Setting Savings Goals for the MTA

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# Purpose

This proposal describes how savings[[1]](#footnote-1) goals could be set for the MT Administrator (MTA).

# Proposal

MTA Goals: The Working Group recommends that savings goals should be set based on the following parameters:

1. Goals for the MTA will be set
	1. Option A: at the “portfolio” level (for savings and other goals)
	2. Option B: at the MTI level (for savings and other goals)
2. Portfolio goals will be based on the set of initiatives in the portfolio[[2]](#footnote-2).
	1. The CPUC, MTA and MT Advisory Board (MTAB) will work together to set the goals based on the initiatives operating in the portfolio. These goals will be set based on the MT portion of savings[[3]](#footnote-3), and may take into account the level of risk taken on by the set of initiatives, some of which might be highly risky and therefore may not be successful.
	2. Goals will be set once a sizeable number of initiatives have been approved by Tier II Advice Letter.
	3. Goals will reflect savings over the long term, with annual reporting of progress.

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MTI Goals if Implementor is a California Program Administrator: In the case of an MTI being implemented by a Program Administrator (PA), such as one of the IOUs, the goals for that MTI will count toward that PA’s energy efficiency goals and any goals set for the MTA. However, when reporting total California savings, for example when reporting to the CEC or legislature, only one value may be used for both MTA and PA savings. Similarly, the savings from the PA implemented MTI would not count toward the PA’s portfolio cost-effectiveness or budget spending. For purposes of ESPI calculations, the MTI goal would reduce the PA’s goals and would not count toward achievements, since MTI’s are much less controllable than the rest of the PA portfolio in terms of being able to determine the exact year savings will accrue.

1. The group agreed that non-savings goals will likely be set for the MT Administrator (such as stakeholder engagement, etc.), but felt that these goals were better set when the MTA is hired and the MTAB is constituted. These may also take the form of “portfolio criteria” which are goals that the portfolio should achieve. An example might be ensuring that some part of the portfolio benefit rural areas or meeting risk expectations. [↑](#footnote-ref-1)
2. In the future, it may be important to also look at the Potential and Goals study as a reference point. [↑](#footnote-ref-2)
3. The “MT portion” has been adjusted for RA and C&S savings, as well as the natural market baseline. [↑](#footnote-ref-3)