

Navigating the 2025 VEU Changes: What They Mean for Your Business - Northmore Gordon

Canonical:

<https://northmoregordon.com/articles/navigating-the-2025-veu-changes-what-they-mean-for-your-business/>

Details:

Navigating the 2025 VEU Changes: What They Mean for Your Business - Northmore Gordon Skip to content Live AU Certificate Prices Twitter LinkedIn-in Youtube Buy and Sell Global RECs Contact Search Carbon moREnewable100 (RECs & Offsets) Trade RECs & Carbon with us Climate Active Net Zero Roadmaps Carbon and Energy Strategy NGRS Reporting Carbon Health Check Grants and Programs Funding Energy Grants and Programs Funding Energy Audit & Assessments Energy Optimisation Compressed Air Services EEO Assessments (SG) Strategic Energy Sourcing Energy Procurement Virtual Environmental Manager Certificates Live Certificate Prices Funding Solar VEECs (VEU PBA) Measurement & Verification (VEU & ESS) ERF & Carbon Credit Registration Boiler Upgrades (VEU & ESS) Hot Water Systems (VEU & ESS) Deemed Certificates (VEU & ESS) moREnewable100 (RECs & Offsets) Trade RECs & Carbon with us Global Certificates Australian Programs Case Studies Articles Team More About Us Locations Contact Us Careers Articles Latest News Government Updates Accreditations Glossary Carbon moREnewable100 (RECs & Offsets) Trade RECs & Carbon with us Climate Active Net Zero Roadmaps Carbon and Energy Strategy NGRS Reporting Carbon Health Check Grants and Programs Funding Energy Grants and Programs Funding Energy Audit & Assessments Energy Optimisation Compressed Air Services EEO Assessments (SG) Strategic Energy Sourcing Energy Procurement Virtual Environmental Manager Certificates Live Certificate Prices Funding Solar VEECs (VEU PBA) Measurement & Verification (VEU & ESS) ERF & Carbon Credit Registration Boiler Upgrades (VEU & ESS) Hot Water Systems (VEU & ESS) Deemed Certificates (VEU & ESS) moREnewable100 (RECs & Offsets) Trade RECs & Carbon with us Global Certificates Australian Programs Case Studies Articles Team More About Us Locations Contact Us Careers Articles Latest News Government Updates Accreditations Glossary Carbon Close Carbon Open Carbon Carbon Our decarbonisation services help businesses transition to low-carbon operations and covers footprints, reporting, certificates, carbon solutions and net-zero Net-zero is a term meaning to get to zero emissions, there is no current standard on what getting to net-zero means. For governments a net-zero target is one that covers all scope 1 emissions in their jurisdiction. For business it usually covers scope 1 and 2 emissions, although some companies also include some scope 3 emissions. The Science Based Targets Initiative is currently working on a standard for companies. roadmaps, to reduce emissions moREnewable100 (RECs & Offsets) Reach Global Sustainability Goals with Renewable Energy Certificates and Carbon Offsets Trade RECs & Carbon with us Trade Local & International Environmental Attribute Certificates Climate Active Achieve Climate Active Carbon Neutral Certification Net Zero Roadmaps Identify opportunities and build achievable pathways Carbon and Energy Strategy Integrate your carbon and energy strategies NGRS Reporting National Greenhouse Emissions Reporting Grants and Programs Review the latest grants and programs Energy Close Energy Open Energy Energy We offers comprehensive energy services, focusing on efficiency improvements, cost reduction, monitoring, benchmarking and strategic sourcing for sustainable and positive environmental impacts Grants and Program Review the latest grants and programs Energy Audit & Assessments Identify cost and emissions reductions Energy Optimisation Metering & Monitoring, Feasibility Studies, EnMS and ISO50001, & Benchmarking Strategic Energy Sourcing Feasibility & Assessments: Renewables, PPAs or Certificates Compressed Air Services Air Compressor Leak Audits, Surveys and Benchmarking EEO Assessments (SG) Singapore Energy

Efficiency Assessments Energy Procurement Navigate energy markets with confidence Virtual Environmental Manager Leverage our teams wide experience Certificates Close Certificates Open Certificates Certificates Our Environmental Attribute Certificate services help businesses accelerate technology adoption, improve project ROI, and manage claims of renewable energy, energy efficiency and carbon offset 1 carbon offset = 1 tonne of CO₂-e avoided or removed from the atmosphere. Avoided emissions covers activities that alter behaviour that would have otherwise caused emissions such as energy efficiency improvements or avoided deforestation. Removal covers activities that permanently remove CO₂ from the atmosphere such as new forestry plantations, soil carbon improvement or carbon capture and storage. certificates Live Certificate Prices The value of certificates change day-to-day, check todays prices Solar VEECs (VEU PBA) VEU PBA for Large-scale Solar Measurement & Verification (VEU & ESS) M&V; for Large C&I; Efficiency Projects (VEU PBA & ESS PIAM&V;) BESS Calculator Estimate the Peak Reduction Certificate revenue available to your NSW battery project in minutes ERF & Carbon Credit Registration ACCUs for Emission Reduction Projects Boiler Upgrades (VEU & ESS) NSW & VIC Boiler Rebates REC Registration (I-RECs & LGCs) Register renewable assets for I-RECs and LGCs Trade RECs & Carbon with us Trade Local & International Environmental Attribute Certificates moREnewable100 (RECs & Offsets) Reach Global Sustainability Goals with Certificates and Offsets Deemed Certificates (VEU & ESS) NSW & VIC Rebates Global Certificates Environmental Attribute Certificates Australian Programs Australian EAC Programs Case Studies Sectors Articles Team More Close More Open More Northmore Gordon Learn more about Northmore Gordon with the latest news and insights, were to find us, and the extensive terminology used in emissions reductions About Us Who we are & what we do in energy efficiency & decarbonization. Locations Find our offices near you. Contact Us Get in touch with our team. Careers Join our team making a sustainability difference Articles Learn about energy efficiency & carbon reduction. Latest News Stay informed on industry developments. Government Updates Track policy changes impacting your energy use. Accreditations See our certifications for trusted service. Glossary Define key terms in emissions reduction. Navigating the 2025 VEU Changes: What They Mean for Your Business Northmore Gordon August 15, 2025 Articles Share this article By Hamish McGovern, Group Managing Director, Northmore Gordon The Victorian Energy Upgrades (VEU Victorian Energy Upgrades is a Victorian government energy efficiency program that gives every Victorian household and business the opportunity to receive rebates or discounts on energy saving products.) program has undergone significant reforms in 2025, sending a clear signal to commercial and industrial (C&I;) customers: the scheme is not only here to stay but is being substantially strengthened to accelerate electrification, heat recovery, and the transition away from gas. For Northmore Gordon clients in the industrial and large commercial sectors, these changes represent unprecedented opportunities to access funding for energy productivity improvements. In this article I summarise the key 2025 changes, and what's slated over the next 18 months, and how to engage with Northmore Gordon to capture the highest value from VEECs and grants. Changes in 2025 • In May the VEU was extended in law to 2045; with stronger compliance and flexibility. This aligns with Victoria's net-zero targets and gives businesses much-needed certainty to plan and invest long-term. It changes to legislation also increased regulator's powers, introducing training, and modernising registry arrangements. • 2026–27 targets locked & shortfall rate lifted. The Government set 4.4m VEECs (2026) and 4.6m VEECs (2027) and raised the shortfall penalty to \$100. Modelling suggests prices will ease in 2026 due to the lower targets, and additional activities coming online. • Project-Based Activities (PBA Project Based Activities) reforms (20 June 2025). New M&V; Specifications and Benchmark Rating specs announced; they add "specified measurement methods", tighten guidance and lower admin friction for multi-measure projects. • C&I; heat pump hot water (Activity 44) updated in July. Minimum storage tanks now needs to be great than 700 L, scaling for <10 kW systems, and \$1,000 minimum customer co-payment, with Version 20 specs effective 25 July 2025. Aimed squarely at genuine commercial installs. This has reduced supply from what was a high-volume activity being used in "not fi- for-purpose" installations. • Product & program housekeeping. Warranty rules for water heating and space heating/cooling began 31 March 2025; ESC An energy savings certificate (ESC) is a tradeable certificate created under Division 7 of Part 9 of the Electricity Supply Act 1995. Each ESC represents one notional megawatt hour (MWh) of energy. published further clarifications across activities. • Enhanced Compliance with

new civil penalty came into effect in May 2025. While adding some compliance friction, these changes strengthen the scheme's integrity and long-term viability and reduce VEEC Victorian Energy Efficiency Certificate volatility from bad actors undermining the program. Expected Changes (Next 18 Months) • The new EMIS (Energy Management Information System) activity (metering/sub-metering/analytics) consulted in Jan 2025; is slated to commence 2026; This helps Northmore Gordon manufacturing and large commercial buildings customer, by providing VEEC funding for implementing energy monitoring and control systems – a critical first step in any energy productivity journey. • New Insulation activity (ceiling insulation) prepared for early 2026; this residential will add scheme supply and could reduce the VEEC price. • Business Electrification – Phase 1 & Electric Motors update under development through 2025. Northmore Gordon is waiting for more details for applicability to C&I; customers. • Thermal activities review; the space heating/cooling, water heating consultation planned for late 2025; • Consumer price transparency updates land into 2026; the government is looking at mechanisms to enable customers to better transparency on the value of the VEECs they are receiving for an activity. Why this helps C&I; Customers • Smoother path for complex projects. The PBA/M&V; changes reduce admin time and uncertainty for multi-measure retrofits (e.g., process heat pumps + heat recovery + controls). • Electrification tailwinds. Activity 44 is now tuned to proper commercial hot water loads; pairing heat pumps with heat recovery can materially lift VEEC yield. • Better data, better savings. An EMIS activity in 2026 should support persistent savings and easier M&V; across industrial sites. • Program & Compliance confidence. With a 15-year extension to the program and updated guidelines, warranties and increased regulatory oversight, business now has greater certainty for the program, and integrity of energy savings Electricity or gas savings or both. . VEEC Price Context The VEEC price in the first half of 2025 was trading above \$105, until the announcement of the 2026/27 targets saw the price fall to as low as \$85.00. The update and reset of Activity 44 (which had reasonable creation volume) caused a brief squeeze and saw prices jump above \$100 and is trading around \$95.00. Once the impacts of the sudden changes to Activity 44 are absorbed, the new targets 2026/27 and growing range of activities are expected to maintain supply and hence prices are may well soften. The Ideal Engagement Model Northmore Gordon's approach to maximising value from the VEU follows a proven pathway, as demonstrated by our long-term with business such as Greenham: 1. Initial Energy Audit: Comprehensive site assessment identifying all efficiency and renewable opportunities (often grant-funded) every 2-3 years. 2. Feasibility Studies: Detailed engineering and financial analysis of priority projects, incorporating VEEC revenue streams. 3. Funding and Grant Applications: Leveraging government co-funding programs alongside VEECs to improve project returns. 4. Implementation Support: Technical specification, contractor management, and commissioning oversight. 5. VEEC Creation & Compliance: Registration, measurement & verification, and certificate creation. 6. Ongoing Optimisation: Annual performance reviews and identification of new opportunities as VEU activities expand. Case Study – Greenham Multi-year engagement by Northmore Gordon with audits, feasibility, VEECs, and grants. Demonstrates how staged projects can compound savings and funding over time. This integrated approach delivered over \$4.5 million in combined grant and VEEC funding for Greenham's Tongala cogeneration project alone, while their Smithton site generated over \$175,000 in carbon credits through our ongoing support. Read more: Why Act Now? The 2025 VEU reforms represent a watershed moment for industrial energy users. With the scheme's 20-year extension, enhanced support for electrification, and new activities specifically targeting C&I; customers, there has never been a better time to develop a comprehensive energy strategy. The reduction in 2026-27 VEEC targets (from 7.3m in 2025 to to 4.4-4.6 million in 2026/27) signals that certificate prices may face downward pressure from reduced demand. Early movers will benefit from current pricing and the full suite of complementary grant programs currently available. Northmore Gordon's Competitive Edge As Australia's C&I; leader in measurement and verification, Northmore Gordon combines deep engineering capability with unmatched expertise in VEEC creation and grant funding with market intelligence. Our team identifies energy saving opportunities that others miss, engineering solutions that deliver real operational benefits, and structures funding packages that maximise project returns. Whether you're considering heat pump integration, cogeneration, process electrification, or comprehensive energy management systems, our integrated approach ensures you capture maximum value from the evolving VEU landscape. Interested to know more? Call or email Craig Morgan or

submit your interest here today. References 1. DEECA Industry Market Update & Work Program 2. ESC – VEU Guidelines v13 3. Victorian Energy Efficiency Target Amendment Act 2025 4. ESC – New VEU Registry 5. Northmore Gordon Market Prices 6. Northmore Gordon – Greenham Case Study Carbon Emissions , Certificates , Energy Efficiency , Renewable Energy , VEU Program You may also like: Welcome to our August & September 2026 Compliance Update. Australian Certificate Markets – August 2026 Update Where's the value in renewable heat? Latest Updates ASRS Group 3: are you in scope and don't know it? September 18, 2026 Correct as at 13 September 2026. If your company is a large proprietary company, you Read More » Beyond annual matching: The evolution of time-stamped RECs August 18, 2026 For more than a decade, Renewable Energy Certificates (RECS-RECs, GOs, TIGRs Tradeable Instrument for Global Renewables (TIGR) Registry is an online platform for tracking and transferring renewable energy certificates (RECS), enabling developers to generate, verify and sell RECs. The registry is run by APX, a US company that provides infrastructure for environmental markets around the world. , LGCs, ZNECs, J-Credits) have Read More » Solar irrigation upgrades: Don't let certificate funding go unclaimed August 10, 2026 Irrigation pumps are one of the biggest hidden costs on an Australian farm. In particular, if Read More » SRES expansion: STC eligibility to increase from 100 kW to 1 MW from October 2026 August 6, 2026 The Australian Government has announced a major expansion of the Small-scale Renewable Energy Scheme, increasing Read More » Get in touch Australia 1300 854 561 (Advisory) 1300 878 500 (Certificates) Melbourne Suite 1, Level 4 607 Bourke Street Melbourne VIC 3000 Singapore +65 6690 2480 Singapore 1 Keong Saik Road, Singapore 089109 Stay up to date Alternatively, complete the form and we will be in touch with you. First Name Last Name Email Phone Number Country Australia Singapore Subject Message Send Services Energy Audit Services M&V; Services EEO Assessments Corporate Energy and Carbon Management Grants and Program Strategic Energy Sourcing Virtual Energy Manager Climate Active Certification Sectors Animal Processing Chemical Processing Commercial Buildings Food & Beverage Manufacturing Mining Oil & Gas Pharmaceutical & Health Products Public Sector Waste & Wastewater Wood, Paper & Cardboard Processing Upgrades Boiler Upgrades Commercial Lighting Hot Water Systems Mid Scale Solar NABERS Public Lighting Refrigerated Display Cabinets Solar PV Small Scale UPS Certificates Live Certificate Prices International Renewable Energy Certificates Tradable Instrument for Global Renewables Australian Carbon Credit Units Energy Savings Certificates Large-scale Generation Certificates Small-scale Technology Certificates Victorian Energy Efficiency Certificates Government Schemes Emissions Reduction Fund Energy Savings Scheme Renewable Energy Target Victorian Energy Upgrades Helpful Links About us Meet the Team Careers Contact us Articles News Glossary Privacy Policy Complaints