

INSIDE THIS ISSUE:

NSPM for DERs Coming Next Month

What to expect from the expanded and updated National Standard Practice Manual, planned for release in July.

DSESP Updated Format

Learn more about format improvements and data expansions coming soon to the DSESP.

New Publications

Two new publications on non-energy impact quantification were released this spring on the topics of: 1) health impact monetization and 2) transferring impact quantification methodologies.

NSPM References

New Jersey BPU issues CE testing order adopting staff recommendations on use of NSPM.

Events this Summer

What's new in the energy valuation (virtual) world?



The National Standard Practice Manual
For Benefit-Cost Analysis of Distributed Energy Resources
SUMMER 2020

Coming soon

nesp
NATIONAL EFFICIENCY SCREENING PROJECT

WELCOME

BY JULIE MICHALS AND ALAINA BOYLE

This spring brought substantial change to many facets of our lives. We hope you and your families are managing the challenges and turbulence of the pandemic, amidst unprecedented movement toward equality and reform for lasting, positive changes to our society.

In the energy cost-effectiveness (CE) world, we bring news of the soon-to-be published NSPM for DERs. Over a year in the making, the new guidance has evolved from concept to drafts to a final version with extensive stakeholder input. This issue offers a glimpse of its scope, and plans for online BCA for DERs training. Also we offer updates on state interest and use of the NSPM for energy efficiency, and other developments and resources to support understanding of current state BCA practices.

AVAILABLE SOON: NSPM FOR DISTRIBUTED ENERGY RESOURCES

The NSPM for DERs publication is planned for this July, following US DOE review. This manual builds upon the [NSPM for EE](#), updating and adding guidance and relevant information for other DERs including demand response, distributed generation, distributed storage, and electrification.

Funded by E4TheFuture and by US DOE (via LBL), the manual was written by authors with extensive understanding of regulatory economics and specialized expertise across DER types. It was reviewed by a diverse [advisory group](#) from multiple energy industry and state agency perspectives who provided input throughout the drafting process.

Comprising four main parts, the manual begins with a comprehensive benefit-cost analysis (BCA) framework for developing primary and secondary tests, followed by technical DER-specific chapters and case study examples on multi-DER with a focus on grid-interactive efficient buildings and non-wires solutions.

Entities with roles overseeing and guiding DER decision-making (e.g., PUCs, SEOs, utilities, DER proponents, evaluators, consumer advocates, and others), can use the NSPM to identify the value of DER opportunities to inform strategies/policies that support state goals and objectives, such as:

- Expanding EE/DR plans, strategies, and programs to a broader set of DERs;
- Prioritizing deployment of DERs to support grid reliability objectives (temporal and locational), energy resilience, security, and assurance;
- Evaluating and planning for non-wires/pipes solutions;
- Achieving air quality and carbon emissions goals using improved assessment of DER emission impacts;
- Achieving electrification goals, including expanding EV programs/strategies; and/or
- Modifying net metering policies to properly account for the value of DERs.

Users of the NSPM for DERs will learn about cross-cutting issues and key factors that affect whether a DER impact is a net benefit or cost depending on different use cases, and for factors such as interactive effects, temporal and locational impacts.

Watch for the manual release announcement, and learn more on the [NESP website here](#).

NSPM for DERs Overview

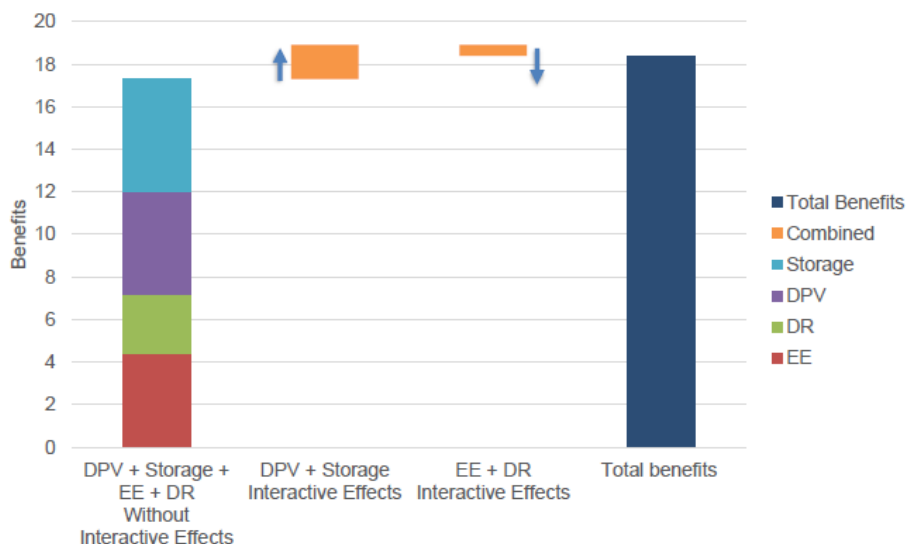
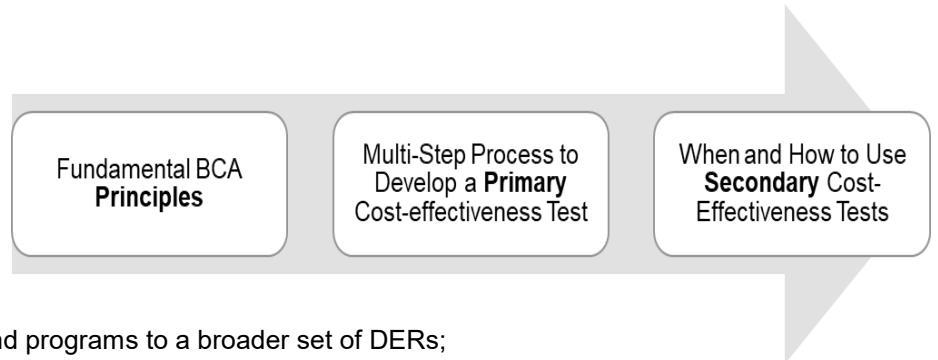
Part I: NSPM BCA Framework, including fundamental principles and guidance on developing primary and secondary tests

Part II: Full range of potentially relevant DER benefits and costs; range of cross-cutting considerations

Part III: Guidance on single-DER analysis for various DER types; identification of key factors/issues that affect BCA for each DER

Part IV: Guidance on multiple-DER, with case studies; 3 main ways that multiple-DER analysis is conducted: for a customer on-site, for a geographic region (e.g., non-wires solution), and for an entire utility service territory

Appendices: Further detail on topics that warrant additional explanation, referenced in Parts I-IV



DSESP Update

NEW INTERFACE AND DATA COMING THIS SUMMER

The [Database of State Efficiency Screening Practices \(DSESP\)](#) is getting a makeover: a new, more user-friendly interface in data visualization software, Tableau. The DSESP team is hard at work to make the database more accessible and to present state EE cost-effectiveness test data in more easily understood and interactive formats. Alongside the new format, the DSESP dataset is being updated to include information on EE CE tests for natural gas utilities, and methodologies for impact quantification.

Request: If you have updates on state efficiency screening practices to share, or see any incorrect information in the database, contact NSPM@nationalefficiencyscreening.org. Your suggestions for improving the DSESP interface are also welcome.

Partner Publications

HOW CAN NON-ENERGY IMPACTS APPLY TO CE TESTS?

[Applying Non-Energy Impacts from Other Jurisdictions in Cost-Benefit Analyses of Energy Efficiency Programs: Resources for States for Utility Customer-Funded Programs](#) (Lawrence Berkeley National Laboratory) studies how NEIs quantification methodologies from other jurisdictions can be applied to EE CE tests. The authors used information from 30 states in the DSESP to evaluate the studies underlying NEI values in those states.

This research informs the study's approach to categorize the transferability of the values and methodologies, from 1 (values transferable) to 5 (method is complex and needs expertise to apply to other jurisdictions). They describe methodologies used to determine the value for each study. This will inform the impact quantification information included in the DSESP.

Use the per-unit NEI value		Use the study method	
Icon	Key	Icon	Key
1	Use as Is - NEI value is most likely similar across multiple jurisdictions and can be transferred as is	3	Easy Method - NEI value is unique to the researched jurisdiction and should not be transferred, but analytical staff in a different jurisdiction could apply the relatively easy method deployed by the underlying study
2	Use with Caution - NEI value is most likely similar across multiple jurisdictions and can be transferred, but should be explored and used with caution as potential underlying differences could affect the value	4	Easy Method, Specialized Expertise - NEI value is unique to the researched jurisdiction and should not be transferred, but a different jurisdiction could use analysts with specialized expertise to apply the relatively easy method deployed by the underlying study
		5	Complex Method, Specialized Expertise - NEI value is unique to the researched jurisdiction and should not be transferred, but a different jurisdiction could use analysts with specialized expertise to apply the complex method deployed by the underlying study

Transferability Rating Scale (From LBL, 2020)

MONETIZING HEALTH IMPACTS

The American Council for an Energy Efficient Economy (ACEEE) recently published a paper, [Making Health Count: Monetizing the Health Benefits of In-Home Services Delivered by Energy Efficiency Programs](#) that supports quantification and monetization of health impacts from EE programs.

With substantial background on the history and relevance of health impacts to EE BCA, the paper presents methodology for monetizing the effects of EE programs on asthma, trip-and-fall injuries, and thermal stress (cold- and heat-related).

ACEEE determines the nation-wide quantified health benefits of EE programs, and provides clear, replicable information as well as resources for those who would like to apply the quantification method in their own jurisdiction.

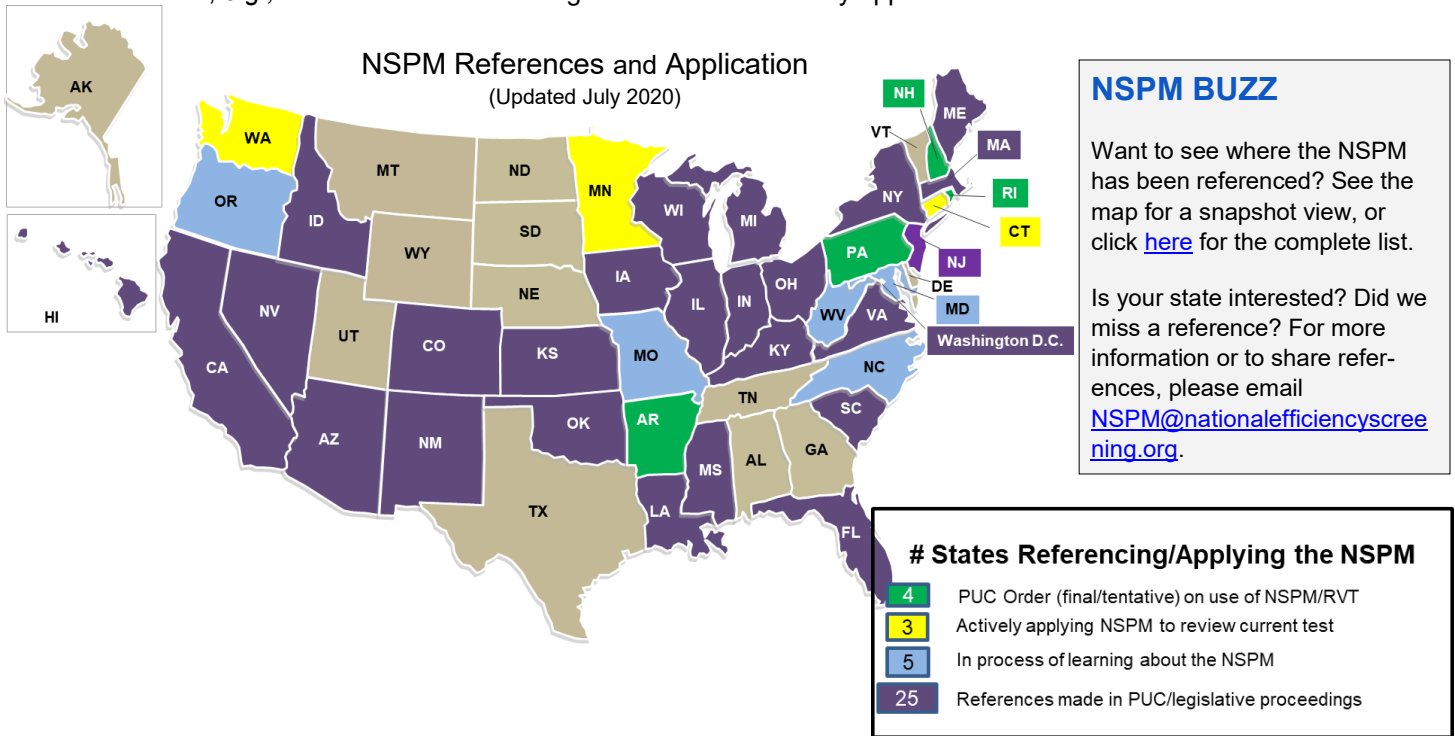
NSPM References and Application

CORRECTED: UPDATES FROM NEW JERSEY AND OREGON

While the NSPM for DERs will supersede the 2017 NSPM for EE, the latter document and its fundamental concepts continue to garner interest and support.

In June, the New Jersey BPU [issued an order](#) documenting BPU staff recommendation to consider applying the NSPM to the next round of state CE test updates starting in 2021. Meanwhile, Staff recommends that a modified Total Resource Cost Test (TRC) be used as the primary 'New Jersey Cost Test' for the first three-year program cycle. The state's EM&V working group will evaluate utility system and non-energy impacts for inclusion in its modified TRC test, including identifying any EM&V study needs, and aims to ensure symmetrical treatment of impacts.

In May, John Shenot of the Regulatory Assistance Project (RAP) presented [Quantifying and Maximizing the Value of Distributed Energy Resources](#) to the Oregon Public Utility Commission, sharing concepts and key principles from the NSPM for DERs, e.g., cost-effectiveness testing should be consistently applied across DERs.



EVENTS

UPCOMING EVENTS

July 16 [NEEP Policy Framework Webinar Series: EM&V](#) will feature a presentation on the NSPM for DERs alongside other updates in EM&V policy.

IN CASE YOU MISSED IT

At the [April 27-30 National Home Performance Conference](#), E4TheFuture's Alaina Boyle and Building Performance Association's Joe Cullen recorded an on-demand session about CE testing and what to expect in the NSPM for DERs. The session can be viewed by conference registrants at [this link](#).

On [May 7](#), the [PLMA Webcast: Calculating Cost-Effectiveness for Energy Efficiency and Demand Response Impacts](#) featured E4TheFuture's Julie Michals and NV Energy's Michael Brown. On the recorded audio you can hear about the effect CE testing may have on flexible load management, demand response, and DERs, as well as state experience with the NSPM.

CEE's [June 25 Remote Summer Meeting](#) included a presentation on the NSPM for DERs. [See slides here](#).