

STC - Northmore Gordon

Canonical: <https://northmoregordon.com/glossary/small-scale-technology-certificate-stc/>

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STC

STC stands for Small-scale Technology Certificate, defined under the Australian Renewable Energy Target. STCs are renewable energy certificates used as a renewable pathway in energy projects, specifically for small-scale renewable energy systems. They are instruments issued under the Small-scale Renewable Energy Scheme component of the Renewable Energy Target and represent renewable electricity attributes that can be created, traded, and retired.

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What does STC stand for?

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Under which Australian scheme are STCs created and used?

STCs are created and used under the Small-scale Renewable Energy Scheme, which is the small-scale component of Australia's Renewable Energy Target. The scheme governs the creation and use of STCs for small-scale renewable energy systems. The Renewable Energy Target as a whole contains both small-scale (STCs) and large-scale (LGCs) pathways and is scheduled to end in 2030, making timing and eligibility verification essential for project planning.

What types of renewable energy systems can create STCs?

Eligible systems for STCs include solar photovoltaic (PV) technology—with capacity eligibility expanding from 100 kW to 1 MW effective from 1 October 2026, subject to regulations being made—and small-scale battery systems that meet specified conditions. A solar-only description of STCs can omit relevant battery requirements, so system-specific conditions must always be checked with current CER eligibility guidance before finalising project assumptions or investment cases.

Are STCs interchangeable with other certificate types like LGCs or ESCs?

No. STCs, Large-scale Generation Certificates (LGCs), and Energy Savings Certificates (ESCs) belong to their own distinct programmes with different eligibility, creation, and use rules. They should never be treated as interchangeable incentives for the same system or activity. Each instrument family answers a different question about the activity, jurisdiction, timing, and intended claim. Confusing them in an investment case or feasibility assessment can lead to ineligible claims or lost funding options.

What should be verified before relying on STCs for a project?

Before relying on STCs, verify the installation date against current CER eligibility guidance—an announced expansion does not prove a proposed system already qualifies under operative rules. Check system-specific conditions, particularly for battery systems, which have additional requirements beyond solar-only descriptions. Document the entity controlling the facility and their rights to environmental attributes. Separate three questions: which scheme the facility can participate in, which certificates can be created, and what claim the purchaser can make after retirement. Confirm the enacted requirements and application arrangements for the actual installation date.

How do STCs and battery systems relate under the Small-scale Renewable Energy Scheme?

Battery systems are eligible technology under the small-scale renewable energy scheme when they meet specified conditions, and they can create STCs alongside solar PV systems. However, a solar-only description of STCs can omit relevant battery requirements. System-specific conditions still need checking with CER's current eligibility guidance. Battery capacity, inverter output, existing solar capacity, installation dates, and operational arrangements should all be verified before assuming certificate eligibility.

What does Northmore Gordon advise about comparing STC options with other renewable pathways?

We advise comparing the complete cash-flow timing, evidence costs, and attribute consequences of different renewable pathways. A headline comparison such as 'one scheme pays more' is incomplete without project assumptions, a price date, and the applicable rules. REGO certificates, for example, operate as a separate scheme from the Renewable Energy Target and record renewable electricity attributes differently. Model alternatives with their conditions clearly visible, and keep the instrument family and scheme requirements distinct throughout the analysis.

Why is the implementation date critical for STC eligibility?

The implementation date determines which version of eligibility rules, capacity limits, and system requirements apply to a project. CER's announced expansion of solar PV eligibility from 100 kW to 1 MW, intended for installations from 1 October 2026, is subject to regulations being made. Do not treat the announcement as proof that a proposed system already qualifies under that entitlement. Confirm the enacted requirements and application arrangements for the project's actual installation date, and establish the chronology before making binding commitments or finalising investment cases.

How should STCs be treated in an energy project investment case?

STCs should be assessed as a scheme-specific part of the investment case, not as assumed or committed funding. Show certificate price and quantity as separate variables and assumptions. Before relying on STC proceeds in an investment case, establish the activity eligibility, evidence responsibilities, and commercial terms. Treat unconfirmed certificates as a funding scenario rather than a certainty. Keep engineering savings and scheme-recognised certificates distinct, and prepare the project case with and without conditional STC support so management understands the decision under different outcomes.

Where can organisations find current information about STC prices and scheme updates?

Live Australian certificate prices, including current STC prices, are available at northmoregordon.com/certificate-prices/. Small-scale Technology Certificates are also referenced on the certificates page at [/certificates/#small-scale-technology-certificates-stcs](http://northmoregordon.com/certificates/#small-scale-technology-certificates-stcs). For detailed eligibility guidance and regulatory updates, the Clean Energy Regulator (CER) website provides current information on the Renewable Energy Target and Small-scale Renewable Energy Scheme, including any announced changes to capacity thresholds or activity requirements.