Australian Certificate Markets – April Update. - Northmore Gordon

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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. Australian Certificate Markets – April Update. Hamish McGovern May 3, 2026 News Share this article Executive Summary by Hamish McGovern, Group Managing Director Price Summary Certificate Open Close Range Movement/Reason 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. $23.50 $27.25 $23.50 – $27.25 ↑ CLF Commercial Lighting Formula closure & forward supply uncertainty, even with v. large holdings VEEC Victorian Energy Efficiency Certificate $84.00 $88.00 $84.00 – $90.00 ↑ Compliance buying & heating & cooling co-payment consultation ACCU An ACCU is a unit issued to a person by the Clean Energy Regulator (Regulator) by making an entry for the unit in an account kept by the person in the electronic [Australian National Registry of Emissions Units] registry. Each ACCU issued represents one tonne of carbon dioxide equivalent (tCO2-e) stored or avoided by a project. An ACCU can only be issued to a person if the person has a Registry account. $36.10 $37.80 $36.10 – $37.80 ↑ Safeguard supply tightening LGC Large-scale Generation Certificate under the Australian Renewable Energy Target. More $3.00 $2.05 $2.05 – $3.00 ↓ Sub-$2 territory tested; ongoing structural oversupply STC $39.60 $39.60 $39.55 – $39.65 ↔ Stable ESCs rallied sharply from $23.50 to $27.25 – a 16% gain – as the market digested the post-CLF supply cliff. Despite ~20 million ESCs in registry holdings against the ~6.0 million 2026 surrender obligation, weekly creation rates have fallen sharply since the 31 March commercial lighting closure (from ~750,000+ certificates per week in late March to a fraction of that in April). With the tax-effective penalty around $52, there is meaningful headroom for further price appreciation. VEECs opened April at $84 and closed at $88, touching $90 mid-month. The 30 April retailer surrender deadline drove compliance buying, while a consultation of an increased minimum co-payment for ducted heating and cooling upgrades appears to have re-priced expectations on the supply side. Creation volumes have remained healthy and ahead of the run-rate needed for the 2026 target – making the magnitude of the price move somewhat surprising. ACCUs gained ground from $36.10 to $37.80, supported by the Safeguard FY25 surrender data release showing covered emissions exceeded baselines for the first time and a 1.6 million YoY step-down in SMC issuance. LGCs continued their structural decline, opening at $3.00 and closing just on $2.05 – testing sub-$2 territory for the first time. The forecast 64–66 million 2026 creations against a fixed 33,000 GWh LRET The Large-scale Renewable Energy Target (LRET) incentivises the development of renewable energy power stations in Australia through a market for the creation and sale of certificates called la■rge-scale generation certificates (LGCs). obligation continues to weigh on the market. STCs Small-scale Technology Certificate under the Australian Renewable Energy Target. More remained stable around $39.60 in a tight ±$0.05 band – supply and demand are well balanced under the 2026 STP. For daily pricing and charts, visit Northmore Gordon's live certificate price page . Regulatory Update – Program by Program NSW Energy Savings Electricity or gas savings or both. Scheme (ESS The NSW Energy Savings Scheme (ESS) provides financial incentives to install, improve or replace energy savings equipment and appliances in NSW households and businesses. The ESS was established in 2009. Financial incentives are in the form of tradeable certificates, called energy savings certificates (ESCs). Generally, householders and businesses who fund energy savings activities transfer the right to create ESCs to Accredited Certificate Providers (ACPs) in return for a discount on the cost of the energy savings activity. The MWh savings from the project determines the number of ESCs that can be created. The ESS works by allowing ACPs to create and register ESCs for energy savings that are supported with appropriate evidence. ESCs are then purchased each year by mainly electricity retailers operating in NSW to meet their share of a legislated annual energy savings target.) Post-CLF Supply Collapse Confirmed: April was the first full month without the Commercial Lighting Formula (CLF) – the largest historical ESC creation activity. Weekly registration volumes have dropped sharply, and the market is now pricing the supply cliff that has been signalled since 2024. With ~20m ESCs in registry holdings against the 2026 surrender obligation of ~6.0m, the surplus is being run down rather than replenished – and with the 2026, 2027 and 2028 targets legislated at 11.0%, 11.5% and 12.0% (~6.0m, ~6.3m and ~6.5m ESCs respectively), the path to a meaningfully tighter market over 2026–2028 is now visible. PIAM&V; Project Impact Assessment with Measurement and Verification Becomes More Attractive: With ESCs at $27 versus ~$15 a year ago, Project Impact Assessment with Measurement & Verification (PIAM&V;) and Metered Basline Method (MBM Metered Baseline Method) projects economics have changed materially. The tax-effective penalty headroom (~$52) leaves upside if no new high-volume creating activities are introduced. ESIA Snapshot Report: ESIA has published a Snapshot Report on the impact of recent activity changes – including job losses, stranded investment, sharp revenue declines, and loss of specialised delivery capability. The report has been provided to NSW DCCEEW officials. Watch in May: Continued registration data; any policy signals from NSW DCCEEW following ESIA engagement; and any signal on new high-volume activities to replace CLF supply. 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.) Compliance Surrender (30 April): Retailers were required to surrender 2025-vintage VEECs by 30 April. Compliance buying – particularly from smaller retailers – was a key driver of April's rally. Heating & Cooling Co-Payment Increase: A proposed increase in the minimum co-payment for ducted & multi-split heating and cooling (Activity 6) upgrades from $1,000 to $3,000 was a material catalyst – re-pricing the marginal cost of supply and reinforcing the price rises in April. Consultation closed 29 th April. Public consultation on the Industrial Heat Decarbonisation project-based activities (electric thermal energy storage, gas efficiency upgrades, behind-the-meter biogas) closed on 28 April. The newly announced hydronic space heating consultation remains open until 22 May. Imported Cost Pressure: Some market participants maybe factor potential supply-chain cost increases (Iranian conflict-related shipping/equipment) into a preference to buy now rather than later. New Activities Going Live: The new ceiling insulation activity specifications and registry updates have been released, with first-stage prioritisation for accredited persons engaged with Homes Victoria / community housing. The induction cooktop activity will continue under the program with several simplifications announced. Watch in May: Hydronic space heating consultation submissions (closes 22 May); ESIA VEU Seminar in Melbourne 21 May; Safeguard Mechanism / Australian Carbon Credit A certificate that is equivalent to 1 tonne CO2-e. Credits often refer to instruments issued under a cap and trade scheme, where companies are allocated credits up to their emission cap. If they exceed the cap they need to purchase more credits. Units (ACCUs) FY25 Safeguard Surrender Data Released: Per the CER's mid-April release, 10.8 million ACCUs and 2.6 million SMCs were surrendered for the FY25 compliance period. Facility emissions exceed the baseline by 13.7 Mt and SMC issuance was 6.7 million – a 1.6 million step-down on FY24 (8.3m). The tightening supply of free SMCs combined with covered emissions exceeding baselines may signal ACCU demand. New Savanna Fire Methods: Two new savanna fire management (SFM) methods commenced 11 April, with government estimating ~ 180 Mt CO■e abatement over 25 years and $7.7 billion of potential value for Northern Australia. The new methods are designed to deliver stronger benefits to First Nations communities. Earlier SFM methods are being revoked. Permanent Exit Arrangement (1 July 2026): Government contract holders may exit permanently from 1 July, delivering ≥25% of outstanding ACCUs at a 60% discount on the exit payment. The volume potentially released to the secondary market remains the largest near-term supply-side risk. Safeguard Review (post-2030): The 2026–27 Safeguard Review will set decline rates for the 2030–35 period (and beyond). The current 4.9% per annum default decline rate runs through FY29-30. The big question is whether the Safeguard's coverage will be extended to capture more abatement from smaller sites. Watch in May: Federal Budget; CER Q1 2026 Quarterly Carbon Market Report; pre-1 July signals on permanent exit volumes. Large-scale Renewable Energy Scheme (LRET) – LGCs Sub-$2.00 Territory Tested: LGC spot tested below $2.00 in April for the first time, closing the month at $2.05. With CER forecasting 64–66 million LGC creations in 2026 against a fixed LRET obligation of ~33,000 GWh, the structural oversupply continues to deepen. 82% by 2030 Question: At current LGC prices, the LRET is no longer providing a meaningful support for new large-scale renewable investment. The Capacity Investment Scheme (CIS) is now the primary investment driver – but it remains an open question whether the federal 82% renewables-by-2030 target can be achieved with current policies. Voluntary Demand Opportunity: With LGCs trading near $2, this is an exceptionally cost-effective time for corporates with Scope 2 reduction obligations (e.g. SBTi Science Based Targets initiative) or voluntary net-zero commitments to surrender LGCs. For large manufacturers, the cost of using LGCs to address Scope 2 emissions has never been lower. Watch in May: Net Zero Fund registrations of interest now open ($5bn fund supporting hard-to-abate sectors); any further policy signals on data centre additionality requirements; Q1 2026 QCMR creation volumes. Small-scale Renewable Energy Scheme (SRES Small-Scale Renewable Energy Scheme) – STCs Stable at ~$39.60: STC spot moved within a ±$0.05 band through April. The 2026 STP balances supply with demand at this level; the Clearing House $40 ceiling continues to act as the practical price anchor. Cheaper Home Batteries Program – Step-Down from 1 May: From 1 May 2026, the rebate for solar batteries declines every 6 months (rather than annually) and is tiered by system size: 100% for 0–14 kWh, 60% for 14–28 kWh, and 15% for 28–50 kWh. Larger battery systems will earn materially fewer STCs from 1 May. Government continues to purchase battery STCs through a separate buy mechanism. Spillover Effect on Solar PV Solar Photovoltaic : The April battery rush appears to have pulled forward some larger rooftop solar systems (battery + larger PV combinations). Post-1 May, expect slower large-system run rates as the battery uplift moderates. Watch in May: Actual post-1 May battery installation volumes; clearing house queue dynamics; any indications of supply normalisation. For daily pricing and charts, visit Northmore Gordon's live certificate price page . 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