog Power, Inc. Opening Comments at p. 2.
[6] Id, at p. 3.