Insight Paper | March 2026

Argus launches Australian large-scale generation certificate prices

Argus has launched daily independent market assessments for Australian large-scale generation certificates (LGCs), as prices have held at a premium to most regional renewable electricity certificate markets and liquidity remains high

LGCs are issued from Australian renewable power plants, with each LGC representing 1MWh of electricity produced from an eligible plant, as determined by the Renewable Energy (Electricity) Act 2000. Certificates are used for compliance under Australia's Renewable Energy Target (RET), which requires liable entities, such as electricity retail suppliers, to surrender LGCs to meet an annual renewable percentage obligation.

A voluntary certificate market has also emerged and has expanded significantly in recent years, driven by corporate sustainability ambition.

Mandatory targets for liable entities will end when the RET expires on 31 December 2030, and LGCs are expected to be replaced by the newly launched renewable electricity guarantees of origin (Regos) — a fully voluntary scheme. The two certification mechanisms will co-exist until then, but it remains unclear how the two markets will function as the country transitions from LGCs to Regos. As dynamics shift in the coming years, the market will require robust independent pricing and analysis.

Recent trends

LGC prices declined throughout 2025 and into early 2026, primarily as a result of persistent oversupply. Spot LGC contracts were trading above A$30/MWh ($21.10/MWh) early last year, but fell to around A$10/MWh by the end of September and close to A$6.25/MWh by the end of 2025.

Prices have continued to fall this year, with spot contracts trading below A$4/MWh at the end of last month. The LGC price curve remains in backwardation, although a sharper decline in spot prices has reduced their premium to forward prices, with 2030 vintage certificates trading at A$3.50/MWh in late February.

The persistent oversupply of certificates has driven the price decline. Eligible renewable power facilities issued nearly 60TWh of LGCs in 2025, 16pc more than in 2024 and outpacing estimated total redemptions after factoring in both non-RET and RET volumes. Australia's Clean Energy Regulator (CER) recently estimated an annual balance of about 25TWh of LGCs remaining after the compliance deadline on 14 February.

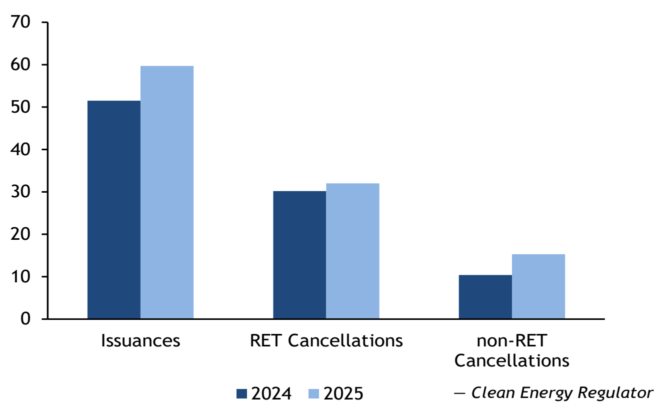
Oversupply persists despite demand from voluntary buyers increasing, with nearly 11TWh of LGCs redeemed for voluntary use in 2025, nearly two-thirds higher than in 2024 and a record high.

Looking ahead

The CER expects oversupply to persist until the scheme ends in 2030, owing to strong development of large-scale renewables, with 64-66TWh of LGCs forecast to enter the market this year. New renewable capacity approved for LGC issuance is estimated at 3.5-4.5GW this year, after 4GW was approved last year. And the Australian regulator estimates that 6-16GW of renewable power generation capacity will reach a final investment decision by the end of 2027, after a falling to a record low of 2.1GW last year.

Continuing oversupply and low prices are likely to drive demand from the voluntary sector — the CER expects total

Australian LGC supply, demand *TWh*



— Clean Energy Regulator

redemptions not falling under the RET mechanism to rise to 16-19TWh this year from around 15TWh in 2025.

Argus publishes daily LGC price assessments for spot delivery and three forward calendar year vintages. The prices are published as part of the Argus Global Energy Certificates service, which provides market-leading price data, news and analysis for global electricity and biomethane energy attribute certificate markets.

For more information or to discuss access to the service, contact genfuels-m@argusmedia.com.

Argus Global Energy Certificates key prices