

COMPLAINT NUMBER	19/224
COMPLAINANT	C James
ADVERTISER	Ecotricity
ADVERTISEMENT	Ecotricity, Facebook
DATE OF MEETING	9 July 2019
OUTCOME	Not Upheld No Further Action Required

Description of Advertisement

The Facebook advertisement for Ecotricity promotes becoming energy carbon neutral by switching to Ecotricity for electricity and using its Carbon & Electric Vehicle Calculator to find out how current energy usage stacks up in terms of emissions.

Summary of the Complaint

The Complainant was concerned the advertisement is misleading. The Complainant said the advertisement is implying electricity purchased from Ecotricity comes specifically from wind farms when it is all fed into the national grid.

Issue Raised:

- Truthful Presentation

Summary of Advertiser's Response

The Advertiser said it is an electricity retailer and they contract to purchase hydro and wind generated by Pioneer Energy.

The Advertiser confirmed that in order to obtain its carboNZero certification, it only purchases its electricity supply from carbo NZero certified sources such as wind, hydro or solar. It meets the requirement of the certification by offsetting the electricity sold by purchasing renewable energy from carboNZero certified sources.

Summary of Complaints Board Decision

The Complaints Board did not uphold the complaint about the Ecotricity Facebook advertisement. The Complaints Board said the Advertiser was not making an explicit claim its energy comes from wind farms. The Complaints Board said the Advertiser had provided sufficient substantiation to support the implicit claim that purchasing electricity from its carboNZero certified sources would help consumers reach carbon neutrality.

Relevant ASA Codes of Practice

The Chair directed the Complaints Board to consider the complaint with reference to the following code:

Advertising Standards Code

Principle 2: Truthful Presentation: Advertisements must be truthful, balanced and not misleading.

Rule 2(b): Truthful Presentation: Advertisements must not mislead or be likely to mislead, deceive or confuse consumers, abuse their trust or exploit their lack of knowledge. This includes by implication, inaccuracy, ambiguity, exaggeration, unrealistic claim, omission false representation or otherwise. Obvious hyperbole identifiable as such is not considered to be misleading.

Complaints Board Discussion

Consumer Takeout

The Complaints Board agreed the likely consumer takeout from the Carbon & Electric Vehicle Calculator on the Ecotricity website was that by using Ecotricity as an electricity retailer, it will help consumers move towards becoming carbon neutral.

Are the claims made in the advertisement misleading?

The Complaints Board noted the definition of carbon neutral, also called carbon neutrality is a term used to describe the action of organisations, businesses and individuals taking action to remove as much carbon dioxide from the atmosphere as each put into it. The overall goal of carbon neutrality is to achieve a zero-carbon footprint.

The Complaints Board said the explicit claim made in the advertisement is that moving to Ecotricity will help electricity consumers to move towards becoming carbon neutral. The Board's consumer takeout differed from the Complainant's interpretation that the Advertiser is claiming its electricity comes specifically from wind farms. The Complaints Board said the explicit claim in the advertisement was not misleading and had been substantiated by evidence from the Advertiser that they are New Zealand's only carboNZero certified electricity provider.

The Complaints Board said the implied claim in the advertisement is that the electricity Ecotricity supplies to its customers is carbon neutral given they only buy their energy from renewable sources.

The Complaints Board said the Advertiser had provided substantiation for the implicit claim by providing details about its carboNZero certification. This is a Government certification which requires the retailer to show they only purchase electricity from carboNZero certified sources such as wind, hydro or solar. The Advertiser noted it pays a premium to purchase hydro and wind energy from Pioneer Generation to on-sell.

The Complaints Board said the Advertiser has explained how the carboNZero scheme required that for every 100KWh it sells each year, it has to source 100 KWh of carboNZero certified energy. The Board said the Advertiser's website includes comprehensive information for consumers to learn more about the carboNZero certification including a questions and answers section.

The Complaints Board said the advertisement was not likely to mislead consumers, taking into account context, medium, audience and product and was not in breach of Principle 2 or Rule 2(b) of the Advertising Standards Code.

The Complaints Board unanimously ruled the complaint was Not Upheld.

Outcome

The Complaints Board ruled the complaint was **Not Upheld**.

No further action required.

APPEAL INFORMATION

According to the procedures of the Advertising Standards Complaints Board, all decisions are able to be appealed by any party to the complaint. Information on our Appeal process is on our website www.asa.co.nz. Appeals must be made in writing via email or letter within 14 days of receipt of this decision.

APPENDICES

1. Complaint
 2. Response from Advertiser
 3. Response from Media
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Appendix 1

COMPLAINT FROM C JAMES

The whole thrust of their advertising on Facebook is either wrong or totally miss-leading. The overall impression they appear to be trying to create is that by buying your electricity through them you are buy electricity produced from a wind farm. This is totally miss-leading, all power is fed into the national grid - you cannot choose the method of generation. Their claim that geothermal power generation is similar to a coal fired thermal plant is also wrong.

Appendix 2

RESPONSE FROM ADVERTISER, ECOTRICITY

We are proud to be carboNZero certified and have put large amounts of effort and investment into being New Zealand's only carboNZero Certified Electricity provider. We welcome the opportunity to provide the Advertising Standards Authority any information related to Ecotricity as a 100% Renewable and carboNZero certified electricity provider.

This response follows the format of the requested questions raised and accepted by the Commerce Commission in 2018 and 2015 which we believe were raised by a competitor on each occasion.

We strongly stand by all statements made to date in all our marketing material. It is imperative that renewable electricity is recognised and supported so we can get closer to a 100% renewable future for New Zealand.

Responses in relation to C James claims.

1. Ecotricity is an electricity retailer. Ecotricity contracts to purchase hydro and wind generation plant from Pioneer Energy. In all cases, while Ecotricity contracts the total maximum annual amount of output from plant, we only pay for what is required for our customers and the remainder is released to the general market.
2. Further, we are proud to be New Zealand's leading supporter of solar installations. ~35% of our customers have solar that represents ~3% of our total generation. Also, we are now carboNZero certified for electricity supplied solar energy from domestic and commercial installations that are sold back to the grid. We understand we are the first electricity retailer potentially globally to achieve carboNZero certification for solar generation supplied back into the grid.
3. If there is a shortfall between that generated and supplied, how does Ecotricity offset that difference?

We have excess carboNZero certified wind, hydro and solar generation.

We always operate within a safe buffer of excess annual generation to avoid being short of carboNZero certified generation. Enviro-Mark Solutions undertakes quarterly

reviews of electricity sales to ensure that carbon credits relating to the emissions from constructing, wind, hydro and solar plant, are purchased in sufficient quantities to cover all electricity sold.

4. Ecotricity holds two carboNZero certifications as follows;

Organisation Certification: Certificate Number: 2017094J
Date Issued: 5 September 2017
Valid until: 5 September 2020



Electricity Certification

Certificate Number: 0017077J
Date Issued: 30 June 2017
Valid until: 30 June 2019



Further information can be obtained on the Enviro-Mark Solutions Limited website.

www.enviro-mark.com/our-members/members Enviro-Mark Solutions is JAS-ANZ accredited and the certificates are for accredited carbonZero certification of the named electricity products.

5. We have a dedicated section on our website that explains how carbonZero certification works, including questions and answers, in relation to our carbonZero certification and what it means here for customers wishing to promote us: <https://ecotricity.co.nz/carbonzero/>

This includes statements for our customers such as:

“We thoroughly recommend you promote to your customers that you are “Powered by 100%

carbonZero Certified Renewable Electricity”

and

“You can also make general claims that you are purchasing renewable electricity from carbonZero

Certified Organisations such as Ecotricity.”

6. As noted above, and in addition, we provide customer blogs for some of our commercial customers, some examples of which can be found here:
 - <https://ecotricity.co.nz/wellington-zoo/>
 - <https://ecotricity.co.nz/go-green-with-les-mills/>
 - <https://ecotricity.co.nz/stoked/>
 - <https://ecotricity.co.nz/molemap/>
 - <https://ecotricity.co.nz/farro-fresh-1st-grocery-store-carbonzero-electricity/>

Further, we show:

1. National average electricity emissions that we have monitored independently on a monthly basis: <https://ecotricity.co.nz/news/carbon-knowledge/#energy-em> and which correlates to the annual reports of the large emitters.

and

2. The carbon offset purchases that are therefore not required to be purchased for the purposes of offsetting average national grid electricity emissions, and therefore, the financial savings in doing so.
7. In general, we understand the complainants concerns however these are dealt with clearly on our website which the Commerce Commission has also reviewed.

More specifically

7.1 – We confirm Ecotricity is currently ***“NZ’s ONLY carboNZero certified 100% renewable electricity.”***

7.2 – We confirm that Ecotricity is the only organisation to ***“... provide the only Electricity to be 100% Renewable and carboNZero certified. We only source electricity from wind, hydro and solar.”***

8. As noted clearly on our website, carboNZero Certification is based on annualised demand being met by contracted annualised generation. For every 100 KWh we sell each year, we have to source 100 KWh of certified carboNZero certified electricity.

The full product carbon foot printing specification (PFS) follows international good practice. The PFS has been prepared in accordance with the requirements of ISO 14025 and is designed to assist organisations applying for product certification to comply with PAS 2050:2011 and the ISO/TS 14067:2013. The PFS has also been independently reviewed by an international technical expert.

Further, the PFS is in compliance with internationally recognised and accepted Product Category Rules for the measurement of emissions from renewable energy: United Nation Statistics Division – Classification Registry Central Product Classification (CPC) code: 171 Electrical Energy, 173 Steam and Hot/Cold Water Generation and Distribution Version 2.0.2 (2008).

<http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=9&Lg=1>

9. Ecotricity takes great effort and incurs great expense to be a provider of carboNZero Certified Renewable Electricity. It is a very important step to recognise and celebrate carboNZero Electricity sourced from wind, hydro and solar generation to allow New Zealand to move closer to a 100% Renewable Energy future.

It is absolutely imperative that New Zealand and all other countries rapidly move closer to a 100% Renewable future. If there is no fair way to differentiate carboNZero certified electricity, as 100% Renewable then there is little value to getting such certifications.

As part of the carboNZero certification, Ecotricity is required to purchase its electricity supply only from carboNZero certified sources such as wind, hydro or solar.

Ecotricity purchases electricity to onsell through a power purchase agreement with Pioneer Generation to purchase hydro and wind output. We pay a premium for this privilege in addition to the cost of the carboNZero certification.

In summary, Ecotricity kWhs volume sold is well within the output of our carboNZero Certified sources of generation, being wind, hydro and solar.

Paris Agreement, Zero Carbon Act and Market Relevance

As you will be aware the Paris Agreement has been signed whereby one of the most important outcomes is the support of renewable electricity development.

It is now more important than ever to provide customers with real options to purchase renewable and carboNZero certified electricity which supports further renewable energy development and greenhouse gas emissions reduction.

As shown above, renewable electricity as a product is recognised by;

- **Governments** – a number of Governments, including those of our closest trading partners, recognise Renewable Electricity as a unique product. Our current government is also in the process of developing the Zero Carbon Act.
- **Commercial Operations** – as noted above there is a growing number of commercial operations globally that are selling certified renewable electricity products

Appendix 3

RESPONSE FROM MEDIA, FACEBOOK

No Response has been received from Facebook.