

SRES - Northmore Gordon

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SRES stands for Small-Scale Renewable Energy Scheme, which is the component of Australia's Renewable Energy Target that governs small-scale renewable energy systems and STCs (Small-scale Technology Certificates). It is distinct from the Large-scale Renewable Energy Target (LRET) and operates as a separate renewable pathway with its own eligibility, creation, and use rules.

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What does SRES stand for?

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What technologies are eligible under the Small-scale Renewable Energy Scheme?

Solar photovoltaic (PV) systems and battery systems are the primary eligible technologies under the scheme. Solar PV eligibility was expanded from 100 kW to 1 MW, effective from 1 October 2026, subject to regulations being made. Battery systems are also eligible when they meet specified conditions. A solar-only description of STCs may omit relevant battery system requirements, so system-specific conditions need checking before assuming eligibility.

How does the Small-scale Renewable Energy Scheme differ from the Large-scale Renewable Energy Target?

The Small-scale Renewable Energy Scheme (SRES) creates STCs for small-scale renewable installations, while the Large-scale Renewable Energy Target (LRET) creates LGCs for large-scale systems. These should not be treated as interchangeable incentives; they have different eligibility criteria, capacity thresholds, creation rules and use conditions. STCs and LGCs are governed separately and have distinct financial and regulatory implications.

What are STCs and how are they created?

STCs (Small-scale Technology Certificates) are renewable energy certificates created under the Small-scale Renewable Energy Scheme for eligible small-scale renewable energy installations. Each

STC represents a unit of renewable energy generation from approved systems. The certificates are tradeable instruments that facility owners can sell to recover investment costs. Certificate quantity, eligibility, verification cost and sale price are separate variables that affect the commercial case for a project.

Can a facility participate in both the Small-scale Renewable Energy Scheme and other renewable pathways?

A facility cannot create both STCs and LGCs for the same electricity generation. Similarly, a facility cannot create REGOs (Renewable Energy Guarantee of Origin) and LGCs for the same generation, nor can it create I-RECs (International Renewable Energy Certificates) for that same generation. If considering multiple pathways, the technology, capacity, output profile, commissioning date and facility ownership arrangements must be documented to determine which scheme applies.

What should I prepare before assessing Small-scale Renewable Energy Scheme eligibility?

Gather the technology type, rated capacity, output profile, commissioning or installation date, and details of any existing or expanded system. Document the entity controlling the facility and the rights to environmental attributes. Then answer three key questions: which scheme can the facility participate in, which certificates can be created for the relevant generation, and what claim can the owner make after certificates are transferred or retired. Do not assume selling attributes and retaining a renewable-use claim are compatible without checking the applicable reporting framework.

When was the solar PV eligibility expansion announced, and what should I verify before relying on it?

The Clean Energy Regulator announced an expansion of solar PV eligibility from 100 kW to 1 MW, intended for installations from 1 October 2026, subject to regulations being made. Do not treat the announcement as proof that a proposed system already has that entitlement. Confirm the enacted requirements and application arrangements for the system's actual installation date, as the expansion is contingent on regulations being finalized.

How can Northmore Gordon assist with Small-scale Renewable Energy Scheme projects?

We provide environmental certificate services including project registration, certificate creation and trading, alongside engineering and commercial assessment. We can help determine scheme eligibility, prepare evidence checklists, establish certificate pathways, and evaluate whether eligible certificates can contribute revenue to the project investment case. We also offer measurement and verification support to establish baseline conditions and document savings before implementation.

How should I compare the Small-scale Renewable Energy Scheme with REGO (Renewable Energy Guarantee of Origin)?

REGO certificates record renewable electricity attributes and operate as a separate scheme from the Renewable Energy Target. The schemes have different creation rules, attribute ownership implications, and claim purposes. The Renewable Energy Target ends in 2030, while REGO continues beyond that date. Before selecting a pathway, establish the intended claim, applicable reporting framework and retirement treatment. Selling attributes and retaining an equivalent renewable-use claim must not be assumed compatible; check the applicable rules for your actual situation.

What common mistakes should be avoided when planning a Small-scale Renewable Energy Scheme project?

Do not treat STCs and LGCs as interchangeable incentives for every system. Do not assume a solar-only description of scheme eligibility covers all applicable requirements, especially for battery systems. Do not infer that two incentives can be combined without explicitly checking programme restrictions and cost allocation rules. Do not promise a certificate price or payback based on historical

cases. Compare the complete cash-flow timing, evidence costs and attribute consequences before making a final decision.