

Green Certificate - Northmore Gordon

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Green Certificate

A Green Certificate, also known as a Renewable Energy Certificate (REC), represents 1 MWh of renewable electricity generation. These certificates are tradeable instruments created through renewable energy projects including solar PV, wind, hydro, geothermal, and biofuels. Green Certificates provide financial value to projects by establishing eligibility for various claims across multiple sectors and activities. They document renewable electricity attributes—the rights and benefits associated with renewable generation—that can be purchased separately from the physical electricity itself. We help clients obtain, manage, and retire these certificates as part of comprehensive environmental certificate services.

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What is a Green Certificate and how does it relate to renewable electricity?

A Green Certificate, also known as a Renewable Energy Certificate (REC), represents 1 MWh of renewable electricity generation. These certificates are tradeable instruments created through renewable energy projects including solar PV, wind, hydro, geothermal, and biofuels. Green Certificates provide financial value to projects by establishing eligibility for various claims across multiple sectors and activities. They document renewable electricity attributes—the rights and benefits associated with renewable generation—that can be purchased separately from the physical electricity itself. We help clients obtain, manage, and retire these certificates as part of comprehensive environmental certificate services.

What are the main renewable energy certificate pathways available in Australia?

Australia offers several renewable electricity certificate pathways with different eligibility, creation and use rules. Small-scale Technology Certificates (STCs) and Large-scale Generation Certificates (LGCs) operate under the Renewable Energy Target, which ends in 2030. Renewable Electricity Guarantee of Origin (REGO) certificates record renewable electricity attributes under a separate scheme that continues beyond 2030. International Renewable Energy Certificates (I-RECs) are also available. These certificates should not be treated as interchangeable incentives; each has distinct technology, capacity, output and timing requirements. A facility may participate in multiple schemes but cannot create REGOs and LGCs for the same electricity generation. We provide guidance on selecting the appropriate pathway for your project.

How do renewable electricity attributes differ from carbon offsets or energy savings?

Renewable electricity attributes, carbon credits, and physical energy savings serve fundamentally different accounting purposes and must be kept separate in project analysis. Renewable electricity attributes represent ownership rights to the benefits of renewable generation; they can be purchased independently of physical electricity supply. Carbon offsets address emissions reductions through approved methods like the ACCU scheme. Physical energy savings represent quantified reductions in consumption from efficiency improvements. These three mechanisms require different assessment frameworks, evidence standards, and accounting treatments. When making renewable-electricity claims or carbon-accounting statements, you must establish the applicable framework, contractual instruments, ownership, and retirement evidence for each type. Our carbon advisory services help connect emissions information with engineering, procurement, and investment decisions, ensuring the correct instrument is selected for your stated objective.

What evidence and documentation is required for renewable energy certificate projects?

Renewable energy certificate projects require comprehensive documentation establishing location, equipment, capacity, operating conditions, and project timeline. Key evidence must distinguish estimates from measured data and identify prior installations, nominations, certificate claims, or assignments of environmental attributes. A renewable certificate specification requires scheme, registry, project identification, issuance record, reporting period, and retirement treatment. For eligible certificates to contribute revenue, you must verify certificate quantity, eligibility, verification costs, and sale pricing as separate variables in your financial case. An evidence schedule should identify what must be recorded before works, during installation, and after commissioning. We recommend submitting a project brief identifying the state or country, project stage, and intended outcome to initiate environmental certificate assessment and ensure all required evidence is properly managed throughout the project lifecycle.

Can a renewable energy certificate support a renewable-electricity claim under GHG Protocol guidance?

Yes, renewable energy certificates can support renewable-electricity claims under the GHG Protocol Scope 2 Guidance, which addresses purchased electricity and other acquired energy. The GHG Protocol provides quality criteria for contractual instruments used in market-based accounting. For a valid renewable-electricity claim, you must confirm the applicable accounting framework, establish exclusive ownership rights to the certificates, document transfer and retirement evidence through the certificate registry, and ensure the claim aligns with the certificate's attributes and retirement treatment. A renewable-electricity attribute is not equivalent to a carbon offset or physical reduction in fuel consumption. Generation, consumption, and the period represented by an instrument must be handled consistently. Our moREnewable100 service and carbon advisory capabilities help organisations establish the correct framework, select appropriate instruments, and document claims in accordance with applicable accounting standards.

What should an organisation consider before purchasing renewable energy certificates for environmental claims?

Before purchasing renewable energy certificates, organisations should document the intended claim and reporting framework—whether for a renewable-electricity statement, market-based Scope 2 accounting, RE100 alignment, or a voluntary commitment. Key considerations include the instrument type, generation location and vintage, ownership and exclusive claim rights, registry and retirement evidence requirements, and the proposed public statement and its supporting calculation. Certificate accounting and carbon offsets serve different purposes; purchasing certificates does not remove all Scope 1, 2, and 3 emissions. You must establish the certificate's role, the specific claim it supports, and whether it aligns with applicable standards. We describe moREnewable100 as a service for procuring renewable energy certificates without changing existing electricity supply contracts, offering multi-site

coverage, procurement flexibility, and RE100-aligned sourcing with technology and due-diligence support.

How does Northmore Gordon assess and support environmental certificate projects?

We provide comprehensive environmental certificate services including project registration, certificate creation and trading, and engineering and commercial assessment. The company assesses activity eligibility against the particular scheme and method requirements, determining whether energy-efficiency certificates, renewable-energy attributes, or carbon credits are appropriate. For renewable electricity projects, we help clients claim, own, and retire renewable electricity attributes and certificates. Our assessment process identifies prior funding or certificate arrangements, evaluates the activity boundary and timeline, and determines who gathers evidence and makes applications. We recommend starting with a project brief identifying the location, equipment, capacity, existing conditions, project timeline, and ownership arrangements. Certificate quantity, eligibility, verification costs, and sale price are treated as separate variables in the commercial case, ensuring realistic revenue projections.

What is moREnewable100 and how does it support renewable energy procurement?

moREnewable100 is a Northmore Gordon service for procuring renewable energy certificates without requiring changes to existing electricity supply contracts. The service provides multi-site coverage, procurement flexibility, RE100-aligned sourcing, and technology and due-diligence support. Organisations using moREnewable100 should start by documenting consumption period, electricity volumes, site locations, and reporting framework to establish the intended claim—whether renewable-electricity, market-based Scope 2 accounting, or another stated objective. The exact instrument, market, period, and claim must be established for each engagement. A suggested procurement evidence checklist includes site consumption, instrument type and generation location, ownership and exclusive claim rights, registry transfer and retirement evidence, beneficiary allocation, the proposed public statement with supporting calculation, and contract terms and price assumptions. We guide clients through selecting instruments aligned with their acceptance criteria rather than solely on price.

Are there restrictions on creating multiple types of renewable energy certificates from the same electricity generation?

Yes, significant restrictions apply. A facility cannot create REGOs and LGCs for the same electricity generation; this restriction also applies to I-RECs (International Renewable Energy Certificates) for that same generation. However, the Clean Energy Regulator (CER) states that a facility may participate in both REGO and Large-scale Renewable Energy Target (LRET) schemes, provided the same generation is not double-counted across schemes. The Renewable Energy Target containing LGCs and STCs ends in 2030, while the REGO scheme continues beyond that date. These distinctions are critical for project planning and commercial structuring. Before selecting a certificate pathway, you must separately answer three questions: which scheme can the facility participate in, which certificates can be created for the relevant generation, and what claim the purchaser or owner can make after certificates are transferred or retired. We advise on comparing complete cash-flow timing, evidence costs, and attribute consequences when evaluating alternatives.

How should renewable energy certificate projects be integrated into an energy investment case?

Renewable energy certificate projects should be presented in investment cases with certificate proceeds shown separately from energy savings, tariff effects, and other benefits. Keep the benefit lines distinct by identifying quantity, boundary, operating period, and estimate method for each benefit category. Certificate-related variables—eligibility, quantity, verification cost, and sale price with timing—must be assessed independently rather than combined. A base case without unconfirmed proceeds should be compared with an incentive scenario. Do not promise certificate price or payback based on historical cases; model alternatives with conditions clearly visible. Certificate price and

projected abatement should be treated as different uncertainties in revenue projections. Our investment case guidance recommends establishing a common comparison basis across options, disclosing where assumptions differ, and making the decision resilient by identifying the point at which management would need to revisit if support is delayed or unavailable. This approach ensures management can understand the decision and see what could change the outcome.