

\$100 million renewable energy program to fast-track grid-ready solar and battery projects

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About this update

This dated news record has been reorganised for clear reading and connected to current guidance.

Publication date: August 4, 2026.

Status note: Present-tense statements, market figures, deadlines and program details in the archived record belong to its publication date. Check current official sources before making a decision.

What this article reported

The Australian Government has committed \$100 million to help small and medium-sized renewable energy projects overcome financing barriers and move into construction sooner.

The investment will support up to 16 hybrid solar, battery storage and battery retrofit projects through a new financing initiative delivered by the Clean Energy Finance Corporation and Infradebt.

What has been announced

The Clean Energy Finance Corporation, or CEFC, is working with infrastructure debt manager Infradebt to establish the Distribution Connected Accelerator Program.

The program will provide concessional senior debt to eligible renewable energy projects, with applicants to be selected by Infradebt through a competitive process.

The government said the initiative is intended to address the financing challenges faced by smaller renewable energy projects. While these projects may be technically viable, traditional project finance is often structured around larger developments.

Projects supported through the program are expected to progress towards construction in 2027.

Which projects will the program support?

The program will primarily target projects with capacity of up to 5 MW, although larger projects may also be considered where appropriate.

Potential projects include:

hybrid solar and battery developments

standalone battery energy storage projects

battery retrofits for existing renewable energy projects.

These projects occupy what the government describes as the "missing middle" between household rooftop solar and major utility-scale renewable energy developments.

They may be large enough to supply renewable electricity or grid services to local businesses and communities, while remaining small enough to connect to existing electricity distribution infrastructure.

Why distribution-connected projects matter

Connecting renewable energy projects to existing distribution networks can, in some circumstances, allow them to be developed more quickly than projects that depend on major new transmission infrastructure.

The government says the program will help make better use of existing poles, wires and network capacity, allowing additional renewable generation and storage to connect at a potentially lower cost and within a shorter timeframe.

The projects may also strengthen local electricity networks by adding generation and storage closer to the businesses and communities that use the energy.

Actual connection costs, timeframes and project viability will continue to depend on factors including local network capacity, technical requirements, approvals and individual project economics.

What the funding means for renewable energy developers

For developers, sponsors and investors, the program may provide a new debt-financing pathway for projects that are ready to proceed but are considered too small for conventional project finance.

Access to concessional senior debt could help eligible projects address funding gaps, reach financial close and move into construction.

However, the announcement does not mean that every distribution-connected renewable energy project will receive funding. Applicants will need to participate in Infradebt's competitive selection process and demonstrate that their projects satisfy the relevant technical, commercial and delivery requirements.

The new \$100 million program builds on an earlier \$150 million CEFC commitment to Infradebt.

According to the government, Infradebt has financed more than 80 infrastructure projects over the past 13 years, including more than 40 distribution-connected renewable energy projects.

How certificates and incentives may affect project economics

Debt finance is only one component of a renewable energy project's business case.

Depending on the project's technology, location, size and operating model, environmental certificates or government incentive schemes may also contribute to project revenue or reduce the effective capital cost.

For battery developers and asset owners, Northmore Gordon's Battery Storage Certificates guide outlines certificate opportunities that may be available for eligible battery energy storage systems.

In New South Wales, eligible battery projects may be able to create Peak Reduction Certificates under the Peak Demand Reduction Scheme. The applicable pathway depends on factors including the battery's capacity, installation date, site type, network area, solar configuration and the relevant BESS activity.

The new NSW BESS3 , BESS4 and BESS5 activities are due to commence on 1 September 2026, covering eligible apartment, small and medium business, and larger commercial and industrial battery projects.

In addition, the Federal Government has announced that solar systems up to 1MW will be eligible for STCs (small-technology certificates) under the SRET, further strengthening the economics for these mid-scale renewable energy projects.

Developers should assess certificate eligibility before finalising equipment, project design or funding arrangements, as these decisions may affect the number and type of certificates a project can create.

It is also important to distinguish the federal financing program from state-based certificate schemes. Receiving finance through the Distribution Connected Accelerator Program would not automatically make a project eligible for certificates or rebates.

Opportunities for commercial solar projects

Victorian commercial solar developers may also need to consider whether their projects qualify under the Victorian Energy Upgrades program.

Northmore Gordon's article, [Earn More from C&I; Solar - What Activity 47 Means for You](#) , explains the certificate pathway for eligible commercial and industrial solar installations.

Activity 47 enables upfront deemed Victorian Energy Efficiency Certificates to be created for eligible solar photovoltaic systems between 30 kW and 200 kW.

Larger Victorian solar systems may be able to access other measurement and verification pathways, depending on their size and circumstances.

These certificate pathways are separate from the new federal financing program, but they may be relevant when developers assess the overall economics of eligible solar and hybrid projects.

What prospective applicants should do next

Developers, sponsors and investors with grid-ready renewable energy projects should monitor the detailed application and eligibility requirements released by Infradebt.

Before applying, project proponents should be prepared to demonstrate:

- the project's technical and commercial viability
- its connection status and available network capacity
- its proposed construction timetable
- the amount and structure of the required finance
- the project team's delivery capability
- the availability of equity and any additional funding
- any relevant certificate, rebate or incentive opportunities.

Certificate eligibility and government funding should be assessed early in the development process. Project proponents should also confirm whether accepting one form of government support could affect access to another program.

The Distribution Connected Accelerator Program creates a potential new financing pathway for grid-ready solar, battery and hybrid renewable energy projects.

Developers and asset owners should consider the financing program alongside available environmental certificates, state-based incentives and other project revenue streams.

Northmore Gordon can assist with assessing renewable energy and battery projects, identifying applicable certificate opportunities and incorporating available incentives into the project business case.

Official source: Australian Government - Minister for Climate Change and Energy: \$100 million to fast track grid-ready renewable energy projects, published 3 August 2026.

How to use this information now

For current use, confirm the applicable scheme rules, regulator notices, market date and reporting period. Keep historical prices or forecasts separate from present quotes and verified outcomes.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

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How does the Distribution Connected Accelerator Program address the financing barrier for mid-scale renewable projects?

The program provides \$100 million in concessional senior debt to eligible hybrid solar, battery storage and battery retrofit projects, typically up to 5 MW capacity. By offering lower-cost financing than commercial alternatives, it enables projects in the 'missing middle'—too large for household rooftop solar but too small for utility-scale transmission-dependent development—to progress toward construction in 2027. Distribution-connected projects can leverage existing network infrastructure rather than requiring new transmission, reducing both timeline and capital requirements. Applicants must demonstrate technical and commercial viability, connection status, available network capacity, construction timetable, finance structure, team capability and equity availability.

Why should battery developers distinguish the federal financing program from state-based certificate schemes?

The Distribution Connected Accelerator Program provides concessional debt finance only; it does not confer eligibility for Victorian Energy Efficiency Certificates, NSW Energy Savings Certificates or Peak Reduction Certificates. Those instruments depend on separate scheme rules, activity definitions, equipment specifications and timing requirements. A project financed through the federal program may be separately eligible for state certificates if it meets those distinct criteria—for example, NSW battery projects meeting BESS3, BESS4 or BESS5 requirements from 1 September 2026 may create Peak Reduction Certificates. We assess eligibility for each pathway independently: finance, certificates and energy savings operate under different conditions and should be evaluated separately in the investment case.

What new opportunities does the expansion of solar STC eligibility to 1 MW create for battery-solar hybrid projects?

From 1 October 2026, solar systems up to 1 MW become eligible for Small-scale Technology Certificates under the Renewable Energy Target, subject to regulations being made. This expands the incentive envelope for mid-scale solar-battery hybrids beyond the previous 100 kW STC limit.

Combined with expanded NSW battery activities (BESS3, BESS4, BESS5 from 1 September 2026), battery retrofit or hybrid projects may now access both solar STCs and Peak Reduction Certificates if they meet separate eligibility criteria. However, STC and battery certificate creation rules differ materially—capacity thresholds, equipment specifications, commissioning dates and ownership requirements vary by scheme. We assess STC and PRC pathways independently to avoid conflating different eligibility tests and to model certificate revenue as separate line items in the investment case.

How does Victorian Activity 47 support commercial solar projects between 30 kW and 200 kW?

Activity 47 under Victorian Energy Upgrades enables upfront deemed Victorian Energy Efficiency Certificates for eligible solar photovoltaic systems in the 30–200 kW range. This deemed approach provides revenue certainty without requiring measurement and verification, simplifying the business case for mid-market solar compared to larger Victorian projects. Systems below 30 kW and above 200 kW may access other Victorian pathways—smaller systems may use prescribed activities; larger systems require measurement and verification or benchmark rating approaches. The certificate quantity, eligibility conditions and price assumptions vary by activity and vintage. We verify Activity 47 eligibility (premises type, equipment specification, installation date) and model certificate contribution separately from tariff savings and any complementary NSW or federal incentives.

What evidence must prospective applicants prepare before applying for the Distribution Connected Accelerator Program?

Applicants must demonstrate project technical and commercial viability, connection status and available network capacity, proposed construction timetable, required finance amount and structure, delivery capability of the project team, equity and any additional funding sources, and relevant certificate or rebate opportunities. This evidence preparation parallels a feasibility assessment: applicants need grid connection studies, equipment specifications, operating plans, detailed cost estimates distinguishing capital from ongoing expenditure, and financial modelling showing sensitivity to key assumptions. They should also identify any applicable state certificate or rebate schemes early to avoid late surprises about eligibility. We assist by assessing scheme pathways, preparing funding-status registers that track finance, certificates and grants separately, and developing investment cases that compare scenarios with and without conditional incentives.

How do the new NSW battery activities from 1 September 2026 affect project evaluation for the Distribution Connected Accelerator Program?

BESS3, BESS4 and BESS5 activities, commencing 1 September 2026, expand Peak Reduction Certificate creation for battery projects across apartment buildings, small-medium business sites and larger commercial-industrial facilities respectively. A Distribution Connected Accelerator Program applicant's battery project may now qualify for PRCs if it meets the relevant BESS activity requirements—capacity thresholds, site classifications, installation and network conditions, and exclusions (residential-only buildings and data centres are excluded from BESS4 and BESS5). Certificate eligibility depends on the specific activity, not on receipt of federal finance. Applicants should establish their BESS category and certificate pathway as part of pre-application preparation. Our Peak Demand Reduction Scheme guidance details each activity's full requirements; timing of commissioning relative to 1 September 2026 is material to which activity applies.

Why should financial modelling for battery-solar hybrids treat solar STCs and battery certificates as separate revenue lines?

Solar STCs and battery Peak Reduction Certificates arise from different schemes with distinct eligibility, creation and pricing rules. STC eligibility (system capacity, inverter output, commissioning date) does not establish battery certificate eligibility (site type, BESS activity, network classification). Certificate quantity, price, timing and ownership requirements differ materially; combining them into a single line item obscures which pathway is driving revenue assumptions and creates risk if one scheme tightens eligibility or price falls. An investment case should show solar STCs separately, battery PRCs

separately, tariff/demand savings separately, and any grant support separately. This transparency allows management to understand what drives the project return and identifies which assumptions most affect the decision. We assist by modelling alternatives with conditions clearly visible and treating forecast certificate price as a distinct uncertainty from quantity.

What role does project timing play in accessing the Distribution Connected Accelerator Program and state-based incentives simultaneously?

Project timing affects multiple pathways: federal finance application deadlines, commissioning dates relative to 1 September 2026 for NSW battery activities, solar STC eligibility from 1 October 2026, and state certificate scheme rule versions. A project that installs before 1 September 2026 cannot access new BESS3, BESS4 or BESS5 activities; one that installs after 1 October 2026 may access expanded STC eligibility. Equipment purchase commitments, network connection approvals and installation scheduling therefore constrain which schemes are accessible. Early funding investigation clarifies what information to retain and prevents obsolete programme listings from becoming unsupported promises in the investment case. Our project timing guidance helps applicants establish a dated chronology of studies, approvals and commitments, then assess which pathways remain available and what evidence must be collected before works commence to preserve eligibility.