



Key Updates to the National Standard Practice Manual 2026 Edition Relative to the NSPM 2020 Edition

The NSPM 2026 Edition includes the following new material and/or expansions to key topics. These changes are based on experience and input from parties/stakeholders in benefit-cost analysis (BCA) discussions using the NSPM in states across the country over the past five years:

1. Clarifies the role of BCA as a part of a broader decision framework for DER resource investments, encompassing three phases. See Chapter 2.
2. Modifies the NSPM BCA principles to address the importance of complementary analyses to inform DER and other resource investment decisions. This includes expanded guidance on conducting rate and bill impact analyses to address affordability implications of investments and conducting economic development and job impact analyses. See Chapters 3 and 4 and Appendix B.
3. Updates the NSPM multi-step process (from 5 to 8 steps) for developing a primary BCA test and addressing key BCA parameters. See Chapter 4.
4. Adds guidance on the importance of consistent valuation of DERs (as well as other resources) across various contexts—such as programs, procurement, pricing, infrastructure investments, state policy and planning—and the application of NSPM principles and concepts across the range of contexts. See Chapter 5 and Appendix A.
5. Updates guidance on selecting discount rates to apply in BCAs. See Chapter 4 and Appendix H.
6. Updates guidance on accounting for certain utility system and non-utility system impacts in BCAs, such as risk, reliability and resilience and energy security. See Chapter 6.
7. Adds guidance on accounting for grid and demand flexibility in BCAs as a cross-cutting issue across all DERs, as well as in the context of DER specific scenarios. See Chapter 7 and Chapter 13.
8. Refines and clarifies guidance on DER specific types, including new guidance on the applicability/materiality of impacts for the different DER types, and additional guidance on accounting for interactive effects across DERs. See Chapters 8-12.
9. Provides a new chapter on DER specific scenarios (virtual power plants, multi-DERs on-site, non-wires and non-pipe solutions, and microgrids), which incorporates and expands upon previous NSPM chapters on multi-DERs and non-wires solutions. See Chapter 13.
10. Adds a chapter with high level guidance on quantifying DER impacts guidance, which references other NESP resources for more detailed guidance. See Chapter 14.



11. New or expanded appendices on various BCA topics:
 - Methods for Accounting for Uncertainty and Risk
 - Analyzing Economic Development and Jobs Impacts separately from BCAs
 - Conducting Distributional Equity Analysis separately from BCAs
 - Identifying Geographic Boundaries in BCAs
 - Determining BCA Assessment Levels
 - Accounting for Risk & Uncertainty
 - Identifying and Accounting for Transfers in BCAs
 - Updated NSPM Template Tables
12. The NSPM 2020 edition chapter on Dynamic System Planning is no longer a discrete chapter. The content is now embedded in Chapter 5 and Appendix A of the new NSPM.