

# In Victoria the VEEC rebates now beat LGCs every time

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The specification change removed the requirement for export limiters on Solar PV systems, eliminating a technical constraint and cost. Combined with a substantial increase in VEEC pricing, this made claiming Victorian Energy Efficiency Certificates economically superior to Large Generation Certificates. The shift reflects a change in how Victorian Energy Upgrades values solar installations - measuring energy savings against the site's baseline consumption rather than generation output. For most commercial installations, VEEC claims now deliver significantly higher financial returns and faster payment 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.

Changes under the Victorian Energy Upgrades Program ( VEU ) means it is now possible to claim VEECs (Victorian Energy Efficiency Certificates) instead of LGCs (Large Generation Certificates).

With changes to the VEU Specification in December 2020 Solar PV systems no longer need to export limiters in place, that coupled with the substantial increase in VEEC price means that it is a "no brainer" to claim VEECs instead of LGCs.

### ### Key Points

Double the value. Even for a business consuming energy only 5 days per week the NPV of VEECs is twice that of LGCs

VEEC payments are paid MUCH faster. With 16 months after commissioning as opposed to over a 10 year period for LGCs.

A couple of examples for systems commissioned by 31st of January 2022.

A 500 kW Solar PV systems for factory or warehouse running 5 days per week with 90% self-consumption on weekdays - weekend and excess energy exported to the grid: - VEEC Value \$130,000 vs LGC Value: \$68,000

A 1.25 MW Solar PV system used in site with 7 days per week full onsite consumption (eg a shopping centre, a coldstore, or a factory with continuous production). - VEECs: \$520,000 vs LGCs: \$170,000

The VEEC value is higher if commissioned by 31st July this year

The benefit of the VEECs far outweigh the value of LGCs. In addition, it is possible to claim the first 100kW under the STC if implemented first as a separate system. Given the value of the VEECs today there isn't as much benefit in taking that approach and it is simpler to build the system all in one go.

Another example - 750 kW System with 5.5 days per week self-consumption and 10% during that period exported. The other 1.5 days is fully exported to the system. VEEC payments are just on \$250,000 whilst LGCs net \$125,000 over 10 years and NPV of \$100,000.

### ### Claim Solar PV under the VEU

In order to claim under the VEU Northmore Gordon uses the Project-Based Activities ( PBA ) method. It is useful to understand that this method actually measures the energy savings onsite modelled against the expected energy usage for the site rather than examining the energy generated from the solar PV system. We use the International Performance Measurement and Verification Protocol ( IPMVP ) to model the sites energy usage and calculate the energy saved from the grid through solar PV.

### ### Key Points to remember

Projects must be registered with the Essential Services Commission BEFORE construction commences. This takes up to four weeks.

Contact us during your sales cycle to help verify eligibility and the value of the VEECs.

The value of the VEECs changes based on the commission date - installations before 31st July 2021 receives the highest value. Figures above modelled on installation by the 31st January 2022.

Want to know more? Talk to one of our Northmore Gordon Specialists for Solar VEECs

### ## Scheme and certificate context

Before using a certificate or grant figure, confirm the current scheme method, eligible activity, effective date, evidence requirements, price date and registration or application process.

### ## Related guidance

Certificate services

Government schemes

Contact us

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

### ### Why did the December 2020 Victorian Energy Upgrades specification change make VEECs more attractive than LGCs for solar PV?

The specification change removed the requirement for export limiters on Solar PV systems, eliminating a technical constraint and cost. Combined with a substantial increase in VEEC pricing, this made claiming Victorian Energy Efficiency Certificates economically superior to Large Generation Certificates. The shift reflects a change in how Victorian Energy Upgrades values solar installations—measuring energy savings against the site's baseline consumption rather than generation output. For most commercial installations, VEEC claims now deliver significantly higher financial returns and faster payment timelines.

### ### How do VEEC and LGC payment timing and financial structures differ for solar projects?

VEECs are paid within 16 months of commissioning, providing immediate capital return. LGCs, by contrast, are distributed over a 10-year period, delaying benefits and requiring net present value analysis for comparison. For a business, this timing difference is material—VEECs enable faster project cost recovery and reinvestment. When comparing net present values, VEEC returns typically exceed LGC returns by a factor of two or more, depending on the site's consumption pattern and system size. We model both pathways to help clients understand their actual financial exposure and timing.

### ### What role does a site's energy consumption pattern play in determining VEEC versus LGC value?

The site's consumption pattern directly affects VEEC eligibility and value. Sites with consistent weekday consumption (factories, warehouses, offices) generate strong VEEC claims because solar generation aligns with usage. Sites operating 24/7 (cold stores, data centres, continuous production) achieve even higher VEEC values through maximum self-consumption. Even sites with limited consumption schedules (5 days per week) generate VEEC values approximately twice those of comparable LGC entitlements. We assess your operational profile—shifts, seasonal variation, and production patterns—to model realistic baseline consumption and project the most accurate certificate entitlement.

### What is the Project-Based Activities method and why does Northmore Gordon use it for solar VEU claims?

The Project-Based Activities method measures energy savings by comparing modelled baseline consumption against actual post-installation performance, using the International Performance Measurement and Verification Protocol. Rather than counting solar generation directly, this approach evaluates how much grid electricity the site avoided through self-consumption. This method aligns with how Victorian Energy Upgrades values efficiency improvements. We use PBA because it captures the true operational benefit—the portion of solar energy actually used onsite—rather than exported generation, typically resulting in higher and more defensible VEEC claims than simpler generation-based approaches.

### Why must a solar PV project be registered with the Essential Services Commission before construction begins?

Registration establishes the project's baseline conditions, measurement boundary, and eligibility under the scheme before equipment installation. This timing requirement preserves evidence integrity—post-installation claims require documented pre-project conditions to establish what energy use would have occurred without the solar system. The registration process takes up to four weeks, so we recommend initiating it during the feasibility or design phase. Registration is not optional; projects installed without prior registration cannot claim VEECs. This administrative step is critical to protecting your certificate entitlement and ensuring compliance with Victorian Energy Upgrades requirements.

### Can a business claim both STCs and VEECs for a solar installation, and if so, what is the practical advantage?

Technically, the first 100 kW can be implemented separately and claimed under Small-scale Technology Certificates, allowing dual claims for that portion. However, given current VEEC values, the additional administrative complexity and cost typically outweigh the modest STC benefit. Most businesses find it simpler and more economical to claim the entire system under VEECs in a single registration. We assess your system size and consumption pattern to recommend whether dual pathways justify the additional compliance effort, or whether a unified VEEC claim better serves your interests.

### How does commissioning date affect VEEC value for a solar PV project?

VEEC value is linked to the commissioning date, with higher returns for earlier installations. Projects commissioned before 31 July 2021 receive premium values; those commissioned by 31 January 2022 receive the figures typically referenced in case studies. Later commissioning dates attract lower VEEC credits as the scheme's benefit reduces over time. This timing sensitivity means delaying project implementation can materially reduce financial returns. We incorporate commissioning date assumptions into investment cases and help clients understand how project scheduling affects certificate value, enabling informed decisions about capital deployment timing.

### What financial difference does 90% self-consumption make compared to full grid export for a 500 kW solar system?

A 500 kW system with 90% weekday self-consumption (and weekend/excess export) generates approximately \$130,000 in VEEC value versus \$68,000 in LGC value. This substantial difference reflects how Victorian Energy Upgrades credits the energy you use onsite rather than counting generation alone. Systems with lower self-consumption rates still outperform LGCs but at reduced absolute values. The operational characteristics of your site—working hours, production schedules, process loads—directly determine self-consumption rates and therefore VEEC returns. Our energy assessments quantify your actual consumption patterns to model realistic baseline assumptions and certificate entitlements specific to your operation.

### Why might a 1.25 MW system at a site with 7-day continuous operation generate such different VEEC value compared to a 5-day operation?

Continuous 7-day operation means nearly all solar generation is self-consumed rather than exported, maximizing the energy saved from the grid. A 1.25 MW system with this profile generates approximately \$520,000 in VEEC value versus \$170,000 for LGCs. A comparable 5-day system exports significantly during weekends and nights, reducing self-consumption efficiency. Sites like shopping centres, cold stores, and continuous-production factories benefit most from solar installations because their operational profile aligns with peak generation. Our baseline modelling explicitly accounts for your facility's operating schedule, load patterns, and seasonal variation to establish the energy profile that VEECs will credit.

### What measurement and evidence requirements must be met to successfully claim VEECs for a solar project?

VEEC claims require documented baseline consumption data (typically 12 months pre-installation), equipment specifications, commissioning records, and post-installation performance data aligned with the Project-Based Activities method. The Essential Services Commission must approve your baseline assumptions and measurement boundary before installation. Post-commissioning, interval metering data must demonstrate actual energy consumption to support the modelled savings claim. Inadequate data collection before or after installation can jeopardize certificate eligibility. We establish evidence requirements during project registration, ensure data is captured systematically, and manages the measurement and verification process to deliver auditable, scheme-compliant documentation supporting your certificate claim.