NASEO
National Association of State Energy Officials

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National Energy Screening Project

Overview

January 28, 2026

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About NASEO

- The only national non-profit association for the governor-designated energy officials from each of the 56 states and territories
- Serves as a resource for and about the State Energy Offices through topical committees, regional dialogues, and informational events that facilitate peer learning, best practice sharing, and consensus building
- Advances the interests of the State and Territory Energy Offices before Congress and the Administration
- Learn more at www.naseo.org

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Resilience

Overview

- NESP History, Products and Services
- State Technical Assistance and Use of NESP Resources
- NESP 2026 Priorities

NESP: A Brief History

2016 NESP is 'born'

- A project of E4TheFuture (501c3), NESP™ mission sets out to bring together interested stakeholders to improve benefit-cost analysis practices, focusing initially on EE and then expanding to all DERs. NESP funded by E4 endowment (from CSG sale to CLEAResult), plus leveraged funding from US DOE and foundations.

2017-2025 NESP BCA resources and services grow

- NESP publishes the National Standard Practice Manual (NSPM) and develops various companion/supporting documents and tools, guided by advisory groups. NESP provides technical assistance to state agencies on applying the NSPM and develops a BCA training and certification program.

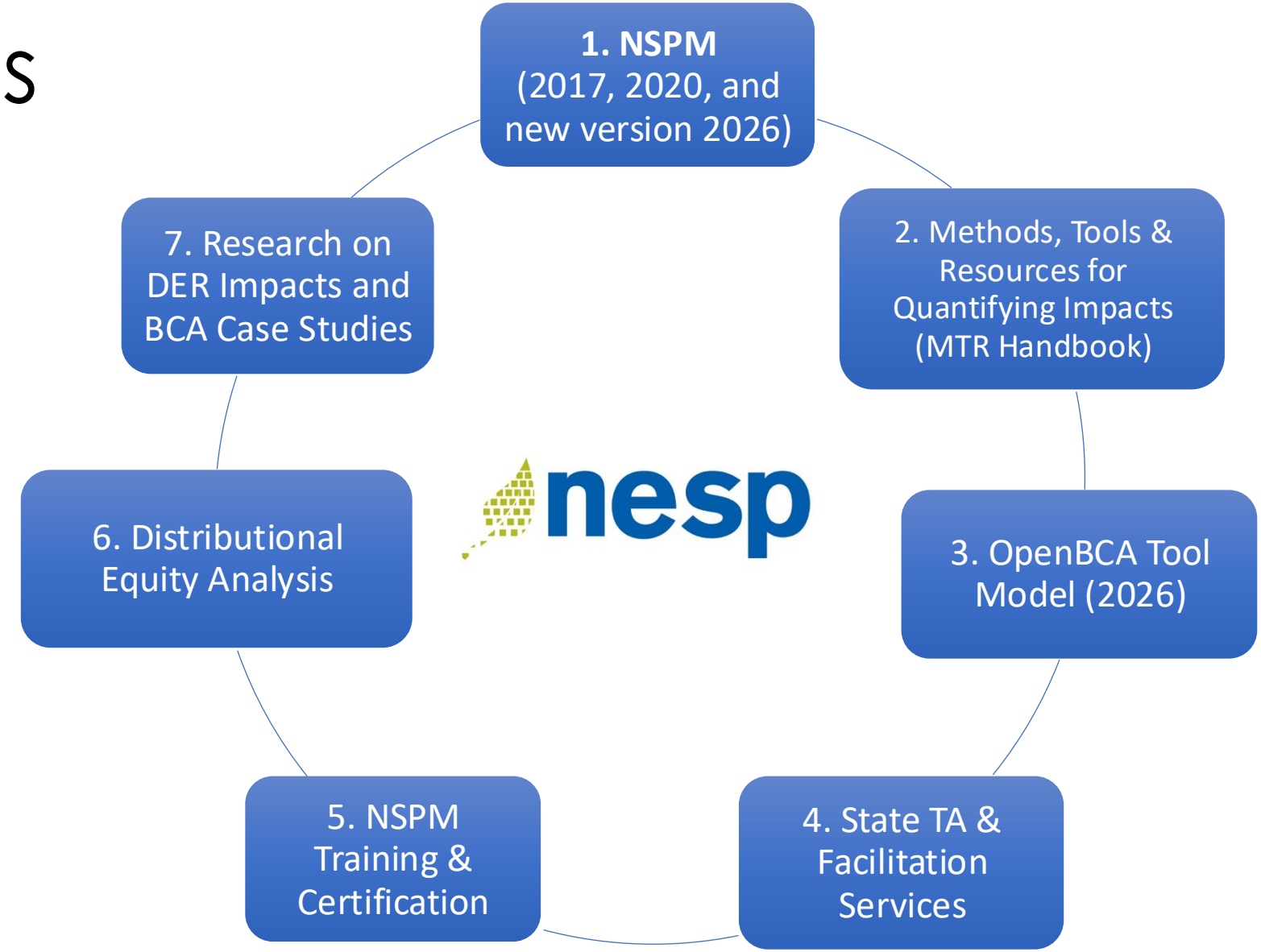
2026 NESP and NASEO Join Forces

- With E4 endowment spend-down, NESP transitions to NASEO. By bringing NESP under the NASEO umbrella, states will have expanded access to a range of resources and tools to support rigorous, transparent, comprehensive BCAs.

NESP Products & Services

NESP's work is supported by a team of expert consultants and guided by advisory groups

See [NASEO-NESP Website]



NESP Staff (and supporting Consulting Team / SMEs)

NESP – Staff Contacts:

- Julie Michals, Senior Fellow
- Josh Owens, Program Manager
- Kirsten Verclas, Senior Managing Director

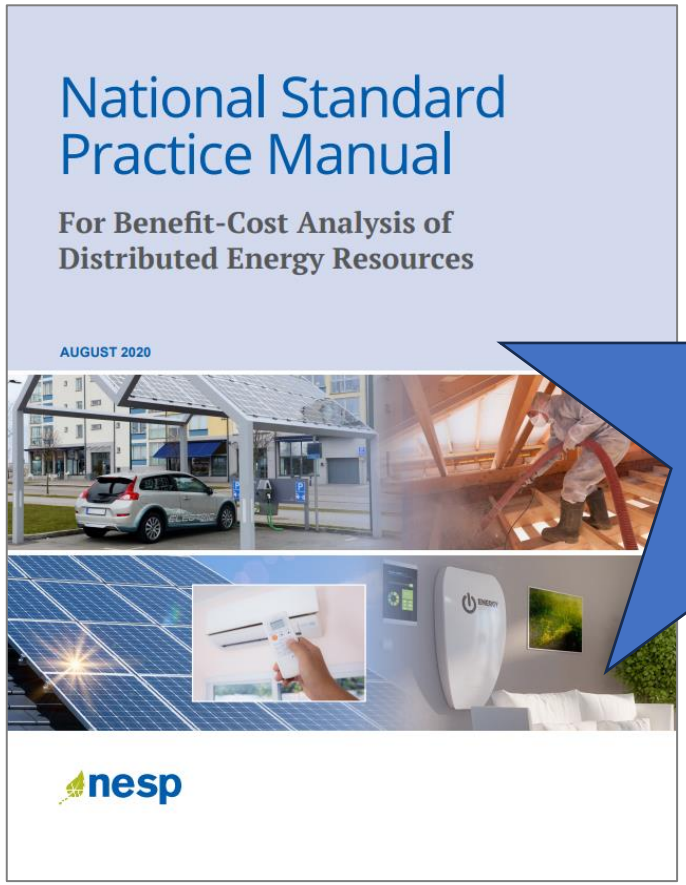
Consulting Team – NSPM BCA and DER Expertise (2017-2025):

- Synapse Energy Economics
- Energy Futures Group
- ICF
- Rabago Energy
- Schiller Consulting
- AnnDyl Policy Group
- Smart Electric Power Alliance (SEPA)

NSPM Guidance

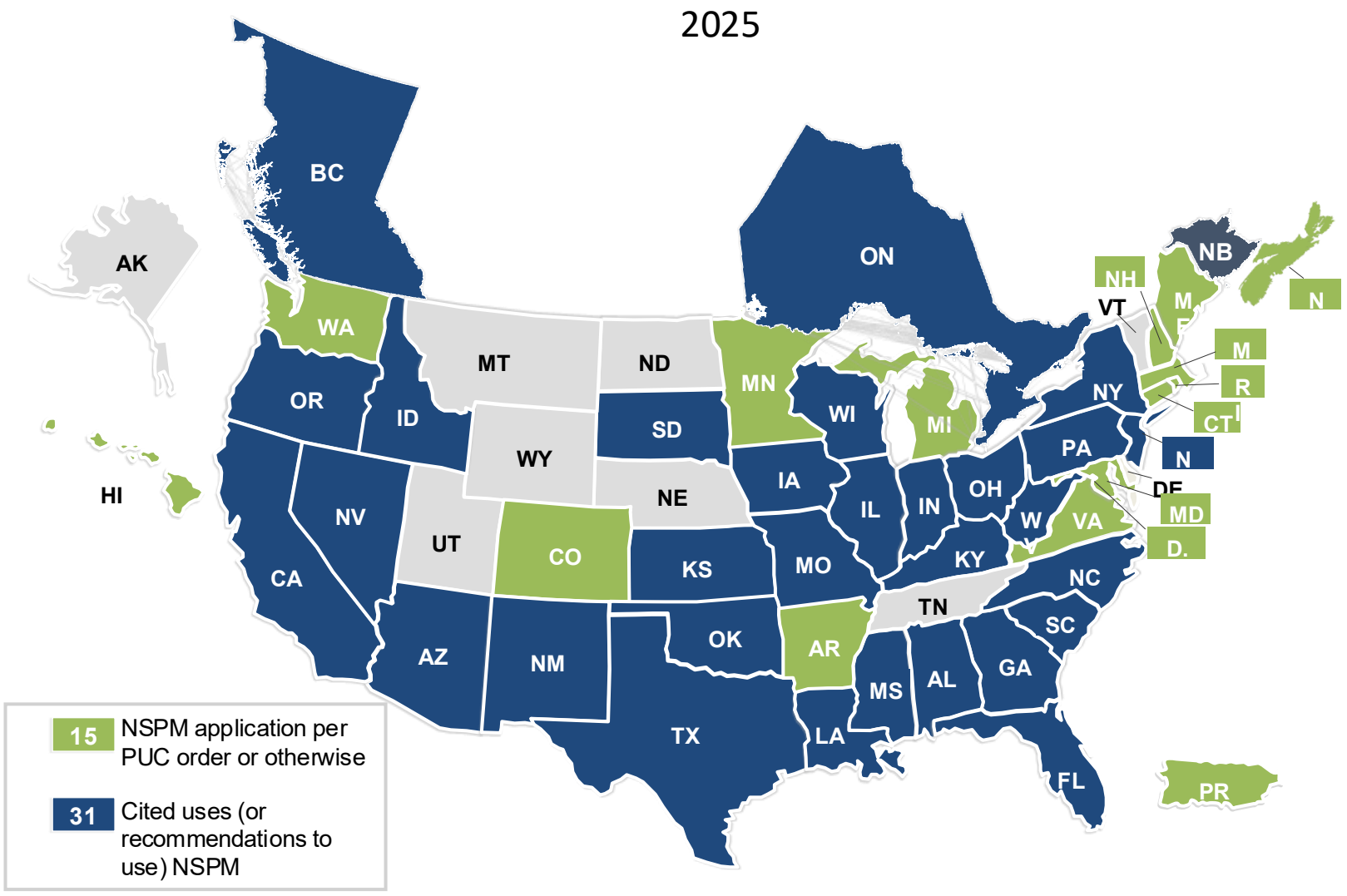
National Standard Practice Manual (NSPM)

- Benefit-cost analysis (BCA) guidance grounded in a set of foundational, economically-sound principles
- Builds on the CA Standard Practice Manual
- Provides guidance on *what* impacts to include in a jurisdiction's BCA (cost-effectiveness) test
- Addresses full range of DER types and specific DER scenarios
- Describes key considerations and factors that affect DER impacts



2026 version coming soon!

NSPM Application and References



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* New material coming in Q2 2026

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NSPM (2026) Advisory Group

Name	Organization	Name	Organization
Forest Bradley Wright	ACEEE	Adam Zoet	MN Department of Commerce
Mark Kresowick	ACEEE	Ed Schmidt	MRC Performance
Brett Sproul	Advanced Energy United	Jeff Loiter	NARUC
Phil Jones	Alliance for Transp Electrification	Kirsten Verclas	NASEO
Doug Presley	AnnDyl Policy Group	Sandy Fazeli	NASEO
Justin Spencer	Apex Analytics	John Tortorella	National Grid
Wally Nixon	AR Public Service Commission	Erin Cosgrove	NEEP
Amalia Hicks	Cadmus	Don Kreis	NH Office of Consumer Advocate
Matt Wisnefske	Cadmus	Bachir Salpagarov	Portland General Electric
Sam Geller	Consumers Energy	Mark LeBel	Regulatory Assistance Project
Alex Wang	CT Office of Consumer Counsel	Shawn Enterline	Regulatory Assistance Project
Claire Coleman	CT Office of Consumer Counsel	Cory Welch	Resources Innovations
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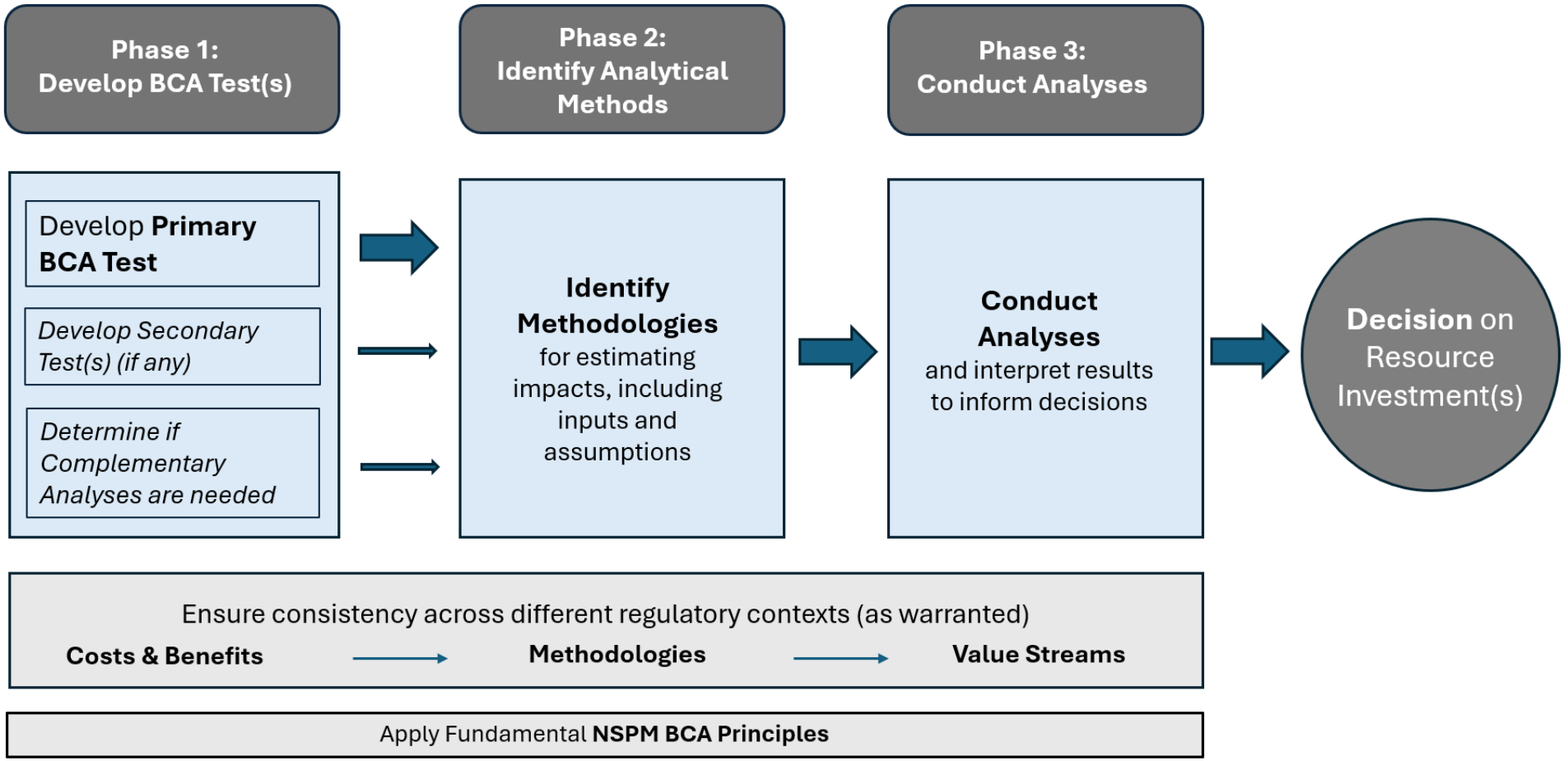
Sam Ross	Dunsky Consulting	Rachel Gold	Rocky Mountain Institute
Russel Like	Electric Power Research Institute	Kate Strickland	Smart Electric Power Alliance
Ted Thomas	Energize Consulting	Robin Maslowski	Trillium Energy Consulting
Ted Ko	Energy Policy Design Institute	Adam Farabaugh	Uplight
Jeremy Newberger	Guidehouse	Chelsea Harnish	VA Energy Efficiency Council
Jennifer Morris	Illinois Commerce Commission	Nathan Phelps	Vote Solar
Leondard Hamidu	Illinois Commerce Commission	Steve Campbell	Vote Solar
David Kathan	Kathan Energy Consulting	Wesley Franks	WA Utilities & Transp Commission
Jeff Deason	LBNL	Greg Desautels	Washington Gas Light
JP Carvallo	LBNL	Mitch Horrie	WI Public Service Commission
Greg Ehrendreich	MEEA	Zachary Pollock	Xcel
Luke Dennin	MI Public Service Commission	Mark Schoenheider	Xcel

Resource Decision Framework and Process (NSPM 2026)

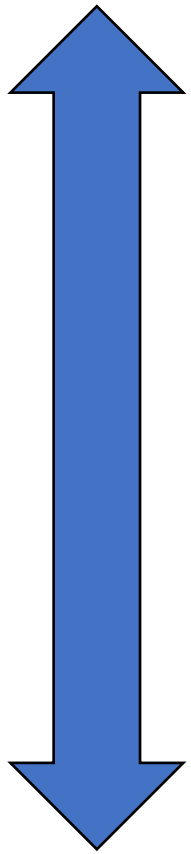


Fundamental NSPM BCA Principles

Principle 1	**Align with Applicable Energy Policy Goals** Jurisdictions invest in DERs to meet a variety of energy goals and objectives. Accounting for the associated benefits and costs in a jurisdiction's primary BCA test helps to ensure that least-cost investments are used to achieve the goals and objectives.
Principle 2	**Treat DERS as a Utility System Resource** DERs are energy resources that can help meet utility system needs. Using consistent BCA tests, valuation methods, and assumptions when comparing DERs to traditional resources, or to other DERs, avoids bias across resource investment decisions.
Principle 3	**Account for all Relevant and Material Impacts** The relevance and materiality of impacts can vary depending on the DER type or use case. Accounting for all relevant and material impacts, even when difficult to quantify or monetize, ensures DERs are appropriately valued and avoids biased investments.
Principle 4	**Ensure Symmetry in the Treatment of Benefits and Costs** DER investments produce benefits to the utility system and to customers. Treating benefits and costs symmetrically in BCA tests, such that benefits and costs are both either included or excluded, avoids biased results and uneconomic investments.
Principle 5	**Conduct Forward-Looking, Long-Term, Incremental Analyses** BCAs address how benefits and costs will differ in the future because of a specific resource investment relative to what would have occurred absent the investment. This ensures that sunk costs do not influence investment decisions.
Principle 6	**Avoid Double-Counting Impacts** Some BCA benefits and costs can potentially be captured in more than one impact category. Clearly documenting the way in which a BCA includes all impacts in helps to avoid double-counting and either over- or under-estimating the value of DERs.
Principle 7	**Conduct BCAs Separately from Other Complementary Analyses** BCAs inform whether total benefits exceed total costs of a resource investment. Depending on a jurisdiction's goals, separate analyses may be warranted to inform investment decisions that address different questions than BCAs, such as a rate and bill impact analyses.
Principle 8	**Ensure Transparency** Clear documentation of the rationale for decisions on BCA tests, complementary analyses, and associated methods, inputs, and results supports transparency. Transparency enables engagement and instills confidence in resource decision-making processes.

NSPM Guidance
Improve Consistency of DER Valuation Across Planning Continuum

- DERs in Bulk Power System Planning
  - integrated resource / system planning
  - ISO/RTO planning
- DERs in Distribution and Transmission Planning
  - transmission expansion
  - distribution reliability
  - grid modernization
  - non-wires solutions
  - BCA and Least-Cost Best-Fit (LCBF)
- DER Initiative Assessment and Planning
  - BCA of specific (or multiple) DER-focused initiatives



Apply consistent BCA principles and concepts across all of these to ensure that all utility investments are optimized relative to each other.

Adapted from NASEO/NARUC Task Force on Comprehensive Electricity Planning (2020)

Improve Consistency of DER Valuation (cont.)

Context	Examples	Questions to be Answered
REGULATORY CONTEXTS		
DER programs	EE, DR, DG, DS, EVs, multi-DER programs (e.g., GEBs, NWA/NPA, VPPs). Both prospective & retrospective.	Should the utility invest in the DER program? Can DER programs be designed to increase net benefits?
Utility-scale generation	Review of utility investment in large-scale generation before the investment has been made	Is the generation resource necessary, and will it meet public needs at lower cost than alternatives?
Resource procurements	Procurements from third parties of energy and capacity, renewable generation, DERs, NWAs, VPPs, or NPAs	What is the maximum amount the utility should pay (i.e., ceiling price) to procure the resource?
Energy price signals	Rate design in rate cases, DR programs, time-varying rates, paying for grid services through price signals	What price signal should be used to optimize customer demand profiles and adoption of DER?
Infrastructure investments	Grid mod, AMI, DERMS, ADMS	Should the utility build the infrastructure?
Dynamic system planning	IDSP, IRP, IGP, IEP	Which portfolio of utility-scale and distributed resources will provide the greatest benefits?
Retrospective prudence reviews	Review of utility investment after the investment has been made, often during a rate case	Was the capital investment in question expected to provide net benefits to customers at the time it was made?
Performance incentive mechanisms	PIMs to incentivize utilities regarding EE programs, resource procurements, GHG emissions, grid modernization, etc.	How much should utility be rewarded or penalized, based on the costs or benefits experienced?
OTHER ENERGY PLANNING CONTEXTS		
State Energy Policies and Planning	State policy and energy planning, building energy codes, building performance standards, weatherization assistance programs, economic development, environmental protection, etc.	How will proposed policies meet state energy goals, such as valuing investments needed to: streamline energy permitting, planning, and siting to improve the electricity T&D system; reduce risks of energy supply disruptions caused by natural disasters and cyberattacks to the energy systems; improve efficiency in homes, businesses, data centers and manufactures to lower costs for all customers; create jobs and promote economic development, etc.?

NSPM Multi-Step Process (2026)

for developing a BCA test(s) and addressing key BCA parameters

Step process:

- Incorporates BCA principles
- Is typically applied via a PUC led/directed stakeholder process (but doesn't have to be)
- Is not necessarily chronological

STEP 1	**Articulate Applicable Energy Policy Goals** Review energy legislation, plans, regulatory decisions and other related documents
STEP 2	**Account for All Material Utility System Impacts** Review the full range of utility system impacts, identify any impacts that may not be applicable or material for specific DER types, and any that are fully embedded in other impact categories.
STEP 3	**Decide Which Non-Utility System Impacts to Include in the Primary BCA Test** Based on the applicable policies, determine whether to include host customer impacts, other fuel impacts, and/or any societal impacts.
STEP 4	**Develop any Secondary BCA Tests** Decide if secondary test(s) are needed to supplement the results of the primary test to explore the sensitivity of primary BCA results to answer different questions.
STEP 5	**Consider Conducting Additional Analyses to Complement BCAs** Depending on applicable policies, consider whether other analyses – e.g., rate and bill impact analyses – are warranted, alongside BCAs to inform DER investment decisions.
STEP 6	**Establish Discount Rate** Select a discount rate to apply to the primary BCA test, as well as the rate(s) to apply to any secondary BCA tests, based on the jurisdiction's applicable energy policies.
STEP 7	**Establish BCA Assessment Level at Which Test Results Will Be Used to Inform Decisions** Decide on level of aggregation of DER investments to conduct BCAs to inform decisions, e.g., at program level, customer sector level, and/or portfolios of DER programs.
STEP 8	**Establish Comprehensive, Transparent Documentation** Fully document the process and rationale used to establish the primary BCA test, as well as any secondary tests and/or other complementary analyses and associated methods and assumptions.

NSPM: Jurisdictional Specific Test (JST) vs Traditional Cost Tests

Test	Perspective	Key Question Answered	Categories of Benefits and Costs Included
Jurisdiction-Specific Test (JST)	Regulators or decision-makers	Will the cost of meeting utility system needs, *while achieving applicable policy goals,* be decreased or increased?	Utility system impacts, plus and other impacts (e.g., other fuels, host customer and/or societal) relevant to applicable policy goals
Utility Cost Test (UCT)*	The utility system	Will utility system costs be decreased or increased?	Utility system impacts only
Total Resource Cost Test (TRC)	The utility system + other fuels + host customers	Will utility system costs, other fuels and host customers' costs collectively be decreased or increased?	Utility system impacts, other fuels, and host customer impacts
Societal Cost Test (SCT)	Society as a whole	Will total costs to society be decreased or increased?	Utility system impacts, other fuels, host customer impacts, and the full range of societal impacts

*Sometimes referred to a Program Administrator Cost Test or PACT

- 'Regulatory' perspective encompasses public utility commissions, legislators, state energy offices, muni/coop boards, public power authorities, and other relevant decision-makers.
- JST can align with one of the traditional test perspectives, but not necessarily.

MTR Handbook & OpenBCA Tool

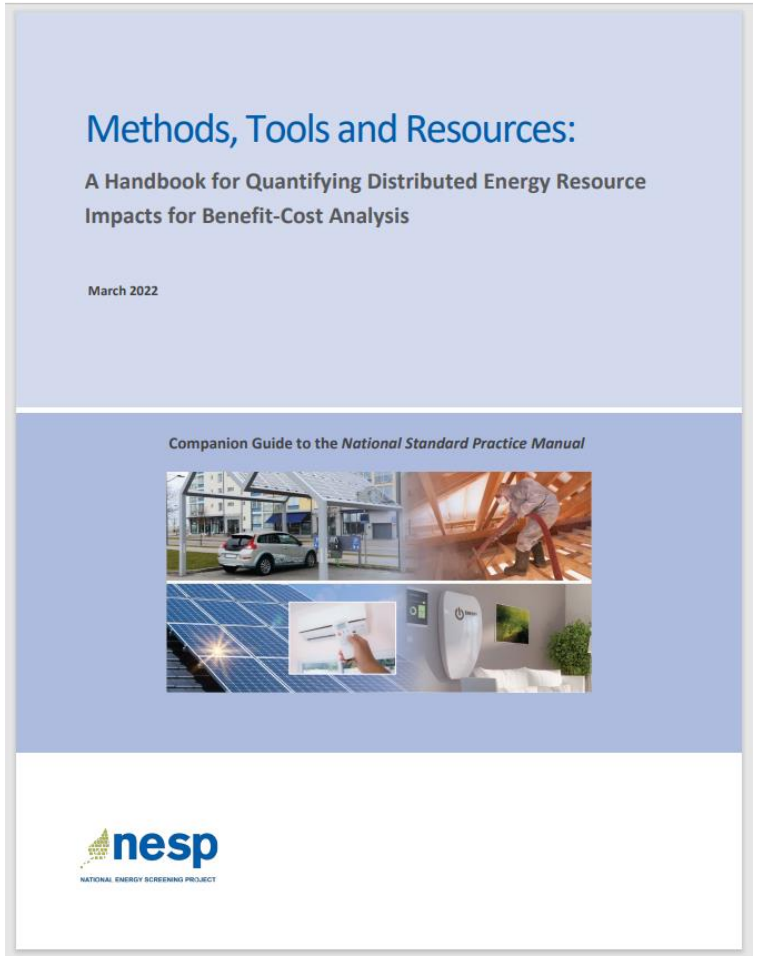
Methods Tools & Resources Handbook for Quantifying DER Impacts (2022)

NSPM provides guidance on ***what*** impacts to include in a jurisdiction's primary and secondary BCA tests.

MTR Handbook provides guidance on ***how to*** quantify or account for the impacts in a jurisdiction's BCA test(s).

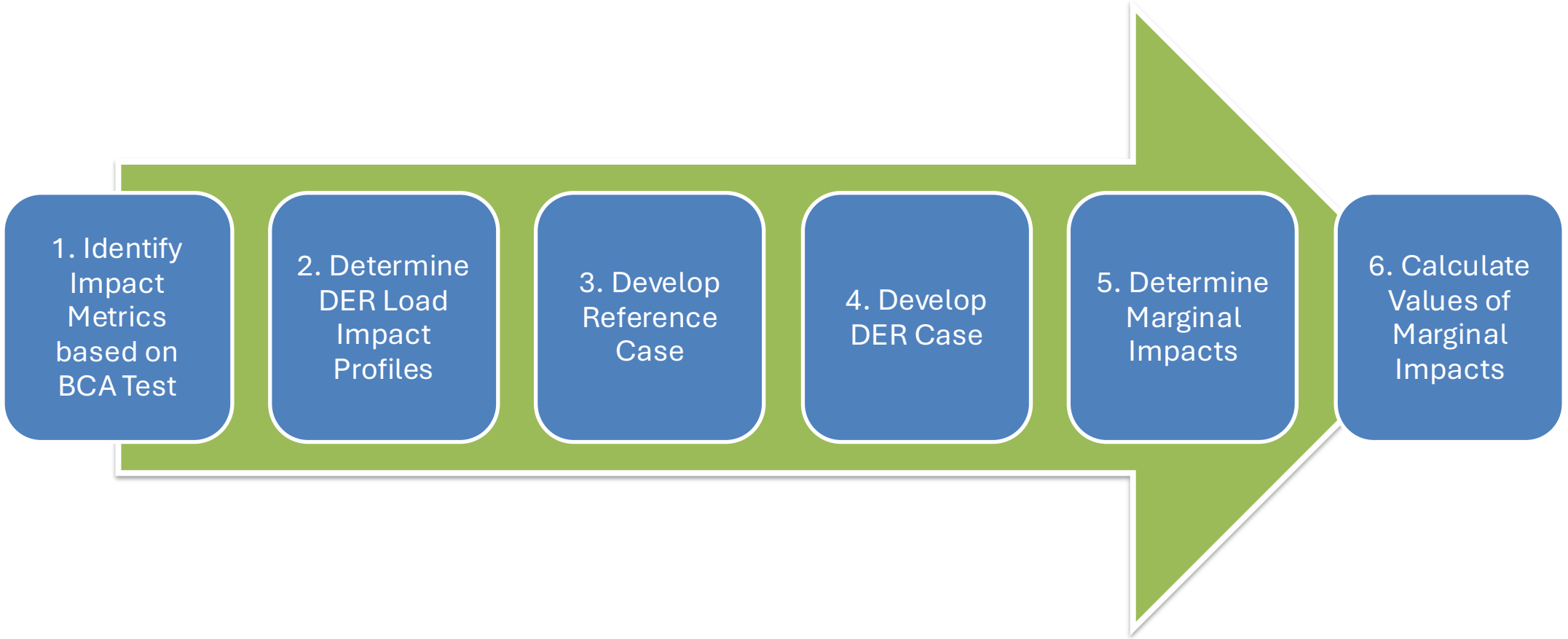
MTR Handbook Contents:

- Key Components to Calculate BCA Impacts
- Electric Utility System Impacts
- Gas Utility System Impacts
- Other Fuel System Impacts
- Host customer Impacts
- Societal Impacts
- Reliability & Resilience
- Uncertainty & Risk
- Load Impact Profiles



MTR Handbook
Calculating DER Impact Values

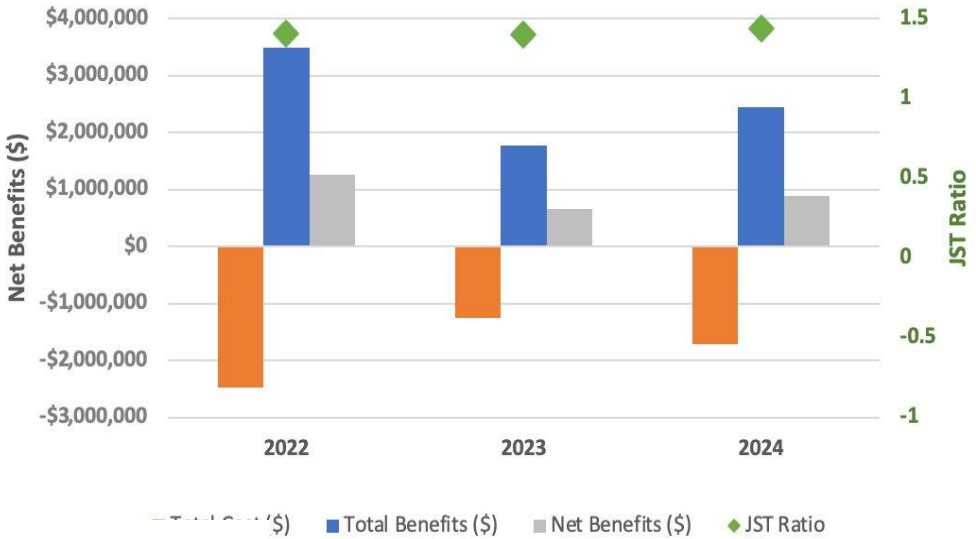
Once a jurisdiction has defined its BCA test and the impacts to be accounted for, there are multiple steps necessary to calculate the impacts to input in a BCA

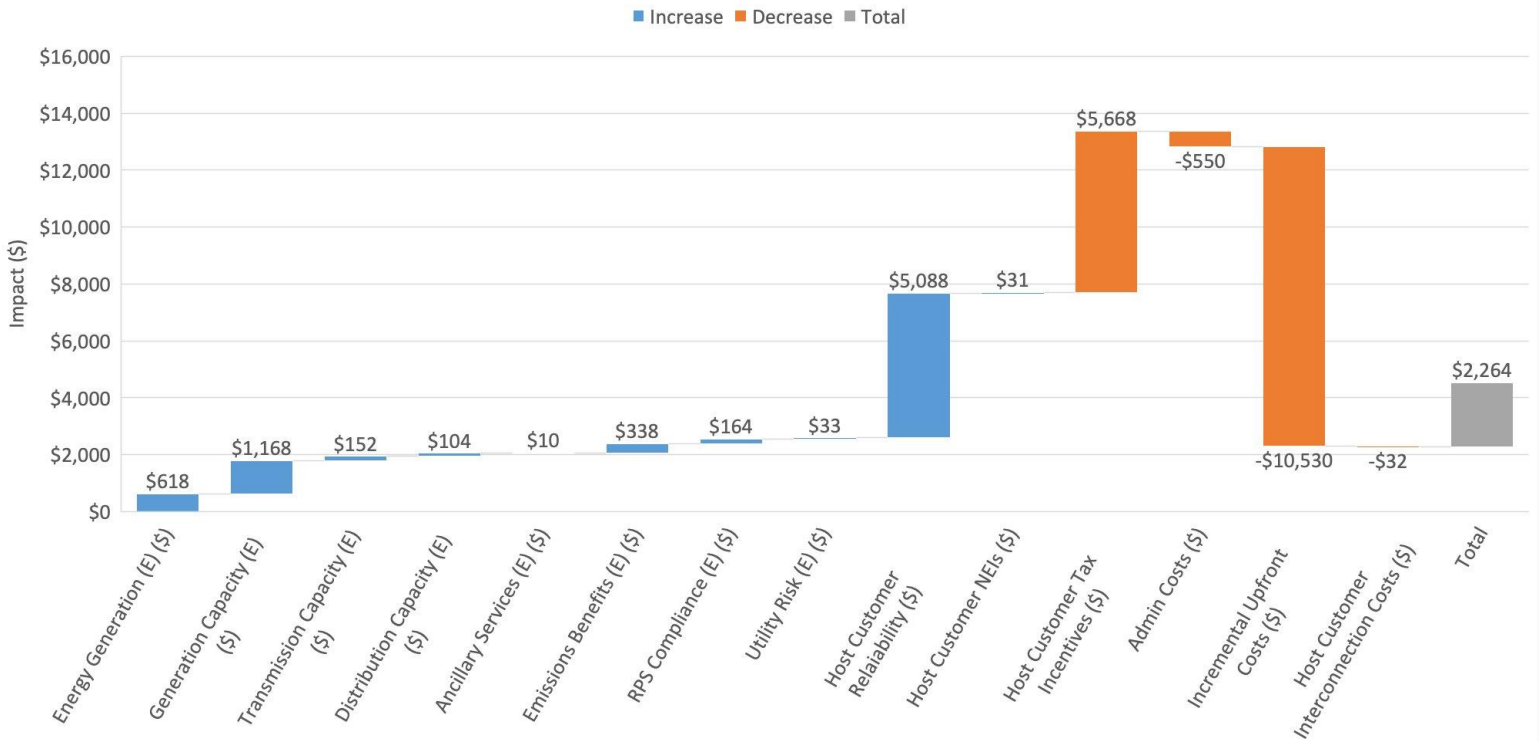


OpenBCA Tool (coming in Q2 2026)

- Open-source modeling tool will **support state efforts** to:
  - Conduct comprehensive and consistent BCA of single or multiple DERs using a standardized and transparent platform to improve decision making for regulators and energy planners.
  - Evaluate a customized Jurisdiction-Specific Test based on selection of relevant value streams that align with policy goals (plus compare to traditional cost-effectiveness tests)
  - Align with methodologies for full range of BCA impacts in the MTR Handbook.
- **Project team:** NASEO/NESP (coordinator), ICF and Recurve (technical team). Funded by US DOE (via LBNL) and E4TheFuture, plus in-kind services.
- Project team working with **Michigan PSC led BCA Tool Collaborative** to inform tool back-end structure and user interface and serving as beta testers
- **MTR Handbook –** will be updated to incorporate OpenBCA formulas

OpenBCA Tool cont.
Example Outputs





OpenBCA Tool Training
open to interested states in Q2 2026

For more details, see OpenBCA Tool

State Technical Assistance

State	DER	NSPM Application in States
AR	EE	The AR PSC directed the Parties Working Collaboratively to use the NSPM to inform the utility 3-year EE plans and adopted a new test in Docket 13-002-U Order No. 48 and Docket 10-100-R Order No. 31 (2018)
CO	All DERs	Docket 2OR-0516E required utilities to develop DSPs and evaluate non-wires alternatives, and directed Xcel to apply the NSPM to develop a BCA methodology for competitive procurement processes. (2022)
CT	EE	CT DEEP's determination approving the utilities' 2022-24 energy efficiency plan set forth a new Connecticut Efficiency Test (CTET). DEEP reviewed and reevaluated the primary test using the NSPM.
HI	All DERs	With regard to its DER policies, the HI PUC required in Order Number 39335 that the utilities use the NSPM framework when modeling DER avoided costs and value streams in their BCA. (2023)
ME	DG	The ME Governor's Energy Office commissioned consultants to develop an Interim Report and Final Report analyzing the cost-effectiveness of distributed generation in Maine. (2022-23)
MD	All DERs	MD PSC Case No. 9674 developed a Unified BCA for all DERs via a UBCA workgroup (WG), with a Maryland UBCA report to the PSC, and PSC Order No. 91424 adopting the WG recommendations (2024-25).
MI	All DERs	MI PSC directed utilities to develop a BCA for DERs using the NSPM. Utilities submitted a proposed BCA on which intervenors commented, followed by a commission decision to adopt a new BCA test. (2022-23)
MN	EE	The MN Dept of Commerce convened a stakeholder group to apply the NSPM to update benefit-cost analysis (BCA) practice for its EE programs, which led to adoption of a MN Cost Test. (2022-23)
NH	EE	The NH PUC facilitated a stakeholder process using the NSPM framework for EE programs, which led to the development of a Granite State Test that the PUC adopted in Order 26,322. (2019)
PR	EE	The PR Energy Bureau directed stakeholders to use the NSPM to develop a Puerto Rico BCA Test for demand response and EE programs, which was then adopted in Case NEPR-MI-2021-0009. (2021)
RI	All DERs	The RI PUC opened Docket 4600 to develop a BCA framework to apply to all DER programs/contexts. The NSPM principles informed the new Rhode Island Test, which was approved by the Commission (2017)
WA	All DERs	The WA UTC opened Docket 210804 to develop a BCA test for all DERs using the NSPM. A stakeholder process informed an initial BCA proposal, but is on hold as the UTC considers expanding the scope (2022).
WA DC	All DERs	The WA DC PSC issued Order #21938 in docket 2019-04-M that adopts a new BCA test developed in 2021 using the NSPM to comply with the 2019 Clean Energy DC Omnibus Act. (2023)

NSPM Application in States

- Range of applications to different DER types and regulatory contexts
- Most involve stakeholder or workgroup processes, but not all
- Stakeholder processes can take between 8-12 months
- Direct TA or consulting services from NESP staff and SMEs (funding typically provided by PUC).
- NESP currently involved in Maryland to support Phase II of the MD PSC's 'Unified BCA' docket
- See **NSPM state case studies** for more information

Minnesota Case Study
NSPM Application

Anthony Q. Fryer
Minnesota Dept of Commerce

Minnesota Cost Test (MCT) - Background

Overview

- In 2022-23, the Minnesota Department of Commerce (DOC) applied the **NSPM BCA framework** to develop a new cost-effectiveness test for evaluating the state's Energy Conservation and Optimization (ECO) programs, starting with the IOU's 2024-26 efficiency plans.

Process

- DOC staff and consultants facilitated an 8-stakeholder meeting process (via its Cost-effectiveness Advisory Committee or CAC) using the NSPM multi-step process via a series of workshop meetings, culminating in a comprehensive report with recommendations to the DOC commissioner.
- CAC process involved:
  - **Phase I** workshops that focused on developing a new cost-effectiveness (BCA) test
  - **Phase II** workshops to identify methodologies for quantifying impacts

Minnesota CAC Meetings (2022) - Snapshot

The 8 CAC meetings held in 2022 followed the NSPM process and key topics:

- **Meeting #1 (April):** Advisory Committee Kick-Off Meeting.

Phase I: Workshops on NSPM for DERs

- **Meeting #2 (May):** NSPM Workshop on Step 1: Identify and discuss Minnesota applicable policy goals.
- **Meeting #3 (May):** NSPM Workshop on Step 2: Include all Utility System Impacts.
- **Meeting #4 (June):** NSPM Workshop on Step 3: Decide Which Non-Utility System Impacts to Include.
- **Meeting #5 (Aug):** Discuss Working Group Report; Next Phase of CAC Process (Quantifying and Documenting Impacts); and Priority Impacts, Tasks, and Timeline.

Phase II: Developing Methodologies and Quantifying Impacts

- **Meeting #6 (Sept):** Cost-effectiveness and Program Design, Purpose and Structure of Secondary Tests; Key Takeaways from Homework Assignment.
- **Meeting #7 (Oct):** Draft Utility System Impact Methodology Descriptions, Efficient Fuel-Switching and Load Mgmt BCA Guidelines, Utility System Impact Methods and Estimating Process.
- **Meeting #8 (Nov):** CAC feedback on Utility System Impact Methods and Efficient Fuel-Switching and Load Mgmt Guidance, Next Steps on Avoided Electric Energy/Capacity Costs, BENCOST modeling, Next Steps Leading Up to Staff's Proposed Decision Filing.

For more information, see: https://mendotagroup.com/mn-cost-effectiveness-ac/

Minnesota CAC Process – Phase I

Phase I Workshops:

- Identified applicable MN policy goals
- Identified relevant utility and non-utility system impacts to include in a MN Test

Other Policies Considered:

- ECO Statutes
- PUC Statutes

Table 1. Statewide Policy Goals

Policy	Citation	Policy Impacts Reflected in Policies															
						Societal											
		Participant	Other Fuels	Water	Low-Income	GHG	Air	Waste	Water	Land	Other Environ	Health	Economic	Security	Equity	Resilience	Other
Statewide Policy Goal (ECO 2021), Energy savings and optimization policy goal	Minn. Stat. § 216B.2401		X			X							X	X			X
Statewide Policy Goal (NGEA 2007), Energy planning	Minn. Stat. § 216C.05, Subd 1	X									X		X	X		X	
Statewide Policy Goal (NGEA 2007), Energy policy goals	Minn. Stat. § 216C.05, Subd 2										X			X			X
Statewide Policy Goal (NGEA 2007), GHG emissions-reduction goal	Minn. Stat. § 216H.02, Subd. 1					X											

Minnesota Cost Test (MCT) Adopted

- **Primary MCT adopted,** reflecting MN applicable energy policy goals. (DOC Docket No. E,G999/CIP-23-46, March 31, 2023).
- **Secondary tests i**nclude traditional cost tests (e.g., utility cost test, societal, participant, etc.).
- **Underlined impacts** were added to existing practice, based on review of applicable policies and relevant impacts.
- **Participant (host customer) impacts:** costs included in previous practice but benefits only partially included (asymmetry). For new MCT, participant impacts not included.
- **Impacts with asterisk *** monetized in 2024-2026 IOU ECO Plans.
    - Updated values for some impacts in process to inform 2027-2029 ECO cycle, to be filed in 2026.

Electric Utility System Impact	Gas Utility System Impact	Non-utility System Impacts
Energy*	Fuel*	Other Fuels*
Capacity*	Capacity & Storage*	~~Participant Costs~~
Environmental Compliance	Environmental Compliance*	~~Participant Benefits~~
Renewable Portfolio Standard Compliance	Market Price Effects	GHG Emissions*
Market Price Effects*	Transportation*	Criteria Air Pollutants*
Ancillary Services *	Delivery*	Other Environmental
Transmission Capacity*	Program Incentives*	Econ Dev/Jobs
Transmission System Losses*	Program Administration Costs*	Energy Security
Distribution Costs*	Utility Performance Incentives *	Energy Equity
Distribution System Losses*	Credit and Collection Costs	
Program Incentives*	Risk	
Program Administration Costs*	Reliability	
Utility Performance Incentives*	Resilience	
Credit and Collection Costs		
Risk		
Reliability		
Resilience		

Minnesota MCT and CAC Process – Next Steps

- February 2026: Department to issue the Staff Proposed Decision for the 2027-2029 ECO cost-effectiveness inputs.
- February 2026: Written comment period for stakeholders on Staff's Proposed Decision recommendations.
- March 2026: Department's Assistant Commissioner Decision approving the final 2027-2029 ECO cost-effectiveness methodologies for investor-owned utilities.

Other State NSPM examples to note…

Maryland Unified BCA Docket 9674
Example NSPM Application across all DER Types

NSPM Step 1. Articulate Applicable Energy Policies
From Maryland Unified BCA Report to MD PSC

Name and Source	Type	DER Applicability
Climate Solutions Now Act of 2022 (Chapter 38 / SB 528)	Statute	All DERs
EmPOWER Maryland Energy Efficiency Act of 2008 (Public Utilities §7-211)	Statute	principally EE and DR (also EV pilot)
***NEW* Maryland's Climate Pollution Reduction Plan,** Maryland Department of Environment, Dec. 2023	State Plan	All DERs
Transforming Maryland's Electric Grid, Maryland Public Service Commission Public Conference 44 (PC44)	MD PSC Order	All DERs except EE
Energy Storage - Targets and Maryland Energy Storage Program - Establishment 2023 (Chapter 570 / HB 910; Public Utilities §7-216, §7-216.1)	Statute	DS
Energy Storage Pilot Project Act of 2019 (Chapter 427 / SB 573; Public Utilities §7-216)	Statute	
Building Energy Transition Plan, Maryland Commission on Climate Change, Nov. 2021	State Plan	EE,DR,BE

Example: Maryland UBCA Test

NSPM Step 2. Determine which *utility system impacts* are both relevant and material to each DER type

(Electric Utility System Impacts)

Impact Type	Impact	EE	DR	DG	DS	EV	BE
Generation	Energy Generation	✓	✓	✓	✓	✓	✓
	Capacity	✓	✓	✓	✓	✓	✓
	Environmental Compliance	✓	✓	✓	✓	✓	✓
	RPS/CES Compliance	✓	NM	✓	NM	✓	✓
	Market Price Effects	✓	✓	✓	✓	✓	✓
	Ancillary Services	NM	NM	CNM	CNM	NM	✓
Transmission	Transmission Capacity	✓	✓	✓	✓	✓	✓
	Transmission System Losses	✓	✓	✓	✓	✓	✓
Distribution	Distribution Capacity	✓	✓	✓	✓	✓	✓
	Distribution System Losses	✓	✓	✓	✓	✓	✓
	Distribution O&M	✓	✓	✓	✓	✓	✓
	Distribution Voltage	NM	NM	✓	✓	NM	NM
General	Financial Incentives	✓	✓	✓	✓	✓	✓
	Utility Direct Investments in DERs	✓	✓	✓	✓	✓	✓
	Program Administration	✓	✓	✓	✓	✓	✓
	Utility Performance Incentives	✓	✓	✓	✓	✓	✓
	Credit and Collection	✓	NM	✓	NM	✓	✓
	Risk	✓	✓	✓	✓	✓	✓
	Reliability	✓	✓	✓	✓	✓	✓
	Resilience	NM	NM	✓	✓	NM	✓

✓	Impacts that are both applicable and material
NM	Not material, or not large enough to merit routine inclusion
CNM	Currently not material in typical applications (2025) but could be in the future as grid evolves and DER scales

Maryland example cont.

NSPM Step 3. Decide which *non-utility system impacts* to include in primary test

Based on Maryland's energy policy inventory, host customer impacts were included in the primary UBCA test, plus Other Fuels and certain Societal Impacts

Category		EE	DR	DG	DS	EV	BE
Other Fuels		✓	✓	✓	NA	✓	✓
Societal	Resilience	NA	NA	✓	✓	NA	NA
	GHGs	✓	*	✓	*	✓	✓
	Other Environmental	✓	✓	✓	*	✓	✓
	Public Health	✓	✓	✓	*	✓	✓
	Energy Security	✓	✓	✓	✓	✓	✓

✓ Impacts that are both applicable and material

NA Impacts that are not applicable to a given DER

* Not material in typical applications today, but could be material in the future as the grid evolves

Host Customer Impacts

Impact	EE	DR	DG	DS	BE	EV
Energy Impacts						
DER Measure Costs	✓	✓	✓	✓	✓	✓
Transaction Costs	✓	✓	✓	✓	✓	✓
Interconnection Fees	NA	NA	✓	NA	NA	NA
Risk	✓	NA	✓	✓	✓	✓
Reliability	NA	NA	NA	NA	NA	NA
Resilience	✓	NA	✓	✓	NA	✓
Tax Incentives	✓	NA	✓	✓	✓	✓
Non-Energy Impacts						
Asset Value	✓	NA	✓	✓	✓	NA
Water cost impacts	✓	NA	NA	NA	NA	NA
O&M costs	✓	NA	✓	✓	✓	✓
Productivity	✓	NA	NA	NA	NA	NA
Economic well-being	✓	NM	✓	✓	✓	✓
Comfort	✓	NA	NA	NA	✓	NA
Amenity	✓	✓	NA	NA	✓	✓
Health & Safety	✓	NA	NA	NA	✓	NA
Empowerment	✓	NA	✓	✓	✓	✓
Pride	✓	NM	✓	NM	✓	✓

✓ Impacts that are both applicable and material

NA Impacts that are not applicable to a given DER

NM Impacts that are conceptually applicable but "not material" or large enough to merit routine inclusion in the MD UBCA test

BCA Training & NSPM Certification

NSPM Training and Certification

- **2024-25 Training Courses included:**
  - NSPM Certified™ training – 2 day in-person
  - NSPM BCA on-line training – 6 hours (3 days x 2 hrs)
  - BCA topical on-line training – 2 hours
  - Training provided in partnership with Association of Energy Service Professionals (AESP)
  - NESP provided 6-hour on-line BCA training via **NARUC's Regulatory Training Initiative** (2023-24)

- **2026+:** training courses/modules in process of being updated:
  - Create different levels of training (100, 200, 300 series)
  - Mix of on-line and in-person
  - Tiered registration fees (gov't, non-profit, private sector)
  - Update NSPM training material to add new material from NSPM 2026 version
  - Identify topical BCA trainings of interest with NASEO members and others

Stay tuned for training schedule coming soon!

NESP Priorities in 2026

NSPM for DERs (2026) and Training & Certification
- Disseminate new NSPM version to states, educational presentations
- NSPM Certified training (in-person) and BCA on-line trainings

OpenBCA Tool
- Launch new model, conduct training for state users
- Provide TA for selected states to apply tool (contingent on funding)
- Develop and publish state application examples

State Technical Assistance
- Provide NSPM TA and facilitation services to state PUCs (scope of TA contingent on funding)
- Identify BCA TA needs via NASEO Committees/members, and states interested in NSPM

BCA Research and Use Cases
- Identify priority needs via NASEO committees and other industry input on research needs
- Develop DER BCA case study examples

NASEO will convene an NESP-NASEO Advisory Group (Q2 2026) to guide its work.

Thank you!

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