

STC threshold set to rise from 100kW to 1MW

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About this update

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

Publication date: September 29, 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 Clean Energy Regulator has confirmed plans to lift the size limit for Small-scale Technology Certificates (STCs) from 100kW to 1MW, targeting a start date of 1 October 2026. It's a tenfold increase in the size of solar system eligible for the scheme, a meaningful shift for commercial and industrial projects that currently fall into the less favourable Large-scale Generation Certificate (LGC) category above 100kW.

Why it matters in Victoria

Victorian projects stand to benefit twice over. Under Activity 47 of the Victorian Energy Upgrades program, eligible systems between 30kW and 200kW can already claim Victorian Energy Efficiency Certificates (VEECs), which we covered in detail in Activity 47: A new way to fund commercial solar in Victoria . Right now, only systems under 100kW can stack STCs on top. Once the new threshold takes effect, that stacking opportunity extends across the full Activity 47 range, up to 200kW.

The right certificate strategy depends on decisions made at the design and metering stage. Work it out before you quote a system, not after installation starts.

What it's worth

200kW: STCs + Activity 47 VEECs ≈ \$82,916

500kW: staged approach, Activity 47 on the first 200kW, VEECs via M&V; on the remaining 300kW ≈ \$174,689

1MW: three pathways worth comparing:

STCs only (expanded SRES across the whole system): ≈ \$222,187

Staged stacking (Activity 47 on the first 200kW, VEECs via M&V; on the rest): ≈ \$280,019

Traditional M&V; across the whole project, no STC claim: ≈ \$341,806

The result at 1MW is counterintuitive: the simplest structure, one system assessed as a whole, delivers the highest value, ahead of the staged, stacked approach most people would design toward.

The change is now locked in

The regulations enabling this expansion, the Renewable Energy (Electricity) Amendment (Mid-scale Solar) Regulations 2026, are registered and in force, so the 1 October 2026 start date is confirmed. One timing detail worth flagging to clients: STC applications for mid-scale systems won't open until mid to late November 2026, even though eligibility starts from 1 October. Certificate prices still move with the market, so treat the dollar figures above as indicative rather than fixed. The 1MW traditional M&V figure holds under today's rules regardless of any of this timing.

Next step

Certificate strategy needs to be part of the conversation before you quote a system. Talk to Northmore Gordon to work through the right pathway for your next project.

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 change is the Clean Energy Regulator making to the STC size threshold?

The Clean Energy Regulator has confirmed plans to lift the size limit for Small-scale Technology Certificates (STCs) from 100kW to 1MW, a tenfold increase in the size of solar system eligible for the scheme, targeting a start date of 1 October 2026.

Why does this STC threshold change matter for projects in Victoria?

Victorian projects benefit twice over: under Activity 47 of the Victorian Energy Upgrades program, systems between 30kW and 200kW can already claim Victorian Energy Efficiency Certificates (VEECs), but currently only systems under 100kW can also stack STCs on top. Once the new 1MW threshold takes effect, that STC stacking opportunity extends across the full Activity 47 range, up to 200kW.

Are the regulations enabling the STC threshold expansion legally confirmed?

Yes. The Renewable Energy (Electricity) Amendment (Mid-scale Solar) Regulations 2026 are registered and in force, so the 1 October 2026 start date is confirmed.

When can businesses actually apply for STCs under the expanded mid-scale eligibility?

Even though eligibility starts from 1 October 2026, STC applications for mid-scale systems won't open until mid to late November 2026.

What certificate value is estimated for a 200kW system under the new rules?

A 200kW system combining STCs and Activity 47 VEECs is estimated to be worth approximately \$82,916.

What certificate value is estimated for a 500kW system, and how is it structured?

A 500kW system using a staged approach—Activity 47 on the first 200kW and VEECs via Measurement & Verification (M&V;) on the remaining 300kW—is estimated to be worth approximately \$174,689.

What are the three certificate pathways compared for a 1MW system, and what are they worth?

For a 1MW system, three pathways are compared: (1) STCs only across the expanded SRES scheme, worth approximately \$222,187; (2) staged stacking, with Activity 47 on the first 200kW and VEECs via M&V; on the rest, worth approximately \$280,019; and (3) traditional M&V; across the whole project with no STC claim, worth approximately \$341,806.

Which certificate strategy delivers the highest value for a 1MW solar system?

Counterintuitively, the simplest structure—treating the whole 1MW system as a single project under traditional M&V; with no STC claim, worth about \$341,806—delivers the highest value, ahead of the staged, stacked approach most people would design toward.

When should certificate strategy be decided for a solar project?

The right certificate strategy depends on decisions made at the design and metering stage, and should be worked out before quoting a system, not after installation starts.

Should the STC expansion be treated as a confirmed entitlement before regulations are enacted?

No. As a matter of current-rule verification, an announced expansion is subject to regulations being made, and should not be treated as proof that a proposed system already has that entitlement until the regulations are formally enacted. On this page, however, the regulations (Renewable Energy (Electricity) Amendment (Mid-scale Solar) Regulations 2026) are stated to be registered and in force, confirming the 1 October 2026 start date.

Do certificate prices used in the value estimates stay fixed?

No. Certificate prices still move with the market, so the dollar figures given for 200kW, 500kW, and 1MW scenarios should be treated as indicative rather than fixed, though the 1MW traditional M&V; figure holds under today's rules regardless of timing.