

How VEECs and ESCs Can Help Your Business Achieve Energy Efficiency and Sustainability Goals

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VEECs (Victorian Energy Efficiency Certificates) and ESCs (Energy Savings Certificates) are both tradeable environmental instruments, but they operate under different government schemes. VEECs are created under Victoria's Victorian Energy Upgrades (VEU) scheme, where one VEEC represents one tonne of CO₂-e saved. ESCs operate under NSW's Energy Savings Scheme (ESS), where one ESC represents one notional megawatt-hour of electricity saved. Your location determines which scheme applies: if your business operates in Victoria, VEECs are relevant; in NSW, ESCs apply. Each scheme has its own eligibility requirements, calculation methods, and evidence standards. We can assess your location, equipment, and proposed improvements to determine which pathway suits your project.

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.

In today's business landscape, more and more organisations are adopting sustainable practices to reduce their environmental impact while saving money. One way to achieve this is by implementing energy efficiency and energy savings measures. The Victorian Energy Upgrades (VEU) and Energy Savings Scheme (ESS) are government programs designed to overcome the barriers to energy efficiency adoption and help businesses achieve their energy goals while benefiting financially through VEECs and ESCs.

What are VEECs and ESCs?

VEECs and ESCs are certificates that represent the energy savings generated by a project. A VEEC represents one tonne of carbon dioxide equivalent (tCO₂-e) saved, while an ESC represents one megawatt-hour (MWh) of electricity saved. These certificates can be sold to liable entities, such as energy retailers, to meet their mandated targets for reducing greenhouse gas emissions and promoting energy efficiency.

How to earn VEECs and ESCs

To earn VEECs and ESCs, businesses need to implement energy efficiency and energy savings measures, such as upgrading their HVAC systems, installing LED lighting, and implementing energy-efficient processes. By doing so, businesses can reduce their energy consumption, which in turn generates VEECs and ESCs. These certificates can then be sold to offset the cost of the energy efficiency project or generate additional revenue. Check out our article on Carbon Accounting for more details on earning and offsetting.

Benefits of VEECs and ESCs for Medium and Large Businesses

Implementing energy efficiency projects can be costly and time-consuming. However, by earning VEECs and ESCs, businesses can offset the cost of the project and generate additional revenue. The financial incentive provided by VEECs and ESCs can help businesses achieve shorter payback periods, making energy efficiency projects more financially feasible.

In addition to financial benefits, VEECs and ESCs can also help businesses improve their energy efficiency and sustainability. By reducing energy consumption, businesses can lower their carbon footprint and demonstrate their commitment to sustainable practices.

- Check out how some of our clients have used VEECs and ESCs

Aurora Place Boosts Revenue across Sydney Skyline

Aurora Place, a commercial building in Sydney, needed to reduce its energy consumption to save money and demonstrate its commitment to sustainable practices. Northmore Gordon implemented an energy efficiency project, which involved overhauling the site's HVAC chiller system, replacing existing chillers, base building cooling tower upgrades, variable speed drive (VSD) replacement on chilled water and condenser water pumps, upgrades to the outside air variable control, and hot water coil bypass dampers.

Northmore Gordon created energy savings certificates (ESCs) using measurement and verification (M&V;) methodologies on the site's consumption before and after the implementation of the HVAC works. The M&V; process also allowed Northmore Gordon to monitor the energy savings as a result of the project. The creation of ESCs for this project provided more revenue to further improve the performance of the building.

The project generated 309,000 kWh of annual energy savings, which resulted in a certificate value of approximately \$46,000. The program used was the NSW Energy Savings Scheme (ESS), and the method used was Project Based Activities (PIAM&V;).

Challenges of the project included aging equipment that could impact reliability, and the M&V; process discovered a fault in the control system.

Northmore Gordon's role was to complete the M&V; plan, collect site data and supporting evidence, and build the baseline and operating energy models to calculate the energy savings. Northmore Gordon also provided Aurora Place with price certainty to ensure the customer received the payment they had forecast. [Read more here.](#)

Molycop Strives for Greater Sustainability

Molycop, the largest and most experienced manufacturer and supplier of grinding media to mining operations worldwide, wanted to achieve greater sustainability through superior resource efficiency and define a new standard of environmental performance. Northmore Gordon helped Molycop achieve annual energy cost savings and maximise their return on investment in energy projects since 2006 through energy management strategies, energy audits, grants and funding options, project development support, energy and carbon reporting, and energy and carbon certificates.

Northmore Gordon adopted a systematic approach to identifying and prioritising energy and carbon management opportunities. This included investigating capital projects, low-cost process improvements, government funding, and revenue from energy and carbon certificates.

Northmore Gordon's Energy and Carbon Consultants helped Molycop access over one million dollars worth of revenue through the NSW government's Energy Saving Scheme and capital grants. Northmore Gordon also assisted Molycop in their purchasing of renewable energy through a corporate Power Purchase Agreement.

Some projects that have been implemented include installing variable speed drives on large fans and pumps, including high voltage motors, improving furnace controls, improving furnace heat recovery systems, modifying controls on fume extraction and cooling systems, reducing pilot flame gas consumption, installing heat recovery on ladle preheating equipment, improving yield, upgrading bag house, and cooling tower upgrades.

Through Northmore Gordon's multi-disciplinary approach, Molycop's energy savings have grown to over \$1.5M per annum. The consequential reduction in greenhouse gas emissions has resulted in 15K tonnes of corresponding carbon emissions abatement each year. This has resulted in over \$12M. [Read more here.](#)

Working VEECs and ESCs into your Net Zero Strategy

As the global focus shifts towards net-zero emissions, businesses need to develop strategies to reduce their carbon footprint. VEECs and ESCs can play a vital role in achieving these goals by providing a financial incentive to implement energy efficiency projects, whilst still allowing businesses to record the emissions reductions from these projects. Northmore Gordon can help identify energy efficiency opportunities and hit your net-zero goals while benefiting financially through VEECs and ESCs.

Why Northmore Gordon?

Northmore Gordon is an accredited partner in the VEU and ESS program and can offer support by facilitating the creation of VEECs and ESCs through eligible energy upgrade projects. Our team of experts specialise in identifying energy efficiency opportunities and can help businesses move closer to their decarbonisation goals while benefiting from financial incentives.

Implementing energy efficiency and energy savings measures can benefit businesses by reducing their electricity and gas consumption, saving money, and demonstrating their commitment to sustainable practices. VEECs and ESCs can provide a financial incentive to implement these projects, making them more financially feasible for your business. Northmore Gordon is your chosen partner to help your business reduce energy consumption and operating costs while continually improving energy efficiency and sustainability.

Contact us today to learn more about how we can help you achieve your energy goals.

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.](#)

What is the difference between VEECs and ESCs, and which scheme applies to my business?

VEECs (Victorian Energy Efficiency Certificates) and ESCs (Energy Savings Certificates) are both tradeable environmental instruments, but they operate under different government schemes. VEECs are created under Victoria's Victorian Energy Upgrades (VEU) scheme, where one VEEC represents one tonne of CO₂-e saved. ESCs operate under NSW's Energy Savings Scheme (ESS), where one ESC represents one notional megawatt-hour of electricity saved. Your location determines which scheme applies: if your business operates in Victoria, VEECs are relevant; in NSW, ESCs apply. Each scheme has its own eligibility requirements, calculation methods, and evidence standards. We can

assess your location, equipment, and proposed improvements to determine which pathway suits your project.

How do VEECs and ESCs help offset the cost of energy efficiency projects?

VEECs and ESCs create tradeable value from the energy savings your project generates. Rather than simply reducing your energy bills, the certificates can be sold to liable entities such as energy retailers, creating additional revenue that offsets your capital investment. For example, Aurora Place's HVAC and chiller upgrades generated approximately 309,000 kWh of annual energy savings, resulting in certificates valued at \$46,000. This certificate revenue, combined with ongoing energy bill savings, shortens payback periods and improves project economics. The key is establishing credible measurement and verification evidence before and after your upgrade, which we can deliver through agreed baseline and operating energy models.

What eligibility requirements must my energy efficiency project meet to create VEECs or ESCs?

Eligibility depends on your specific equipment, activity, location, and the scheme's current requirements. In Victoria, VEU supports prescribed activities with defined equipment specifications, as well as project-based activities requiring measurement and verification or benchmark rating methods. In NSW, ESS has prescribed calculation methods and project-based approaches like PIAM&V; (Project Impact Assessment with Measurement and Verification). A technically sound upgrade is not automatically eligible; you must match your proposal to the governing scheme version, method requirements, and activity scope. Before committing capital, we recommend obtaining documented eligibility confirmation that specifies the activity, rule version, calculation basis, and evidence responsibilities. Using historical case studies to assume current eligibility creates risk.

What measurement and verification evidence is required to create VEECs or ESCs?

Measurement and verification (M&V;) establishes the difference between your energy use before and after the upgrade, accounting for changes in operating conditions. At Aurora Place, we completed the M&V; plan, collected site data and supporting evidence, and built baseline and operating energy models to calculate verified energy savings. The process requires identifying your measurement boundary, establishing representative baseline conditions, specifying which operating variables will be monitored, and documenting what was installed and when. For ESS projects using PIAM&V;, baseline measurement procedures must be deemed appropriate by an approved M&V; professional before your implementation date. M&V; is not simply comparing two electricity bills; it requires careful design to separate equipment improvements from other factors affecting consumption.

How can Northmore Gordon help my business navigate VEEC and ESC eligibility and creation?

We are an accredited partner in both the VEU and ESS programs. The company can assess your location, equipment, project stage, and available evidence to determine which scheme and method suit your situation. We develop energy audits to identify eligible opportunities, prepare investment cases showing certificate assumptions separately from energy savings, and delivers measurement and verification services to establish credible baselines and calculate savings. For projects like Aurora Place, we also provide price certainty to ensure you receive the certificate payment you forecast. By coordinating technical assessment, evidence gathering, and scheme navigation, we help translate energy efficiency improvements into tangible certificate revenue while managing eligibility and commercial risks.

What was the commercial outcome of the Aurora Place energy efficiency project using ESCs?

Aurora Place, a commercial building in Sydney with more than 70 tenants, underwent HVAC and chiller upgrades including variable-speed-drive improvements. The project delivered 309,000 kWh of annual energy savings and generated approximately \$46,000 in certificate value. Our measurement and verification methodology under NSW ESS (via PIAM&V;) established this energy result by comparing

modelled pre-project consumption with post-commissioning performance. The certificates provided upfront revenue that materially improved project payback, while ongoing energy bill reductions compound long-term savings. The project also illustrates a practical challenge: M&V discovered a control system fault, highlighting why measurement design must identify actual operating conditions before relying on projected savings.

How do VEECs and ESCs support a business's net-zero and sustainability strategy?

As businesses pursue net-zero emissions targets, VEECs and ESCs align financial incentives with environmental outcomes. By implementing energy efficiency measures that generate certificates, you simultaneously reduce operational energy consumption, lower your carbon footprint, and create revenue to reinvest in further improvements. Unlike carbon offsets alone, certificates represent verified energy savings from equipment changes at your site, making them credible for sustainability reporting. We help businesses identify priority energy efficiency opportunities, measure their emissions impact, and structure projects to meet both certificate scheme requirements and net-zero milestones. This approach avoids treating certificates and genuine energy reduction as separate goals; they work together to demonstrate measurable progress toward decarbonisation while improving financial performance.

What project documentation should I prepare before engaging with Northmore Gordon on a VEEC or ESC opportunity?

Prepare a project brief describing your location (state and facility), the business problem driving the upgrade, your existing equipment and proposed improvements, available energy data and bills, your project timeline, and any prior incentive applications or nominations. Distinguish whether you are at the feasibility, design, procurement, or implementation stage, as timing affects eligibility under some schemes. Assemble at least one year of energy history and operating records that show how consumption relates to your business activity. Identify any prior grants, certificate claims, or assignments of environmental attributes. This information allows Northmore Gordon to scope an appropriate assessment without waiting for perfect data. A transparent brief showing gaps is more useful than delayed enquiry waiting for complete information.

Can Northmore Gordon help if my energy efficiency project is already underway or completed?

Potentially, but the answer depends on your specific circumstances, the applicable scheme, project dates, available evidence, and any prior arrangements. Retroactive eligibility is not automatic; some schemes limit projects to those meeting evidence and timing requirements before installation commences. Rather than assume a completed project can claim certificates, we recommend obtaining a timing review against the governing scheme rule and method. The company can assemble your actual chronology, describe the evidence that exists, and determine whether an available pathway remains open. Do not manufacture earlier records or silently change dates; the conclusion must be tied to specific rules and facts. This transparent assessment prevents technical projects from losing funding options because the application pathway was missed.