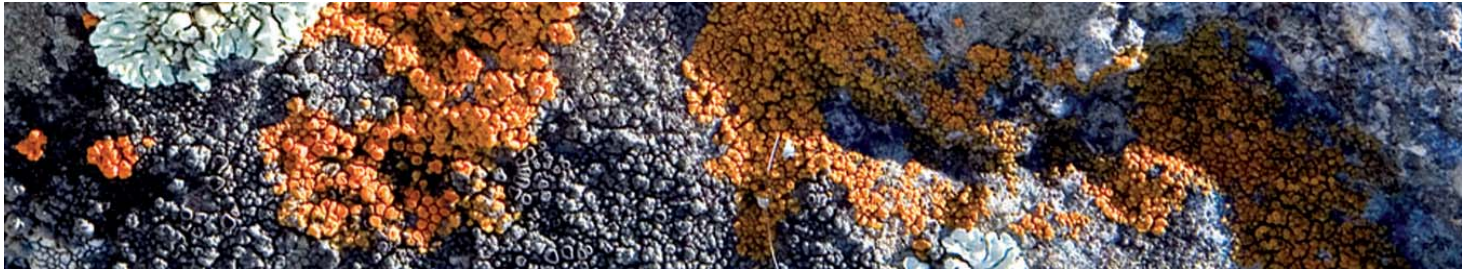


Post Carbon Institute

Reduce Consumption : Produce Locally



2005 Annual Report

2005 Annual Report

Post Carbon Institute

FROM THE CHAIR OF THE BOARD

Dear Friends,

The past year was one of dramatic growth and expansion at Post Carbon Institute. By every measure, the organization heads into 2006 positioned to become a world leader on two fronts: first, educating the public about Relocalization as a response to the coming of peak oil and the end of cheap energy; and second, building a grassroots network to begin this community-by-community social and economic change.

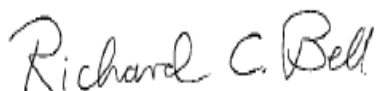
The Institute's Relocalization Network of Local Post Carbon Groups is almost literally exploding, growing from 5 to 67 groups during the year, with groups throughout North America and on other continents, and many more applications for membership pending as 2005 ended.

Another significant indicator of growth has been the addition of Post Carbon Institute's first paid professional staff. Having followed Julian and Celine Darley's dedicated work since the late 1990s, I know how much they were able to accomplish working only with volunteer help. The new staff all bring the same intense dedication to their work at Post Carbon Institute, significantly magnifying the organization's effectiveness in reaching new people and adding new groups to the Relocalization Network.

Post Carbon Institute would never have achieved so much in 2005 without the help and support of its staff, donors, board members research fellows, advisory council members, volunteers, and the thousands and thousands of people around the world who have been inspired by the Relocalization message and started to work in their own communities. And as chair of the board, I would like to offer a special thanks to Julian and Celine for the many years of leadership which they have dedicated to developing an organization that is making a difference in the world.

Thanks again to everyone who worked so hard in 2005. Let's do even greater things in 2006.

Sincerely,



Richard C. Bell



2005 Annual Report

Post Carbon Institute

FROM THE EXECUTIVE DIRECTOR AND FOUNDER

Dear Post Carbon Supporters,

We made great progress in 2005 at Post Carbon Institute. Over the course of the year, we added sixty-two new groups to our Relocalization Network, and continued to refine the concept and the applications of Relocalization as a response to the coming of peak oil.

People from all walks of life stepped forward to support Relocalization, with a range of interests including energy security, climate change, pollution, food security, public health, local jobs, culture, and local currencies.

Here are some of the highlights of our work in 2005:

Sixty-two new Local Post Carbon Groups joined our Relocalization Network in 2005, demonstrating that communities are ready to take action to reduce their energy use.

By the fall of 2005, over 25,000 visitors per month were following stories posted on our public online news broadcasting station, Global Public Media.

We enhanced our internal resources by adding a number of distinguished Research Fellows, broadening our board, and creating strong advisory panels for key projects.

Thanks to several generous donors, we significantly increased our income and our ability to deliver the Relocalization message to a broader audience. These donations also allowed us to hire our first (part-time) paid employee in August, 2005, building towards our goal of a full-time professional paid staff. Volunteers continue to play a major role in our work, and we appreciate how important their work has been in getting us to where we are today.

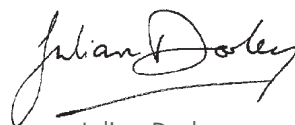
Our *End of Suburbia* screening campaign resulted in a huge number of public showings of this educational documentary.

We are sure that 2006 will be an even more momentous year for Post Carbon Institute as we develop new Relocalization responses to the pressing challenges of energy descent and climate change, and continue to build the Relocalization Network of groups working together to share ideas, put strategies into action, and develop our collective knowledge.

Thank you to all of our dedicated donors, members, staff, and volunteers. Together we will put the idea of Relocalization into action.



Celine Rich
Executive Director



Julian Darley
Founder



2005 Annual Report

Post Carbon Institute

ORGANIZATIONAL OVERVIEW

About Post Carbon Institute

Post Carbon Institute is a not-for-profit think, action, and education tank offering research, project tools, education, and information to implement proactive strategies to adapt to an energy-constrained world. Post Carbon Institute developed out of a concern for the environmental, social, political, and economic ramifications of global over-reliance on cheap energy.

Our main response to these concerns is the strategy of Relocalization, which aims to rebuild societies based on the local production of food, manufactured goods, and energy, and the Relocalization of currency, governance, and culture. The main goals of Relocalization are to increase community energy security, strengthen local economies, dramatically improve environmental conditions, and foster social equity.

An Imperative to Act

Relying on a system of cheap energy and globalized trade has many negative implications. These include: climate change and environmental degradation; the erosion of small businesses and the diversion of money and resources away from local communities; loss of energy security and increased geo-political conflict; the proliferation of suburbs and resulting social dislocation; and increased dependence on oil, a finite resource which many experts predict will hit its global production peak before the end of this decade.

The Response- Relocalization

Relocalization provides community solutions to these significant challenges by allowing community members to source essential goods and services much closer to home and, as a result, dramatically reduce their overall energy consumption. Each individual Relocalization response has additional positive benefits. For example, making food or manufactured goods locally reduces the amount of energy-intensive long distance shipping that is required to bring products to consumers. Producing local renewable energy decreases the need for large-scale polluting sources of energy, such as oil, nuclear, natural gas and coal. In addition, linking communities' outputs to their capacity for local energy production will encourage them to stay within their local limits to growth, thereby reducing environmental degradation and climate change.

www.postcarbon.org

2005 Annual Report

Programs

RELOCALIZATION NETWORK

About the Relocalization Network

One of our most important initiatives is the Relocalization Network, a growing network of Local Post Carbon Groups and Relocalization Network affiliates all over the world which are working to prepare their communities for an energy-constrained future. Local Groups work within their communities in cooperation with local governments, businesses, non-governmental organizations, and educational institutions to put the concept of Relocalization into practice.

The Relocalization Network was created as a response to individuals asking us how they could take concrete action to reduce energy consumption in their communities. Through the Network, individuals and groups can connect with others in their area who are working to achieve the same goals. The Network also connects different Local Post Carbon Groups together across geographic areas, allowing for sharing of Relocalization strategies amongst all member groups. Network members share educational resources, Relocalization toolkits, in-person support, and a suite of communication tools. We are currently working with groups to produce local renewable energy, develop shared transportation systems, rely more on locally produced goods, and work with municipal governments to create community energy plans.

Since its inception in 2004, the Relocalization Network has increased dramatically. In 2005 alone, the Network grew from 5 groups to 67 groups across 10 countries - a real testament to citizen action. As the number of Local Post Carbon Groups increases, the effectiveness of the Network grows exponentially. This allows members to take advantage of the experiences and ideas of other groups while sharing their own knowledge with many others.



In 2005, we hired a part-time Relocalization Network Coordinator to manage the Network and communicate directly with Local Post Carbon Groups. We also developed our online infrastructure to allow all Local Groups to contact each other and share information through the Post Carbon Institute website. In January 2005, we created a draft Outpost Manual to help groups start Relocalization projects. The manual gave an overview of the need for Relocalization and suggested ways in which groups could start undertaking initiatives in their communities.

www.relocalize.net

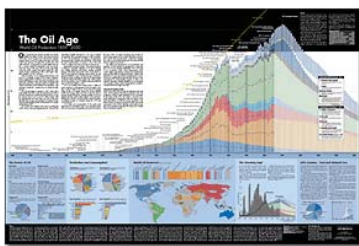
2005 Annual Report

Programs

RELOCALIZATION NETWORK

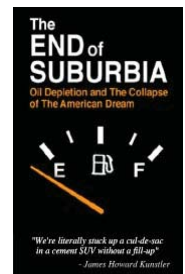
2005 Activities and Accomplishments in the Relocalization Network

In 2005, Local Post Carbon Groups engaged in many successful activities, a few of which include:



- **Education:** Members of the East Bay Post Carbon group created an educational poster depicting the Age of Oil. The poster was created to “increase awareness of the critical role of oil in modern industrial society and to call attention to the impending worldwide peak in oil production”. In 2005, over 4,000 of these informative and colorful posters were sold or donated to individuals, politicians, and schools
- **Education:** The Titanic Lifeboat Academy, a Local Post Carbon Group in Astoria Oregon, held a successful conference in June 2005 called “Doing Something about Peak Oil”. The conference focused on education and teaching sustainable living practices.

- **Outreach:** Relocalization Network members presented hundreds of screenings of the powerful documentary film *The End of Suburbia: Oil Depletion & the Collapse of the American Dream* in response to Post Carbon Institute’s screening campaign. By encouraging Local Post Carbon Groups to show the documentary film in their communities, the campaign focused on raising awareness of peak oil and the need to reduce energy consumption.



- **Relocalization projects:** Local Post Carbon Group Willits Economic Localization partnered with the City of Willits and other community stakeholders to create the “Joint Statement Towards a Sustainable, Healthy Willits” which pinpoints Relocalization as a key development priority.

- **Relocalization projects:** In October 2005, Post Carbon Sweden launched the beta version of a complementary currency model called Circle of Gifts. This model is specifically designed to help communities Relocalize activities. Post Carbon Sweden is currently testing the currency and soliciting feedback from community members.



- **Regional Networking:** In November, Post Carbon Institute staff members visited the San Francisco Bay Area and invited Northern California Local Group coordinators to a regional meeting. At the meeting, representatives of 11 different groups discussed their successes and the challenges they faced as they worked towards Relocalizing their communities.

www.relocalize.net

2005 Annual Report

Programs

GLOBAL PUBLIC MEDIA

About Global Public Media

Post Carbon Institute's founding initiative is Global Public Media, an internet broadcasting station that streams long format audio and video interviews on many different topics. Global Public Media offers news and analysis provided by world experts from a wide variety of different fields. These in-depth, informed, and dissenting viewpoints cover a diverse range of complex issues including: climate change, food security, corporatism, globalization, Relocalization, peak oil, alternative energies, and energy security. Global Public Media grew out of the belief that everyone should have access to enough information about the social, political, environmental, and economic impacts of their actions to be able to make informed decisions in their daily lives.

The goals of Global Public Media are to provide a diverse range of informed viewpoints that audiences would have difficulty accessing anywhere else, and to serve as a source of information on energy and environmental subjects which get very little in-depth mainstream media coverage. Although most interviews are posted in streaming audio or video, audiences without access to high-speed internet can read written transcriptions of selected interviews transcribed by volunteers. In addition, some interviews are translated into Spanish and French.

2005 Milestones

Since its inception in 2001, Global Public Media has developed into a leading independent media source for in-depth news about energy security, peak oil, and Relocalization strategies. In 2005, the Global Public Media website received up to 700,000 hits per month in response to the more than 175 audio, video, and print interviews posted on the site, about 70 of which were original content.

Over the years, Global Public Media correspondents have shared the stories of academics, activists, politicians, community members and business leaders with our viewers and listeners. Often, the interviews posted contain interesting and inspiring information that people just can't find anywhere else. Some of our favorite interviews include: Willits Economic Localization founder Jason Bradford speaking about his community's plans for Relocalization; Senior energy program advisor at Science Applications International Corp. (SAIC) Robert Hirsch discussing his peak oil report commissioned by the US Department of Energy in 2005; avid permaculturalist and Path to Freedom founder Jules Dervaes explaining his urban homestead project; and Congressman Roscoe Bartlett (R-MD) speaking about the need for decisive government action on peak oil. We also recorded and broadcast several key conferences in 2005, including the Association for the Study of Peak Oil and Gas (APSO) annual conference in Portugal and the APSO-USA annual conference in Denver, Colorado.

www.globalpublicmedia.com

2005 Annual Report

Programs

OIL DEPLETION PROTOCOL PROJECT

The Oil Depletion Protocol

The Oil Depletion Protocol is an international agreement that will enable nations of the world to cooperatively reduce their dependence on oil. By agreeing to reduce oil imports and exports by a specified amount each year, signatory nations will help mitigate the negative consequences of an over-reliance on cheap oil and help prepare for a global decline in the world's oil supply.

Most international proposals aimed at reducing the environmental harm caused by burning fossil fuels fall into two main categories: emissions-based protocols, such as the Kyoto Protocol, and depletion-based protocols. Emissions-based protocols, although a large step in the right direction, are limited because they generally assume that the world will be able to continue at its current rate of emissions growth indefinitely and that fossil fuel resources for such growth will continue to exist. Depletion-based protocols, such as the Oil Depletion Protocol, can strengthen emissions-based protocols by working in tandem with them to systematically reach emission targets, and most importantly, prepare for a future of reduced oil supplies.

The Oil Depletion Protocol was proposed in 1996 by Dr. Colin Campbell, petroleum geologist and founder of the Association for the Study of Peak Oil and Gas. Colin Campbell, also a Post Carbon Research Fellow, proposed a framework for the Protocol that is simple to understand, is based on attainable targets, and uses non-arbitrary guidelines. The essence of the Protocol is that nations would agree to reduce their oil imports and oil production according to a consistent, sensible formula.

The Oil Depletion Protocol Project

In 2005, notable peak oil author and college professor Richard Heinberg read Colin Campbell's proposal and realized the Protocol's potential. He immediately began working on a book about the Protocol and asked Post Carbon Institute to help facilitate its adoption by providing organizational support, expertise, and research capacity to develop an implementation program. As the Oil Depletion Protocol fits closely with our mission to help communities reduce their energy consumption, the Oil Depletion Protocol Project became an official Post Carbon Institute initiative in the fall of 2005.



The project's strategic planning was completed and the necessary baseline funding was secured by the end of 2005, with an Oil Depletion Protocol Project launch planned for 2006. In addition, the Protocol was discussed at the prominent international Pio Manzu Conference in Rimini, Italy in October 2005.

www.oildepletionprotocol.com

2005 Annual Report

Programs

LOCAL ENERGY FARMS

About Local Energy Farms

For a community to truly live in a sustainable manner, it must both reduce its energy consumption and produce its own energy locally. Post Carbon Institute's Local Energy Farms initiative can help communities achieve the second part of this goal. Local energy farms are plots of land, either urban or rural, which are designed to be integrated with local energy grids to produce renewable energy on a community or commercial scale. Ideally such farms would extend existing family farms where these still exist.

Local energy farms utilize a combination of renewable technologies which vary from one location to another, as many technologies are very site-specific. These can include wind turbines, solar panels, run-of-the-river hydroelectric power, bioliquids (such as bioethanol and biodiesel), biomass, and biogas, among other technologies. Farms with large areas of arable land may want to plant crops that can be converted into biogas or biofuels, while farms in warm climates may wish to focus on solar energy and crops which need a long, warm growing season.

Producing reliable and renewable energy locally will allow communities to increase their energy security in the face of diminishing oil and natural gas supplies and potential disruptions with power production. It will also greatly reduce the negative environmental impacts associated with burning fossil fuels for energy, especially air, land and water pollution, and climate change. By generating clean, renewable energies, Local Energy Farms will help communities meet their Kyoto commitments, as fewer local greenhouse gas emissions will be produced. Perhaps most importantly, energy farms will allow communities to clearly see what their local limits to growth are and, eventually, help them stay within these limits by consuming only that which can be produced locally.

The Local Energy Farms Project was conceived in 2004 as part of Post Carbon Institute's Relocalization strategy. This idea was loosely based on similar projects which currently exist around the world, most notably England's West Beacon Farm, which was created by farm owner Tony Marmont over several decades. A Local Energy Farm advisory panel was created in 2005, bringing together some of the world's foremost experts in renewable energy technology to help Post Carbon Institute turn this Relocalization strategy into action.



www.localenergyfarms.net

2005 Annual Report

Other Activities

EDUCATION, OUTREACH & ORGANIZATIONAL CAPACITY

Think Tank

The Post Carbon Institute think tank was created in 2003 to bring together some of the world's top experts in energy and Relocalization strategies. In 2005, Richard Heinberg and James Howard Kunstler joined the think tank as Post Carbon Fellows, bringing expertise in peak oil and city planning. Post Carbon Institute Fellows share information through presentations and online postings, record their research and activities on the Post Carbon Institute website, and develop new ways to respond to energy constraint and reduced energy use.

The think tank also serves to share the results of our research fellows' work. This past year, Post Carbon Institute founder and think tank member Julian Darley gave 25 public presentations on peak oil, natural gas, and the need for Relocalization. Other research fellows also made presentations on many important topics across North America and internationally.

Julian Darley also worked with other members of the think tank to further develop and refine the concept of Relocalization, an idea that is central to Post Carbon's mission. Research conducted by Julian Darley and other Post Carbon Fellows has shaped all of Post Carbon Institute's initiatives and remains a driving force behind our organization's development.

Education and Outreach Initiatives

In 2005, Julian Darley, Celine Rich, David Room, and Richard Heinberg began collaborating on a new book, *Relocalize Now! Getting Ready for Climate Change and the End of Cheap Oil*. This book, forthcoming in 2007, will provide tools and resources for Local Post Carbon Groups and act as a manual for the Relocalization movement. In 2005, we also collaborated with many volunteers to organize hundreds of screenings of the educational documentary film *End of Suburbia* across North America and around the world. In addition, we attended several key conferences and community events, such as the annual Green Festival in San Francisco, to further promote Relocalization and the need to reduce energy consumption.

Building Organizational Capacity

Post Carbon Institute's internal capacity to support its programs grew considerably in 2005. In the summer of 2005, the first paid staff member was hired. By the end of the year, we had developed a strong team of core staff to help support our programs and initiatives. We also created an active Board of Directors for our umbrella not-for-profit organization, MetaFoundation. In addition, we strengthened our online communications systems and pioneered a new, more accessible, website design for our online store, Post Carbon Books.

2005 Annual Report

Financial Report

FUNDING AND FINANCIAL OVERVIEW

Financial Overview

2005 was a year of tremendous growth for Post Carbon Institute as we received substantial grants and donations which allowed us to increase our program spending by over 360%. Our revenue for 2005 consisted of \$19,311 in donations from our individual supporters, \$40,240 profit from our online store, and \$6,723 earned revenue (such as speaking engagements). Additionally, our main source of revenue for 2005 was \$633,976 which was received from several grants from foundations. Of this revenue, \$529,000 was pledged to us in 2005 and had not yet been received by December 31, 2005. This pledge will be our main source of operating funds as we move into 2006 and continue to expand our programs.

Fundraising and administrative costs totaled \$32,815, with fundraising consisting of only 10% of our total expenses and administration consisting of only 13%. Keeping our supporting costs low has enabled us to allocate 77% of our expenditures into our programs. This is a program-to-operations ratio that we are very proud of and which we are striving to maintain, if not increase, as we continue to grow.

Program Expenditures for 2005

The Post Carbon Institute Think Tank	\$59,094
The Relocalization Network	\$22,013
Global Public Media	\$16,563
Educational Initiatives	\$ 5,581
Energy Farm Project	\$ 5,000
Total	\$108,251

2005 Annual Report

Financial Report

CONSOLIDATED FINANCIAL STATEMENTS

POST CARBON INSTITUTE
Statement of Financial Position

AS OF DECEMBER 31, 2005

ASSETS

Cash	31,581
Pledges Receivable	628,997
Other Accounts Receivable	8,015
Computers and Equipment	29,688
Inventory	25,470
Total Assets	\$723,751

LIABILITIES & NET ASSETS

Liabilities	
Accounts Payable	34,430
Loans From Directors	39,405
Total Liabilities	73,834
Net Assets	
Unrestricted Net Assets - Prior Years	(9,267)
Temporarily Restricted Assets	100,000
Excess of Revenues Over Expenses	559,184
Total Net Assets	\$649,917
Total Liabilities & Net Assets	\$723,751

2005 Annual Report

Financial Report

CONSOLIDATED FINANCIAL STATEMENTS

POST CARBON INSTITUTE

Statement of Activities

FOR THE YEAR ENDED DECEMBER 31, 2005

REVENUES

Grants From Foundations	633,976
Profit From Online Store	40,240
Donations	19,311
Other Earned Revenue	6,723
<hr/>	
Total Revenues	\$700,250

EXPENSES

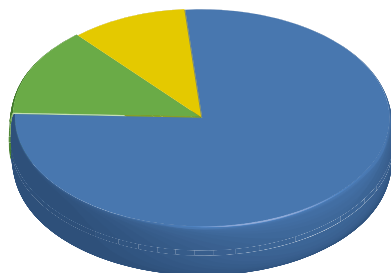
Program Expenses	
Post Carbon Institute Think Tank	59,094
Relocalization Network	22,013
Global Public Media	16,563
Educational Initiative	5,581
Energy Farm Project	5,000
Total Program Expenses	108,251
Supporting Services Expenses	
Administration	18,275
Fundraising	14,540
Total Supporting Services Expenses	32,815
<hr/>	
Total Expenses	\$141,066
<hr/>	
Revenue Over Expenses	\$559,184

2005 Annual Report

Financial Report

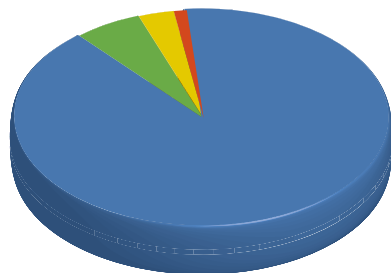
CONSOLIDATED FINANCIAL STATEMENTS

FY 2005 TOTAL EXPENSES



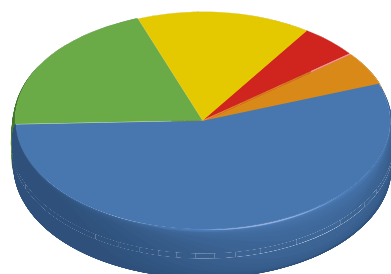
Program Services	\$108,251
Fundraising	\$14,640
Administration	\$18,275

FY 2005 OPERATING REVENUE



Grants from Foundations	\$633,976
Profit from Store	\$40,240
Individual Donations	\$19,311
Other Earned Revenue	\$6,723

FY 2005 PROGRAM EXPENSES



Think Tank	55%
Relocalization Network	20%
Global Public Media	15%
Local Energy Farms	5%
Educational Initiatives	5%

2005 Annual Report

Thank you to our supporters

RECOGNIZING OUR DONORS

Thank you to all of the dynamic grantmaking organizations and generous individuals who support and believe in our work. We deeply appreciate your financial contributions to Post Carbon Institute.

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Bryan Young
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Wallace Global Fund
Levinson Foundation
Lydia B. Stokes Foundation
JMG Foundation
Anonymous



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