

SRES expansion: STC eligibility to increase from 100 kW to 1 MW from October 2026 - Northmore Gordon

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Expected to commence on 1 October 2026, subject to the required regulations being made, the change is intended to reduce the upfront cost of medium-sized commercial, industrial, agricultural and community solar installations by around 20 per cent. What has been announced Minister for Climate Change and Energy Chris Bowen announced the expansion on 5 August 2026 as part of the government's plan to increase solar uptake among larger energy users. Under the change, solar systems with a capacity of up to 1 MW will be able to access small-scale technology certificates through the existing SRES Small-Scale Renewable Energy Scheme . The current maximum system size is 100 kW. "We're putting more rooftops to work and helping businesses, farms and community organisations cut energy costs by slashing the cost of installing medium-sized solar systems by around 20 per cent," Mr Bowen said. "We're fixing that by expanding support to systems up to 1 MW, unlocking the potential of commercial rooftops and helping businesses cut power bills, invest in growth and create jobs." The expansion will use the existing SRES certificate market administered by the Clean Energy Regulator The Clean Energy Regulator is the Australia Government body responsible for accelerating carbon abatement for Australia through the administration of the National Greenhouse and Energy Reporting scheme, Renewable Energy Target and the Emissions Reduction Fund. More . It is not a new grant or standalone rebate program. Eligible installations will create certificates that can be traded through the existing market. Who the expansion is intended to support The higher threshold is aimed at the commercial and industrial solar market, including: manufacturers farms and agricultural businesses retailers and shopping centres warehouses and logistics facilities schools and hospitals community organisations The government said larger energy users had previously been unable to access the same upfront SRES support available to households and smaller businesses because of the existing 100 kW limit. Mr Bowen said the expansion would help "manufacturers, farmers, retailers, logistics centres, schools, hospitals and community organisations reduce energy costs". Indicative project benefits The government estimates that expanding the SRES could reduce the upfront installation cost

of eligible systems by around 20 per cent. Its indicative examples include: approximately \$68,000 off the cost of a 250 kW solar system approximately \$136,000 off the cost of a 500 kW system. The government estimates a 250 kW system could generate around 345 MWh of electricity each year and save a medium-sized business approximately \$50,000 annually. An 850 kW system could generate around 1,173 MWh and save an industrial energy user around \$175,000 annually. Actual outcomes will depend on the site, electricity consumption, system performance, certificate prices and commercial arrangements. Expected commencement The expanded SRES is expected to commence on 1 October 2026, subject to the necessary regulations being in place. Businesses considering systems between 100 kW and 1 MW will need to review the final regulations before relying on the proposed commencement date or estimated certificate benefit. Potential impact on LGC Large-scale Generation Certificate under the Australian Renewable Energy Target. More projects Solar installations above 100 kW have traditionally been considered for accreditation under the Large-scale Renewable Energy Target, allowing eligible generation to create large-scale generation certificates. Moving the SRES threshold to 1 MW is likely to make STCs Small-scale Technology Certificate under the Australian Renewable Energy Target. More the more attractive certificate pathway for many new projects within the 100 kW to 1 MW range because the benefit is generally reflected upfront, rather than being created progressively from metered generation. This may reduce the future volume of new LGC-generating solar systems below 1 MW. However, Northmore Gordon's preliminary view is that the practical effect on the broader LGC market may be limited, given the relatively modest contribution of these mid-scale systems to total LGC supply. The final impact will depend on the regulations, the STC calculation methodology and the transition arrangements for projects already pursuing LGC accreditation. What the change could mean for Solar VEECs Victorian commercial solar projects can also be eligible to create Victorian Energy Efficiency Certificates under Activity 47 and other Victorian Energy Upgrades measurement and verification pathways. Activity 47 currently supports deemed VEEC Victorian Energy Efficiency Certificate creation for eligible commercial and industrial solar systems between 30 kW and 200 kW. Larger projects can be considered through streamlined or advanced measurement and verification methods. Northmore Gordon's existing guidance also notes that eligible projects may be able to claim VEECs alongside STCs or LGCs, subject to the relevant program requirements. The expansion of STCs to 1 MW could therefore improve the combined certificate value available to some Victorian projects rather than necessarily displacing VEEC opportunities. Northmore Gordon does not currently expect the announcement alone to have a significant effect on VEEC market volumes or pricing. However, the detailed treatment of larger systems under the expanded SRES will need to be reviewed against the Victorian Solar Project-Based Activities rules once the federal regulations are released. For more information on Activity 47 and the available C&I Solar VEEC pathways, see Earn More from C&I Solar – What Activity 47 Means for You. Network connection reforms also proposed The government has also committed to pursuing targeted rule changes and improvements to the existing connection framework for mid-scale solar projects. This is significant because network connection assessments, export constraints and approval timeframes can materially affect commercial solar project costs and delivery schedules. The announcement does not yet provide detailed changes or a timetable for the proposed connection reforms. Key details still to be confirmed The government's release provides the headline threshold and expected commencement date but does not yet explain: whether extensions to existing solar systems will qualify how STCs will be calculated for systems above 100 kW the applicable deeming period installer, designer and accreditation requirements how projects contracted or under construction before 1 October will be treated the transition process for projects currently seeking LGC accreditation the detailed interaction with Victorian Solar PBA Project Based Activities VEECs whether specific restrictions will apply when combining solar STCs with other state certificate incentives how the declining SRES obligations through to 2030 will affect certificate creation for larger systems The government said the SRES retailer compliance obligation will continue to decline annually through to 2030. However, the release does not explain the precise deeming arrangements that will apply to newly eligible systems. What businesses and solar providers should do next Businesses planning a solar system between 100 kW and 1 MW should avoid finalising their certificate strategy based solely on the headline announcement. Project owners, developers and installers should review: the likely STC benefit under the final regulations whether the project has

already commenced or entered binding contracts potential eligibility for VEECs or other state incentives whether an existing LGC application should continue certificate ownership provisions in installation, finance and power purchase agreements network connection requirements and expected approval timeframes Northmore Gordon will provide a further update when the regulations and implementation guidance are released. For support comparing STCs, LGCs, Solar VEECs and other certificate pathways for a commercial solar project, contact Northmore Gordon before committing to a certificate or contracting approach. Official source: Australian Government – Putting more roofs to work: minister.dcceew.gov.au/bowen/media-releases/putting-more-roofs-work/ You may also like: ASRS Group 3: are you in scope and don't know it? Welcome to our August & September 2026 Compliance Update. Australian Certificate Markets – August 2026 Update 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 » Welcome to our August & September 2026 Compliance Update. September 1, 2026 This edition confirms Northmore Gordon's accreditation for three new PDRS battery activities, tracks the VEUVictorian Read More » Australian Certificate Markets – August 2026 Update September 1, 2026 Price Summary Certificate Open Close Range Effective cap Movement / Reason PRC \$2.70 \$3.35 \$2.70 Read More » Where's the value in renewable heat? August 24, 2026 Most renewable heat conversations start with a technology question: heat pump, biomass, biogas, or electrify 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