

**NOT A PENNY
MORE FOR
DIRTY ENERGY**



**ANNUAL REPORT
2018**



FROM THE EXECUTIVE DIRECTOR

What do we do at Oil Change International? Quite a number of things, as you'll read in the following pages. But what are we building towards? Where are we going? Let me tell you.

Throughout our work, we consistently point out that victory is not a question of limiting emissions to some particular level, though that is no doubt an extremely important component. Victory will mean that governments will have said no to the fossil fuel industry, fully removed their social license, and begun a several decades long managed phase out of production. We also know that all of us, together, will have to make them do that.

We know that if we are successful, the fossil fuel industry will be defeated. This is our goal – not just the limiting of emissions to safe levels – but the full defeat of this industry that is driving the climate crisis, and that has been profiting from the pollution, corruption, violence and destruction they have caused for more than a century.

An essential piece of that victory is justice, including both the necessary prosecution of those who have profited from delay in climate action and preyed on the vulnerable, and also to the need to ensure that workers and communities impacted by the withdrawal of social license from the industry are fairly dealt with. Justice is important morally first and foremost, but strategically as well because only this way can we hope to build the lasting political consensus that we will need to keep carbon in the ground.

Markets and technology are helping, but they cannot do this alone. Here's why. In the last great energy transition, cheaper petroleum replaced whale oil in many uses, but the whaling industry found new markets for their products, and in fact greatly expanded production. John D. Rockefeller and Standard Oil did not save the whales.

"Counter to common misperceptions", a recent study revealed, "the discovery of petroleum...actually spurred a dramatic increase in whaling. This increase occurred because fossil fuel-powered ships could catch more and larger whales more rapidly than could sail ships and row-boats, and new uses were developed for whale oil."

In short, the whale oil to petroleum energy "transition", like wood to coal before it is better understood as an energy addition. This is unfortunately exactly what the oil and gas industry is aiming to recreate now, and it is absolutely what the climate cannot afford.

We know that there are already more than enough fossil fuel reserves under development by the oil, gas and coal industries to blow through the Paris climate agreement goals. The ongoing expansion of the fossil fuel industry, which is licensed and permitted by governments, and insured and financed by public and private entities, must stop as soon as humanly possible. We don't need to shut down gas pumps right away, but we do need to stop reserves expansion now, then manage the decline of production over the next several decades within safe climate limits.

Time is a factor. The clock is ticking. The latest science from the Intergovernmental Panel on Climate Change (IPCC) indicates that we have little more than a few years to initiate a radical shift of energy systems away from fossil fuels to stay within the limits set by the 2015 Paris Agreement. One sure fire way for any government to signal that shift would be an end to new leases and permits for fossil fuel exploration and production related infrastructure.

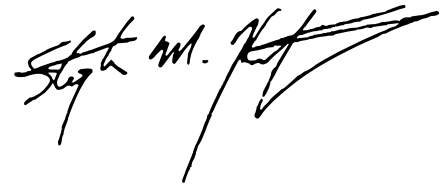
Today, the number of whales killed is tiny in comparison to the peak of more than 38,000 whales being killed annually in the mid 20th century. So, what did save

the whales? Decades of activism that created global political pressure for an internationally agreed moratorium on whaling did that.

Policy is important, but power is how we will win. Organizers know this. The fossil fuel industry has clearly understood this for decades. And the good news is that the climate movement, as it matures and aligns with the deeper global movements for environmental and social justice and indigenous rights that have been fighting the fossil fuel industry for decades, gets it too.

Making these connections, grounding policy in power, and confronting the fossil fuel industry, is what Oil Change International is all about. Thanks so much for all your support, and stay tuned. This is getting very interesting now.

Peace,



Stephen M. Kretzmann
Founder & Executive Director
Oil Change International

ENERGY TRANSITIONS AND FUTURES PROGRAM

- **Pushing the International Energy Agency to align with the Paris goals:** Governments and investors rely on analysis by the IEA to guide their energy decisions. Yet the IEA's scenarios guide decision makers towards failure in meeting the Paris-Agreement goals. We are working to change this. We are asking the IEA to do two key things that would have an outsized impact on how we see the future of energy:

1. Develop a scenario that includes a reasonable chance of limiting warming to 1.5 degrees Celsius (without an over reliance on unproven negative emissions technologies.)
2. Make this scenario central in their annual flagship publication, replacing a dangerous business as usual scenario which takes us towards 3 degrees Celsius of warming and beyond.

We are seeing serious momentum towards these goals. A growing range of energy experts, investors, business leaders, and climate scientists are on board, and we will keep up the pressure until the IEA lives up to its mandate to ensure reliable, affordable and clean energy for all.

- **First Movers:** A growing group of governments is saying “no” to fossil fuel development and beginning to plan for a managed decline and just transition. We are working to expand and strengthen this club of First Movers with a focus on the wealthiest fossil fuel producers. Our work thus far has targeted: Norway, Canada, California, Germany, the United States, and the U.K, calling for an end to fossil fuel expansion and a managed decline and



just transition. We have also worked to elevate and amplify countries who are taking steps in the right direction such as New Zealand, Spain, Costa Rica, Ireland, and France. This includes one of our favourite moments of the year: an all female panel on fossil fuel phase-out at the 2018 United Nations climate

conference with high level government and civil society representatives from First Mover countries. This is the cutting edge and necessary direction of climate policy and we are excited to be part of it.

STOP FUNDING FOSSILS PROGRAM

- **Ending public finance and subsidies for oil, gas at multilateral development banks:** In 2017, the World Bank Group committed to ending its finance for oil and gas extraction after a concerted push by Oil Change International and many civil society partners. Building on this victory, we engaged the next two multilateral development banks in line to revise their energy policies: the European Bank for Reconstruction and Development (EBRD), and the world's largest multilateral lender, the European Investment Bank (EIB). The EBRD ultimately took steps to effectively end its financing for upstream oil, while applying more stringent screening criteria when gas projects are under consideration Scope 3 emissions. While our engagement with the EIB's energy lending review began last year, the process is ongoing, and signs are pointing toward an outcome that would place serious new limits on EIB's financing of oil and gas.
- **Stopping bilateral public finance for fossil fuels:** We also pushed many bilateral public finance institutions, including development finance institutions and export credit agencies, to end their financing of oil and gas.



As just one example, we published a report exposing the extensive fossil fuel finance of Canada's export credit agency, Export Development Canada (EDC). In the months that followed, EDC published a new climate change policy which in some ways mirrored our submission to their public consultation, ending their finance not only for coal plants and mines, but for all coal-focused infrastructure including coal rail links and coal ports, as well as their support for companies heavily involved in thermal coal.

- **Tracking energy finance in Africa:** We continued to expose the often-invisible flows of public finance for energy in

Africa, publishing three reports: one looking at all public finance flows coming into Africa; one with a focus on energy access finance across the multilateral development banks; and one drilling down into the African Development Bank's energy finance. Together, these reports provide a picture of how public finance flows into and within Africa must shift if the Sustainable Development Goal of sustainable energy access for all is to be achieved by 2030. We also helped convene meetings of civil society prior to the 10th BRICS Summit in Johannesburg, sharing information on energy finance in Africa here and across many other fora.



STOPPING LOCK-IN PROGRAM

Driving the conversation on what the definition of real climate leadership looks at the Global Climate Action Summit

In 2018, then-California Governor Jerry Brown announced he would be hosting the “Global Climate Action Summit” in San Francisco, bringing leaders from around the world to California to discuss climate policy in the final months of his time as Governor. Meanwhile, California remains a leading oil and gas producing state, with oil and gas production sometimes mere feet from homes and other sensitive areas. Seeing the summit as a critical moment to exert pressure on the Governor and also drive discussion of what true climate leadership means, Oil Change joined with a growing coalition under the banner of “Brown’s Last Chance” to pressure the Governor to take steps to ramp down California’s oil and gas production. To do this, we:

- Produced a major report outlining what steps California needs to take to embark on a managed decline of oil and gas production in the state in line with its climate ambition and centered around a just transition for workers and communities. The report received media attention, and was used by coalition partners across the state as a foundational resource backing up the demands of the coalition.
- We played a critical role in the Brown’s Last Chance coalition with strategy, communications, analytical, and logistical support. We were an active ally to coalition partners to design a strategy that made the question of Governor Brown’s inaction on oil and gas production an active discussion in the public dialogue ahead of the summit.



- We joined the organizing team of the Rise for Climate, Jobs and Justice march in San Francisco in the days ahead of the summit, ensuring that the march echoed the demands to take action on fossil fuel production along with existing actions to reduce fossil fuel demand. The messages emanating from the march critically called out the need for fossil fuel supply to be addressed in any comprehensive climate plan.

While Governor Brown was ultimately not moved to take action before he left office, the work of Oil Change International in partnership with dozens of organizations in California and beyond completely changed the conversation at the Global Climate Action Summit, ensuring the critical issues of addressing fossil fuel infrastructure and production were a central feature. The work in California to ensure a managed decline of oil and gas production in the state continues, now with a new Governor, Gavin Newsom, under the Last Chance Alliance.



HIGHLIGHTING JORDAN COVE'S CLIMATE IMPACT: A CASE STUDY IN PARTNERSHIP WITH LOCAL GROUPS

In January, Oil Change International released a report detailing the greenhouse gas implications of the proposed Jordan Cove LNG export facility and the associated Pacific Connector pipeline. This report marks a critical case study in how Oil Change International seeks to work with and support activism at local levels to resist fossil fuel projects. A local group based in southern Oregon -- Rogue Climate -- approached Oil Change with a request for support in their ongoing efforts to engage the Oregon public in opposition to the project. Oil Change was identified as a group that could bring a unique voice to their efforts, by providing our industry expertise in order to inject concerns about the climate impacts of the project into the debate.

On the day of the release, Oregon public radio ran an hourly news item on its stations across the state, detailing the report's findings. At the same time activists in Salem rallied on the steps of the State House. Oil Change was represented at the rally with a speaking slot, and the dozens of landowners, activists, and other concerned Oregonians then moved inside the building for a day of office visits with state legislators, where they were able to brief them on the findings of the report. OCI briefed the Governor's office on the findings as well as the Chair of the Oregon Global Warming Commission, with support from Rogue Climate in making critical connections. Since the release of the report, the "NoLNG Exports" coalition fighting the project

has consistently used the findings of the report in their advocacy towards the Governor and other decision-makers as they consider whether to approve or deny critical permits for the project. A final decision has yet to be made on the project, and Oil Change continues to support the fight by engaging our supporters to submit comments about the project for public comment periods, and with communications support for the coalition.



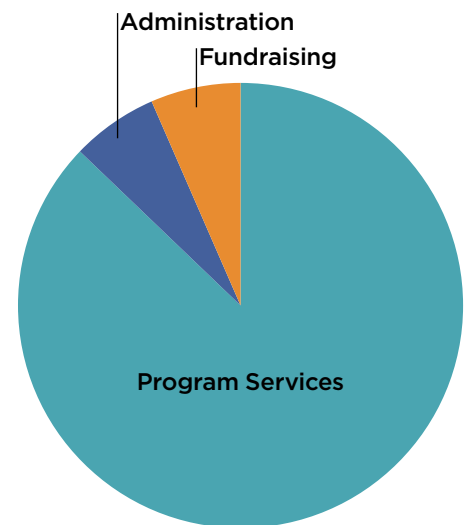
FINANCIALS

Statement of Financial Position for the Fiscal Year Ending June 30, 2018

	2017	2018
Assets	\$	\$
Cash	479,707	198,149
Contributions Receivable	947,068	676,059
Prepaid expenses and other current assets	56,639	7,528
Fixed assets, net depreciation	16,485	15,039
Security deposit	8,400	8,400
Total Assets	1,508,299	905,1759
Liabilities		
Accounts Payable	57,102	46,9875
Withholding Payable	553	552
Pass through grants payable	-	120,000
Total Liabilities	57,654	167,539
Net Assets		
Unrestricted Net Assets	478,577	22,088
Temporarily Restricted Net Assets	972,068	715,548
Total Net Assets	1,450,645	737,636
Total Liabilities and Net Assets	1,508,299	905,175

Revenues & Expenses for the Fiscal Year Ending June 30, 2018

	2017	2018
Revenues	\$	\$
Grants	3,216,322	1,537,713
Contributions	115,195	176,720
Sublease income	11,300	16,300
Reimbursements	-	52,244
Contract income	-	11,796
Other income	-	385
Gain on fixed asset sale	-	885
Interest	120	114
Total Revenues	3,342,937	1,796,157
Expenses		
Program Services	2,181,021	2,187,152
Administration	150,617	157,887
Fundraising	158,465	164,127
Total Expenses	2,490,094*	2,509,166*



*The organization uses the accrual method of accounting and, as such, grants received that will be paid over multiple years are recorded as income in the year the grant is first awarded. Subsequent payments of grant installment payments are not shown as income on the Statement of Revenue and Expenses but instead reduce Grants Receivable on the Statement of Financial Position report. This is a timing issue which results in expenses not matching revenues in certain years.

OUR BOARD MEMBERS AND STAFF

Staff

Stephen Kretzmann

Executive Director & Founder

Elizabeth Bast

Managing Director

Alex Doukas

Stop Funding Fossils Program Director

Matt Maiorana

Digital Director

Thuli Makama

Senior Advisor - Africa

Hannah McKinnon

Energy Transitions and Futures Program Director

Amanda Mourant

Digital Director, ClimateTruth Program

Greg Muttitt

Research Director

Brant Olson

U.S. Program Director

Alex Ortiz

Communications Associate

Janet Redman

U.S. Policy Director

Collin Rees

Senior Campaigner

Andy Rowell

Contributing Editor, The Price of Oil Blog

Susan Rubinstein

Operations Director

Adam Scott

Senior Campaigner

Lorne Stockman

Senior Research Analyst

Kelly Trout

Senior Research Analyst

David Turnbull

Strategic Communications Director

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

Executive Director, Advocates for Community Alternatives

Stephen Kretzmann, Secretary

Executive Director, Oil Change International

Jennifer Krill

Executive Director, Earthworks

Melissa Mills

Genetic Counselor, Stanford Children's Hospital

Renato Redentor Constantino

Executive Director, Institute for Climate and Sustainable Cities

Jason Scott

Co-Managing Partner, Encourage Capital

Rebecca Solnit

Writer



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