

Australian Certificate Markets – November Update

Canonical: <https://northmoregordon.com/news/australian-certificate-markets-november-update/>

Details:

[Summary](#) | [Article](#) | [Current use](#) | [Related guidance](#)

About this update

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

Publication date: December 8, 2025.

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

Executive Summary by Hamish McGovern, Group Managing Director

ACCU/SMC Market and Safeguard Mechanism

The Safeguard Mechanism remains the key driver of ACCU and SMC prices, and November is a pivotal month in its annual cycle:

Reporting & compliance: Safeguard facilities (100 kt CO₂-e+ p.a.) must submit preliminary 2024-25 data by 31 October , and have until 31 March to meet their Safeguard obligations.

Demand driver: Facilities that haven't reduced emissions by the required 4.9% p.a. must surrender SMCs or ACCUs, creating demand for both units.

Prices: The ACCU price climbed through October to around \$38.65 , before easing over November to about \$35.90 as obligations, expected SMC issuances, and existing holdings became clearer.

Tightening baselines: The annual 4.9% decline in baselines continues to increase pressure to cut Scope 1 emissions and is likely to support ongoing demand for ACCUs and SMCs.

ERF Contract Permanent Exit Arrangement: The CER released (3 rd Dec) the permanent mechanism allowing ERF contracts to be exited with 25% delivery, and 60% discount on exit payment.

Key 2024-25 Safeguard metrics (CER report, released 27 November):

207 facilities covered under the Safeguard.

Aggregate emissions fell 2.4% , from 135.9 Mt to 132.7 Mt CO₂-e .

Eligible SMC issuance declined from 8.3 million to 7 million .

Market balance & project activity:

2025 supply exceeded 2025 demand , but this balance may flip in future years as Safeguard obligations ratchet up.

Voluntary demand in Q3 CY2025 was 45% higher than in Q3 CY2024 , highlighting growing corporate interest.

Project registrations softened: 150 ACCU projects were registered in Q3 CY2025 , down from 180 in Q3 CY2024 .

LGC Market - Oversupply Deepens, New GO Scheme Launches

The LGC market continues to soften under substantial oversupply relative to the RET , with voluntary demand still growing but not fast enough to absorb the surplus. The CER's Q3 2025 report highlighted:

A record 15.7 million LGCs were registered in Q3 2025.

Over November, the LGC price fell further from \$10, trading intraday as low as \$6.50 before recovering to around \$7.25 by November month-end.

Cumulative supply and holdings are on track to exceed 70 million by the end of CY2025, compared with total demand just above 50 million, reinforcing the oversupply story.

Project pipeline risk: The number of large-scale projects reaching FID plummeted in Q3, which is a concern for achieving 83% renewable electricity by 2030.

Voluntary demand bright spot: Non-RET voluntary demand (including government) rose 132% year-on-year, reaching 3.5 million LGCs in Q3 2025, the highest on record.

In November, the CER also launched the Guarantee of Origin (GO) certificate framework - covering REGO (Renewable Electricity) and RGGO (Renewable Gas) - designed for voluntary surrender and positioned as the next step beyond the LGC scheme.

VEEC Market - Volatile Trading Amid New Solar Activity

The VEEC market has been highly volatile and difficult to read. Prices departed a steady \$96 through September, with the introduction of Activity 47 (Deemed Solar PV) triggering a significant decline. Retailers are interpreting the target falling from 7.3 million VEECs in 2025 to 4.4 million in 2026 and 4.6 million in 2027 as signalling significantly more liquidity ahead.

Key November developments:

Activity 47 launched: Deemed Solar PV VEECs are now available for 30-200 kW C&I; solar systems.

Price action: Substantial volatility remains; the spot VEEC price fell to start the month at \$75.00, raced up to \$86.00, only to drop to \$83.00 by the end of the month,

Retailer surrenders of 6.5M is well below the 2024 target of 7.1M, and has confused the market. It to fall to \$80.50 in the first week of December.

Shift in focus: It has been reported that some businesses are scaling back VEU activity, with more attractive opportunities emerging under the Federal Cheap Homes Batteries Program (CHBP).

ESC Market - Lighting Phase-Out and Persistent Oversupply

New ESS Rule changes for NSW commenced on 12 September 2025, with staged dates that wind down lighting and SONA ESC creation. SONA installations and ESC registration close on 30 November 2025, Commercial Lighting closes to new installations and ESC registration on 31 March 2026. This will see lighting - historically the major ESC volume driver - phased out over six months.

The scheme remains in substantial oversupply, though it's still not yet clear what will replace lighting as the main source of ESCs. ESC spot prices have generally traded in the \$24-\$25 for several months, before softening slightly to finish the month at \$23.00 as creation volumes stayed higher than anticipated through November. Prices soften further in the first week of Dec to \$22.65.

STC Market - Remains in Tight Supply

The Cheaper Home Batteries Program (CHBP) is now driving a large share of STC creation, but battery STCs are effectively quarantined from the main SRES market, as the Australian Government buys an equivalent volume of STCs through the STC Clearing House at \$40 and cancels them. This support, combined with tight supply from solar, is keeping prices pinned near the cap.

The CER expects around 175,000 battery systems installed by end-2025, totalling ~3.9 GWh of storage - more than the five largest utility-scale batteries currently operating in the NEM.

Equipment retailers have focused heavily on batteries, so small-scale solar installations softened. Total 2025 small-scale solar capacity is expected under 3 GW, down 13% on last year.

5.6 million STCs (excluding CHBP) were created in Q3, with YTD creations to 18.2 million, below the rate implied by the 2025 STP, keeping prices close to the \$40 cap.

Liabe entities continue to rely heavily on the STC Clearing House, and this is expected to continue.

For more information, call or email h.mcGovern@northmoregordon.com

*(subject to change)

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.

Related guidance

Environmental certificates

Government schemes

Carbon advisory

Energy audits

Measurement and verification

Solar PV

Current articles and guidance

Contact Northmore Gordon

How should I interpret the ACCU price movements reported in the November update, and what do they signal for my investment planning?

ACCU's climbed to around \$38.65 in October before easing to approximately \$35.90 in November as market participants gained clarity on obligations, expected SMC issuances, and existing holdings. This volatility reflects evolving certainty about supply-demand balance. For investment planning, treat certificate price as a separate uncertainty from project quantity and eligibility; model conservative price scenarios and avoid relying on peak valuations. Our carbon advisory services can help you establish realistic revenue projections for ACCU projects by separating technical abatement estimates from market-price forecasts and assessing the timing of issuance relative to your funding needs.

What are my Safeguard Mechanism reporting obligations, and what are the consequences of not meeting the 4.9% annual reduction rate?

If your facility emits 100,000 tonnes CO₂-e or more per year, you must submit preliminary 2024–25 data by 31 October and meet your Safeguard obligations by 31 March. Facilities must reduce emissions by 4.9% annually under applicable baselines; those failing to achieve this reduction must surrender Safeguard Mechanism Certificates (SMCs) or ACCUs. The CER reported 207 covered facilities in 2024–25, with aggregate emissions falling 2.4% to 132.7 Mt CO₂-e. Failure to comply exposes you to shortfall liability. Our carbon advisory and emissions-inventory services can help you assess your Safeguard position, establish your baseline, and identify cost-effective reduction or credit-sourcing pathways to meet obligations.

How do I evaluate the softening ACCU market and rising voluntary demand in the context of my organisation's climate commitments?

Voluntary ACCU demand grew 45% in Q3 2025 compared to Q3 2024, signalling strong corporate interest despite project registrations softening to 150 projects (down from 180). This divergence suggests corporates are actively sourcing credits while new projects face headwinds. For your climate commitments, distinguish between verified carbon reductions from your own operations and purchased offsets or credits. Establish clear boundaries, eligible instruments, and retirement treatment aligned with your reporting framework before procurement. Our environmental-certificate services and carbon advisory can help you assess your reduction pathway, identify cost-effective project opportunities, and source credits that genuinely support your stated commitments.

What should I understand about the new Guarantee of Origin (GO) certificate framework launched by the CER in November?

The CER launched the GO framework covering REGO (Renewable Electricity) and RGGO (Renewable Gas) certificates, positioned as a voluntary-surrender mechanism beyond the Renewable Energy Target scheme. REGOs record renewable electricity attributes separately from LGCs and cannot be created for the same generation as large-scale or small-scale renewable certificates. For organisations considering renewable electricity claims, the GO framework offers an alternative pathway, but you must confirm which instrument aligns with your accounting boundary, reporting framework, and intended public claim. Our moREnewable100 service and renewable-certificate guidance can help you evaluate scheme options, establish ownership rights, and ensure your procurement strategy supports credible claims without overlapping instruments.

How does the VEEC market volatility from Activity 47 (Deemed Solar PV) affect my investment case for a Victorian solar project?

Activity 47 made VEECs eligible for 30–200 kW solar installations, causing spot prices to fluctuate from \$75 at month-start to \$86, then \$83 by month-end (falling further to \$80.50 in early December). This volatility reflects liquidity impacts from expanded eligibility. For your investment case, show certificate price and quantity as separate uncertainties; avoid locking in valuations based on peak prices. The VEEC target is falling from 7.3 million in 2025 to 4.4 million in 2026, signalling retailers expect increasing liquidity. We can help you assess whether your project qualifies under Activity 47, model realistic revenue contributions with conservative price assumptions, and prepare investment cases with and without certificate proceeds.

How do the NSW ESS rule changes and phaseout of lighting activities affect my energy-efficiency project planning?

New ESS rule changes took effect 12 September 2025, phasing out two historically dominant ESC sources: SONA installations and registration closed 30 November 2025, and Commercial Lighting closes to new installations and ESC registration on 31 March 2026. ESC spot prices softened from \$24–\$25 to \$23.00 by late November and further to \$22.65 in early December. If your project involves lighting or SONA measures, you must act before the closure dates or shift to remaining eligible activities. Our NSW ESS expertise and project-timing guidance can help you assess whether your measure qualifies under current rules, identify alternative activities if your original pathway closes, and

establish measurement and verification plans before critical deadlines.

What does the state of the LGC market—with record registrations and oversupply—mean for my renewable energy strategy?

The LGC market shows substantial oversupply: 15.7 million LGCs were registered in Q3 2025, and cumulative supply and holdings are on track to exceed 70 million by end-2025 versus total demand just above 50 million. The LGC price fell below \$7.25 by month-end from a starting point of \$10, reflecting this imbalance. The Renewable Energy Target scheme ends in 2030. If you are considering large-scale renewable generation, evaluate whether LGC revenue assumptions are realistic under current oversupply. Alternatively, REGOs or the new GO framework may offer better long-term value for voluntary renewable-electricity procurement. We can help you model alternative renewable pathways, assess LGC eligibility, and evaluate whether REGO or hybrid strategies better serve your corporate renewable commitments.

How should I think about STCs and the Cheaper Home Batteries Program (CHBP) when planning solar-plus-battery projects?

Battery systems are driving STC creation, but government quarantine effectively removes these STCs from the main SRES market: the Australian Government buys and cancels equivalent volumes through the STC Clearing House at \$40, keeping prices pinned near the cap despite tight supply. The CER expects 175,000 battery systems installed by end-2025 (approximately 3.9 GWh), while small-scale solar installations softened, with 2025 capacity expected under 3 GW (down 13% year-on-year). For your solar-plus-battery project, confirm STC eligibility separately; do not assume battery STCs will generate sustained market revenue. Our renewable-certificate and project-assessment services can help you evaluate solar and battery components separately, establish realistic STC valuations, and model the commercial case with conservative assumptions.