Australian Certificate Markets – October 2026 update - Northmore Gordon

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Australian Certificate Markets – October 2026 update

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News

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Price Summary

Certificate	Open	Close	Range	Effective cap	Movement / Reason
PRC	$3.40	$3.00	$3.00 – $3.40	$3.80	▼ Closed at the month’s low, softening
ESC An energy savings certificate (ESC) is a tradeable certificate created under Division 7 of Part 9 of the Electricity Supply Act 1995. Each ESC represents one notional megawatt hour (MWh) of energy.	$29.25	$28.40	$28.10 – $29.25	$51.23	▼ Slightly lower, remaining below $30
VEEC Victorian Energy Efficiency Certificate	$86.00	$80.40	$80.00 – $86.50	$142.86	▼ Fell $5.60 across the month

ACCU An ACCU is a unit issued to a person by the Clean Energy Regulator (Regulator) by making an entry for the unit in an account kept by the person in the electronic [Australian National Registry of Emissions Units] registry. Each ACCU issued represents one tonne of carbon dioxide equivalent (tCO2-e) stored or avoided by a project. An ACCU can only be issued to a person if the person has a Registry account.	$38.40	$38.20	$37.70 – $38.40	$87.72	▼ Dipped in the final week, then partly recovered
STC	$39.85	$39.85	$39.85 – $39.90	$40.00	↔ Unchanged open to close
LGC Large-scale Generation Certificate under the Australian Renewable Energy Target. More	$7.65	$7.40	$7.30 – $7.95	$92.86	▼ Eased across the month

Open and close are the prices on the first and last trading days of the month (1 and 30 October 2026). Effective cap: for ESC, PRC, VEEC and LGC, the scheme shortfall penalty grossed up at the 30% company tax rate (penalty ÷ 0.70).. STCs Small-scale Technology Certificate under the Australian Renewable Energy Target. More use the $40 Clearing House price, and ACCUs the Clean Energy Regulator’s 2026-27 cost containment measure price of $87.72 for Safeguard facilities.

PRCs fell 11.8% from $3.40 to close at the month's low of $3.00. 2.1 million PRCs were created in October, mostly from residential battery and air conditioning activities. No PRCs had yet been registered under the new BESS4 BESS4: battery systems for eligible small and medium business sites (SME Subject Matter Expert, 20-200 kWh) or BESS5 BESS5: larger battery systems for eligible commercial and industrial sites (C&I, 200 kWh to 30 MWh), that commenced on 1 September. Surrender requirements vary sharply over the next three years: around 44 million PRCs for 2025-26 (5.5% target) by March 2027, around 4 million for 2026-27 (0.5%) by March 2028, and around 70 million for 2027-28 (8.5%) by March 2029. Market participants are watching the timing and volume of BESS4 and BESS5 creation against the much smaller 2026-27 requirement.

ESCs eased from $29.25 to $28.40, a sixth consecutive month just below $30, with a low of $28.10 despite a large oversupply. ESC registration whilst low was 147,000 ESCs in October, vs 175,000 in September and 200,000 in August. Home energy efficiency retrofits (HEER The Home Energy E■ciency Retro■ts (HEER) method may be used to calculate energy savings from a range of household and small business energy efficiency upgrades. In this method, the term 'energy' may refer to electricity, gas or both. [NSW]) accounted for about 60-65% of registrations over the past 30 days and high efficiency appliances for business about 24%. IPART's September ESS The NSW Energy Savings Scheme (ESS) provides financial incentives to install, improve or replace energy savings equipment and appliances in NSW households and businesses. The ESS was established in 2009. Financial incentives are in the form of tradeable certificates, called energy savings certificates (ESCs). Generally, householders and businesses who fund energy savings activities transfer the right to create ESCs to Accredited Certificate Providers (ACPs) in return for a discount on the cost of the energy savings activity. The MWh savings from the project determines the number of ESCs that can be created. The ESS works by allowing ACPs to create and register ESCs for energy savings that are supported with appropriate evidence. ESCs are then purchased each year by mainly electricity retailers operating in NSW to meet their share of a legislated annual energy savings target. newsletter (Issue 79) focused on compliance.

VEECs fell 6.5% from $86.00 to $80.40, within a range of $80.00 to $86.50. Market participants attributed the decline to steady creation, with around 0.5 million VEECs created in each of August, September and October, more than 85% from space heating and cooling. On 17 October the Victorian Government announced that household solar PV Solar Photovoltaic support will move from Solar Victoria's Solar Homes Program into the VEU Victorian Energy Upgrades is a Victorian government energy efficiency program that gives every Victorian household and business the opportunity to receive rebates or discounts on energy saving products. program from 1 July 2027, some estimates place this at 600,000 VEECs p.a.. The 2027 greenhouse gas reduction rates were gazetted on 6 October. The state election is on 28 November.

STCs opened and closed at $39.85, trading no higher than $39.90. Market participants reported the Clearing House surplus at around 2.4 million STCs late in October, down from around 3.6 million at the start of the month. The September quarter surrender fell due on 28 October. The Clean Energy Regulator The Clean Energy Regulator is the Australia Government body responsible for accelerating carbon abatement for Australia through the administration of the National Greenhouse and Energy Reporting scheme, Renewable Energy Target and the Emissions Reduction Fund. More expects applications for mid-scale solar systems (above 100 kW and up to 1 MW) to open in mid to late November.

LGCs opened at $7.65, traded between $7.30 and $7.95 and closed at $7.40. Around 5.47 million LGCs were created in October, similar to September (5.4 million) and up on August (5.0 million). Around 48 million LGCs have been created so far in 2026, against the Clean Energy Regulator's full-year projection of 64 to 66 million. The CER published its September quarter data release on 15 October. The Commonwealth's proposed data centre renewable requirement would operate through Renewable Electricity Guarantee of Origin (REGO) certificates; legislation is targeted for early 2027.

ACCUs opened at $38.40, eased to $37.70 in the final week and recovered to close at $38.20. Safeguard Mechanism Credits (SMCs) trading around $1 above generic ACCUs. Annual NGER

National Greenhouse and Energy Reporting Scheme. Large energy users and greenhouse gas emitters that exceed the thresholds must report their detailed energy and emissions data each year to the Australian Clean Energy Regulator. More and Safeguard reports were due on 31 October. DCCEEW's 2026-27 Safeguard Mechanism Review continues following the close of submissions in September.

Managing certificate price exposure

PRC and VEEC spot prices both fell in October, by 11.8% and 6.5% respectively, and VEECs moved within a $6.50 range during the month. For many energy efficiency, electrification and battery projects, certificate revenue is a material line in the business case, and the value received depends on prices when certificates are created and sold, often months after the investment decision.

Project owners can reduce this exposure through a forward sale agreement, which fixes the price for certificates to be delivered later, or a prepayment arrangement, which brings forward part of the certificate value to fund the project. Both involve trade-offs: a fixed price forgoes any later price rise, and forward sales have costs and carry delivery obligations if a project is delayed or creates fewer certificates than expected.

Northmore Gordon offers forward sale, hedging and prepayment arrangements for projects registering VEECs, ESCs, PRCs and other certificates to eligible clients. Contact NG today 1800 878 500.

For daily pricing and charts, visit Northmore Gordon's live certificate price page .

Regulatory Update – Program by Program

NSW Peak Demand Reduction Scheme (PDRS)

New PDRS Rule, 12 October 2026: Published and commenced on 12 October. NSW DCCEEW describes the changes as minor and administrative, giving customers joining virtual power plants more flexibility. IPART Independent Pricing and Regulatory Tribunal notes the change removes a BESS2 requirement.

Commercial battery activities: BESS3 BESS3: battery systems for eligible apartment buildings (apartment buildings, 20-200 kWh), BESS4 (small and medium businesses, 20-200 kWh) and BESS5 (commercial and industrial, 200 kWh to 30 MWh) commenced on 1 September.

Targets: 2025-26 (5.5%): around 44 million PRCs to be surrendered by March 2027. 2026-27 (0.5%, revised in October 2025): around 4 million by March 2028. 2027-28 (8.5%, confirmed by NSW DCCEEW): around 70 million by March 2029. In October 2025 the Department estimated that at least 13.5 million additional certificates would be needed by March 2027 to meet the 2025-26 target.

Peak demand period: The 2026-27 peak demand reduction period began on 1 November.

Watch in November: Publication of IPART's 2026-27 scheme certificate target; first BESS4 and BESS5 registrations; Department information on broader PDRS and ESS reform.

NSW Energy Savings Electricity or gas savings or both. Scheme (ESS)

Registrations: Around 147,000 ESCs in October, down from about 175,000 in September and 200,000 in August. Home energy efficiency retrofits (about 60-65%) and high efficiency appliances for business (about 24%) made up most recent registrations.

IPART ESS Newsletter Issue 79 (September 2026): Published with a focus on compliance.

Targets: Legislated targets are 11.0%, 11.5% and 12.0% for 2026, 2027 and 2028.

Watch in November: IPART's response to the accreditation conditions consultation; Department information on broader ESS reform.

Victorian Energy Upgrades (VEU)

Residential solar PV moving into the VEU: On 17 October the Victorian Government announced that household solar PV support will transition from Solar Victoria's Solar Homes Program into the VEU program from 1 July 2027. Current Solar Homes solar PV rebates and interest-free loans remain in place until 30 June 2027. Solar Victoria will continue to administer existing interest-free loans and hot

water rebates. The design of the new VEU residential solar PV activity has not been published.

2027 greenhouse gas reduction rates: Set at 0.09871 VEECs/MWh for electricity and 0.01387 VEECs/GJ for gas, by Order published in the Victorian Government Gazette on 6 October. Retailers multiply their liable acquisitions by these rates to calculate their surrender obligation. The program targets are 4.4 million VEECs for 2026 and 4.6 million for 2027.

Space heating and cooling (Activity 6): October was the first full month with the $3,000 minimum consumer co-payment for ducted systems and multi-split systems of 10 kW or more.

Ceiling insulation (Activity 48): Stage 2 opened to all eligible Victorian homes on 1 October; early creation volumes are small.

Large Energy User Access Initiative: Consultation closed on 2 October. DEECA proposes extending the opt-in period for scheduled activity premises from two to five years before they become liable for VEU program costs. Program costs then apply on an ongoing basis; the program is legislated to 2045.

Domestic water heating review: Consultation on Activities 1 and 3 closed on 18 October; DEECA's response is targeted for late 2026.

Project-based activities regulations: DEECA sought feedback until 1 November on remaking the regulations for project-based activities, ahead of the current regulations sunsetting on 14 June 2027.

Energy Innovation Fund Round 4: A registration of interest is open for up to $7.5 million in grants for renewable fuels and feedstocks projects, with guidelines expected in early 2027.

State election (28 November 2026): Targets for 2028 to 2030 must be set by 31 August 2027.

Watch in November: Election outcome and any VEU policy commitments; DEECA responses on water heating and large energy user access; further detail on the residential solar PV activity.

Safeguard Mechanism / Australian Carbon Credit A certificate that is equivalent to 1 tonne CO2-e. Credits often refer to instruments issued under a cap and trade scheme, where companies are allocated credits up to their emission cap. If they exceed the cap they need to purchase more credits. Units (ACCUs)

Safeguard Mechanism Review: DCCEEW's 2026-27 review continues after submissions closed on 18 September. The review covers the 2030-35 baseline decline rate, the future role of SMCs, ACCUs and international units, and the cost containment measure.

Climate Change Authority ACCU Scheme Review: Published 1 September. The Authority found the scheme fundamentally sound and did not recommend a major redesign. It recommends that the Safeguard review assess whether ACCUs from 25-year permanence projects are appropriate for Safeguard compliance.

Reporting: Annual NGER and Safeguard Mechanism reports for 2025-26 were due on 31 October.

Cost containment measure: The 2026-27 price is $87.72 per ACCU.

Watch in November: Safeguard review next steps; ACCU issuance data in the CER's full September quarter QCMR, expected by mid-December.

Large-scale Renewable Energy Target (LRET The Large-scale Renewable Energy Target (LRET) incentivises the development of renewable energy power stations in Australia through a market for the creation and sale of certificates called la■rge-scale generation certificates (LGCs).) – LGCs

September quarter QCMR data release: Published 15 October, with analysis to follow in the full report, expected by mid-December 2026.

Creations: Around 5.47 million LGCs were created in October and around 48 million so far in 2026. The CER's June quarter report projected 64 to 66 million for 2026 and an end-of-compliance-period balance of 32.5 to 37.5 million LGCs. The LRET obligation remains fixed at 33,000 GWh to 2030.

Data centres: Energy and Climate Change Ministers agreed in July to require data centres to offset their electricity demand with new renewable generation through a guarantee of origin scheme, using REGO certificates rather than LGCs. Commonwealth legislation is targeted for early 2027, and the

Senate committee inquiry into AI and data centres is due to report by 16 November.

Watch in November: Senate committee report; December creations, which are typically elevated as generators finalise the 2026 vintage.

Small-scale Renewable Energy Scheme (SRES Small-Scale Renewable Energy Scheme) – STCs

Clearing House: Market participants reported the surplus at around 2.4 million STCs in late October.

Surrender: September quarter STC surrenders were due on 28 October.

Mid-scale solar: Systems above 100 kW and up to 1 MW installed from 1 October are eligible for STCs, with a fixed five-year deeming period. The CER expects applications to open in mid to late November.

Watch in November: Opening of mid-scale applications; Clearing House transfer list movements.

Consultations open or expected

Scheme	Item	Status
VEU	Remake of project-based activities regulations	Closed 1 November 2026; current regulations sunset 14 June 2027
VEU	Domestic water heating activities (Parts 1 and 3)	Closed 18 October 2026; response targeted late 2026
VEU	Large Energy User Access Initiative	Closed 2 October 2026; outcome pending
VEU	Residential solar PV activity	Announced 17 October 2026; design pending; commences 1 July 2027
VEU	New hydronic heating activity	Implementation proposed Q2 2027
Victoria	Energy Innovation Fund Round 4 (renewable fuels and feedstocks)	Registration of interest open; guidelines early 2027
NSW PDRS	2026-27 scheme certificate target	IPART publication due by 31 October 2026
NSW ESS / PDRS	IPART accreditation conditions	Closed 28 August 2026; response pending
NSW ESS / PDRS	Broader scheme reform	Department information expected late 2026
Safeguard / ACCU	DCCEEW 2026-27 Safeguard Mechanism Review	Submissions closed 18 September 2026; next steps pending
LRET / REGO	Data centre renewable requirement	Senate report due 16 November 2026; legislation targeted early 2027
SRES	Mid-scale solar (100 kW – 1 MW)	Applications expected to open mid to late November 2026

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ACCUs , Certificates , Energy Efficiency , ESC , ESS , LGCs , Northmore Gordon , PDRS , PRC , Renewable Energy , STCs , VEECs

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Webinar – Buying renewable certificates across Asia-Pacific under SBTi and RE100

What we'll cover Webinar details: Wednesday 11 November 2026, 1:00pm AEDT10:00am Perth, Singapore, Malaysia and Taiwan9:00am Vietnam11:00am Korea3:00pm New Zealand2:00am London (Wednesday 11 November)9:00pm New

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Price Summary Certificate Open Close Range Effective cap Movement / Reason PRC $2.70 $3.35 $2.70 – $3.35 $3.80 ▲ Rallied from 14 August on the

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Most renewable heat conversations start with a technology question: heat pump, biomass, biogas, or electrify the whole boiler? It’s the wrong starting point. The full

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Beyond annual matching: The evolution of time-stamped RECs

For more than a decade, Renewable Energy Certificates (RECsI-RECs, GOs, TIGRs Tradeable Instrument for Global Renewables (TIGR) Registry is an online platform for tracking and transferring renewable energy certificates (RECS), enabling developers to generate,verify and sell RECs. The registry is run by APX, a US company that provides infrastructure for environmental markets around the world., LGCs, ZNECs, J-Credits) have underpinned global renewable electricity procurement. By purchasing RECs equivalent to

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What were the opening and closing prices for PRCs in October 2026, and by how much did they fall?

PRCs opened October 2026 at $3.40 and closed at $3.00, a fall of 11.8%, closing at the month's low within a range of $3.00 to $3.40. The effective cap for PRCs was $3.80.

How did ESC prices move during October 2026?

ESCs eased from $29.25 to $28.40 over October 2026, trading in a range of $28.10 to $29.25. This marked a sixth consecutive month just below $30, despite a large oversupply. The effective cap for ESCs was $51.23.

What happened to VEEC prices in October 2026 and what was cited as the reason?

VEECs fell 6.5% from $86.00 to $80.40, trading within a range of $80.00 to $86.50. Market participants attributed the decline to steady creation, with around 0.5 million VEECs created in each of August, September and October 2026, more than 85% from space heating and cooling. The effective cap for VEECs was $142.86.

How did ACCU prices perform in October 2026?

ACCUs opened at $38.40, dipped to $37.70 in the final week, and then partly recovered to close at $38.20, trading within a range of $37.70 to $38.40. Safeguard Mechanism Credits (SMCs) were trading around $1 above generic ACCUs. The effective cap for ACCUs, based on the Clean Energy Regulator's 2026-27 cost containment measure price for Safeguard facilities, was $87.72.

Did STC prices change during October 2026?

STCs were unchanged from open to close, both at $39.85, trading no higher than $39.90 during the month. Market participants reported the Clearing House surplus at around 2.4 million STCs late in October, down from around 3.6 million at the start of the month. The effective cap for STCs, based on the $40 Clearing House price, was $40.00.

What was the price movement for LGCs in October 2026 and how many were created?

LGCs opened at $7.65, traded between $7.30 and $7.95, and closed at $7.40, easing across the month. Around 5.47 million LGCs were created in October 2026, similar to September's 5.4 million and

up on August's 5.0 million. Around 48 million LGCs had been created so far in 2026, against the Clean Energy Regulator's full-year projection of 64 to 66 million. The effective cap for LGCs was $92.86.

What announcement did the Victorian Government make on 17 October 2026 regarding solar PV?

On 17 October 2026, the Victorian Government announced that household solar PV support will move from Solar Victoria's Solar Homes Program into the Victorian Energy Upgrades (VEU) program from 1 July 2027. Some estimates place the additional VEEC volume from this change at 600,000 VEECs per year. Current Solar Homes solar PV rebates and interest-free loans remain in place until 30 June 2027, and Solar Victoria will continue to administer existing interest-free loans and hot water rebates. The design of the new VEU residential solar PV activity had not yet been published.

What are the PRC surrender requirements over the next three years under the NSW PDRS?

Under the NSW Peak Demand Reduction Scheme, PRC surrender requirements vary sharply: around 44 million PRCs for 2025-26 (5.5% target) due by March 2027, around 4 million for 2026-27 (0.5% target) due by March 2028, and around 70 million for 2027-28 (8.5% target) due by March 2029.

What are the legislated ESS targets for 2026-2028, and what were October 2026 ESC registration volumes?

The legislated NSW Energy Savings Scheme (ESS) targets are 11.0%, 11.5% and 12.0% for 2026, 2027 and 2028 respectively. ESC registrations were around 147,000 in October 2026, down from about 175,000 in September and 200,000 in August. Home energy efficiency retrofits (about 60-65%) and high efficiency appliances for business (about 24%) made up most recent registrations.

What options does Northmore Gordon offer to manage certificate price exposure, and how can clients get daily pricing data?

Northmore Gordon offers forward sale, hedging and prepayment arrangements for projects registering VEECs, ESCs, PRCs and other certificates to eligible clients, which can be arranged by contacting them at 1800 878 500. A forward sale agreement fixes the price for certificates to be delivered later, while a prepayment arrangement brings forward part of the certificate value to fund the project; both involve trade-offs such as forgoing later price rises or carrying delivery obligations. Daily pricing and charts are available on Northmore Gordon's live certificate price page at northmoregordon.com/certificate-prices/.