Cost Effectiveness as a Challenge for EE:
Applying a New Framework to Improve Practices

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NSPM Principles:

1. Treat EE as a resource
2. Align with applicable state policies
3. Account for relevant impacts (based on applicable policies) even if hard to quantify
4. Treat costs and benefits symmetrically
5. Conduct forward-looking analysis (that captures incremental impacts of EE)
6. Ensure transparency in assumptions and results

A state’s test may align with a traditional test... or not.
Does my state’s RVT = UCT, TRCT, SCT… or something else?
NSPM for Energy Efficiency
State References and Application to Date

Number of States Referencing and Applying the NSPM

- **2** PUC Order on NSPM or use of RVT
- **4** Actively applying NSPM to review current test
- **4** In process of learning about the NSPM
- **31** References have been made in PUC or legislative proceedings

*Numbers next to state abbreviations in map indicate number of NSPM references in state formal proceedings*
Breaking down the silos: NSPM for Distributed Energy Resources

- DERs as grid resources and in distribution planning → need common framework to prioritize DER investments
- States currently use different techniques, methodologies, and assumptions for DER BCA → inconsistency even within states

- NSPM for DERs project (July 2019-June 2020)
  - Single and multi-DERs: EE, distributed gen (PV, CHP), demand response, electric vehicles, storage
  - Non-wires solutions, temporal and locational BCA
  - Integrated, fuel-neutral DER investments
  - Grid-interactive EE buildings (e.g., advanced controls, sensors and data analytics) and optimizing energy use for flexible building loads

*Policies needed to support: iDER investments/programs → iDER BCA → iDER evaluation*
NSPM Resources


NSPM Case Studies: https://nationalefficiencyscreening.org/resources/case-studies/

NSPM and BCA Modeling: https://nationalefficiencyscreening.org/resources/nspm-and-models/


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