

ENVIRONMENTAL AND ENERGY STUDY INSTITUTE'S

2005 Annual Report

ENVIRONMENTAL AND ENERGY STUDY INSTITUTE

... advancing innovative solutions!

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In 2005, energy once again took center stage and policymakers have begun to respond. The devastation to the Gulf coast during hurricane season (the increased number and intensity of which is reportedly related to global warming), skyrocketing oil and natural gas prices, and growing anxiety about our overdependence on foreign oil have had a profound affect. New findings on the science and impacts of climate change, reported in the media every week, have created a continuous stream of evidence of the need to act. EESI Congressional briefings, electronic newsletters, publications, DVDs, and our on-going conversations with Congressional offices have been valuable tools in spreading the message about these impacts and policy options to mitigate them.

In some ways, 2005 was the year of finalizing longdelayed legislation. After many years of wrangling over energy policy, Congress finally passed the Energy Policy Act of 2005 (EPAct 05). The result was a "mixed bag," with some valuable provisions for renewable energy and energy efficiency (RE/EE), but also continued support of the status quo and some provisions of concern. EPAct 05 included an extension of the critical Renewable Energy Production Tax Credit - although only for two years, a Renewable Resource Assessment - long championed by EESI, and other RE/EE incentives. However, as a consensus bill, many important RE/EE issues were not addressed.

In the Senate, the EPAct 05 included a *Sense of the Senate* Resolution on Climate, urging Congress to enact a national program of mandatory, market-based limits and incentives to reduce greenhouse gas emissions. While this *Sense of the Senate* has no teeth, getting Members to take action was an important step.

Another provision in EPAct 05 was the Renewable Fuel Standard (RFS), a valuable accomplishment in a long-fought battle. Biomass is finally capturing great interest in many different quarters, with national security concerns functioning as a strong driver. While the biofuel industry is likely to reach the modest RFS target long before the deadline, it also establishes



important incentives for cellulosic or waste-derived ethanol. We also spent significant time preparing for the reauthorization of the Farm Bill, including conducting outreach for the Farm Bill Forums held by the Department of Agriculture in more than 40 states.

After nine extensions, Congress also passed a new transportation bill. Among other achievements, EESI is proud to say that our efforts were instrumental in getting public health included as a priority consideration for Congestion Mitigation and Air Quality Program projects, a major source of clean transportation funding.

EESI held a total of 26 Congressional briefings and forums this year. We co-sponsored a climate change symposium with the Norwegian Embassy, helped coordinate a Members-Only Biobased products Expo on the Hill (which we hope will be a bi-annual event) and, once again, were a major player in the Eighth Annual Renewable Energy and Energy Efficiency Expo and Forum, also held on Capitol Hill. All-in-all, 2005 was a busy year, helping us make strides in changing the political climate on energy and promoting policies to fuel the transition to sustainable, renewable energy and efficiency.

This report encompasses highlights of our work and achievements during 2005. We would not have been able to accomplish all of our great work without the loyal support of many friends. The members in our network bring valuable insight and diverse views that help broaden and enlighten/enhance the policy debate. Our generous contributors provide the resources necessary to carry out the work. And the advice and support of our Board of Directors and Advisors helps keep us on track. So thank you. You should be proud to know that you are helping to educate Congress and promote real solutions on clean energy, climate change, transportation, agriculture and sprawl for a cleaner, safer, and healthier energy future.

Carol Werner

Energy and Climate Program



Climate change is the most serious challenge facing our world today. Energy efficiency and renewable energy technologies are a critical part of a lowcarbon, sustainable energy solution while reaping national security, environmental, economic, and public health benefits. EESI is working to "change the political climate for climate change" by educating policymakers about innovative policies, building coalitions of vital stakeholders, and advocating energy efficiency and renewable energy policies as cornerstones of national and state energy policy.

There were several significant energy and climate occurrences in 2005: skyrocketing energy prices, a record-setting hurricane season, two G8 conferences, eleven national science academies declaring "the scientific understanding of climate change is sufficiently clear to justify nations taking prompt action," and more than 195 Mayors representing over 40 million Americans agreeing to reduce greenhouse gas emissions in their communities. These and other events provided EESI and its climate network with both the opportunity and urgency to bring climate change issues into sharper focus and strengthen the groundwork for effective climate policy. Some of our major activities and accomplishments in 2005 are described below.

POLICY

Administration's FY06 Energy Budget

In February, EESI issued a summary of the budget request for U.S. Department of Energy's (DOE) and EPA Programs related to renewable energy, energy efficiency, and climate change funding. EESI's swift analysis of the Administration's proposed budget is a valuable tool for press and policy experts. With its coalition partners, EESI then called for significantly increased funding for the DOE energy efficiency and renewable energy (EE/RE) programs. EESI also partnered with the Northeast Midwest Senate Coalition and National Association of State Energy Offices to organize various letters of support and worked with an appropriations strategy group in collaboration with the House and Senate RE/EE Caucuses.

Energy Policy Act of 2005 (EPAct 05) As the Energy bill moved through Congress, EESI worked with Member offices and coalition partners to push for a renewable portfolio standard (RPS), renewable fuels standard (RFS), renewable production tax credits (PTC), solar investment tax credits, renewable resource assessment and language encouraging interconnection and net metering, as well as a host of energy efficiency policy and tax provisions. The Congress passed the Energy bill just before the August break. The final bill has both good provisions and many drawbacks. An RPS was not included, and the PTC and other tax provisions are limited to only 2 years – requiring an extension next year! In passing EPAct 05, The Senate issued a Sense of the Senate Resolution on Climate urging Congress to enact a national program of mandatory, marketbased limits and incentives to slow, stop and reverse the growth of greenhouse gas emissions.

As part of our effort to stimulate climate policy, EESI alerted policymakers, press and the public about the latest climate science and the growing evidence of significant impacts of global warming. We were increasingly concerned about the media's reporting on climate change, because they were giving equal weight to a very small number of nay-sayers. As part of our effort to counter this trend, we produced "The Scientific Consensus on Climate Change" a fact sheet summarizing eight scientific reports and international agreements that demonstrate the global scientific consensus that climate change is occurring and human activities are contributing to this change.

FY07 Energy Budget

Late in 2005, inside sources revealed that the Administration's FY 07 budget would drastically cut renewable energy programs. In response, EESI helped spearhead a bipartisan Congressional letter (signed by 126 ranking members) to the President calling for full funding of the efficiency and renewable energy provisions in the EPAct 05. Our hope was to forestall the Administration's perennial slashing of critical and effective RE/EE Programs.

OUTREACH AND NETWORKING

EESI organized numerous energy and climate Congressional briefings this year (listed in the Briefings section of this report). "Dear Colleague" (Continued on page 4)



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letters were disseminated by House and/or Senate member offices for many of our briefings, urging Members and Hill staff to attend. We have produced DVDs of select climate change briefings to reach and engage audiences who are unable to attend these events, which are available for sale. These DVDs enable the information presented at our briefings to have a longer shelf life and be used as reference material.

Two events are of particular note. We helped plan and organize the Eighth Annual Congressional Renewable Energy and Energy Efficiency Expo and Forum with the Sustainable Energy Coalition (SEC) and the House and Senate RE/EE Caucuses. EESI employed a broad range of outreach activities, including a series of "Dear Colleague" letters and floor statements regarding the connections of various technologies to jobs, energy security, competitiveness and greenhouse gas reductions. EESI organized two policy forums for the Expo, "What is the Role of Energy Efficiency and Renewable Energy in National Security?" and "Is the Energy Bill Fair to Energy Efficiency and Renewable Energy?" The Expo also included a media briefing and a session of films and speakers on renewable energy and energy efficiency topics.

Second, EESI co-hosted a symposium with the Royal Norwegian Embassy entitled, Meeting the Climate Challenge in the Arctic Region. This half-day event included presentations by Knut Vollebaek, the Norwegian Ambassador to the United States, Sens. John McCain (R-AZ) and Tom Carper (D-DE) and Rep. Wayne Gilchrest (R-MD). The symposium was such a success that it has launched an on-going collaboration between EESI and the Royal Norwegian Embassy.

Solar Decathlon

EESI personally visiting 44 Congressional offices to galvanize Congressional support for the Solar Decathlon held October 7-16 on the National Mall. Meeting with delegations of participating universities, EESI emphasized how this



"solar village" could show how we can meet our energy needs in a cleaner, more efficient and sustainable way. Our efforts generated Member visits to the Solar Decathlon, press releases, "Dear Colleague" letters, and floor statements.

Climate Change News

Published weekly, EESI's *Climate Change News* electronic newsletter goes to Congressional offices as well as a growing distribution list. Providing a news update that simply reports on domestic and international news about climate change, whether it is scientific literature, governmental or private sector actions, or conferences, Climate Change News receives excellent reviews from our Capitol Hill audience. This is an important way for us to gain increased credibility and access in many offices. This is also a useful way to keep policymakers informed on a regular basis and to provide a real sense of momentum on the issue.

A sampling of unsolicited comments on *Climate Change News:*

"We're all a big fan." "It's an outstanding resource." "It makes my life so much easier."

Publications and Speaking Engagements

In addition to "The Scientific Consensus on Climate Change," EESI produced several publications including a two briefing summaries: "Climate Change Post-2100: What are the Implications of Continued Greenhouse Gas Buildup?" and "What Does Climate Change Mean for the Arctic? How is Alaska Being Affected?

EESI presented "Subsidies: Historic, Current and the Skewing of Market Signals" (available as a publication) for the New Mexico Conference of Churches on the true costs of carbon, an event designed to help develop and implement a NM climate change plan. EESI's other 2005 energy and climate speaking engagements included:

- Metropolitan Washington Council of Governments -"Renewable Energy Policy and Markets"
- Engineering Sustainability Forum the outcomes of the Energy Policy Act of 2005
- Georgetown Law School energy policy forum

Agriculture and Renewable Energy Program



Renewable energy has the potential to create significant new income streams for farmers while yielding substantial environmental and greenhouse rewards, economic development, national energy security and public health benefits. The US agricultural sector can play an important role in mitigating emissions while helping the country cut its addiction to oil. EESI educates policymakers, builds networks and develops policy options to promote wider use of biomass for biopower, biofuels and biobased products. What follows is a description of some of our major activities and accomplishments in 2005.

POLICY

The 2002 Farm Bill Energy Title

The creation of the Energy Title was largely based an EESI policy whitepaper published in 2001. It has spurred the growth of on-farm renewable energy projects and elevated the role that these projects and farmers can play in reducing petroleum consumption. EESI places a high priority on ensuring its success as fully-funded and effective legislation. Securing funding has proven to be a formidable challenge. But our tireless efforts and concerted outreach have raised awareness and garnered praise from stakeholders nationwide.

In February, the Administration proposed significant FY06 budget cuts to several Farm Bill programs (Sec. 9006-renewable energy & energy efficiency grants and Sec. 6401-grants to farmers for rural businesses). As in years past, EESI launched into action to restore the funding; we spearheaded bipartisan "Dear Colleague" letters sent to appropriators, signed by **34** Representatives and **17** Senators as well as a coalition letter to House appropriators. EESI issued press releases, sent updates to our extensive network, and posted information on our website. The House and Senate fully restored FY06 funding for Section 9006 at \$23 million.

Farm Bill Sec. 9002 - Federal Procurement of Biobased Products

USDA finally released the first of several rulings designating 83 categories of biobased products from

which federal agencies will be expected to preferentially procure. Biobased products can help wean us off oil, thereby improving energy security and providing a revenue source for our agriculture sector. With Senator Harkin's (D-IA) office, the National Corn Growers Association, the United Soybean Board and others, EESI organized a biobased product showcase on June 7. This "Congress only" event featured 20 biobased product vendors. The showcase was designed to raise awareness of the procurement program and highlight for Members of Congress and procurement officials the urgent need to implement it.

Farm Bill reauthorization in 2007

EESI is dedicated to expanding the role for renewable energy, biofuels and biobased products in the farm bill reauthorization. EESI conducted significant outreach regarding USDA Farm Bill Forums held in more than 40 states, by sending out dozens of forum announcements, creating a new web page and telephoning more than 350 network members to encourage their participation. In the process, EESI learned about new activities and technologies, giving us even more information for our work with coalitions and Congressional offices.

Energy Policy Act of 2005 (EPAct 05)

Although many provisions send policy in the wrong direction, EPAct 05 contains some valuable provisions. EESI worked with Senators Lugar and Harkin to include significant biofuels, biobased products and biopower provisions. New grant and loan programs will now give biomass renewable energy projects a step-up in the growing renewable market. EESI helped develop tax credit policy proposals and other incentives in EPAct 05. Provisions like the Renewable Energy Production Tax Credit, which was extended for another two years, and Renewable Energy Bonds (for public power) are important tools for renewable energy projects to obtain financing.

Renewable Fuel Standard (RFS)

EESI continued to promote a RFS and several proposals were introduced in Congress. A requirement that 7.5 billion gallons of biofuels (including ethanol and biodiesel) be utilized by 2012

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(more than double the current market), passed as part of EPAct 05. Moreover, it includes a special incentive for cellulosic or waste-derived ethanol. While this target will likely be achieved much sooner than 2012 (2004 ethanol production was around 3.4 billion gallons), nonetheless the RFS is an important policy tool for the emerging biodiesel and cellulosic ethanol industries. EESI worked closely with a national coalition that included agricultural groups and the ethanol and biodiesel industries. EESI sponsored a RFS Congressional Briefing, kept our network up-todate on legislation status and educated Congressional staffers about the importance of biofuels and opportunities to co-sponsor pivotal legislation.

Thank you for all your organization did to help pass the 7.5 billion gallon RFS [Renewable Fuel Standard]...This bill is going to encourage new technologies, new feedstocks and new capital into the marketplace that will transform the industry, making the U.S. the world's leading biofuels producer and lowering transportation fuel costs for consumers. None of this would have been possible without your organization's strong support. —Bob Dinneen, President, Renewable Fuels Association

Workable Biomass Incentives

EESI is one of three team members working on a 3year project to develop effective incentives to promote biorefineries (facilities that process biomass into one or more enc-products – biofuels, biopower/ cogeneration thermal energy, or biobased products/ biochemicals). Success of the biorefinery model will boost profit margins for farmers and rural communities because of the co-products being produced. While still in progress, our research has already provided us with valuable information to share with Members of Congress, partners, and coalitions. This research will eventually be used to create local, state and federal model incentives for biorefineries.

OUTREACH AND NETWORKING

Speaking Engagements

As EESI staff traveled across the country speaking at conferences and workshops, we never missed an opportunity to bring attention to the highly successful Farm Bill Energy Title programs, while stressing the need for pressure on Members' offices to maintain funding. EESI's 2005 agriculture and energy speaking engagements included:

- Natl. Assoc. of State Energy Offices Annual Meeting
- American Council on Renewable Energy (ACORE)/ Power Gen Trade Show
- Two Governor's Ethanol Coalition Meetings in DC
- USDA Rural Development/NASEO Webcast on Section 9006
- DC Area Council of Governments
- New Mexico Council of Churches—Workshop on Climate Change and Energy Subsidies
- Engineering Forum on Sustainability
- Environmental Law and Policy Center
- National Center for Appropriate Technology

BCO: Bioenergy/Climate Protection/Oil

Reduction

EESI continues to publish our highly acclaimed BCO newsletter, which reached over 900 readers worldwide in 2005. Editions have included detailed status reports on energy and agriculture legislation; a summary of biomass-related provisions from the EPAct 05; federal, state and local biomass initiatives; as well as the latest academic research relating to bioenergy. BCO is so well respected that a number of other organizations disseminate it to their own networks including RenewableEnergyAccess, a State of Michigan Biomass List Serve, and the Harvesting Clean Energy Network.

Ethanol and Net Energy Balance

EESI is very concerned about the misinformation generated by Dr. Pimentel's article that incorrectly claimed ethanol production used more energy than it produced. We tackled the problem on many fronts. John Sheehan, Senior Engineer, Biotechnology Division, National Renewable Energy Laboratory, provided an excellent presentation at EESI's RFS – Biofuels Congressional briefing. He also wrote a commentary, *Response to Pimentel-Patzek Article on Biofuels*, for our July 2005 issue of *BCO* refuting the Pimentel-Patzek study. This topic has been a key element in many of our speeches across the country.

Transportation Program



Transportation accounts for more than two-thirds of US oil consumption and produces almost onethird of the US greenhouse gas emissions. Utilizing cleaner, more sustainable transportation vehicles and fuels is critical to the transition to a clean energy future. Buses are the largest component of nationwide transit and more than 450,000 school buses transport 24 million children each year. **EESI's National Clean Bus Project supports the** development and deployment of buses using cleaner fuels and advanced vehicle technologies to reduce diesel emissions and petroleum consumption. To advance this effort, EESI coordinates the National Clean Bus Network, a coalition of stakeholders from industry, academia, government agencies, the public interest sector and Congress working to improve public health, national energy security and protect the environment through alternative transportation investments.

POLICY

The Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy For Users" (SAFETEA-LU)

After numerous extensions, the "Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy For Users" (SAFETEA-LU) was signed into law on August 10. It authorizes \$286.5 billion in guaranteed funding over six years for federal highways and transit programs. During the lengthy reauthorization process, EESI educated policymakers about the value of both the Congestion Mitigation and Air Quality (CMAQ) Program - the primary source of funding for cleaner transit projects - and the Clean Fuels Grant Program - designed specifically to promote the use of alternative fuels and advanced technologies in buses. EESI helped defend the CMAQ Program from significant funding cuts; ultimately it received a modest funding increase. We were pleased that the final transportation bill authorized the Clean Fuels Grant Program at \$238.1 million over five years because this program is a critical funding source for clean bus purchases. Now, ensuring that funds are appropriated for this program each year will be essential. EESI prepared an analysis of key provisions of SAFETEA-LU for stakeholders. We

also submitted comments to the Federal Transit Administration on behalf of the Network regarding implementation of SAFETEA-LU. And, for the first time ever in transportation policy, due to EESI's efforts, "the protection and improvement of public health" is a priority in consideration of CMAO projects.

"We were so successful only because groups like EESI sprung into action...Thanks for all your help. It went a long way." —Beth Osborne, Sen. Carper's

National Idle Reduction Plan

The Department of Energy (DOE) invited EESI to comment on a National Idle Reduction Plan developed jointly by the Environmental Protection Agency (EPA), DOE and the Department of Transportation (DOT). The Plan will address available technologies, finance incentives, regulatory approaches and outreach mechanisms to reduce idling nationwide. DOE will be working with EESI to increase policy maker awareness and education on idle reduction in conjunction with the release of the plan in 2006.

Federal Highway Administration (FHWA) Rescissions

In January 2005, EESI became aware of a directive issued by the FHWA requiring states to return a total of \$1.2 billion in previously allocated highway program dollars, a process known as a "rescission" of program balances. Each state can decide which program funds to return. During prior rescissions, states returned millions of dollars in Congestion Mitigation and Air Quality Program (CMAQ) money, even those with serious air quality problems. CMAQ money is a major source of funding for cleaner transportation projects, so the loss of funds is a major concern. EESI alerted its National Clean Bus Network of this rescission directive and provided suggestions for action. Several members of the network responded immediately, asking EESI for further assistance. In response, EESI prepared a rescission tool kit for use by clean bus manufacturers and their customers including fleet managers and transit officials. The toolkit included a state by state analysis of CMAQ

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fund obligations and information on how to engage decision makers. EESI also spoke on this topic at a national meeting of Clean Cities Coordinators.

OUTREACH AND NETWORKING

National Clean Bus Leadership

<u>Recognition Program</u> EESI's third National Clean Bus Leadership Recognition Program selected six bus fleets from across the country for their leadership in



adopting strategies that improve air quality while reducing petroleum consumption and greenhouse gas emissions. EESI received over 30 nominations. Diversity of fleet size, duplicability, location, resources, contribution to future clean air goals, strategies, and educational outreach, were considered in the selection. Recognized fleets included Santa Clara Valley Transportation Authority (CA), Yosemite National Park (CA), Cook-Illinois Corporation (IL), Medford Township Public School District (NJ), Fresno County Rural Transit Agency (CA), and Colorado Springs School Districts 11 and 20 (CO).

Response to the program was phenomenal. Senator Barbara Boxer (D-CA) lauded the achievement of the three California fleets. DOE's Clean Cities Program, EPA's Clean School Bus website and a number of publications, such as the *School Transportation News*, *Biodiesel Magazine, Burlington County Times*, *National Biodiesel Bulletin* and *Soy Daily* featured stories on these 'clean' fleets. Pacific Gas and Electric Company, on behalf of EESI, presented Fresno County Rural Transit Agency an award at the Operation Clean Air Summit in Fresno on October 27th.

Congressional Briefings

EESI organized a number of Congressional briefings highlighting public health concerns linked with transportation-related air pollution (see Briefings section). These events attracted capacity audiences, media coverage and were well received by Congressional staff. <u>Public Health, Clean Air and</u> <u>Energy: Moving Transportation towards Cleaner,</u> <u>More Efficient Solutions</u> was co-sponsored by Representatives Earl Blumenauer (D-OR) and Christopher Shays (R-CT). <u>The Crisis in Children's</u> <u>Environmental Health</u> was co-sponsored by Senators Barack Obama (D-IL), Frank Lautenberg (D-NJ), Hillary Clinton (D-NY), and James Jeffords (I-VT).

EESI forums impact policy formation. For example, staffers were greatly stirred by a powerful presentation made by Dr. Lynn Goldman, a Johns Hopkins University Environmental Health Sciences professor, on the impact of mercury on children's health, particularly her comments on EPA's Mercury Rule. Following the briefing, 27 Senators (including many represented at the briefing) filed a resolution requiring EPA to review and redo its Mercury Rule.

National Clean Bus Update

The National Clean Bus Update, EESI's monthly electronic newsletter, underwent a structural and aesthetic review. In addition to clean bus technology developments, grant announcements, success stories, policy updates and other information, the publication broadened its scope to include information on other emission reduction and energy efficiency technologies for heavy-duty vehicles (e.g., idling reduction), as well as health impacts of transportation-related air pollution. The newsletter is a valuable resource for transit officials, technology providers, federal, state and local officials. Articles from the Update regularly appear in DOE's National Idle Reduction News, CarLines, a bi-monthly newsletter by Michael P. Walsh (a clean automotive technology expert) and the Natural Gas Vehicle Coalition's newsletter.

Fact Sheets

EESI produced a fact sheet on *The Crisis in Children's Environmental Health – Policy Implications* focused on the health impacts of exposure to transportationrelated air pollution. EESI also produced a fact sheet on *School Buses and Children's Health* for the National School Boards Association for use at the Council of Urban Boards of Education's Annual Conference in October. The fact sheet focused on the health impacts of diesel exhaust and options for schools to reduce exposure through anti-idling measures, retrofit and replacement of dirty school buses and the use of cleaner fuels like biodiesel.

Energy and Smart Growth Program

EESI's Sustainable Communities Program focuses on highlighting and strengthening the connections between energy and smart growth. Through our work, we seek to encourage energy efficiency and the use of renewable energy resources in land-use planning and smart growth policies. To promote energy-efficient community design and increase the use of local renewable energy technologies, EESI promotes: 1) better integration of energy policy and planning policy at the federal, state and local levels; 2) greater inclusion of energy efficient/renewable energy techniques in development and design decisions; 3) identification of viable models/"best practices" for replication in other states and communities; and 4) improved research and tools to evaluate the energy value of different community and building designs.

POLICY

EESI spoke at a briefing sponsored by the Senate Smart Growth Task Force, "*Green Communities: Building Location-Efficient, Healthy and Energy-Conserving Homes.*" EESI's presentation, *Building the Case for Energy Smart Growth*, prompted followup requests by staff members of Senators James Jeffords (D-VT), Carl Levin (D-MI), and Joe Lieberman (D-CT).

At EPA's request, EESI reviewed and commented on a set of policies designed to aid governors in the implementing smart growth practices in communities. This new EPA document is entitled "Getting to Smart Growth: Energy Policy Options for Governors."

OUTREACH AND NETWORKING

Energy Smart White Paper

EESI continues to distribute our research paper *Energy* and Smart Growth: It's about How and Where We Build, published by the Smart Growth Funders' Network. The paper has a growing audience and has become an important resource. For example, we learned that the Enterprise Foundation used our *Energy and Smart Growth* paper extensively as a resource in the development of their Green Communities program.



Partnership with the American Planning Association

We are very excited about the excellent partnership we have formed with the American Planning Association (APA) to educate U.S. planners about energy issues. Together, we surveyed almost 5,000 of the APA's national membership of planners to determine their current level of energy awareness and in what format energy and climate change information would be best received. Survey results indicated that urban and regional planners are highly interested in energy issues but often have difficulty implementing energy solutions due to a lack of information, training, tools and technical support. Respondents indicated that high utility bills are the primary motivating factor for energy concerns for their communities. Air pollution ranked second and one-quarter of respondents indicated that climate change concerns are motivating their communities to address energy issues.

The partnership project has created a new joint webpage <u>http://www.planning.org/energy/</u>, linked to both the APA and EESI sites to provide planners with more energy information. EESI and APA plan to continue our partnership, pursing opportunities to respond to the needs expressed by planners in the survey.

US Green Building Council (GBC)

EESI worked with the US Green Building Council on their new effort to have green building certifications pay more attention to smart growth and neighborhood design. We stressed the need for the GBC LEED (Leadership in Energy and Environmental Design) programs to be well-coordinated and to ensure that energy gets maximum emphasis in the new rating.

In speaking engagements and meetings with Congressional allies, EESI raised the need to apply "energy smart" smart growth principles and to employ green buildings in the rebuilding after the hurricane devastation to the Gulf coast.



Congressional Briefings

EESI coordinated 27 Congressional briefings and forums in 2005. We are proud to have consistently strong and often "standing room only" briefing attendance. EESI's highly respected Congressional forums create issue visibility and play a unique and vital role in the policy process. They spur



hearings, develop Congressional leadership, spawn media coverage, and affect policy positions. Senior Congressional staff and the many groups we work with tell us that EESI briefings are extremely valuable, timely and absolutely necessary—and have asked us to do more briefings because this kind of education and visibility is critical.

Our briefing panels provide a variety of perspectives, bringing diverse and often underrepresented views to the policy debate. EESI Congressional briefings disseminate information to a broad audience. Briefing notices are posted on our website and are distributed to all Congressional offices and to a large database of more than 6,000 individuals/organizations, including media, many state/local officials, academics and grassroots organizations across the country. Our briefing notices themselves are educational, designed to provide context and information about the issues to be covered, so education occurs even if people are unable to attend. Following each briefing, we post speaker presentations on our website. Briefings build valuable connections among panelists and between panelists and audience members. Networking alone can make the whole effort worthwhile.

EESI produces DVDs of select briefings to share the valuable information with a wider audience. These DVDs are available for sale. In 2005, EESI produced a DVD of two briefings; our "*Agriculture and Climate*



Change: Threats and Opportunities" and "What Does Climate Change Mean for the Arctic? How is Alaska Being Affected?" briefings. Combined Heat and Power's Contribution to Alleviating Tight Natural Gas Markets - 1/31/05

- Bruce Henning, Energy and Environmental Analysis
- Richard Campbell, Dupont Corporation
- Catherine Van Way, Cummins, Inc.; Chair, US Combined Heat and Power Assoc. Policy Committee

Geothermal Energy: Heating Up the Renewable Energy Portfolio - 2/8/05

- Karl Gawell, Executive Director, Geothermal Energy Association
- Matthew Brown, Energy Program Director, National Conference of State Legislatures
- **Roger Hill**, Technical Director for GeoPowering the West, Sandia National Lab., Albuquerque, NM
- Charlene Wardlow, Manager of Development Permitting, Calpine Corporation, Middletown, CA

An Energy Policy Opportunity: Realizing the Promise of Combined Heat and Power - 2/23/05.

- **Dr. Bruce Hedman**, Energy and Environmental Analysis
- **Tim Daniels**, New York City Economic Development Corporation
- John Jimison, Executive Director, US Combined Heat and Power Association

3-Briefing Series - *The Quality of the Nation's Water: What Do We Know and How Can We Know More?*

- Water Quality Monitoring: Answers It Provides for Water Quality Protection - 2/25/05
- Robin O'Malley, Heinz Center for Science, Economics & Environment
- **Tim Miller**, Chief, US Geological Survey (USGS), Office of Water Quality
- **Dr. Michael Shapiro**, Deputy Assistant Administrator for Water, Environmental Protection Agency (EPA)
- Sally Knowles, SC Dept of Health and Environmental Control

Moving from Monitoring to Prediction: The Quality of the Nation's Streams - 3/4/05

- Eileen O'Neill, Managing Director, Technical and Educational Services, Water Environment Federation
- Richard Alexander, USGS Scientist
- Dr. Richard Smith, USGS Scientist
- Keith Robinson, New Hampshire USGS Scientist
- Laura Blake, New England Interstate Water Pollution Control Commission



- Moving from Monitoring to Prediction: The Quality of the Nation's Ground Water 3/11/05
- Lynn Orphan, President, Water Environment Federation
- Tom Nolan, USGS Scientist
- Scott Ator, Maryland USGS Scientist
- Keith Robinson, New Hampshire USGS Scientist
- What Does Climate Change Mean for the Arctic? How is Alaska Being Affected? - 3/15/05
- **Dr. Robert Corell**, Chair, Arctic Climate Impact Assessment (ACIA); Senior Policy Fellow, Policy Program of the American Meteorological Society
- **Dr. Pål Prestrud**, Vice-Chair, ACIA; Director, Center for International Climate and Environmental Research, (CICERO), Oslo, Norway
- **Dr. Heidi Cullen**, Climate Expert, The Weather Channel, formerly with the National Center for Atmospheric Research

"EESI's briefings on Capitol Hill are very well attended... It is a testimony to the objective, factoriented, credible approach that you take to these seminars. It is a tremendous service to policy development." - L. R. Lawrence, Jr., President, Bob Lawrence and Associates

Energy Efficiency: FY2006 Budget and Policy Review – 4/14/05

- **Bill Prindle,** Deputy Director, American Council for an Energy-Efficient Economy
- Jeff Genzer, General Counsel, National Association of State Energy Officials; Partner, Duncan, Weinberg, Genzer & Pembroke
- **Deborah Estes**, Minority Counsel, Senate Energy and Natural Resources Committee

Renewable Energy: How Does It Fit Into the FY2006 Budget and Energy Bill? – 415/05

- **Fred Sissine**, Energy Policy Analyst, Congressional Research Service
- Valerie West, Natural Resources Director, Office of Sen. Gordon Smith (R-OR)
- **Karl Gawell**, Executive Director, Geothermal Energy Assoc.
- Rhone Resch, Executive Director, Solar Energy Industries Association
- **Bob Dinneen**, President & CEO, Renewable Fuels Association

- Greenhouse Gas Emissions Trading: How the U.S. Could Tap the Carbon Market - 4/25/05
- **Robert Donkers,** Environment Counselor, European Commission
- Dr. Michael J. Walsh, Senior Vice President, Chicago Climate Exchange
- Josh Bushinsky, State Solutions Fellow, Pew Center on Global Climate Change

Reliable Energy Data: The Role of the Energy Information Administration in Changing Energy Markets - 5/12/05

- Dr. David Wyss, Senior. Economist, Standard & Poor's
- Daniel Aschenbach, Senior Vice President, Moody's Investors Service
- Matthew R. Simmons, Chair, Simmons & Co. Int'l
- Robert McNally, Tudor Investments

Agriculture and Climate Change: Threats and Opportunities – 5/24/05

- Dr. Stephen Long, Professor of Crop Sciences, University of Illinois, Urbana-Champaign
- **Dr. George Frisvold**, Assoc. Professor, Agricultural and Resource Economics, University of Arizona
- Michael Bowman, Steering Comm. Member, 25x'25; Board Member of Colorado Renewable Energy Forum

The Economic, Environmental, Public Health and Energy Security Benefits of Biobased Products A Biobased Products Showcase and Panel ("Members Only" event) – 6/7/05

Cosponsored by the Environmental and Energy Study Institute, American Farm Bureau Federation, American Soybean Association, National Corn Growers Association and the National Farmers Union with Senators Tom Harkin (D-IA) and Richard Lugar (R-IN). Senators, Representatives and Congressional staff viewed displays and interacted with more than 20 manufacturers.

- Sen. Tom Harkin (D-IA)
- Dr. Stanley Johnson, Iowa State University
- **Dr. Phyllis Johnson**, Director of the Beltsville Agricultural Research Center, USDA
- Dave Nelson, farmer, Iowa Com Growers Assoc.



(Continued on page 12)



(Continued from page 11)

Meeting the Climate Challenge in the Arctic Region: A Symposium with the Norwegian Embassy - 6/9/05

- Knut Vollebaek, Norwegian Ambassador to the US
- Sen. John McCain (R-AZ)
- Jan Petersen, Norwegian Minister of Foreign Affairs
- **Dr. Gordon McBean**, Lead Author, Arctic Climate Impact Assessment (ACIA); Professor, University of Western Ontario
- **Dr. Olav Orheim**, Director, Norwegian Polar Institute, Tromsoe, Norway
- **Dr. Helge Drange**, Director, G.C. Rieber Climate Institute; Res. Leader, Bjerknes Centre for Climate Research
- **Dr. James E. Hansen**, Director, NASA Goddard Institute for Space Studies, NY
- **Dr. Michael J. Prather**, Fred Kavli, Professor & Chair, Department of Earth System Science, University of California Irvine
- Rep. Wayne Gilchrest (R-MD)
- **Dr. Pål Prestrud**, Vice-Chair, ACIA and Director, Center for International Climate and Environmental Research, Oslo, Norway
- Michelle Wyman, Executive Director, International Council for Local Environmental Initiatives, USA Office
- **Donald Goldberg**, Senior Attorney, Center for International Environmental Law (CIEL)
- Sen. Tom Carper (D-DE)

The Crisis in Children's Environmental Health – 6/10/05

- **Dr. W. James Gauderman**, Associate Professor, Keck School of Medicine, University of Southern California
- **Dr. Janice J. Kim**, Office of Environmental Health Hazard Assessment, CA Environmental Protection Agency
- Dr. Lynn R. Goldman, Professor, Department of Environmental Health Sciences, Johns Hopkins University, Bloomberg School of Public Health

Eighth Annual Congressional Renewable Energy and Energy Efficiency Expo and Forum - 6/21/05

- Forum "What is the Role of Energy Efficiency and Renewable Energy in National Security?"
- Carol Werner, Executive Director, EESI
- Scott Sklar, President, The Stella Group, Ltd.

- Bob Dinneen, President, Renewable Fuels Association
- **Milt Copulos**, President, National Defense Council Foundation

Forum – "Is the Energy Bill Fair to Energy Efficiency and Renewable Energy?"

- Anna Aurilio, Legislative Director, US Public Interest Research Group
- **Karl Gawell**, Executive Director, Geothermal Energy Association
- Kara Rinaldi, Policy Director, Alliance to Save Energy
- **Rhone Resch**, Executive Director, Solar Energy Industries Association

Home, Farm & Community Wind Energy Systems: Reaching the Next Level – 6/22/05

- Michael Bergey, President, Bergey Windpower
- Sean Middleton, Manager of Engineering, Illinois Rural Electric Cooperative
- Andy Kruse, VP, Sales & Marketing, Southwest Windpower
- Henry DuPont, Managing Dir., Lorax Energy Systems

The Investor Community and Climate Change – 6/27/05

- Rep. Christopher Shays (R-CT)
- Will Ferretti, Executive Director, GLOBE USA
- Carol Werner, Executive Director, EESI
- David Gardiner, Senior Advisor, Ceres
- Meredith Miller, Assistant Treasurer for Policy, Office of Connecticut State Treasurer
- John Stowell, Vice President, Federal Affairs, Environmental Strategy and Sustainability, Cinergy Corp.

G8: Addressing Energy Security and Climate Change – 6/30/05

- **Rep. Wayne Gilchrest** (R-MD), Co-chair, House Climate Change Caucus
- Christian Turner, First Secretary for Energy and Environment, British Embassy

Biofuels and the Energy Bill: Opportunities for Reducing US Oil Dependence – 7/14/05

- Rep. Gil Gutknecht (R-MN)
- Aaron Whitesel, Legislative Assistant, Office of Senator Richard Lugar (R-IN)
- **Dr. Gal Luft,** Executive Director, Institute for the Analysis of Global Security; Set America Free Coalition
- John Sheehan, Senior Engineer, Biotechnology Division, National Renewable Energy Lab (NREL)



"Your organization is providing very important information to the Congressional staff/stakeholders, so keep up the good work." —Dr. Janice Kim, Air Toxicology and Epidemiology Section, CA Office of Environmental Health Hazard Assessment

Public Health, Clean Air and Energy: Moving Transportation Towards Cleaner, More Efficient Solutions – 7/18/05

- Rep. Christopher Shays (R-CT)
- **Dr. George D. Thurston**, Assoc. Prof. of Environmental Medicine, New York University; Deputy Director, NYU's EPA Particulate Matter Research Center
- **Dr. Joseph Romm**, Executive Director, Center for Energy & Climate Solutions; former Acting Assistant Secretary, US DOE Office of Energy Efficiency and Renewable Energy
- Kevin O' Connor, Senior Project Leader, Center for Transportation Technologies & Systems, NREL

Multi-Family Housing: An Underserved Market for Combined Heat and Power (CHP) - 9/19/05

- **Bruce Hedman**, Director, Energy and Environmental Analysis, Inc.
- **Dennis Moran**, Director, Mid-Atlantic Regional CHP Application Center
- **Robert Groberg**, Energy Management Officer, HUD, Office of Environment and Energy in Community Planning and Development

After the Energy Bill: What Needs to Be Done for Distributed Energy and Why? - 10/3/05

- John Jimison, Exec. Dir., US Combined Heat and Power Assoc.
- **Rob Thornton**, President, International District Energy Association
- William Prindle, Deputy Director, American Council for an Energy-Efficient Economy
- Brian Henneberry, Director, Federal Relations, Calpine Corporation

The Power of Solar: Technologies and Policies That Enable the Solar Energy Market to Grow -10/6/05

- Kris Mayes, Commissioner, Arizona Corporation Commission;
- Kevin Moran, Director, Western Governors' Association, Washington DC Office;
- Jane Weissman, Executive Director, Interstate

Renewable Energy Council; Co-Director, North American Board of Certified Energy Practitioners

- Lee Smith, Managing Director, National Photovoltaic Construction Partnership
- Ed Smeloff, Senior Manager for Project Development, Sharp Solar
- Chris O'Brien, Chair, Solar Energy Industries Association

Energy Emergencies, Higher Prices: What Needs to Be Done? – 10/12/05

- **Guy Caruso**, Administrator, Energy Information Administration
- Jeffrey Pillon, Chair, Energy Data and Security Committee, National Association of State Energy Officials
- Allan Bedwell, Deputy Secretary, Florida Department of Environmental Protection
- **Peter Smith**, President, New York State Energy Research and Development Authority
- Mark Wolfe, Executive Director, National Energy Assistance Directors' Association

Renewable Energy in America: Policies for Phase II – A National Policy Forum – 10/17-18/05

Organized by the American Council on Renewable Energy in conjunction with EESI and US Congress Renewable Energy and Energy Efficiency Caucus.

From the G8+5 to COP/MOP: How Countries Are Seeking to Address Climate Change Together -11/8/05

- **Jim Reilly**, Senior Energy and Environment Advisor, British Embassy
- Sharon Lee Smith, Director General, International Policy Division, Global Climate Affairs, Environment Canada (accompanied by Jean Boutet, Senior Department Policy Advisor, Office of Stephane Dion, Minister of the Environment; Chair, Montreal United Nations Climate Change Conference)

Recycled Energy and Regional CHP Application Centers: A Local Energy Solution - 12/14/05

- Suzanne Watson, Watson Strategy Group
- Sandy Glatt, U.S. Department of Energy
- Erin Russell Story, Northeast CHP Initiative
- Louay M. Chamra, Mississippi State University
- Ted Bronson, Power Equipment Associates



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- Roger Duncan, Deputy General Manager, Austin Energy

Bob Edgar, General Secretary of the National Council of the Churches of Christ in the USA ; ordained United Methodist Church Minister; former Member of Congress (D-PA)

Christopher Flavin, President, World Watch Institute

Gilbert Gude, Writer and Lecturer; former Member of Congress (R-MD); former Director, Congressional Research Service, Library of Congress

- **Elliott Laws,** Counsel, Pillsbury, Winthrop, Shaw, and Pittman; former President of Safety, Health and Environment for Texaco Inc.; former EPA Assistant Administrator for Solid Waste and Emergency Response
- Ruth Patrick, Ph.D. Senior Curator, Academy of Natural Sciences of Philadelphia
- **Chris Schepis**, Schepis Group, former Government Affairs Rep. with National Farmers Union; former House and Senate Staffer
- Jeff Seabright, Vice President, Environment and Water, The Coca Cola Company; former Director of Energy, Environment & Technology, Agency for International Development; former Executive Director of the White House Climate Change Task Force

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- **Donna Wise**, Consultant; former Vice President, Communications, World Resources Institute; former President, Center for the Great Lakes



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EESI also extends its deepest gratitude to the many companies and individuals who have donated to us through Earth Share workplace giving campaigns.

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Our thanks and appreciation also goes to our other contributors

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Statements of Financial Position

December 31,	2005
ASSETS	
CURRENT ASSETS	
Cash	\$110,392
Interest receivable	16,890
Grants and contributions receivable	79,858
Prepaid expenses	7,992
TOTAL CURRENT ASSETS	215,132
INVESTMENTS	2,127,741
PROPERTY AND EQUIPMENT, net of accumulated	
depreciation and amortization	13,439
DEPOSITS	6,159
TOTAL ASSETS	\$2,362,471
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	5,111
Accrued vacation	54,930
TOTAL CURRENT LIABILITIES	60,041
NET ASSETS	
Unrestricted	2,149,930
Temporarily restricted	152,500
TOTAL NET ASSETS	2,302,430
TOTAL LIABILITIES AND NET ASSETS	\$2,362,471

Excerpt from report of independent auditors Drolet + Associates, PLLC for year ending 2005. Complete audited financial statement available upon request.

Statements of Activities



For the Year Ended December 31, 2005

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Grants and contributions	\$362,629	\$152,500	\$515,129
Earth share	48,601		48,601
Other	1,079		1,079
Investment income	74,254		74,254
Net assets released from restrictions	263,336	(263,336)	0
TOTAL REVENUE	749,899	(110,836)	639,063
EXPENSES			
Programs			
Transportation/Smart Growth	113,419		113,419
Energy and Climate Change/Agriculture	390,257		390,257
Total Programs	503,676		503,676
General and administrative	68,303		68,303
Development	50,157		50,157
TOTAL EXPENSES	622,136		622,136
CHANGE IN NET ASSETS	127,763	(110,836)	16,927
NET ASSETS, BEGINNING OF YEAR	2,022,167	263,336	2,285,503
NET ASSETS, END OF YEAR	\$2,149,930	\$152,500	\$2,302,430

Excerpt from report of independent auditors Drolet + Associates, PLLC for year ending 2005. Complete audited financial statement available upon request.

122 C Street, NW Suite 630 Washington, DC 20001-2148

EESI'S MISSION

EESI's mission is to promote environmentally sustainable societies through transitions to social and economic patterns that sustain people, the environment and the natural resources upon which present and future generations depend.

OUR CONCERN

EESI is dedicated to moving the country towards a sustainable, renewable energy path for a cleaner, healthier, safer future.

WHO WE ARE

EESI was established in 1984 by a bipartisan group of Congressional leaders. Today we utilize our strong relationship with Congress as well as our diverse, nationwide network of stakeholders to promote solutions on clean energy, climate change, transportation, agriculture and smart growth.

WHAT WE DO

EESI educates policymakers, develops innovative policy solutions, and provides credible, timely science, technology and policy information through Congressional briefings, publications, workshops, media outreach, coalition building, and task forces. Our primary audience is federal policymakers and those that influence them.

EESI Staff

Carol Werner, Executive Director Ruth Lampi, Director of Development Janis Couch, Director of Finance & Administration Fredric Beck, Senior Policy Associate Naomi Friedman, Consultant Theresa Murzyn, Communications Coordinator
Shefali Ranganathan, Policy Analyst, Transportation Program
Jetta Wong, Policy Analyst, Agriculture and Energy Program
Alexandra Morel, Policy Analyst, Agriculture and Energy Program (1/05-8/05)