



# Environmental Defenders Office

9 August 2022

Ad Standards  
PO Box 5110  
BRADDON ACT 2612

Complaint lodged via website at [adstandards.com.au](http://adstandards.com.au)

## **Renewable Gas complaint about Australian Gas Networks Limited.**

1. We act for the Australian Conservation Foundation (**ACF**). The ACF is Australia's national environmental organisation with over 700,000 supporters.
2. We are writing on their behalf to ask that you investigate whether statements made by Australian Gas Networks Limited (ACN 078 551 685) (**AGN**) on their website <https://renewable-gas.com.au/> are in breach of the Environmental Claims Code under the AANA Self-regulatory system. Similar claims are also made on their general website at [australiangasnetworks.com.au](http://australiangasnetworks.com.au). Details of the representations are set out at **Annexure A** to this complaint.
3. ACF are concerned that the broad representations on the AGN website are misleading or deceptive for stating that:
  - (1) Hydrogen is renewable and has zero carbon emissions when not all forms of hydrogen are renewable, and hydrogen produced with hydrocarbon gas produces greenhouse gas emissions;
  - (2) Hydrogen blended with hydrocarbon gas is renewable when there is not clear information on the website about whether hydrogen blended with gas is renewable and what proportion of the product is renewable.

## **Misleading or deceptive conduct under Environmental Claims Code**

4. Section 1 of the Environmental Claims Code relates to misleading or deceptive conduct in relation to environmental claims. Clause 1 of the Code requires environmental claims in advertising or marketing communication to not be misleading or deceptive or likely to mislead or deceive, to display disclaimers or important limitations and qualifications prominently and represent the attributes or extent of environmental benefits or limitations in a way that can be clearly understood by a consumer. Clause 2 also requires environmental claims to be relevant and explain the significance of the claim, not overstate the claim or imply the product is more socially acceptable overall. We have outlined below how we believe these advertisements breach these provisions of the Code.
5. The advertisements are misleading in breach of Clause 1 of the Code because of the general impression that hydrogen is renewable, and the failure to explain that most of the product currently being developed is not "renewable" hydrogen because it is being produced by blending with gas. This raises the issue of whether the conduct viewed as a

whole tends to lead a person into error.<sup>1</sup> There is also very little by way of qualification or disclaimers throughout the site to ensure that any misleading information is corrected or appropriately qualified. Overall, the advertisements overstate that gas is renewable to ensure that the public is of the impression that “renewable” gas is a green and climate friendly product, even though hydrogen made with gas is not renewable. This breach relates to Clause 2 of the Code. The claims are like earlier advertisements which Ads Standards found misleading in relation to gas being “cleaner and greener” than other energy sources.<sup>2</sup> Similar claims around net zero gas in New Zealand have also been found by the equivalent NZ Advertising Standards Board to be misleading<sup>3</sup> The advertisements suggested consumers could continue using gas without adding carbon, a very similar imputation to the representations made here.

### **What is renewable?**

6. A key to these issues is the definition of renewable. The Australian Renewable Energy Authority’s definition of renewable energy is “energy produced using natural resources that are constantly replaced and never run out.”<sup>4</sup> It follows that hydrogen produced by natural gas or other fossil fuels are not renewable energy sources. Hydrogen produced using wind or solar that are constantly replaced is appropriately classified as renewable energy.
7. In this case, the representations around “renewable gas” do not contain a disclaimer that natural gas is not renewable and clarify exactly in what circumstances hydrogen can be classified as renewable. This is concerning as AGN is seeking to overstate the benefits of hydrogen gas to ensure that the product is seen as more climate friendly than it is. These types of advertisements could genuinely harm competitors who are providing renewable energy, such as solar, hydro or wind power or green hydrogen and involve minimal greenhouse gas emissions.

### **Representation 1- Not all hydrogen is renewable and has zero carbon emissions**

8. The advertisements as stated above make broad claims that suggest hydrogen is renewable and fail to make any disclaimers around the use of the term. Hydrogen can be produced from renewable sources such as solar or wind, as well as non-renewable sources such as coal and natural gas. Hydrogen produced from renewable sources does not produce greenhouse gas emissions, but hydrogen produced with gas, even when used in conjunction with carbon capture and storage technology, produces more greenhouse gases than natural gas or coal.<sup>5</sup>
9. These types of representations are important given the latest scientific information about the impact of fossil fuels including gas on global warming. The Intergovernmental Panel on

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<sup>1</sup> *Campbell v Backoffice Investments Pty Ltd* (2009) 238 CLR 304, 319- French CJ.

<sup>2</sup> Ad Standards, Case Report, 0202-20

<sup>3</sup> <https://www.lawyersforclimateaction.nz/news-events/firstgas-decision>

<sup>4</sup> Arena -what is renewable energy- <https://arena.gov.au/what-is-renewable-energy/>- accessed 16/6/2022

<sup>5</sup> Robert W Howarth & Mark Z Jacobsen, “How green is blue hydrogen”, (2021) *Energy Science & Engineering* 1: Thomas Longden et al, “Clean hydrogen- comparing the emissions and costs of fossil fuels versus renewable electricity-based hydrogen” (2022) 306 *Applied Energy* 1

Climate Change (IPCC) has found that emissions from fossil fuels are the dominant cause of global warming. The IPCC has warned that fossil fuel emissions must decline by 45% from 2010 levels by 2030 if global warming is to be limited to 1.5 degrees.<sup>6</sup> Warming above 1.5 degrees risks further sea level rise, extreme weather, biodiversity loss and species extinction, as well as food scarcity, worsening health and poverty for millions of people worldwide.<sup>7</sup>

10. Many of the key pages of the website refer to renewable gas and refer to hydrogen being renewable and have zero carbon emissions. The difficulty with the layout of the website is that unqualified statements are located on the most prominent parts of the website which refer broadly to renewable gas, and statements that clarify the type of hydrogen being used are not prominent. It is only towards the end of the website that information is included that discusses only hydrogen using renewable sources such as solar or wind is produced with zero emissions. The lack of prominent disclaimers has been found by the Courts to be misleading and deceptive- see *Singtel Optus v ACCC*.<sup>8</sup>
11. The website also uses the terms hydrogen and renewable hydrogen interchangeably which may lead to some confusion for consumers. For example, the main statement on the website discusses renewable hydrogen, without clarifying what that is, and refers to hydrogen gas having “zero emissions.” There is a series of further questions that refer to “What is hydrogen?” and “Why renewable hydrogen.” The question notes “when burned as a fuel, it releases just heat and water, zero carbon emissions.” Under the heading “How it is made?” it states, “There are a number of ways to make it, but the hydrogen we plan to deliver to your home is produced by an electrolyser from water.”
12. There is no qualification that not all methods of producing hydrogen, including through using an electrolyser from water, are renewable and contain no greenhouse gas emissions. This is important because it gives the overall impression to consumer that all hydrogen contains no carbon emissions. Most users will not be familiar with how hydrogen is made and could be confused about the representations after reading the website. This is important as many consumers want to use products that they believe are “renewable” or low in emissions and could be misled by such broad claims that are not qualified.

### **Representation 2- hydrogen blended with gas is not renewable**

13. The website then goes onto discuss the blended hydrogen gas currently available in South Australia. Under the heading “when will I get renewable gas?”, there is a statement “the first blended renewable gas delivered in the Adelaide natural gas network.” The website refers to “2025-10% at key locations” and then “100% renewable gas available in 2030 at new home sites” and “100% renewable gas across the entire network”. There could be considerable confusion as to representations about blended gas and how renewable they are, as while some of the quotes above include the proportion, it is not always made clear that blended gas only contains a small proportion of renewal gas in its current form and

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<sup>6</sup> IPCC, Special Report: Global Warming of 1.5 degrees -Summary for Policymakers-C.1

<https://www.ipcc.ch/sr15/chapter/spm/>

<sup>7</sup> IPCC, Special Report: Global Warming of 1.5 degrees -Summary for Policymakers-

<https://www.ipcc.ch/sr15/chapter/spm/>

<sup>8</sup> *Singtel Optus Pty Ltd v ACCC* [2012] FCAFC 20 where prominent advertisement related to unlimited downloads that were subject to major limitations that were not clearly disclosed except in fine print.

will contain a considerable number of emissions given only 5% of the product comes from renewable sources.

14. None of the material produced by AGN discusses the limitations of using gas blended with hydrogen in existing gas networks. A recent study by International Renewable Energy Agency (**IRENA**) found that while blending can be an option to use existing gas infrastructure it faces multiple challenge,<sup>13</sup> The benefits of blending in terms of reduced CO2 emissions is small, it increases gas prices, is only at pilot project scale and is not an option that is readily available. Based on this reasoning, blending is not included in their analysis of viable options as the challenges outweighed the benefits.<sup>14</sup>

15. If you have any further queries, please do not hesitate to contact me by email on [kirsty.ruddock@edo.org.au](mailto:kirsty.ruddock@edo.org.au) or by phone at (02) 2 7229 0031.

Yours faithfully

**Environmental Defenders Office**

A handwritten signature in black ink, appearing to read 'K Ruddock', with a long horizontal flourish extending to the right.

**Kirsty Ruddock**  
**Managing Lawyer**  
**Safe Climate (Corporate and Commercial)**

## **ANNEXURE A – Renewable gas representations**

### **Renewable gas- we are changing gas for good- <https://renewable-gas.com.au/>**

The AGN linked website markets “renewable gas- we are changing gas for good”:

*Australians love natural gas. It’s a reliable, cost-effective energy for the appliances we use for cooking, heating and hot water. But we can’t use natural gas forever if we are serious about reducing our emissions.*

*Australia needs a new renewable solution for homes and businesses into the future- say hello to renewable gas.*

The website states:

*“Renewable gas has already started making its way into homes in South Australia in the form of renewable hydrogen blended with natural gas. Hydrogen gas provides all the great benefits of natural gas but has zero carbon emissions.*

The AGN website <https://www.australiangasnetworks.com.au/> also contains a few statements about renewable gas as follows:

#### ***The future of Australian gas is renewable.***

##### ***What is renewable gas?***

*Renewable and carbon-neutral gases such as hydrogen and biomethane can be used in the same way as natural gas is today, but do not result in additional carbon emissions to the atmosphere. By blending and ultimately replacing natural gas with renewable gas we can use our existing infrastructure to supply renewable gas to our customers.*

The photograph used next to the picture suggests that “renewable gas” is produced using renewable energy (solar and wind), despite the mention of the blending with natural gas in the text.

