

RET - Northmore Gordon

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RET

The Renewable Energy Target (RET) is an Australian Government scheme designed to encourage the additional generation of electricity from sustainable and renewable sources. It comprises two components: the Small-scale Renewable Energy Scheme, which governs small-scale renewable energy systems and Small-scale Technology Certificates (STCs), and the Large-scale Renewable Energy Target (LRET), which covers large-scale renewable energy systems and Large-scale Generation Certificates (LGCs). The RET ends in 2030.

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What is the Renewable Energy Target (RET)?

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How do STCs and LGCs differ, and why should they not be treated as interchangeable?

Small-scale Technology Certificates (STCs) and Large-scale Generation Certificates (LGCs) are created under different components of the RET and have distinct eligibility, creation and use rules. STCs apply to small-scale systems including solar PV and eligible battery systems, while LGCs apply to large-scale renewable energy systems. Certificate quantity, eligibility verification costs and sale prices are separate variables for each instrument. Before selecting either pathway, establish the technology, rated capacity, output profile, commissioning date and ownership of environmental attributes, then assess which scheme the facility can participate in and what certificates can be created for the relevant generation.

How does the RET's certificate market work in practice?

Owners of renewable energy systems (both large and small scale) create certificates for each megawatt hour of eligible electricity generation. Electricity retailers purchase these certificates to meet their legal obligations under the RET and submit them to the Clean Energy Regulator. This

market-based mechanism creates a revenue stream for renewable energy generators while incentivizing retailers to source renewable electricity. However, headline comparisons such as 'one scheme pays more' are incomplete without project assumptions, a price date and applicable rules. Model alternatives with conditions clearly visible before committing to a certificate pathway.

What must be documented before a facility participates in the RET?

Before participating in the RET, carefully document the entity controlling the facility and the rights to environmental attributes. This documentation establishes ownership and eligibility. Three separate questions should be answered: which scheme can the facility participate in, which certificates can be created for the relevant generation, and what claim (if any) can the purchaser or owner make after certificates are transferred, surrendered or retired. Selling attributes and retaining the ability to make an equivalent renewable-use claim must not be assumed compatible; check the applicable reporting framework and actual certificate treatment.

How does the RET relate to the REGO scheme, and can a facility participate in both?

Renewable Electricity Guarantee of Origin (REGO) certificates record renewable electricity attributes and operate as a separate scheme from the RET. A facility may participate in both REGO and the Large-scale Renewable Energy Target (LRET), but cannot create REGOs and LGCs for the same electricity generation; this restriction also addresses International Renewable Energy Certificates (I-RECs) for that generation. The RET ends in 2030, whereas the REGO scheme continues beyond that date. The Clean Energy Regulator (CER) provides guidance distinguishing the two schemes and their applicability.

What recent change to solar PV eligibility under the RET should be verified?

As of 15 September 2026, the Clean Energy Regulator announced an expansion of solar PV eligibility from 100 kW to 1 MW for installations from 1 October 2026, subject to regulations being made. However, do not treat the announcement as proof that a proposed system already has that entitlement. Confirm the enacted requirements and application arrangements for the actual installation date, as the announced change is not automatically operative. Always check CER's current eligibility guidance rather than relying on prior case studies or outdated information.

How does project timing affect RET certificate eligibility?

Raising certificate questions while a project is still being scoped preserves funding options. The useful assessment distinguishes feasibility approval, final investment decision, purchase commitments, installation, commissioning and the beginning of normal operation. A single label such as 'project started' can hide the event that matters under RET rules. Before relying on RET revenue, establish the proposed technology, ownership details and real commitment history. We recommend documenting the site condition and proposed implementation date early to enable selection of the correct certificate pathway and evidence requirements.

What evidence should be prepared before committing to an RET certificate pathway?

Prepare the location, equipment and capacity, existing and proposed operating conditions, project timeline and ownership arrangements. Identify any prior installation, nomination, certificate claim, grant or assignment of environmental attributes. Provide records that distinguish estimates from measured data. A proposed evidence schedule should identify what must be recorded before works, during installation and after commissioning, establishing who gathers evidence, who checks it, and who can make the relevant application or claim. Exact requirements come from the governing scheme and method; do not substitute a generic checklist for the chosen RET component's specific guidance.

How can Northmore Gordon assist with RET certificate assessments?

We provide environmental certificate services including project registration, certificate creation and trading assessment, alongside engineering and commercial evaluation. We offer renewable certificate services to help clients claim, own and retire renewable electricity attributes. For facilities considering the RET, we can assess technology eligibility, prepare evidence plans, coordinate measurement and verification, and evaluate certificate pathways on their own terms. Our knowledge library provides guidance on comparing RET options, building investment cases and documenting claims correctly.