

"Never has it been more urgent to move away from fossil fuels and invest in energy efficiency and renewable energy. At EESI, we are committed to advancing policy solutions based on sound science and input from a variety of stakeholders. Working together, we can slow the effects of global warming, strengthen our economy and national security, and create healthy, sustainable communities."

- Carol Werner EESI Executive Director









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www.eesi.org www.facebook.com/eesionline www.twitter.com/eesionline www.youtube.com/eesionline

EESI is a non-profit 501(c)(3) organization. Contributions are tax deductible to the fullest extent of the law. EIN: 52-1268030



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The Environmental and Energy Study Institute (EESI)

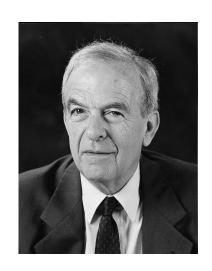
is a non-profit organization that advances innovative policy solutions that set us on a cleaner, more secure and sustainable energy path. We believe that **energy efficiency**, **renewable energy**, and **sustainable buildings**, **transportation**, **and land management practices** can address some of the most important challenges of our time: climate change, the economy, national security, and public health. Our three-pronged approach for effecting change is based on **policymaker education**, **coalition building**, and **policy development**.

EESI was founded by a bipartisan Congressional caucus in 1984, and today is governed by a diverse Board of Directors made up of environmental, business, academic, and former political leaders. Now an independent organization that receives no Congressional funding, EESI maintains its strong relationship with Congress and serves as a trusted source of credible, non-partisan information on energy and environment solutions.



"EESI has been most instrumental in educating Congress and the public on environmental protection, the need for regulation, and promoting energy efficiency and renewable energy."

- Dick Ottinger



EESI and Dick Ottinger: A look back at history

The Environmental and Energy Study Institute owes its roots to former Congressman Dick Ottinger (D-NY) and other visionary Members of Congress from decades past.

Serving from 1965-1971 and 1975-1985, Dick was among the first environmentalists in Congress. He saw a need to educate Members of Congress about environmental issues and to advance innovative policy solutions. Together with John Heinz (R-PA), Morris Udall (D-AZ), Gilbert Gude (R-MD), John Seiberling (D-OH), and others, Dick founded the Environmental Study Group, one of the first issue caucuses on Capitol Hill and predecessor to EESI.

The bipartisan study group proved to be vital to the passage of landmark environmental laws such as the Clean Air Act and the Clean Water Act. When Congress eventually limited the ways in which Congressional office funds could be used for issue groups, Dick and his colleagues knew they had to find a way to continue the group's critical work. In 1984, they transformed the group into an independent nonprofit organization that receives no Congressional funding — creating the Environmental and Energy Study Institute.

Dick served for many years as Board Chairman, guiding EESI as it has advanced solutions that benefit our nation's economy, security, environment and health. "EESI has been most instrumental in educating Congress and the public on environmental protection, the need for regulation, and promoting energy efficiency and renewable energy," says Dick.

In December 2010, Dick turned the Chairmanship over to Jared Blum, a leader in the energy efficiency industry. With many new faces in Congress and urgent energy and environmental challenges facing our nation, both Dick and Jared say that EESI's work is far from over.

Dick, who still serves on our Board as Chairman Emeritus, remains confident of EESI's influence on Capitol Hill during these challenging times: "EESI is a decisive force in bringing together coalitions of stakeholders to reach innovative, win-win policy solutions that can actually become law."



John Holdren, President Obama's science advisor, toasts Dick Ottinger for his many years of environmental leadership and service as EESI's Board Chairman at our reception on Capitol Hill.

Accomplishments EESI's Top Ten in 2010

Showed our nation's policymakers that clean energy and a healthy economy go hand in hand.

EESI highlighted the latest economic research and local stakeholder feedback on the economic and job creation benefits of addressing climate change and investing in renewable energy, energy efficiency, and public transportation through briefings, webinars, meetings with Congressional staff and partners, and stories on our website and social media. Staff from nearly 100 Congressional offices attended briefings in this series.

Demonstrated that climate change and oil dependence are national security issues.

Climate change and U.S. dependence on oil are national security risks. EESI published a paper on the role of climate change as a "threat multiplier." We brought Vice Admiral Dennis McGinn, U.S. Navy (Ret.), Brigadier General Gerald Galloway, U.S. Army (Ret.), and other leaders in the defense community to brief Congressional staff and the public on why and how the military is helping lead the transition from fossil fuels to clean energy.

Testified before Congress on high performance green buildings.

EESI testified before the U.S. Congress on the importance of the federal government's incorporation of high performance building practices into the renovation and construction of U.S. government buildings. With about three billion square feet of floor space, the federal government has an opportunity to lead by example and drive the high performance building market.



EESI's Ellen Vaughan testifies before the Subcommittee on Management, Organization and Procurement, part of the House Committee on Oversight and Government Reform.



Brought U.S. policymakers lessons learned from other countries pursuing low-carbon economies.

EESI partnered with the Swiss Embassy to convene a high-level dialogue between Doris Leuthard, the Swiss President, and senior U.S. officials on developing a clean energy economy. We also worked with the Nordic Council to bring speakers from Denmark, Sweden, Norway, Finland, and Iceland to Capitol Hill to tell the stories of how their nations responded to the oil crises of the 1970s by investing heavily in energy efficiency and renewable energy. Our work showed U.S. policymakers that greenhouse gas reductions are not only achievable, but in fact can be part of a successful economic development strategy.

Examined the health impacts of U.S. energy choices.

We conducted a Congressional briefing on the health costs of our reliance on fossil fuels and personal vehicles; for example, the air pollution from coal-fired power plants cost us \$58 billion in health and climate damages in 2005. We also highlighted the health consequences of black carbon, a component of soot produced by diesel engines, inefficient biomass cookstoves, and open fires. Reducing black carbon emissions would be a win for public health and the climate.

Evaluated strategies to reduce oil consumption.

The tragic oil blowout in the Gulf of Mexico gave us one more urgent reason to reduce our nation's oil consumption.

We wrote about these issues on our website and social media, held briefings, and conducted one-on-one meetings on broader oil supply and demand issues and potential policy solutions. We also held briefings on electric vehicles, public transit, high speed rail, and cellulosic biofuels to examine the economic and environmental impacts of each. Staff from more than 100 Congressional offices attended briefings in this series.

"Thanks to EESI — really just a phenomenal organization at bringing good information up to Hill staff."

- Neil Brown

Professional Staff Member for Senator Richard Lugar (R-IN), Senate Foreign Relations Committee



Renewable biogas can be produced from livestock manure and other waste streams using anaerobic digestion. Like natural gas from fossil sources, it can be used to produce heat or power.

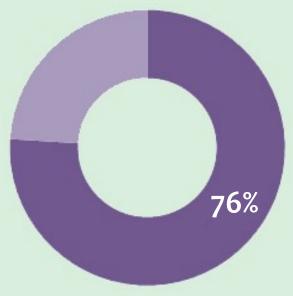
Highlighted the many renewable energy technologies that contribute to U.S. energy supply.

From offshore wind to renewable biogas, EESI has engaged with policymakers to showcase the latest renewable energy technologies to our nation's leaders through fact sheets, briefings, and personal meetings. One noteworthy event was the 13th Annual Congressional Renewable Energy & Energy Efficiency EXPO. The EXPO featured more than 50 sustainable energy exhibitors, presentations by several Members of Congress and Obama administration representatives, and a policy forum chaired by EESI's Carol Werner.

Showed Congress that public support exists for action on climate.

As the Senate prepared to take up climate legislation in the summer of 2010, EESI convened a briefing on public opinion on the issue. A Stanford public polling expert presented his research, which found that a strong majority of Americans wanted the federal government to limit greenhouse gas emissions – refuting polls that appeared to show climate change as a low priority for Americans. We also continue to meet

the demand for the latest climate science, business, and policy news in our weekly *Climate Change News*, which is emailed to nearly 4,000 subscribers every Monday morning and reprinted in the U.S. Climate Action Network's weekly news.



Stanford polling expert Jon Krosnick found that 76 percent of Americans surveyed in June 2010 favored government limiting business's emissions of greenhouse gases. For more details from the survey, visit http://woods.stanford.edu/research/surveys.html

Demonstrated that energy efficiency is a key aspect of affordable housing.

EESI advanced policymakers' understanding of the potential for energy efficiency measures to reduce the amount of money Americans spend on utility bills. Appliance standards, building energy performance codes, the incorporation of energy efficiency into the mortgage underwriting process, and the inclusion of energy efficiency procurement specifications for federal disaster housing are some ways the government can help improve housing energy efficiency and affordability.

1 Launched a Rural Energy Savings Program in South Carolina.

In October, EESI launched a partnership to carry out an innovative pilot project to finance energy efficiency improvements for rural South Carolina homes with low-cost loans repaid through customers' electric bills. Our partners on the project – the Electric Cooperatives of South Carolina (ECSC) and Central Electric Power Cooperative – aim to expand the program to eventually upgrade 225,000 homes and save co-op members \$280 million a year in energy costs. EESI provides strategic input to the project design and implementation and will help bring the lessons learned to the federal level and other states.



Communications & Publications

EESI is well respected for our ability to bring quality information to decision-makers on Capitol Hill and influence the policy debate. We accomplish this through newsletters, fact sheets, policy papers, educational briefings, conference presentations, and personal meetings. In 2010, we expanded our reach even further by launching Twitter (@eesionline) and YouTube profiles, and strengthening our presence on Facebook. Now more than ever, we are engaging with a broad audience on energy efficiency, renewable energy, and climate change. Please visit www.eesi.org to view our materials and connect with us online!



By the Numbers in 2010:

30 Congressional briefings held

48 videos produced

50 editions of Climate Change News published

201 Congressional offices attended EESI briefings

3,012 people attended EESI briefings

9,920 email subscribers

121,350 annual website visits

4 stars awarded by Charity Navigator

Publications:

EESI Update (our general newsletter, 3 per year)

Climate Change News (weekly newsletter)

Offshore Wind Energy (fact sheet)

Climate Change Impacts and National Security (issue brief)

Feed-in Tariffs (issue brief)

Developing an Advanced Biofuels Industry: State Policy Options for Lean and Uncertain Times (policy paper)

www.eesi.org/pubs



"As a climate activist, I find EESI's Climate Change News indispensable for my work."

- Ellie W., reviewer on GreatNonprofits.org

Your donations help advance energy efficiency and renewable energy!

How you can help move our country toward sustainable energy:

- Make a secure, online donation at www.eesi.org/donate
- > Mail your donation to:

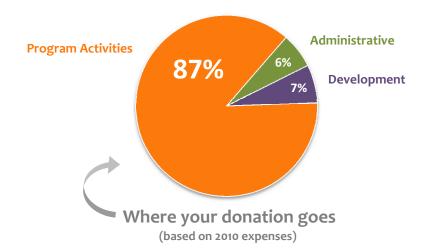
Environmental and Energy Study Institute 1112 16th Street NW, Suite 300 Washington, DC 20036

- Become an EESI Associate or ask your employer to become an EESI Associate with a contribution of \$1,000 or more.
- ➤ **Designate EESI through your workplace giving program.** EESI is member of Earthshare and participates in the Combined Federal Campaign (CFC #10627).



The impact of your support

Charity Navigator, the nation's premiere charity evaluator, has designated EESI as a **Four-Star Charity** (the highest possible rating) for four consecutive years. Charity Navigator evaluates nonprofits on their financial health, efficiency, and capacity, and says that a Four Star rating indicates that a charity is "exceptional" and "exceeds industry standards and outperforms most charities in its Cause." Our high-quality work has also merited **numerous glowing reviews** on GreatNonprofits.org, a site that allows users to write reviews and rate their experiences with nonprofits.



Summary Statement of Activities for the year ended December 31, 2010

TOTAL REVENUE	\$1,296,916
EXPENSES	
Programs	816,722
General and administrative	58,666
Development	63,968
TOTAL EXPENSES	939,356
CHANGE IN NET ASSETS	357,560
NET ASSETS, BEGINNING OF YEAR	2,870,006
NET ASSETS, END OF YEAR	\$3,227,566

Questions? We're happy to help. Please contact us at (202) 662-1887 or eesi@eesi.org.

EESI is classified by the IRS as a charitable, tax-exempt organization under section 501(c)(3). Gifts and grants are tax deductible to the full extent of the law. Our tax ID number is 52-1268030. The condensed financial information shown is a summary derived from EESI's 2010 audited financial statements. Our complete audited financial statements are available at www.eesi.org/funders or by calling us at (202) 628-1400.

Briefings & Events

We bring experts from government, industry, and civil society to Capitol Hill for dozens of Congressional briefings each year. EESI's briefings facilitate bipartisan discussions on cutting-edge research, success stories, lessons learned, and stakeholder feedback on environmental and energy policy issues. Video and other details are available at www.eesi.org/briefings.

January

Public Transportation, Jobs, and a Clean Energy Economy

February

- Recovery Act Funding and State Energy Success Stories; co-sponsored with the Northeast-Midwest Senate and Congressional Coalitions
- Energy Efficiency and Renewable Energy Budget for FY 2011; co-sponsored with the House Renewable Energy and Energy Efficiency Caucus

March

- Electric Transmission 201: Cost Allocation; co-sponsored with Working Group for Investment in Reliable and Economic Electric Systems (WIRES)
- > The Role of Electricity as a Transportation Fuel
- The Renewable Fuel Standard and Cellulosic Biofuels: Prospects and Challenges

April

Swiss - U.S. Dialogue: Cleantech and Job Creation; co-sponsored with the Embassy of Switzerland, World Resources Institute, and U.S. Green Building Council

- Energy Efficiency in the South: Economic and Environmental Opportunities
- ➤ Reducing Energy Use: The Role of Appliance Standards
- Stakeholder Based Climate and Energy Actions: Economic Impacts of National Policies and Measures; co-sponsored with Center for Climate Strategies
- Electric Transmission 202: Integrating Variable Renewable Resources; co-sponsored with WIRES
- Reducing Oil Dependence through Energy and Climate Policy

May

- High Speed Rail: Benefits, Costs and Challenges; co-sponsored with the American Public Transportation Association
- Nuclear Power: Economic and Proliferation Challenges
- Contaminants in Sources of Drinking Water from Public Wells; co-sponsored with Water Environment Federation and U.S. Geological Survey
- > The Health Costs of Energy
- 13th Annual Congressional Renewable Energy & Energy Efficiency EXPO; sponsored by the Sustainable Energy Coalition in cooperation with Members of the U.S. House and Senate Renewable Energy & Energy Efficiency Caucuses



June

- Have Americans' Views on Global Warming Changed? A New Look at Public Opinion
- Renewable Biogas: Too Valuable to Waste
- Electric Transmission 203: Planning to Expand and Upgrade the Grid; co-sponsored with WIRES

July

- Economic Impacts of Recovery Act Funding for the State Energy Program
- Oil Independence: Is it Possible? co-sponsored with the Office of Senator Jeff Merkley (D-OR)
- Making Housing More Affordable through Energy Efficiency: Role of Financing and Building Codes
- Energy Innovation in Our Nation's Defense

September

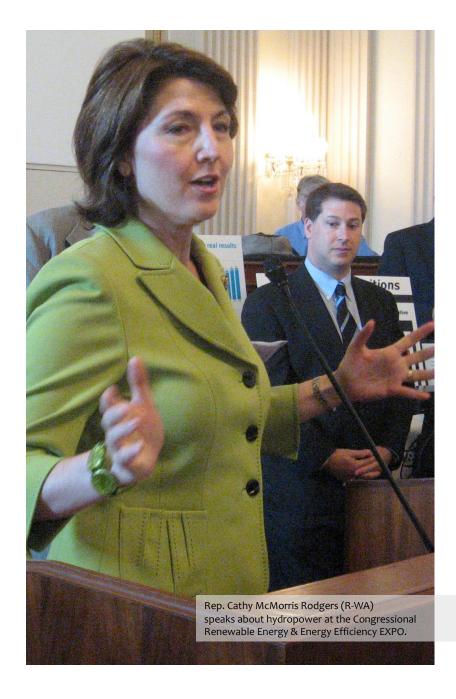
- How We Can Tap Renewable Thermal Energy and Waste Heat
- Electric Transmission 204: Examining FERC's Notice of Proposed Rulemaking; co-sponsored with WIRES
- Water Quality in Our Nation's Streams and Groundwater; co-sponsored with the Water Environment Federation, Office of Senator Benjamin Cardin (D-MD), and Office of Senator George Voinovich (R-OH)
- FEMA's Role in Advancing Sustainable, Affordable Housing Options

October

- Can Oil Production Meet Rising Global Demand?
- Shaping a Low-Carbon World: Lessons from Nordic Countries; co-sponsored with the Nordic Council

November

- Black Carbon and Its Implications for Climate Change and Public Health
- Webinar Series: Clean Energy and Sustainability as a Local Economic Development Strategy; co-sponsored with ICLEI— Local Governments for Sustainability USA



"I think EESI is one of the most effective groups on Capitol Hill. They rely on credible scientific information to make the case for solid policy. I have worked in energy policy for many years and I turn to EESI for information because I know I can find the latest developments from the nation's experts in the field."

- Ginty, reviewer on GreatNonprofits.org

"Co-ops are nonpartisan and EESI has that same approach, so you know that the information provided is reliable and can make a difference with policymakers."

- Mike Couick



Donor Spotlight

he Electric Cooperatives of South Carolina (ECSC) became an EESI Associate in 2010. Mike Couick, ECSC's president and CEO, was impressed by "EESI's deep roots in the legislative and regulatory community in D.C. and the ability to pull in expertise from lots of different places." He saw great value in EESI's energy policy work and decided ECSC should become a donor.

Mike first got to know EESI in 2009 when South Carolina's co-ops were looking to launch a residential energy efficiency program. He heard about EESI's solid reputation on Capitol Hill for analyzing energy issues and advancing realistic, innovative policy solutions.

In October 2010, EESI and ECSC partnered with Central Electric Power Cooperative, the wholesale power provider to the state's 20

electric co-ops, to implement a pilot program (www.eesi.org/resp) to finance energy-efficient retrofits of rural South Carolina homes. The program is off to a great start, with eight distribution co-ops participating and EESI providing advice and disseminating "lessons learned" to federal policymakers.

Mike is proud of his commitment to EESI. He even called Central Electric Power Cooperative, suggesting it support EESI's work by also becoming an EESI Associate — and Central was pleased to do so, "Co-ops are nonpartisan and EESI has that same approach, so you know that the information provided is reliable and can make a difference with policymakers," Mike says.

Donors

Associates

ALLETE / Minnesota Power

American Council on Renewable Energy American Public Transportation Association

Anonymous

Charles Spear Charitable Trust

Coca-Cola Company

Dr. John W. Flory Foundation

Dunlap and Browder, Inc.

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Frances Buchholzer

Geothermal Energy Association

Mortimer Caplin

Natural Gas Vehicles for America

Oak Foundation

Pennsy Nadler

Polyisocyanurate Insulation Manufacturers

Association

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Schmitz-Fromherz Family Fund

Sean Levine

"Your generosity helps move America toward sustainable energy. Thank you — we couldn't do it without you!"

- Carol Werner, EESI Executive Director

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National Oceanic and Atmospheric Administration

New-Land Foundation

Ottinger Foundation

Salesforce Foundation (in kind)

U.S. Geological Survey

Wallace Genetic Foundation

These lists reflect gifts and grants of \$1,000 or more received during 2010. EESI is also deeply grateful for the many people and organizations that give other amounts, including those who give through the mail, online or through workplace giving campaigns.

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Jared Blum, EESI Board Chair, President, Polyisocyanurate Insulation Manufacturers Association (PIMA)

Shelley Fidler, EESI Board Treasurer, Principal, Government Affairs, Energy and Environmental Policy, VanNess Feldman Attorneys at Law

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