
INSIDE THIS ISSUE:

New state applications of the NSPM

New Hampshire PUC adopts NH Granite State Test, developed using the NSPM framework through a stakeholder process. Plus, other NSPM references and state updates.

Fixing Cost-Effectiveness Testing Blog

Published by AEE, this blog explains why cost-effectiveness practices need to be updated to meet today's increasingly complex energy system as jurisdictions turn to distributed energy resources (DERs) to help meet state needs/goals.

In Case You Missed It: 3Rs Topic Brief

How are jurisdictions considering risk, reliability, and resilience impacts in CE tests? ACEEE takes a close look.

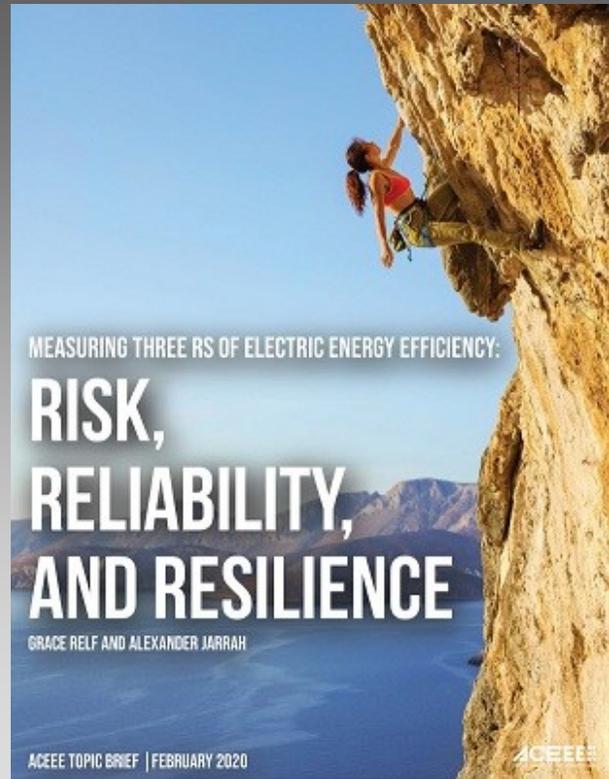
NSPM for DERs Coming this Summer

The NSPM for DERs is now in the drafting and revision process...

Events this Spring

Upcoming and recent NSPM events of interest.

ACEEE Topic Brief



WELCOME

BY JULIE MICHALS AND ALAINA BOYLE

While our rhythm of life is upended and many are struggling, we also continue our work as best we can. We hope this Spring 2020 edition of the *NSPM Quarterly* offers a moment of distraction from unprecedented events. You will find good news here on updates and NSPM developments. First and foremost is the first Commission order adopting a cost-effectiveness (CE) test developed using the NSPM framework. Plus: ACEEE's energy efficiency (EE) impact topic brief on the "3 Rs", and our work on the NSPM for DERs is well underway with publication planned for this summer...

For past issues of the *NSPM Quarterly* and other CE testing news, see the [NESP News page](#).

NSPM USE AND REFERENCES

NEW HAMPSHIRE COMMISSION ORDER ON NSPM

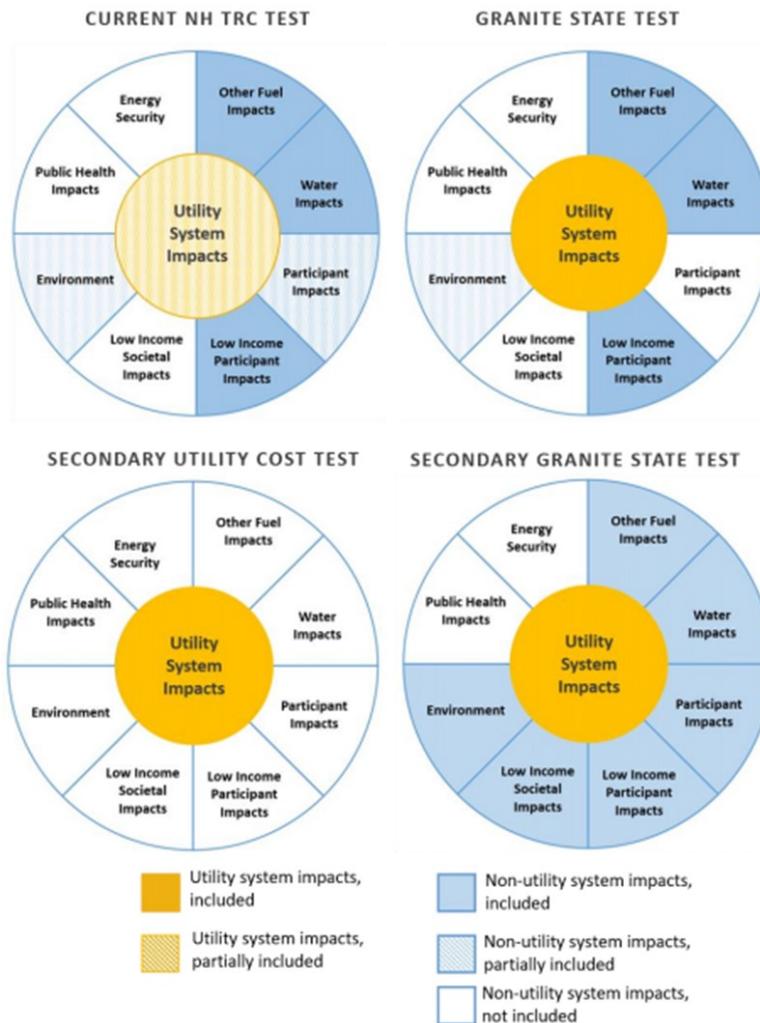
Following the 2019 stakeholder process to apply the NSPM framework, New Hampshire's Public Utility Commission issued a December 31 order adopting the Granite State Test. This new CE framework is specific to NH and aligns with the NSPM's CE testing principles.

Historically, NH included all participant costs but only a fraction of participant benefits (using an adder). With the new test, participant impacts *will not be included in the primary test*, thereby ensuring symmetrical treatment of participant costs and benefits. This aligns with the state's policy goals, evaluation capabilities, and the NSPM principle of symmetrical CE testing.

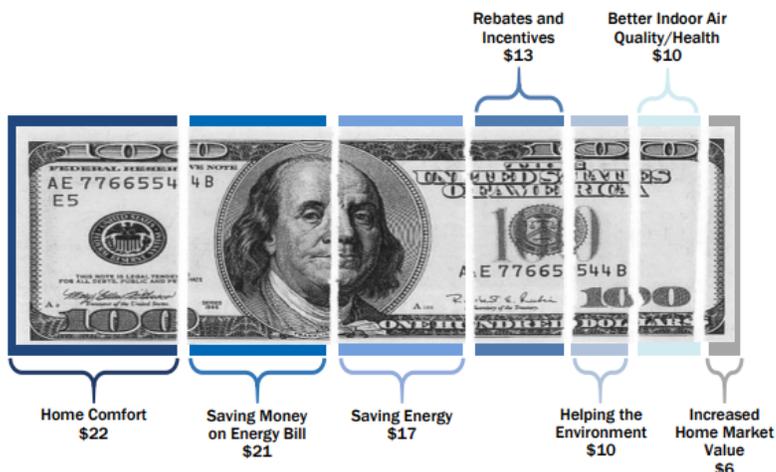
An in-depth discussion of the importance of this principle, as well as other key CE considerations can be found in the blog below, [Why a Bandage Fix for CE Testing Isn't Enough](#).

More information on the test and order are available in the [NH NSPM Case Study](#).

For more state cost-effectiveness testing updates, see the [NSPM Reference and Application section, page 3](#).



EXPERTS' THOUGHTS ON COST-EFFECTIVENESS REFORM



"Considering the cost of your recent retrofit and these main benefits that you experienced, if you were to express the value of each of these benefits by distributing 100 dollars across your list - how much out of 100 dollars would you pay for...?"

Experts from Recurve, Opinion Dynamics, and E4TheFuture wrote [Why a Bandage Fix for CE Testing Isn't Enough](#), published by the Advanced Energy Economy (AEE). The blog covers:

- how CE practices need updates to meet today's complex energy needs
- a discussion of CE principles from the NSPM, such as the need for symmetry in treatment of costs and benefits
- new principles to lead CE testing as jurisdictions increasingly invest in DERs

At the California Efficiency + Demand Management Council's annual EM&V meeting, NRDC [presented on key improvements needed in CE testing](#), reflecting many of the points above.

NSPM for DERs

DRAFT GUIDANCE IN TECHNICAL REVIEW

Since the NSPM for EE publication in 2017, states' interest in using a common framework for BCA of **all DERs** led to development of the *NSPM for Benefit-Cost Analysis of Distributed Energy Resources* (NSPM for DERs). Funded by E4TheFuture with additional funding from the U.S. DOE and guided by an [Advisory Group](#), a full draft of the NSPM for DERs is being reviewed by technical topical subgroups. It will be informed by the full Advisory Group in April-May. The new document is slated for publication in Summer 2020.

The NSPM for DERs builds upon the NSPM for EE by:

- expanding fundamental principles
- providing BCA guidance on a range of cross-cutting DER BCA issues (for both single and multi-DER types)
- providing use-case examples for multi-DER BCA and systemwide DER portfolios

The NSPM for DERs will fully incorporate the NSPM for EE guidance such that the new document will be a stand-alone guidance document. See the table below for how the NSPM for EE is being folded into the forthcoming NSPM for DERs.

The NSPM for DERs Incorporates the NSPM for EE

NSPM for DERs Outline	Relation to the NSPM for EE
Part I – Common BCA Framework (Ch 1-3)	Builds on NSPM for EE framework
Part II – DER Costs & Benefits and Cross-cutting Issues (Ch 4-5)	Includes EE costs and benefits
Part III – BCA for Specific DER Types (Ch 6-10)	Ch 6 on EE incorporates key concepts/issues from NSPM for EE
Part IV – BCA for Multi-DER Types (Ch 11-13)	Includes multi-DER use case examples with EE
Part V – Appendices	Incorporates key appendices from the NSPM for EE

For an overview of the NSPM for DERs project and its work scope, see [this presentation](#).

UPCOMING EVENTS

Rescheduled date TBD [CEDMC symposium](#) (Berkeley, CA) will feature a presentation from Julie Michals on the NSPM for DERs.

[National Home Performance Virtual Conference](#) (online) will include a presentation on the DSESP and CE testing.

May 7 [PLMA webinar](#) on Calculating Cost-Effectiveness for Energy Efficiency and Demand Response Impacts will

discuss how E4TheFuture is partnering with DOE to offer guidance on how CE testing can include the impacts of flexible load management, to include demand response and DERs.

July 19-22 [NARUC Summer Meeting](#) (Boston, MA) We hope to bring NSPM for DERs info to this event.

If you want to learn about the sessions and can't attend, please contact NSPM@nationalefficiencyscreening.org.

Thanks for reading—we'll catch up again with another edition June 2020!