

Renewable Energy Certificates can come in varying forms of products, government certifications and standards. These are the cream on the above projects which allow a further revenue stream to those developers and investors looking to pay significant up-front costs.

The main ones within Australia are the Australian Carbon Credit Units (ACCU), Large-scale Generation Certificates (LGC), Small-scale Technology Certificates (STC) and Gold Standard Verified Emissions Reductions (VER) – Similar to Verified Carbon Units (VCU) and Certified Emission Reductions (CER).

Due to the vast number of acronyms above, you can see how this minefield of “net-zero” can be difficult for companies to understand and sell to their boards.

Ultimately these certificates are showing you are either buying 1MWh of electricity from the grid which was from a green source, or supporting a project which would have had higher carbon emissions and due to the project, which creates the certificate, there has been one metric tonne of carbon abated.

There are pros and cons associated with each option, although costs and green credentials are widely discussed. However, it is important to understand these mechanisms and their goals. They are all key to supporting companies in being able to discuss their social licence and meet their government renewable targets.