

## **INSIDE THIS ISSUE:**

### **NSPM Use and References**

Is your state applying the NSPM? Check out where and how the NSPM framework is being used.

### **NSPM Tools and Modeling**

Available now! Template tables states can use to apply the NSPM. And coming soon: NSPM and BCA models.

### **DSESP and Guidance Documents**

Inquiring minds want to know: What does current cost-effectiveness testing look like in neighboring states? Which states account for what impacts, and how? The newly updated DSESP now includes 28 states ...

### **Events**

Upcoming and recent NSPM events of interest: Webinars, workshops and conferences. Register for various events including NESP's April 25 webinar (register [here](#))

### **Looking Forward**

The NSPM's current focus is on energy efficiency. But expansion to other DERs is in the works. Learn more...

## **National Standard Practice Manual**

**for Assessing Cost-Effectiveness  
of Energy Efficiency Resources**

EDITION 1 Spring 2017



## **WELCOME!**

**BY JULIE MICHALS**

**W**elcome to the first *NSPM Quarterly*! In each of these updates you will find valuable new information. You can keep abreast of current state applications of the NSPM, access resources to help apply the NSPM in your jurisdiction, and find out about recent and evolving developments related to cost-effectiveness testing.

We hope you enjoy this inaugural newsletter! Future editions will expand on these themes and add entirely new ones.

# NSPM USE AND REFERENCES

## STATE USE OF NSPM — CT, WA, AND NH

In [Julie's January blog](#), she shared highlights from [Arkansas](#), [Minnesota](#), and [Rhode Island](#)'s case studies on NSPM application. Other states actively applying the NSPM include Connecticut, Washington, and New Hampshire.

**Connecticut** started a process last fall with the Department of Energy and Environment (CT DEEP) to use the NSPM framework to walk through the NSPM multi-step process in phases, starting with Steps 1-3. Stakeholder meetings and presentations were held in fall 2018, and recommendations were made to the CT Energy Efficiency Board (EEB) in February 2019 to consider a range of possi-

ble modifications to current CE testing practice in the state, including accounting for avoided costs of compliance with the state's Global Warming Solutions Act (GWSA) statute. See the CT EEB presentation [here](#).

**Washington** is actively reviewing their existing CE test using the NSPM principles and 7-step process. Last fall, the WA Utilities and Transportation Commission (UTC) staff made important progress [to review several steps of the NSPM with stakeholders](#). This included identifying applicable policy goals and a range of relevant utility system, participant, and societal

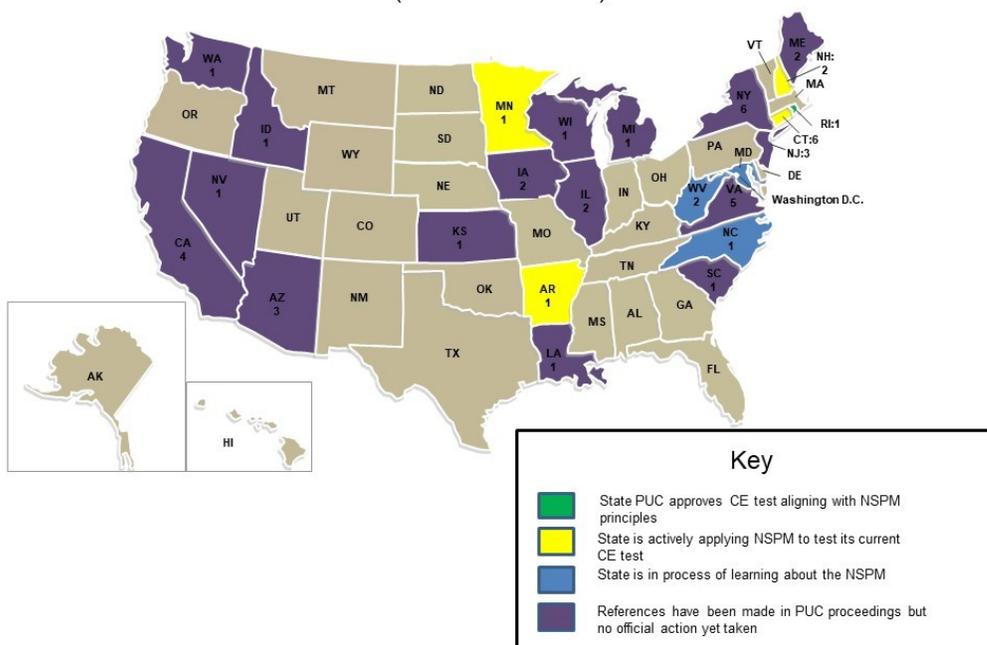
costs and benefits. UTC staff are awaiting utility assessment of the level of effort required to quantify the relevant impacts identified. Staff aim to issue a proposal this spring recommending changes to the state's CE testing.

The **New Hampshire** Public Utility Commission issued an order on the 2018-2020 NH Statewide Energy Efficiency Plan in December 2018 [\[Docket DE 17-136 Order #26,207\]](#) whereby the state's EM&V Working Group "will undertake a cost effectiveness analysis to review issues involving the use of the NSPM for screening EE programs... [and] recommendations will be sub-

mitted for review and approval by the Commission by August 2019, so that the results can be used in developing the second triennial plan."

An RFP was issued in January 2019 to retain consulting services to conduct research, make recommendations, and facilitate the EM&V Working Group's review of the state's current practices by applying the NSPM 7-step process. The EM&V Working Group includes commission staff, utilities, consumer advocates, and environmental groups. Synapse Energy Economics has been selected to support the process, which will kick off in late March 2019.

State NSPM References and Application  
(As of March 2019)



### WHO'S TALKING ABOUT THE NSPM?

Are you interested in seeing where the NSPM has been referenced? You can find a comprehensive list on the NESP website [here](#).

Is your state interested? Did we miss a reference? Email [NSPM@nationalefficiencyscreening.org](mailto:NSPM@nationalefficiencyscreening.org) for more information or to share references to the NSPM.

# NSPM TOOLS AND MODELING

## TEMPLATE TABLES THAT CAN HELP STATES APPLY THE NSPM

States asked and E4 listened: in an effort to help states apply some steps of the NSPM process, we've developed template tables based on case study experience and resources used to date.

On the front end of the NSPM process, you can use the [Applicable Policies and Relevant Impacts template tables](#). These can help states with Step 1 of the NSPM, making it easier for stakeholders to identify relevant impacts that align with policies, as well as help to inform Steps 2-4. At the back end of the screening process, CE testing results can be reported in a transparent and consistent format using this [CE Test Results template table](#).



### COMING SOON: NSPM AND BCA MODELS

*Can application of the NSPM “fit” into prevailing benefit-cost analysis models?*

We've received this question over the past months and are actively studying

the topic. Watch for a briefing report coming this summer — but in the meantime, you can get a flavor of what we are learning by attending a webinar hosted by NESP on April 25: *Quantifying*

*the Impacts of Energy Efficiency and Other DERs*. Register [here](#) to learn about developments on NSPM, resources to support costs and benefits estimates, and NSPM and BCA modeling.

## DSESP: 10 New States

[The Database of State Efficiency Screening Practices](#) has been updated. If you haven't checked it recently, take a look at the 10 new states just added to the database: Hawaii, Idaho, Iowa, Maine, Maryland, Nevada, New Jersey, Ohio, Texas, and Utah. Keep an eye out as the 22 remain-

ing states are added this summer and early fall.

If you have updates on state efficiency screening practices to share, or see any incorrect information in the database, contact [NSPM@nationalefficiencyscreening.org](mailto:NSPM@nationalefficiencyscreening.org).

Your suggestions for improving the DSESP interface are also welcome.

### States in the DSESP

(as of March 2019)

|    |    |    |    |    |    |    |
|----|----|----|----|----|----|----|
| AR | AZ | CA | CO | CT | DE | HI |
| IA | ID | IL | MI | MD | ME | MI |
| MN | NC | NH | NJ | NM | NV | NY |
| OH | RI | TX | UT | VT | WA | WI |

### Also in the DSESP...

For easy access to existing guidance on quantifying EE impacts, the DSESP now includes recent publications in the **Guidance Docs** tab. These may be helpful to states considering methodological options for estimating impacts of various utility and non-utility system costs and benefits or seeking examples of current practice.

**Hot off the press!** New state policy toolkit: [Guidance on Measuring the Economic Development Benefits of Energy Efficiency](#). Check out ACEEE's [related blog](#).

#### Other useful documents:

[Cost Effectiveness Tests: Overview of State Approaches to Account for Health and Environmental Benefits of Energy Efficiency \(ACEEE, Dec. 2018\)](#)

[Keeping the Lights On: Energy Efficiency and Electric System Reliability \(ACEEE, Oct. 2018\)](#)

[Co-Benefits Risk Assessment \(COBRA\) Health Impacts Screening and Mapping Tool \(EPA, 2018 update\)](#)



Katherine Johnson's presentation on Arkansas's application of the NSPM at the February 2019 MEEA pre-conference workshop, "Recognizing the Value of Energy Efficiency in Your State". Next to Katherine are co-panelist Chris Neme (Energy Futures Group) and moderator Nick Dreher (MEEA).

## EVENTS

### IN CASE YOU MISSED IT: Feb. 20, 2019 MEEA Workshop

The [pre-conference cost-effectiveness testing workshop](#) at MEEA's Midwest Energy Solutions Conference was an excellent opportunity for conference-goers in energy regulation and utilities to learn more about the NSPM and how it was applied in Minnesota and Arkansas.

The audience and presenters had productive discussions including about how to balance costs and benefits, which resources are available to support NSPM application (including [case studies](#) and [guidance documents](#)), and how to consider CE in light of rate impacts and exceptions for low-income programs.

Thank you to [MEEA](#) for hosting this workshop and to [Chris Neme](#), [Adam Zoet](#), and [Katherine Johnson](#) for sharing thoughts and experiences in CE testing using the NSPM! (Click on the speaker names to view their presentations.)

### UPCOMING EVENTS

March 21, 1:00 pm EDT, AESP webinar **Accounting for Health and Safety Benefits of Energy Efficiency** will provide a research update about how efficiency improvements impact participants' health and safety, as well as how these quantified benefits can be incorporated into benefit-cost testing. Register [here](#).

April 2, National HPC Conference & Trade Show, (Chicago) for [Cost Effectiveness Testing to Bridge Energy Efficiency and Health Benefits](#). Hear about CE testing methodology, health, & more. Late registration [here](#).

April 25, 3:00-4:30 pm EDT, NESP webinar: **Quantifying the Impacts of Energy Efficiency and Other DERs**. Register [here](#) to hear about new resources and developments to support cost-effectiveness analyses.

Aug. 20-22 [IEPEC Conference](#) (Denver) will include a cost effectiveness testing panel session that covers NSPM and more. Register [here](#).

## Looking Forward

### Where is NSPM heading?

NESP has scoped an expanded NSPM document that would address other distributed energy resources (DERs) beyond energy efficiency, including distributed PV, demand response, storage and electric vehicles. Efforts are under way to refine the scope, build the project team, and secure leveraged funds for the project. This work is being undertaken to support regulatory interest in using a common cost-effectiveness framework for assessing a range of DERs building from the NSPM framework, and will provide guidance on specific costs and benefits to be considered in benefit-cost analyses for the range of DERs. NESP is building off of other DER valuation efforts around the country, including US DOE and national lab efforts. See for example the recent Grid Mod Laboratory Consortium presentation [Benefit-Cost Analysis for Utility Facing Grid Mod Investments](#) which reviews a host of BCA issues for grid mod, including the role of the NSPM.

**That's all for now—watch for the second edition in June 2019!**