

Australian Certificate Markets – July 2026 Update. - Northmore Gordon

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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 today's 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 – July 2026 Update. Hamish McGovern August 3, 2026 News Share this article Price Summary Certificate Open Close Range Tax-effective cap Movement / Reason PRC \$3.00 \$3.00 \$3.00 – \$3.05 \$3.80 ↔ Spot flat; 2027 forwards ~\$2.70 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. \$29.25 \$29.00 \$28.50 – \$29.75 \$51.23 ↔ Third month capped below \$30 VEEC Victorian Energy Efficiency Certificate \$82.00 \$83.00 \$82.00 – \$87.00 \$142.86 ↔ Early-month rally faded 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. \$37.90 \$38.25 \$37.80 – \$38.30 \$82.68 ↔ Narrow band STC \$39.85 \$39.90 \$39.85 – \$39.90 \$40.00 ↔ Stable LGC Large-scale Generation Certificate under the Australian Renewable Energy Target. More \$7.25 \$7.10 \$4.60 – \$7.25 \$92.86 ↔ Round trip via \$4.60 Tax-effective cap: the scheme shortfall penalty grossed up at the 30% company tax rate (penalty ÷ 0.70), except ACCU Safeguard Cost-containment price shown. PRCs Spot held at \$3.00, touching \$3.05, while forwards into March–April 2027 (for CY2026 compliance) traded around \$2.70 with limited retailer buying beyond that. On 1 July NSW published a new PDRS Rule reopening BESS1 and introducing three new battery activities from 1 September: BESS3 (20-200kWh) for apartments, BESS4 (20-200kWh) for small and medium business, and BESS5 (200kWh-10MWh) for commercial and industrial sites. BESS3 BESS3: battery systems for eligible apartment buildings, 4,5 are the largest change to the scheme's supply base since BESS1 was suspended in July 2025. ESCs traded between \$28.50 and \$29.75 and closed at \$29.00, holding between \$28 and \$30 for a third consecutive month. Creation remained low following the end of the Commercial Lighting Formula and the 1 July closure of the gas water heater, space heater and boiler activities. The surplus continues to be drawn. VEECs opened at \$82.00, rallied to \$87.00 on 13 July and eased back to \$83.00. Creation ran at 100,000 to 110,000 certificates per week, predominantly from space heating and cooling, and remains ahead of the run-rate required for the 4.4 million 2026 target. Some market participants have attributed the price level to limited spot liquidity rather than to underlying scarcity. ACCUs opened at \$37.90, traded between \$37.80 and \$38.30, and closed at \$38.25. STCs Small-scale Technology Certificate under the

Australian Renewable Energy Target. More moved five cents across the month, opening at \$39.85 and closing at \$39.90, with the \$40 Clearing House price the practical anchor. LGCs opened at \$7.25, traded as low as \$4.60 mid-month and recovered to close at \$7.10—a round trip that leaves June's re-rating largely intact. The supply position is unchanged: the Clean Energy Regulator's Q1 2026 Quarterly Carbon Market Report projected the surplus reaching around 35 million by February 2027. The unresolved question is whether any future data-centre requirement would be met by existing certificates or would require new generation. For daily pricing and charts, visit Northmore Gordon's live certificate price page .

Regulatory Update – Program by Program

NSW Peak Demand Reduction Scheme (PDRS) New battery activities (1 July Rule): BESS1 and BESS2 reopened from 1 July. Three new activities apply to installations from 1 September 2026: BESS3 , apartment buildings of at least four dwellings, capped at 5 kWh per apartment; BESS4 BESS4: battery systems for eligible small and medium business sites , small and medium business, above 20 kWh and up to 200 kWh usable, with homes and data centres excluded; and BESS5 BESS5: larger battery systems for eligible commercial and industrial sites , commercial, industrial and community, above 200 kWh and up to 30 MWh with the incentive calculated on the first 10 MWh. Usable capacity is assessed at 90% of nameplate, a higher coefficient applies where new solar is installed alongside, and BESS4 and BESS5 can each be claimed once per site.

2026-27 target cut from 7.5% to 0.5%: The targets set in the Regulation run 5.5% for 2025-26, 7.5% for 2026-27, 8.5% for 2027-28 and 10% from 2029-30. On 31 October 2025 DCCEEW reduced the 2026-27 target to 0.5%, the same percentage as the scheme's first compliance period. On the most recent published forecast peak demand of 13,403 MW, that is the difference between a scheme certificate target of roughly 60 million PRCs and roughly 4 million. 2027-28 remains set at 8.5%: On the same basis that implies a target of the order of 68 million PRCs. It can only be amended by Regulation up to 31 October 2026, and DCCEEW has said it intends to consult on revised options during 2026; that consultation has not yet opened. DCCEEW separately estimates that around 22 million additional certificates will be needed by March 2028 and at least 13.5 million by March 2027. Market participants have identified the combination of an unresolved 2027-28 target and a potentially material new supply source from 1 September as the principal source of forward-price uncertainty.

Watch in August: Opening of the 2027-28 target consultation; method guide material for BESS3–BESS5; C&I; battery pipelines ahead of 1 September.

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.)

First full month under the 1 July Rule: July was the first full month following closure of the gas water heater, space heater and boiler activities (D11/D12/D21, F8/F9), the end of the Sale of New Appliances method, and the 30% cut to the confidence factor for F16/F17 heat pumps at 10 kW and above. These are partly offset by air conditioning eligibility for multi-split and large systems above 65 kW and an increased F2 lifetime. Registration volumes remained low, with the surplus drawn down against legislated targets of 11.0%, 11.5% and 12.0% for 2026, 2027 and 2028.

Watch in August: Registry data for the first full month under the new Rule; any DCCEEW signal on new high-volume activities.

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.)

Strategic Review Bill still before Parliament: The Energy and Resources Legislation Amendment (VEET Victorian Energy Efficiency Target, under the VEET Act 2007 Strategic Review and Other Matters) Bill 2026 was introduced on 17 June and read a second time on 18 June. The Scrutiny of Acts and Regulations Committee reported on it in Alert Digest No. 9 on 28 July, and it was listed for resumption of second-reading debate in the Legislative Assembly's 28–30 July sitting week. The Bill provides for

more dynamic adjustment of both per-activity certificate factors and annual targets. Space heating and cooling review: DEECA has released its response to the Space Heating and Cooling Survey. Changes to system design and sizing requirements for multi-split reverse-cycle air conditioners under the Part 6 activity are proposed to take effect from 30 September 2026, with a further consultation paper flagged for later in 2026. State election (November 2026): The new legislation will hand the government in power the ability to adjust quite quickly both the targets and the per activity factors, reducing certainty for the industry. Watch in August: Progress of the Bill through both Houses; secondary-instrument detail on activity factors and target setting. 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) Climate Change Authority consultation closes 9 August: The Authority's 2026 Annual Progress Advice consultation opened 2 July and closes 9 August 2026. The Authority is advising Government on the Safeguard baseline decline rate for 2030-31 to 2034-35 and on the extent to which onsite abatement is being driven by the 2023 reforms, and has commissioned modelling as one input. Targeted consultation runs July to September. 2026-27 Safeguard Mechanism Review: DCCEEW has said it will release a consultation paper early in the second half of 2026, with policy positions and any draft rule amendments in early 2027. The paper had not been released as at 31 July. Published scope covers scheme coverage arrangements, the future role of Safeguard Mechanism Credits, ACCUs and international units, incentives for onsite abatement, arrangements for trade-exposed facilities, and the Carbon Leakage Review recommendations. The Safeguard currently applies to facilities emitting more than 100,000 tonnes CO₂-e a year. CCA ACCU Scheme review due: The Authority's fifth statutory review of the ACCU Scheme is scheduled to go to the Minister in August 2026, with publication shortly afterwards. Watch in August: Release of the Safeguard consultation paper; publication of the ACCU Scheme review; the Q2 2026 Quarterly Carbon Market Report (the data workbook is already available). Large-scale Renewable Energy Target (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 large-scale generation certificates (LGCs).) – LGCs Supply position unchanged: The Q1 2026 QCMR projected the surplus reaching around 35 million by February 2027 against the fixed 33,000 GWh obligation. Separately, data centres are expressly excluded from the new PDRS BESS4 and BESS5 activities-a different policy question from renewable electricity procurement, but an indication that data-centre load is being treated distinctly in scheme design. REGO transition: DCCEEW has completed consultation on the third tranche of the Guarantee of Origin Rules and subordinate legislation specific to renewable electricity. REGO is the successor certification mechanism as the LRET closes at the end of 2030. Clean Energy Council: Proposed the Flexible Contracting Framework for data centres to match their grid consumption with new renewable generation, met through a combination of Additional Firmed Renewables (PPA Power Purchase Agreement is a direct agreement between a renewable energy project developer and an end-user for the sale of renewable electricity. Behind the meter, PPAs are commonly used for on-site solar. Off-site PPAs supply renewable energy from projects that are connected to the same electricity grid as the end-user, but can be located anywhere. , direct investment) and certificates (LGCs until 2030 and REGOs thereafter) sourced from new projects. Watch in August: Any further policy signal on data-centre additionality; Q2 2026 QCMR creation volumes. Small-scale Renewable Energy Scheme (SRES Small-Scale Renewable Energy Scheme) – STCs Stable at \$39.85–\$39.90: The 2026 STP continues to balance supply with demand, with the \$40 Clearing House price acting as the practical anchor. Interaction with the PDRS: From 1 September, NSW battery projects can access PRCs under BESS3–BESS5 alongside federal STCs for any accompanying new solar PV Solar Photovoltaic . Projects should be modelled across both schemes together. Consultations open or expected Scheme Item Status Safeguard / ACCU CCA 2026 Annual Progress Advice (includes Safeguard decline rate advice) Open-closes 9 August 2026 Safeguard DCCEEW 2026-27 Safeguard Review consultation paper Expected early H2 2026; not yet released ACCU CCA fifth statutory review of the ACCU Scheme To Minister August 2026 ACCU Carbon Credits and Other Legislation Amendment (Integrity and Transparency) Bill Closed 22 May 2026; outcome pending NSW PDRS 2027-28 scheme target Flagged for 2026; Regulation deadline 31 October 2026

VEU Space heating and cooling-further Part 6 changes Consultation paper flagged for later in 2026
LRET / REGO Guarantee of Origin Rules, tranche 3 (renewable electricity) Closed; instruments
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