

Delaying Your Solar Projects (beyond 31 Jan 2025) Will Cost Your Clients Up to 26% in VEEC Rebates

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Delaying Your Solar Projects (beyond 31 Jan 2025) Will Cost Your Clients Up to 26% in VEEC Rebates

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Solar projects must be commissioned and approved by the Essential Services Commission by 31 January 2025 to capture full VEEC value. After this date, an emission factor change will reduce VEEC rebate values by up to 26%. This means projects commissioned after the deadline will receive significantly lower financial returns from their Victorian Energy Efficiency Certificates. The deadline creates urgency because the approval process itself can be time-consuming, and a rush of submissions near the cutoff date is likely to cause bottlenecks. Solar installers must account for documentation preparation, compliance verification, and regulatory review timeframes when planning project timelines.

Publication context: This article reflects its publication date. Market prices, program rules, reporting duties and deadlines may have changed. Confirm current official guidance before making a decision.

As the new year approaches, solar installers looking to maximise VEEC rebates face a critical challenge: the upcoming emission factor change is set to take effect in early 2025. This change will reduce the rebate value of Victorian Energy Efficiency Certificates (VEECs) by up to 26% , significantly impacting the financial returns on solar projects across Victoria. The difference between acting now and delaying will be substantial-not only in monetary gains but also in delivering maximum value to your clients.

With only a few weeks left in 2024, solar installers have limited time to get their projects commissioned and approved by the Essential Services Commission (ESC) to capture full VEEC value. Simply put, if your project is not yet under construction, if VEECs haven't been on your radar, or if you're unsure how to proceed but can commission by 31 Jan 2025-reach out today!

Why Acting Now Matters

Maximising VEEC Rebates : VEECs represent a significant portion of the financial benefits of solar installations, and the upcoming emission factor change threatens to cut this value by as much as 26%. By fast-tracking projects now, you can secure higher certificate values, ensuring your clients get the best returns on their investment.

Securing Regulatory Approvals in Time : Delaying project commissioning increases the risk of missing out on necessary regulatory approvals. The approval process can be time-consuming, especially if documentation or compliance requirements aren't met upfront. With limited time remaining, it's crucial to have all approvals finalised well before the deadline.

Avoiding Project Bottlenecks : As the deadline approaches, a rush in submissions is likely, leading to potential delays or bottlenecks in the approval process. Additionally, installation approvals for solar projects can take significantly longer, often causing unexpected delays. Acting now allows solar installers to avoid this last-minute rush and ensure that projects are reviewed and approved on time.

How to Fast-Track Your Projects for Success

Navigating the complexities of solar project approvals can be challenging, especially when the stakes are this high. This is where partnering with a knowledgeable advisor like Northmore Gordon becomes crucial.

At Northmore Gordon, we specialise in helping solar installers navigate regulatory requirements, secure timely approvals, and maximise VEEC rebate value for their clients. Our team understands the specific compliance needs set by the Essential Services Commission and can guide you seamlessly through the process. We help you:

Align Projects with ESC Requirements : We ensure that your projects meet all regulatory standards and documentation needs, reducing the risk of delays or rejections.

Streamline the Approval Process : With our expertise in handling submissions, we can fast-track your projects to assist with ESC approval before the deadline.

Unlock Maximum Rebate Value : Our experience in measurement and verification ensures that your projects are structured to deliver the highest possible returns under the current VEEC framework.

Ready to Fast-Track Your Projects?

If you have ongoing or upcoming solar projects, don't wait. Contact us today to secure regulatory approval and maximise VEEC returns for your clients. Let's fast-track your clean energy transition together and avoid the financial pitfalls of the emission factor change.

Reporting and compliance context

Confirm the reporting entity and period, current thresholds, regulator guidance, evidence boundary and assurance obligations before applying the dated discussion to a live report.

Related guidance

Carbon advisory

Scope 1, 2 and 3 emissions

Contact us

Read the original article for the source publication and its full context.

Why is the January 2025 deadline critical for Victorian solar projects?

Solar projects must be commissioned and approved by the Essential Services Commission by 31 January 2025 to capture full VEEC value. After this date, an emission factor change will reduce VEEC rebate values by up to 26%. This means projects commissioned after the deadline will receive significantly lower financial returns from their Victorian Energy Efficiency Certificates. The deadline creates urgency because the approval process itself can be time-consuming, and a rush of submissions near the cutoff date is likely to cause bottlenecks. Solar installers must account for documentation preparation, compliance verification, and regulatory review timeframes when planning project timelines.

What is the connection between emission factors and VEEC values?

VEECs represent energy savings or renewable generation benefits under Victoria's Energy Upgrades scheme. The emission factor determines how much environmental benefit (in tonnes of CO₂-equivalent avoided) is attributed to each unit of electricity generated or saved. When the emission factor changes in early 2025, it will reduce the calculated environmental benefit per VEEC, directly lowering the certificate's financial value. This is not a policy change in the scheme itself, but a technical adjustment to how environmental impact is measured. Projects approved before the factor change lock in the current, higher valuation. Understanding this distinction helps installers and clients see the delay as a financial opportunity cost, not a change to scheme eligibility.

What approval steps must be completed before the ESC deadline?

Projects must complete all documentation, compliance requirements, and Essential Services Commission approvals by 31 January 2025. This typically includes evidence that the installation meets Victorian Energy Upgrades requirements, verification that equipment meets scheme specifications, and proof of commissioning. The approval process is not instantaneous; submissions must account for ESC review cycles and potential requests for additional information. We recommend establishing a clear chronology of feasibility approval, final investment decision, equipment purchase, installation, and commissioning dates well in advance. Beginning the approval pathway early reduces the risk of missing documentation deadlines and allows time to address any compliance queries without pressure.

How do installation delays affect a solar project's financial viability?

Beyond missing the VEEC deadline, delays create secondary financial impacts. A project delayed past 31 January 2025 loses up to 26% of its VEEC rebate value, reducing total project returns and potentially affecting the investment case. Additionally, delayed commissioning extends the period before energy generation begins, pushing back the point at which ongoing electricity bill savings start to accumulate. Our investment case guidance recommends presenting project economics with and without conditional VEEC contributions, so decision-makers understand the full financial impact of timing. This approach helps clients decide whether to accelerate installation timelines or accept lower returns if other operational constraints prevent timely completion.

Why might the approval process take longer than installers expect?

The Essential Services Commission approval process requires thorough documentation of equipment specifications, installation details, and compliance with Victorian Energy Upgrades rules. Common delays include incomplete evidence files, equipment that doesn't meet scheme requirements, or missing commissioning records. As the January 2025 deadline approaches, submission volumes are expected to increase, creating processing bottlenecks. We note that a rush of applications near the cutoff is likely to cause delays. Projects that prepare documentation systematically and engage with regulators early can navigate the process faster. Assigning one person to coordinate the evidence file across the facility team, installer, and advisor reduces the chance that a technically sound project loses value because information was collected too late.

What role does measurement and verification play in securing VEEC approval?

Measurement and verification establishes credible evidence that a solar project's output meets the environmental benefit assumptions underlying the VEEC claim. The ESC requires documented proof of commissioning, inverter performance data, and system performance records. Poor data quality or missing records can trigger ESC queries, delaying approval. We provide measurement and verification services that include project-boundary selection, baseline modelling, and verified reporting. For solar projects, this means ensuring inverter data is properly recorded from installation, establishing clear evidence of generation, and documenting any site changes that affect the baseline. Early planning of the M&V approach—while the project is still being scoped—prevents data gaps that might emerge only during the ESC review process.

How should clients factor the VEEC deadline into their investment decision?

The investment case should present two scenarios: one with current VEEC values (if approved by 31 January 2025) and one with the reduced post-change values. This allows management to understand the financial implications of timing and make an informed choice about whether to accelerate installation or accept lower returns. Our investment case guidance recommends keeping VEEC quantity, price, and timing assumptions visible and separate from other benefits like electricity bill savings and maintenance improvements. If the project remains financially viable without VEECs, the deadline creates less urgency. If VEECs are material to the return, missing the deadline significantly changes the economics. Presenting both scenarios ensures decision-makers see the full picture and can weigh installation risks against financial opportunity.

What steps can Northmore Gordon take to help installers meet the deadline?

Our approach combines technical expertise with process management. We help installers align solar projects with ESC requirements, reducing the risk of approval rejections or delays. We use our experience handling submissions to fast-track the approval process before the deadline. We also structure projects for measurement and verification to ensure they generate the highest possible VEEC returns under the current framework. A project brief documenting site location, equipment, timeline, available evidence, and the ESC deadline allows Northmore Gordon to provide a defined scope, identify documentation gaps upfront, and assign responsibilities for gathering evidence. This systematic approach prevents the rushed, last-minute submissions that are likely to experience delays near the cutoff.

What is the difference between VEEC value and actual project payback?

VEECs represent one component of a solar project's financial return. Actual payback depends on multiple streams: VEEC rebates, electricity bill savings from generated power, any maintenance cost reductions, and energy price changes over the project life. A 26% reduction in VEEC value affects total returns but does not necessarily eliminate the project's viability. Energy generation and bill savings continue regardless of the emission factor change. However, if the investment case relied heavily on VEEC contributions, missing the deadline materially lengthens payback and may trigger a decision to delay or cancel the project. Our investment case methodology keeps VEEC quantity, price, and timing separate from operating benefits, so clients can see which components are time-sensitive and which provide stable, long-term value.