Savings Attribution Between MTIs and RAs [[1]](#footnote-1)

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# Purpose

This proposal describes the method that the MTWG recommends be used to prevent double counting of market transformation (MT) savings and Resource Acquisition (RA) savings when MT and RA activities are operating in the same market or targeting the same measure(s).

# Background

Ideally, RA programs and MT activities (as well as other activities, like emerging technology efforts) would be an integrated effort, as depicted in Figure 1. This would allow for counting all savings in the target market regardless of assignment to either MT or RA. However, in the near-term, RA programs are likely to continue to be implemented and evaluated separately from MT programs. As a result, if RA and MT programs are operating simultaneously in the same market, there is a need to parse the savings between the MT and RA efforts to avoid double counting.

Figure 1: Examples of Activities Under the “Theory Umbrella”



# Method to Prevent Double Counting

The basic approach proposed here is to remove all verified RA net savings from the MT savings where RA and MT activities are targeting the same market or measure(s).

Figure 2 is a depiction of the typical components of RA savings overlaid on the MT savings framework[[2]](#footnote-2).

* MT savings are derived by subtracting the Natural Market Baseline units from the Total Market Units and then multiplying by savings per unit. This can be done on a yearly basis and summed for cumulative savings, as needed.
* Verified RA savings (usually the sum of A, B and C in Figure 2) should come from CEDARS where possible. Some RA programs may calculate savings on a whole building or meter basis, and in these cases, an estimate must be made for the portion of metered RA savings that overlap with the MT measures.
	+ In cases where the RA and MT programs are collaborating to execute the MTI’s Strategic Market Plan’s logic model, the net-to-gross ratio can be frozen at the value existing at the time the MTI enters Phase III[[3]](#footnote-3). This would adjust the value pulled from CEDARS or metered savings.

**Figure 2: Accounting for RA and MT Program Savings**



# Discussion

A key benefit of netting out all RA claimed savings is that it allows for a straightforward assertion that “all savings counted through the RA program have been removed from the MT initiative savings”. This simple statement may satisfy the needs of regulators and stakeholders without requiring further detail on the differences between the RA and MT frameworks.

On the other hand, this technique creates a bias against MT initiatives in favor of counting the savings in RA. This is because it could potentially remove legitimate market effects (like spillover if spillover were measured for individual RA programs) from the MT initiative. This could discourage coordination and collaboration between MT initiatives and RA programs. On balance, however, the Working Group concluded that the simplicity of the proposed approach outweighs the potential drawbacks.

1. This is based on material presented and discussed at two CAEECC MTWG meetings, which in turn was based on materials Resource Innovations, NEEA and Prahl and Associates developed for the IL TRM. [↑](#footnote-ref-1)
2. Figure 2 is couched in terms of “efficient units”, but when multiplied by the savings per unit, the same graphic covers savings. [↑](#footnote-ref-2)
3. Phase III is the “market deployment” phase as identified in Appendix D of the CPUC Decision 19-12-021. [↑](#footnote-ref-3)