



ANNUAL REPORT 2016

NOURISHING SEEDS OF RESISTANCE



LETTER FROM THE EXECUTIVE DIRECTOR

Dear friends,

If 2016 taught us anything, it is that elites and the Washington consensus are dangerously out of step with the will of the people. People rightfully view many Washington elites as bought and paid for by the fossil fuel industry. As one Democratic senior energy policy advisor said to a friend of mine just before the election, “we are scared to death of the natural gas industry.”

That, in a nutshell, is the whole problem. Our opposition has absurd amounts of money to spend in elections. Some of our allies are scared, and that fear warps policy. You can see it in ongoing Democratic support for natural gas as a bridging fuel, which no longer stands up to any serious science-based scrutiny. You can see it in the sad eyes of a man with great hair who sells two new tar sands pipelines as part of a climate policy.

The only way I know how to fight that kind of fear is with hope. And, the water protectors in North Dakota have blazed a trail for all of us who are seeking paths forward at this time. Native leadership is powerful. Community leadership is powerful. Organizing matters (a lot). And nonviolent direct action still gets the goods.

What is so valuable about all these battles and victories and even defeats is not the carbon that each may or may not lock up for the foreseeable future. It's the hope. It's the realization that despite seeing overwhelming odds against heavily militarized government troops protecting the oil industry – yes, we can, in fact, make a difference.

The distance between corporate captured elites in Washington, New York, Ottawa, and London, and public opinion is not news to us. Nor, I suspect, is it to you. Hope – against all the smart money – has been all we have had at some times in the last several years.

Elites said we couldn't – and we shouldn't – stop a pipeline, but we did.

Elites said we should support natural gas as a bridging fuel, ignoring community and climate concerns, but we refused.



Elites said we couldn't build a movement, but we have. Across the United States, in states both blue and red, grassroots leaders fighting for their communities and our climate will not be deterred by politicians and bureaucrats bought and paid for by Big Oil. Native water protectors, farmers, ranchers, and young people all around the United States have built a movement against new fossil fuel infrastructure – and for a clean energy future.

They will fight new fossil fuel projects, and we will fight by their side. They will fight for a just transition, for jobs, and for their communities in the clean energy economy we must build, and we will fight by their side. Together, we will all demand a Separation of Oil & State and a government that represents people and our children over corporations and their profits.

As Chimamanda Ngozi Adichie recently wrote in the New Yorker: "Now is the time to talk about what we are actually talking about. [...] Now is the time to counter lies with facts, repeatedly and unflaggingly, while also proclaiming the greater truths: of our equal humanity, of decency, of compassion. Every precious ideal must be reiterated, every obvious argument made, because an ugly idea left unchallenged begins to turn the color of normal."

Our movement has real power because it is built by people speaking their truth and fighting for justice, and nothing about this election or the new Administration changes any part of that equation. At Oil Change International, we've built an international organization and community of strategic nonviolent campaigners who operate from their hearts. We've sought to build and inform real grassroots power at every turn. We have more than 150 years of collective experience fighting for communities and against fossil fuel interests on our staff. We are not going anywhere, and we are more determined than ever.

We know we will eventually win, because we refuse to believe that greed is stronger than hope and love. We will plant our feet on the ground, look danger in the eye, and start pushing back. Because this is who we are. Thanks for being with us.

Stephen M. Kretzmann
Founder & Executive Director

Sincerely,

A handwritten signature in black ink, appearing to read "Steph M. Kretzmann". The signature is stylized and fluid, with a long horizontal stroke at the end.



COLLIN REES, CAMPAIGNER

NOURISHING SEEDS OF RESISTANCE AGAINST PIPELINES

When forcing through pipelines and other fossil fuel infrastructure projects that endanger communities and the climate, the fossil fuel industry aims to misinform, divide, and conquer. Through our Seeds of Resistance work with communities in Virginia and West Virginia, we sought to do exactly the opposite, by informing, uniting, and helping communities build resistance and resilience.

In June, we brought together landowners and communities along the proposed routes of the Atlantic Coast and Mountain Valley fracked gas pipelines for six local events. Headlining our first Seeds of Resistance Tour were longtime veterans of the Keystone XL fight – farmer Art Tanderup, Ponca Nation member Mekasi Horinek Camp, and pipeline fighter Jane Kleeb.

At each event, local pipeline resisters shared their stories of resistance and resilience. They spoke of the deep history of their communities, and the priceless beauty of the places these dirty pipelines would threaten. Then Art, Mekasi, Jane, and Oil Change International's own Lorne Stockman spoke of the importance of local resistance in defeating proposed fossil fuel projects, and why these particular projects could be so deadly.



© P. Aaslestad

Together, we joined locals in planting literal ‘seeds of resistance,’ burying sacred Ponca corn kernels in the paths of proposed gas pipelines. As well as being a symbol of defiance, this corn could be registered as an official crop with state agricultural departments, providing another obstacle for pipeline companies seeking to force unwanted projects through rural communities.

Our Seeds of Resistance work had three consistent themes, rooted in empowering local landowners and residents to stand up to the oil and gas industry:

❖ **No eminent domain for private gain.** Our events reinforced the message that private corporations should not have a right to seize land for profit, and laws that protect citizens are essential not only to protect property rights, but to protect land, water, and climate.

❖ **A climate test for all proposed fossil fuel infrastructure.** All fossil fuel infrastructure should be judged at state / local levels by whether it dangerously increases emissions, particularly when federal agencies have been so captured by corporate interests.

❖ **Unlikely alliances.** Pipeline fights like Keystone XL have shown the importance of uniting with unexpected allies. Our Seeds of Resistance tours brought together farmers, landowners, artists, store owners, pastors, native peoples, and others from all walks of life.

In October, we returned to these same places to harvest tall and proud corn plants, continuing to build local resistance against pipelines. Over the course of just four months, grassroots efforts had blossomed along the routes of both pipelines, and many new pipeline fighters and water protectors attended our events.

We’ll need to nourish a lot more seeds of resistance before we win these fights, but hearing the stories of local residents fighting pipelines and helping them with resources to keep going through our Seeds of Resistance tours was a great start.



DAVID TURNBULL, CAMPAIGNS DIRECTOR

THE SKY'S LIMIT: A NEW STANDARD IN THE CLIMATE FIGHT

September of 2016 saw the culmination of months of detailed analyses and writing by the Oil Change team with the publication of *“The Sky’s Limit: Why the Paris Climate Goals Require a Managed Decline of Fossil Fuel Production.”*

“The Sky’s Limit” sets a new standard for international climate action and provides the technical basis for the global climate movement’s demand to ‘keep it in the ground.’

Leveraging Oil Change International’s technical expertise, access to fossil fuel industry databases, and communications prowess, “The Sky’s Limit” shows for the first time ever that in order to reach the Paris Agreement’s goals of limiting global warming to well below 2 degrees Celsius and aiming for 1.5 degrees Celsius, **no new fossil fuel extraction or transportation infrastructure should be built and governments should grant no new permits for them.** Further, the study finds that some fields and mines – primarily in rich countries – should be closed before fully exploiting their reserves in order to achieve our climate goals.



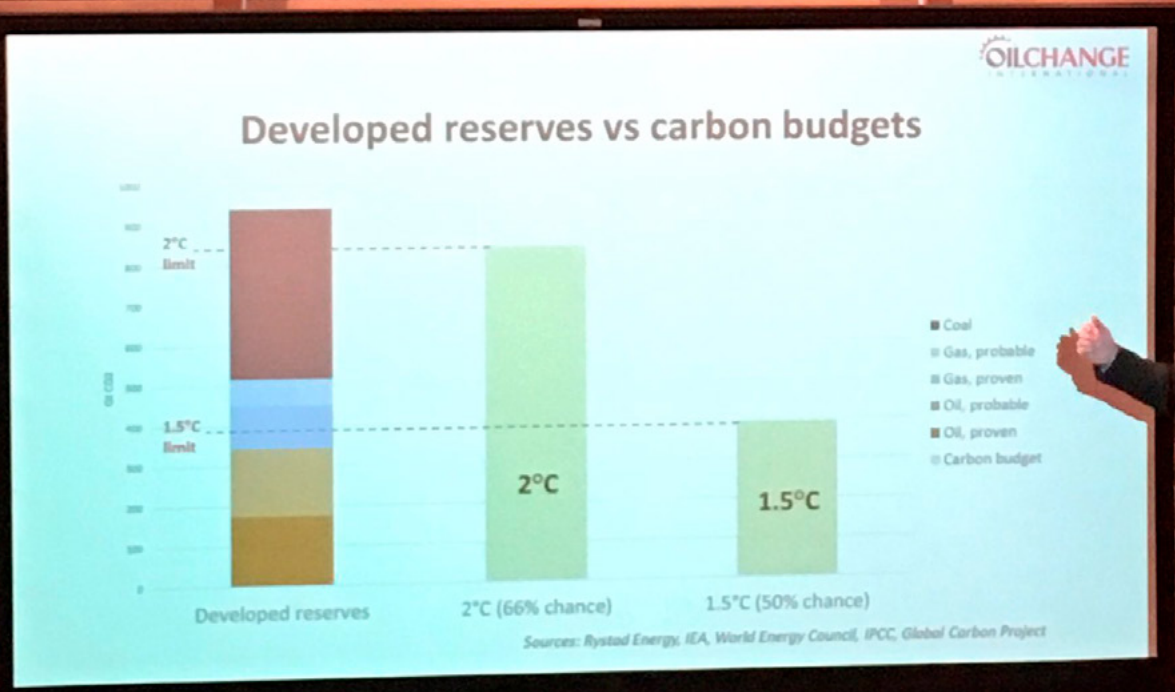
THE SKY'S LIMIT

WHY THE PARIS CLIMATE GOALS REQUIRE A
MANAGED DECLINE OF FOSSIL FUEL PRODUCTION

OILCHANGE
INTERNATIONAL

PUBLISHED IN COLLABORATION WITH





We released the report in September to a great reception by the press and the climate movement alike. Bill McKibben published a column in The New Republic highlighting the implications of OCI's report, followed by columns by George Monbiot of The Guardian and David Roberts of Vox. Media outlets across the globe covered the report, and prominent individuals from Naomi Klein to Mark Ruffalo spread the word even further.

In the months since the September 2016 release of "The Sky's Limit," the report has provided a critical grounding for our work, and the work of the broader movement. Students demanding divestment at their universities have cited "The Sky's Limit" in op-eds in their student newspapers. Local activists have referenced "The Sky's Limit" in submissions objecting to pipelines running through their backyards.

Movement leaders reference it in talks from Canada to Australia. And we at Oil Change International continue to build the case for an end to new fossil fuel development, with "The Sky's Limit" as a critical new foundation.



ALEX DOUKAS, SENIOR CAMPAIGNER, PUBLIC FINANCE
ELIZABETH BAST, MANAGING DIRECTOR

STOP FUNDING FOSSILS: A GLOBAL CAMPAIGN WITH GLOBAL RESULTS



Building on our landmark “Empty Promises” report on G20 subsidies and on the 2015 Stop Funding Fossils International Day of Action, 2016 saw the fossil fuel subsidies fight begin to bear fruit. In May, world leaders took an important step forward, as G7 leaders agreed for the first time on a deadline to phase out fossil fuel subsidies, committing to do so by 2025. This was a major victory: a phase-out deadline has been the central ask of our Stop Funding Fossils campaign.

The G7’s step in the right direction was quickly followed by another subsidies commitment coming out of the North American Leaders’ Summit in June, where Mexico added itself to the list of countries putting a 2025 end date on fossil fuel subsidies. In the span of a few months, the world went from having not a single country with a fossil fuel subsidies phase-out deadline, to having an agreed upon deadline among economies that account for nearly half of global GDP.

We also began to deepen our subsidies work at the national level in 2016. In Canada, we generated press interest and helped frame the debate around the budget and the North American Leaders’ Summit. We kicked off people-powered campaigns with Canadian partner organizations, generating thousands of petition signatures, email actions, and contacts between people and their political representatives. We also launched a briefing, “Elephant in the Room,” illustrating how Canada’s continued fossil fuel subsidies threaten to undermine the government’s signature climate policy commitment, effectively acting as a counterweight to a Canada-wide price on carbon.

In the UK, we launched the “Oil Tax Facts” briefing with Platform ahead of the budget, exposing six pervasive myths about North Sea oil handouts and pushing for an end to oil and gas handouts. We also scoped work on subsidies in Indonesia and Europe, which will develop through 2017.

We continued to expose the fact that, despite the advent of the Paris Agreement and the Sustainable Development Goals, far more public finance resources still flow toward fossil fuels than toward the clean energy solutions that do the most to improve energy access. In April, we released a report with the Sierra

Club showing that the multilateral development banks are, on average, devoting less than 2% of their energy finance to distributed renewable energy solutions, despite the fact that the International Energy Agency (IEA) estimates that more than half of new connections through 2030 could come from such technologies.

We also highlighted continued public finance for coal in our reports “Swept Under the Rug,” which focused on public finance for coal from G7 countries, and “Carbon Trap,” which focused on G20 countries and honed in on the large amounts of public finance for coal projects still flowing from China and Japan.

Overall, 2016 saw some promising progress on the issue of fossil fuel subsidies globally, but given recent shifts in the global order, the real work still lies ahead. We can’t stop now. We must build on this year’s victories and keep building people power to #StopFundingFossils.





ADAM SCOTT, SENIOR CAMPAIGNER
HANNAH MCKINNON, SENIOR CAMPAIGNER

CANADA: REAL CLIMATE LEADERS DON'T BUILD PIPELINES

It was two steps forward, one step back for our 2016 efforts to stop tar sands expansion in Canada. Newly elected Prime Minister Trudeau swept away the dirty Harper government's decade of tar sands expansion, only to fall into the grips of oil industry influence himself. Oil Change International led the charge to hold Trudeau accountable to his promise to uphold the Paris Agreement at every turn by countering industry spin.

Our movement's success in cancelling and delaying tar sands pipelines, along with the global crash in oil

prices, has seen investment in new tar sands expansion grinding to a halt. As the reality of slowing tar sands growth set in, the oil industry continued to argue that new pipelines were essential to Canada's economy. We pushed back, revealing how the oil industry has misled Canadians for years on the need for new pipelines. Our two reports, "Tar Sands and the Myth of Tidewater Access" and "Reconsidering the Need for New Oil Pipeline Capacity in Canada," helped change the conversation, revealing that new pipelines are a climate threat, not an economic benefit.

While Trudeau's government eventually granted regulatory approval for Kinder Morgan and Enbridge pipelines late in the year, the movement to stop them was only getting started. We worked to support allies on the front lines of those pipeline fights with analysis, communications, and action – setting the stage for ongoing victories to block tar sands expansion in 2017.



MATT MAIORANA, SENIOR DIGITAL CAMPAIGNER
COLLIN REES, CAMPAIGNER

TAKING THE FIGHT TO THE UN

In November, seven members of the Oil Change International team traveled to Marrakech, Morocco for the 22nd annual climate summit hosted by the United Nations Framework Convention on Climate Change (UNFCCC), also known as COP22. We took the opportunity to advance many of our campaign messages:

#ZeroFossil: An End to New Fossil Fuel Development

Our #ZeroFossil work at COP22 came out of our groundbreaking “The Sky’s Limit” report released in September. Leading up to COP22, we organized a global sign-on letter outlining the demands of the report, which was signed by more than 400 organizations from over 40 countries. We kept up the pressure at COP22 with an animated video, a specially-built website, presentations to conference participants and media, and a large demonstration inside the conference as ministers from across the world arrived for the second week of negotiations.



#StopFundingFossils: Ending Fossil Fuel Subsidies and Public Finance

Our #StopFundingFossils work at COP22 advanced our long-term campaign to end subsidies and public finance for fossil fuels. We released a report on coal finance and we worked with campaigners to highlight subsidies and finance messages in multiple actions and demonstrations throughout the conference. Our #StopFundingFossils message was featured on silk scarves, which were seen at events, interviews, and media shots throughout the summit.

#BetterOdds: Reforming the IEA’s 450 Scenario

Our #BetterOdds campaign at COP22 focused on pressuring the International Energy Agency (IEA) to produce energy forecasts in line with globally-agreed climate goals, and to discard its misleading 450 Scenario that currently headlines the influential World Energy Outlook report. To reinforce our message,



we met with IEA officials at the conference, created a custom-built website for the campaign, and printed novelty coins that we distributed to ministers and conference attendees.

Canada: Demanding Real Climate Leadership

Oil Change worked with international allies and Canadian youth to call out the Canadian government for its ongoing support of pipelines and oil industry expansion. We ensured the contradiction between Trudeau’s climate promises and his unwillingness to stand up to the oil industry became a growing liability for his government. We also released a briefing on Canada’s fossil fuel subsidies, reinforcing the message that the fossil fuel industry is undermining Canada’s climate policy commitments.

2016 ANALYSIS AND REPORTS

REPORTS:

The Elephant In The Room: Canada's Fossil Fuel Subsidies Undermine Carbon Pricing Efforts

Oil Change International, Environmental Defence, Équiterre, and Climate Action Network Canada, *November 2016*.

Carbon Trap: How International Coal Finance Undermines the Paris Agreement

Oil Change International and Natural Resources Defense Council, *November 2016*.

The Sky's Limit: Why the Paris Climate Goals Require a Managed Decline of Fossil Fuel Production

Oil Change International in collaboration with 350.org, Amazon Watch, APMDD, AYCC, Bold Alliance, Christian Aid, EarthWorks, Équiterre, Global Catholic Climate Movement, HOMEf, Indigenous Environmental Network, IndyAct, Rainforest Action Network, and Stand.earth, *September 2016*.

A Bridge Too Far: How Appalachian Basin Gas Pipeline Expansion Will Undermine U.S. Climate Goals

Oil Change International in partnership with Appalachian Voices, Bold Alliance, Chesapeake Climate Action Network, Earthworks, Environmental Action, Sierra Club (national), 350.org, Blue Ridge Environmental Defense League, Protect Our Water, Heritage, Rights (Virginia and West Virginia), Sierra Club West Virginia Chapter, and Friends of Water (West Virginia), *July 2016*.

Shorting the Climate: Fossil Fuel Finance Report Card

Oil Change International, Rainforest Action Network, BankTrack, and Sierra Club, *June 2016*.

Swept Under the Rug: How G7 Nations Conceal Public Financing for Coal Around the World

Oil Change International, *May 2016*.

Still Failing to Solve Energy Poverty: International Public Finance for Distributed Clean Energy Access Gets another 'F'

Oil Change International and Sierra Club, *April 2016*.

BRIEFINGS:

Stop Funding Fossils: World Bank Group Funds Fossil Fuel Exploration Despite Calls for Climate Action

Oil Change International, *April 2016*.

BOEM 5 Year Offshore Drilling Plan and the Climate

Oil Change International and Greenpeace USA, *April 2016*.

Tar Sands: The Myth of Tidewater Access

Oil Change International, NRDC, and Environmental Defence, *March 2016*.

FACT SHEETS:

The Dirty Energy Money Cycle: Fighting the Influence of the Fossil Fuel Industry

Oil Change International, *April 2016*.

Oil Tax Facts: Dispelling North Sea Oil Myths

Oil Change International and Platform, *March 2017*.

OUR BOARD MEMBERS AND STAFF



OUR DEDICATED TEAM

Stephen Kretzmann, Executive Director & Founder
Elizabeth Bast, Managing Director
Alex Doukas, Senior Campaigner
Matt Maiorana, Senior Digital Campaigner
Hannah McKinnon, Senior Campaigner
Greg Muttitt, Senior Campaign Adviser
Janet Redman, U.S. Policy Director
Collin Rees, Campaigner
Andy Rowell, Contributing Editor
Adam Scott, Senior Campaigner
Lorne Stockman, Research Director
Farhiya Tifow, Development and Operations Associate
David Turnbull, Campaigns Director

Oil Change International would like to thank our contractors Ken Bossong of the SUN DAY CAMPAIGN, Shakuntala Makhijani, Kristen Hite, Melissa Dann, and Matthew Holland and Peter Schermann of Seabird Strategies for their contributions in 2016.

BOARD MEMBERS

Michael Brune
Executive Director, Sierra Club
Thomas Cavanagh, Board Chair
Executive Director, Bandaloop
John Durkalski
Partner, Butsavage & Durkalski, P.C.
D. Cole Frates
Co-Founder, Renewables Resources Group & EndOil
Leslie Harroun
Director, Partners for a New Economy
Jonathan G. Kaufman
Legal Advocacy Coordinator, EarthRights International

Stephen Kretzmann, Secretary
Executive Director, Oil Change International
Jennifer Krill
Executive Director, Earthworks
Jason Scott
Co-Managing Partner, Encourage Capital
Katherine Silverthorne
Director, Aristotle Project

SUPPORTERS

We are sincerely grateful for the generosity of our supporters whose investment in our mission gets us a step closer to exposing the true costs of fossil fuels.

The following foundations supported Oil Change International's work in the fiscal year ending June 30, 2016:

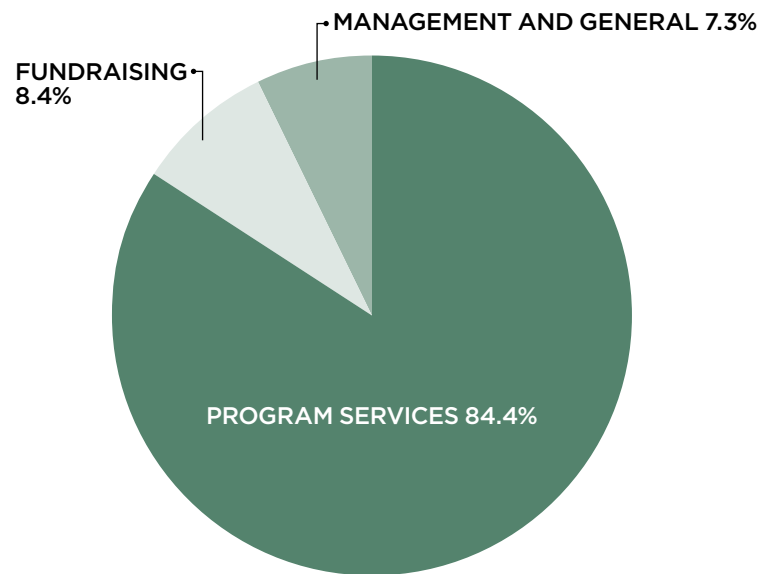
444S Foundation
Enlyst Fund
Charles Stewart Mott Foundation
Cissy Patterson Foundation
ClimateWorks
New Venture Fund
Oak Foundation
Osprey Foundation
Park Foundation
Rockefeller Brothers Fund
Sightline Institute
Stockholm Environment Institute U.S.
Tellus Mater Foundation
Tides Foundation
Tikva Grassroots Empowerment Fund
V. Kann Rasmussen Foundation
Wallace Global Fund
William and Flora Hewlett Foundation

Oil Change International is also grateful for the generous support we receive each year from hundreds of individual donors.

FINANCIALS

STATEMENT OF FINANCIAL POSITION FOR THE FISCAL YEAR ENDING JUNE 30, 2016

	2016
Assets	\$
Cash	399,209
Contributions receivable	211,600
Accounts receivable	-
Prepaid expenses and other current assets	17,488
Fixed assets, net depreciation	4,142
Security deposit	8,400
Total Assets	<u>640,839</u>
Liabilities	
Accounts Payable	42,485
Grants Payable	-
Withholding Payable	552
Total Liabilities	<u>43,037</u>
Net Assets	
Unrestricted Net Assets	360,078
Temporarily restricted net Assets	237,724
Total Net Assets	<u>597,802</u>
Total Liabilities and Net Assets	<u>640,839</u>



REVENUES & EXPENSES FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Revenues	\$
Grants	1,376,219
Contributions	71,630
Reimbursements	1,333
Interest	126
Total Revenues	<u>1,449,308</u>
Expenses	
Program Services	1,492,344
Administration	128,239
Fundraising	148,165
Total Expenses	<u>1,768,748</u>



Oil Change International
714 G Street SE, Suite 202
Washington, DC 20003
www.priceofoil.org