

Welcome to our May 2026 Compliance Update.

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About this update

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

Publication date: May 20, 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

Dear Valued Partners,

This month's update captures several important developments across the Victorian Energy Upgrades (VEU) program and broader renewable energy market, including the proposed new Hydronic Space Heating activity, the ongoing Space Heating and Cooling review, key outcomes from the recent Industry Reference Group (IRG) meeting, and exciting news regarding Northmore Gordon's Renewable Electricity Guarantee of Origin (REGO) accreditation.

Exciting Company Update - REGO Accreditation Achieved

We are pleased to announce that on 6 May 2026, Northmore Gordon successfully achieved accreditation under the Renewable Electricity Guarantee of Origin (REGO) scheme.

This accreditation marks an important milestone for our business and further strengthens our position across Australia's evolving renewable energy and decarbonisation markets. The REGO scheme will play a key role in supporting renewable electricity certification and energy traceability as Australia transitions toward a lower emissions economy.

We look forward to working closely with our partners and clients as the REGO framework continues to develop and new market opportunities emerge.

Further updates and operational guidance relating to REGO participation will be shared with our partners over the coming months.

VEU Space Heating & Cooling Review

The Department of Energy, Environment and Climate Action (DEECA) has released a consultation and survey paper as part of its review of the VEU Space Heating and Cooling activities.

The review is focused on ensuring the activity continues to deliver genuine emissions reductions, positive consumer outcomes and improved installation quality across the sector.

Key areas under review include:

Product eligibility requirements

Emissions saving calculations

Activity settings and business participation

Ducted system zoning requirements

Multi-split reverse-cycle air conditioner installations

Consumer protections and system sizing practices

A major focus of the review is the concern around oversized systems, particularly multi-split systems, which may result in:

Increased electricity consumption

Reduced energy savings

Higher consumer operating costs

Reduced equipment lifespan

Poor consumer outcomes

Partners involved in space heating and cooling activities should begin reviewing current sizing practices, installation methodologies and quality assurance processes, particularly for multi-split and ducted systems, as future compliance expectations may become more prescriptive.

Proposed New Hydronic Space Heating Activity

The Victoria Energy Upgrade is also consulting on a proposed new VEU activity relating to Hydronic Space Heating upgrades.

The proposed activity is intended to support the replacement of existing gas-fired hydronic heating systems with efficient electric heat pump hydronic systems to support residential electrification and emissions reduction objectives.

Some of the proposed requirements currently under consultation include:

Installation of eligible air-source heat pump hydronic systems

Minimum COP efficiency requirements

Mandatory buffer tank installation requirements

Maximum proposed system noise limits

Product registration requirements

Minimum five-year warranty obligations

Proposed minimum customer co-payment requirements

Practical and safe decommissioning of existing gas boilers

Mandatory sizing and consumer information obligations

Industry partners and those who are interested in this consultation, here is the link to the survey if you are interested - <https://engage.vic.gov.au/hydronic-heating> .

The closing date for survey submissions is 11:59pm on Friday 22 nd of May 2026.

Industry Reference Group (IRG) Update - March 2026

As an active participant in the Victorian Energy Upgrades (VEU) Industry Reference Group (IRG), Northmore Gordon attended the March 2026 meeting where key compliance, consumer protection and

program administration matters were discussed between industry stakeholders, the Essential Services Commission and the department.

Key discussion topics included:

Clarification around the gap between annual emissions reduction targets and certificate surrender figures

Review progress of the Getting to Fair Strategy consultation submissions

Publication of the new VEU IRG webpage to improve transparency of meeting materials and updates

The commission also shared feedback from the recent IRG stakeholder survey, with major themes focused on improving program efficiency, strengthening consumer protections, and providing clearer compliance guidance and regulatory consistency across the industry.

Partners should continue maintaining strong quality assurance, system sizing and compliance processes as regulatory focus on consumer outcomes and installer performance continues to increase across the sector.

Important Compliance Reminders

We would like to remind all partners to continue maintaining strong compliance processes across all activities.

Please ensure:

Appropriate trade licences are verified prior to contractor engagement

All mandatory installation evidence is captured correctly

Product eligibility requirements are checked prior to installation

Consumer co-payment requirements are properly documented

Decommissioning evidence remains complete and compliant

Consumer disclosure and documentation obligations are met

Strong internal quality assurance processes remain critical to reducing compliance risks and avoiding delays during validation and audit reviews.

Important Reminder - 2025 Vintage Submission Deadline

We remind all partners to ensure that any outstanding 2025 vintage activities, supporting documentation and compliance requirements are finalised as soon as possible.

Although the standard submission deadline has now passed, we are continuing to work with partners who have already engaged with us regarding extended submission timeframes.

For further assistance please do not hesitate to contact our Compliance team via email compliance@northmoregordon.com

Closing Remarks

At Northmore Gordon, we remain committed to supporting our partners through ongoing regulatory changes while maintaining strong compliance, consumer protection and program integrity outcomes across all schemes we participate in.

We appreciate your continued partnership and cooperation as the industry continues to evolve.

For further information or compliance enquiries, please contact the Compliance Team via compliance@northmoregordon.com.

Kind regards, Northmore Gordon Compliance Team

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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What major accreditation did Northmore Gordon achieve in May 2026, and why does it matter?

On 6 May 2026, we achieved accreditation under the Renewable Electricity Guarantee of Origin (REGO) scheme. This milestone strengthens our position across Australia's renewable energy and decarbonisation markets by enabling it to support clients in procuring and managing renewable electricity attributes. REGO certificates record renewable electricity attributes and operate as a distinct instrument from the Renewable Energy Target's LGCs and STCs. The accreditation allows Northmore Gordon to help organisations navigate renewable-electricity claims while managing the associated reporting and retirement requirements correctly.

What consumer risks is the VEU Space Heating and Cooling review addressing, and what does this mean for installers?

The Department of Energy, Environment and Climate Action (DEECA) is reviewing space heating and cooling activities because oversized systems—particularly multi-split reverse-cycle air conditioners—can increase electricity consumption, reduce energy savings, raise operating costs, shorten equipment lifespan, and deliver poor consumer outcomes. Installers must follow updated sizing practices and consumer protection requirements to ensure genuine emissions reductions. We recommend verifying product eligibility, checking sizing obligations, and capturing mandatory installation evidence before work begins to maintain compliance with evolving VEU requirements.

What is the proposed new Hydronic Space Heating activity, and what are its key requirements?

DEECA is consulting on a new VEU activity to support replacing gas-fired hydronic heating systems with efficient electric heat pump hydronic systems, advancing residential electrification and emissions reduction. Proposed requirements under consultation include eligible air-source heat pump hydronic systems, minimum coefficient-of-performance efficiency standards, mandatory buffer tank installation, maximum system noise limits, product registration, five-year warranty obligations, minimum customer co-payment requirements, safe decommissioning of existing gas boilers, and mandatory sizing and consumer information obligations. Feedback submissions closed on 22 May 2026 via the Victorian Government's engagement platform.

What compliance reminders did Northmore Gordon emphasise in the May 2026 update?

We reminded partners to verify appropriate trade licences before engaging contractors, capture all mandatory installation evidence correctly, check product eligibility prior to installation, properly document consumer co-payment requirements, retain complete and compliant decommissioning evidence, and meet consumer disclosure and documentation obligations. These reminders reflect ongoing VEU program expectations and the importance of thorough evidence gathering throughout the project lifecycle. Partners should also ensure decommissioning practices comply with current standards and that all consumer-facing documentation is provided and retained.

How does the gap between annual emissions reduction targets and certificate surrender figures affect VEU participants?

This gap, discussed at the March 2026 VEU Industry Reference Group meeting, reflects the difference between the emissions reductions that activities are expected to deliver annually and the number of VEECs actually surrendered by the scheme. Understanding this relationship helps participants reconcile their project impacts with scheme outcomes and informs program design adjustments. The Essential Services Commission has highlighted this issue as part of its effort to improve program efficiency and strengthen consumer protections, signalling that VEU rules and calculation methodologies may continue to evolve to better align incentives with genuine emissions outcomes.

What is Northmore Gordon's position on 2025 vintage submissions, and what should partners do?

Although the standard 2025 vintage submission deadline has passed, we continue to work with partners who have already engaged regarding extended submission timeframes. Partners are urged to finalise outstanding activities, documentation, and compliance requirements as soon as possible. This approach reflects our commitment to supporting clients through the VEU process while emphasising the importance of timely and complete evidence gathering and submission. Organisations with unresolved 2025 vintage activities should contact Northmore Gordon to clarify their specific submission status and requirements.

What did the Essential Services Commission's IRG stakeholder survey reveal about priorities?

The Essential Services Commission's feedback to the VEU Industry Reference Group highlighted three core stakeholder priorities: improving program efficiency, strengthening consumer protections, and providing clearer compliance guidance. These themes informed ongoing consultation work, including the space heating and cooling review and the proposed hydronic heating activity. The survey results reflect industry concerns about inconsistent guidance, evolving requirements, and the need for transparent, accessible compliance information. Our participation in the IRG helps ensure these stakeholder concerns are communicated to regulators and informs our client-support approach.

How does Northmore Gordon help clients navigate VEU compliance complexity?

We support clients across the VEU lifecycle by helping identify eligible activities, verify product requirements, plan measurement and verification, assess certificate pathways, and ensure compliance with installation and evidence obligations. Our involvement in the VEU Industry Reference Group provides early visibility of regulatory changes and emerging compliance issues. We recommend starting with a project brief that establishes activity eligibility, baseline measurement approach, and required evidence before work commences. This early coordination reduces the risk of costly rework and helps organisations capture the full value of their energy-efficiency investments while maintaining program compliance.