Resources for the Future (RFF) is an independent, nonpartisan organization that conducts economic research and analysis to help leaders make better decisions and craft smarter policies about natural resources and the environment. RFF researchers collaborate on issues that shape the world we live in—from policies that impact local communities to negotiations that create global agreements—with the goal of developing practical solutions that make a lasting difference.
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A Letter from the President

For more than 60 years, researchers at Resources for the Future have leveraged the tools of economic analysis to shape smarter policies for natural resources, energy, and the environment. RFF’s approach is uniquely objective, rigorous, and independent—a rarity in our increasingly partisan world. We strive to bridge this divide through the power of ideas and original research—and to connect and counsel leaders from across sectors to build a stronger, more sustainable future.

This combined role of researcher, advisor, and convener is underpinned by the investments of those who understand the need for authentically objective analysis to inform better policy. With this in mind, I offer our most sincere thanks to the people, agencies, foundations, and companies who support work at RFF each year. In the pages of this year’s Annual Report, you’ll find a consequential and highly relevant portfolio of activity that demonstrates a wise use of this support, in tandem with an unfaltering commitment to developing policy solutions and innovations that better prepare us for the future.

RFF supporters make it possible for our experts to pursue new lines of research, engage with policymakers, and identify and analyze emerging trends. Long before the mainstream climate discourse acknowledged the Clean Air Act as the “law of the land,” for example, RFF researchers such as Dallas Burtraw were assessing the potential to regulate carbon emissions under this law. As a result of this pioneering work, the US Environmental Protection Agency and state governments are now calling on RFF for guidance on the anticipated regulation of greenhouse gas emissions from existing power plants.

“RFF’s approach is uniquely objective, rigorous, and independent—a rarity in our increasingly partisan world.”

Support from donors also allows RFF researchers to explore “over the horizon” issues. For example, RFF’s Jim Boyd and Allen Blackman are identifying methods for prioritizing investments in conservation—working with colleagues to create approaches that emphasize specific, tangible biophysical and societal outcomes. The result is a new framework for assessing “conservation return on investment” as a means of reaching environmental goals.

RFF, above all else, is a place of ideas. Throughout 2014, I hope you’ll take a deeper dive into research at RFF by attending our workshops and seminars to share your questions, ideas, and expertise. Our scholars are keenly interested in deconstructing and harnessing the trends and issues shaping our world, and your participation will help ensure that our work is truly relevant to today’s policy community. Let’s keep the conversation going.

Phil Sharp
President
### RFF by the Numbers: 2013

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Quantity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research projects undertaken by RFF researchers and staff</td>
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<tr>
<td>Facebook and Twitter users who followed RFF</td>
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<td>People attended RFF’s First Wednesday Seminars</td>
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<tr>
<td>People watched RFF’s seminars via live webcast</td>
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<td>People visited RFF’s blog on current research and policy debates</td>
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<tr>
<td>Subscribers who received RFF’s flagship magazine, <em>Resources</em></td>
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</tbody>
</table>
| Publications produced by RFF researchers | 64 | Available at www.rff.org/publications
In the 1950s, RFF pioneered the field of environmental and natural resource economics, leading pathbreaking investigations to better understand the concerns of resource scarcity that faced the nation. Today, RFF researchers are proud to uphold that legacy. They remain dedicated to bringing the best possible analysis to bear on the world’s critical natural resource and environmental challenges—those that will determine the kind of world future generations will inherit. The following pages feature a sample of the increasingly critical research and analysis conducted by RFF experts in 2013.
Transportation

Analyzing Fuel Economy Standards

With new fuel economy standards in effect to reduce both the amounts of gasoline used and greenhouse gases emitted, RFF scholars are beginning to examine the impact and success of the policy. This year, RFF Senior Fellow Virginia McConnell released “The New CAFE Standards: Are They Enough on Their Own?” She finds that the corporate average fuel economy (CAFE) standards do not guarantee that the new dual goals will be met and suggests implementing a complementary policy, such as a carbon or fuel tax or a better information program to convey the fuel savings.

RFF Fellow Joshua Linn also released research that examines another issue with tighter fuel economy standards: the rebound effect. In “The Rebound Effect for Passenger Vehicles,” he explains that when cars get better fuel economy, people will drive more, resulting in more gasoline use, greenhouse gas emissions, traffic congestion, road damage, and other social costs.

Natural Gas

Managing the Risks and Expanding the Benefits of Shale Gas

In 2013, the United States led the world in producing natural gas from the hydraulic fracturing of shale formations (shale gas). The boom has also raised awareness of the environmental impacts of this technique. A team of researchers, working within RFF’s Center for Energy Economics and Policy, completed an 18-month initiative to identify the associated environmental risks and assess the existing regulatory frameworks at the state level. Numerous papers were released and are available at www.rff.org/shalegasrisks.

At the same time, China holds the world’s largest potentially recoverable reserves of shale gas, but the country is lacking in the necessary technology and experience to exploit those reserves. Researchers in the Consortium for Energy Economics and Policy in China (CEEPIC), which was launched by RFF and Chinese partners in 2012, have been working to bring shale gas development best practices from the United States to China. RFF’s Zhongmin Wang and Alan Krupnick released a series of papers designed to bridge the knowledge gap, including “US Shale Gas Development: What Led to the Boom?” and “Sector Effects of the Shale Gas Revolution in the United States.”

RFF Center for Energy Economics and Policy (CEEP)

Researchers working in CEEP help to develop smart approaches for the efficient use and sustainable development of energy resources. In addition to the research above, they also explore the economics of natural gas, the market for alternative vehicles, and the intersection of energy and water, among other issues.

www.rff.org/ceep
**Economy and Environment**

**Considering a US Carbon Tax**

In response to the national and international debate surrounding the costs, benefits, and effectiveness of carbon taxes, RFF researchers set out to help inform discussions with real data based on innovative modeling and analyses. RFF’s Richard Morgenstern, Roberton Williams, and Dallas Burtraw, working with RFF University Fellow Jared Carbone of the University of Calgary, released “Deficit Reduction and Carbon Taxes: Budgetary, Economic, and Distributional Impacts.” They found that a carbon tax (in the range of $20 to $50 per ton of carbon dioxide) represents a potentially substantial revenue source for the United States—from $160 billion to $360 billion in gross revenues per year, or $1.6 trillion to $3.6 trillion over a decade.

RFF’s Dallas Burtraw and Karen Palmer examined other aspects of a carbon tax—how it would interact with other policies designed to reduce emissions, encourage cleaner energy, and improve energy efficiency. In the RFF discussion paper “Mixing It Up: Power Sector Energy and Regional and Regulatory Climate Policies in the Presence of a Carbon Tax,” they explored interactions with state or regional greenhouse gas programs, renewable subsidies, state renewable portfolio standards programs, and other subnational policies.

**Energy Efficiency**

**Providing Information to Close the Energy Efficiency Gap**

Improvements in energy efficiency often appear to pay for themselves in energy cost savings. Yet people frequently fail to make such investments—a phenomenon known as the “energy efficiency gap.” New research by RFF’s Juha Siikamäki and RFF board member Richard Newell of Duke University, “Nudging Energy Efficiency Behavior: The Role of Information Labels,” finds that one tool to help close the gap is better labeling of energy efficient appliances. Specifically, they note that simple information on how much energy (and money) will be saved is the most important element to encourage such purchases.

Another way to provide information about energy efficiency is through “green” home certifications, such as the federal government’s Energy Star program. In “Is Energy Efficiency Capitalized into Home Prices? Evidence from Three US Cities,” RFF’s Margaret Walls, Karen Palmer, and Todd Gerarden find that local certifications have a larger effect on sales prices than national certifications.

In addition to conducting research on carbon taxes and energy efficiency, CCEP researchers also examine, among other issues, greenhouse gas regulation under the Clean Air Act, state and regional policies to reduce emissions, and the impact of abundant natural gas on the electricity sector.

[www.rff.org/ccep](http://www.rff.org/ccep)
Flooding and Resilience
Reduction Vulnerability to Climate Change and Weather Extremes

Following Hurricane Sandy, RFF’s Carolyn Kousky and coauthor Erwann Michel-Kerjan of the Wharton Risk Management Center released “Hurricane Sandy, Storm Surge, and the National Flood Insurance Program: A Primer on New York and New Jersey.” They find that a significant number of flooded homes and businesses did not have a flood insurance policy. Recently, the authors released “Addressing Affordability in the National Flood Insurance Program,” in which they propose an innovative voucher program to ensure insurance remains affordable for low- and middle-income residents.

Also in 2013, the Mississippi River flooded St. Louis. RFF’s Carolyn Kousky and Margaret Walls released “Floodplain Conservation as a Flood Mitigation Strategy: Examining Costs and Benefits.” The paper highlights the effects of protecting lands from development to utilize the floodplain’s natural “green” infrastructure for reducing flood damages. For one greenway along the Meramec River in St. Louis County, Missouri, the benefits—of flood reduction and increases in nearby housing values—greatly exceeded the opportunity cost of not developing the land.

Forests
Examining the Carbon Footprint of Wood Biomass

As the United States explores new methods for expanding its renewable energy portfolio, debate continues regarding the sustainability of burning wood for energy. Part of the debate is the existing “food versus fuel” problem related to land use. In new research, “Wood Bioenergy and Land Use: A Challenge to the Searchinger Hypothesis,” RFF’s Roger Sedjo, with coauthors Brent Sohngen of Ohio State University and RFF’s Anne Riddle, argues that land that is not productive enough to produce traditional crops could be used to produce wood biomass. This would not drive up food prices or encourage changes in land use abroad to grow more food.

Equally important in the biomass debate is the question about carbon emissions: Is biomass carbon neutral? To help answer this question, RFF’s Roger Sedjo released “Regulating Emissions from Bioenergy: What Life-Cycle Assessments Tell Us,” finding that the environmental impact of biomass must be measured over its lifetime—from raw material extraction through materials processing, distribution, use, and disposal. If this is done correctly, biomass will generate no net emissions.

RFF Center for the Management of Ecological Wealth (CMEW)

At CMEW, researchers examine a variety of topics—in addition to flooding and forest issues—related to the efficient and effective management of natural resources. They also explore eco-certification programs, opportunities for investing in public lands, and how to measure returns on conservation investments, among other issues.

www.rff.org/cmew
The development of truly consequential research does not begin and end with the researcher. It requires cultivating trusted relationships with people whose experiences and future will be shaped by the research findings. RFF’s reputation for independence and rigor allows its researchers to do just that.

RFF is a convener of thought leaders and a place of new ideas. Throughout the year, interdisciplinary groups of experts from the business, academic, government, and NGO sectors meet at RFF to identify key issues and ensure that the right questions are being asked. Some of RFF’s most thought-provoking events of 2013 are featured here.
Findings from RFF’s Initiative, “Managing the Risks of Shale Gas Development”

“Case-by-case permitting you see a lot [in shale gas development]. It has important advantages. It’s more flexible than any other form of regulation . . . but it has important disadvantages that I think are underappreciated in terms of how transparent it is. It’s very difficult for outsiders to understand what is required and what’s not required in these case-by-case permit applications.”

Nathan Richardson of RFF on the use of permits for regulating shale gas development.

Ice Sheets on the Move

“Sea level rise has been accelerating. . . . For the twentieth century, the mean global sea level rise was somewhere between 15 and 18 centimeters. And for the last 20 years, it has been going up at a rate nearly double that. . . . If you extrapolated to 2100 with no acceleration, you’re looking at 32 centimeters. That’s over a foot of sea level rise by 2100.”

Jonathan Bamber of the University of Bristol on tracking the melt of ice sheets.

Species Conservation under the Endangered Species Act: Science, Partnerships, and Effectiveness

“What does it take? What does recovery look like? Let’s figure that out now. Let’s figure out what, if anything, can be done to begin conservation on the ground and avoid the need for [species] listing.”

Paul Souza of the US Fish and Wildlife Service on “setting the conservation bar.”

The Role of a Carbon Tax in Tax Reform and Deficit Reduction

“A carbon tax can be quite a substantial source of revenue. . . . Over a 10-year budget window, the lowest carbon tax we’re looking at raises more than $1.5 trillion. The highest carbon tax is bringing in more than $3 trillion. . . . It’s not enough to solve the deficit problem on its own, but it’s enough to take a big bite out of it.”

Rob Williams of RFF (center) on possible revenues from a $20 and $50 tax per ton of carbon dioxide.
The Media, Science, and Cognition: How We Shape Our Understanding of Environmental Issues

“Hot cognition can lead people to work habitually in their thinking, so their thinking goes in a pattern . . . for example, when I’m faced with X, I do Y. . . . And sometimes those habits can bias our search for information and bias what kind of information we will take in. So we have to be thinking about ways we can move people from just doing what their habit is . . . so that they may think about things in a new way and let new information in.”

*Barbara Allen of Carleton College on how people think about new information, with Julia Kumari Drapkin of iSeeChange.*
The Future of US Water Supplies

“Climate change is a lot more about water than it is about temperatures. . . . It’s about liquid water, it’s about frozen water, it’s about freshwater, and it’s about seawater. . . . The Earth’s system uses the water cycle to mix heat from areas where there’s too much heat to areas where there’s too little.”

Brad Udall of the University of Colorado’s Getches-Wilkinson Center for Natural Resources, Energy, and Environment on water risks.

Agricultural Biotechnology and the Environment: Perspectives on the Next 10 Years

“Ninety-nine percent or more of current crops are herbicide tolerant or insect resistant. . . . A recent survey suggests because these crops are used and encouraged in industrial agriculture—and the heavy use of herbicides that these crops were designed for—resistant weeds now infest 50 to 60 million acres [nationwide].”

Doug Gurian-Sherman from the Union of Concerned Scientists on the risks of genetically modified agriculture.

Cheaper Fuels for the Light-Duty Fleet

“This is basically a ‘chicken and egg’ problem. You not only need the fuel but you need the vehicles. There’s investment that’s required on both sides, so who is going to go first?”

Richard Morgenstern of RFF on flexible fuel vehicles that can use natural gas–based ethanol fuel.
Every year RFF researchers develop and advance smart solutions for solving complex issues that impact the environment and the economy. They pride themselves on anticipating and asking the right questions—and RFF’s reputation for objectivity allows its researchers to be heard where they can make a difference. In 2013, RFF researchers worked to enrich policy dialogues at local, state, and national levels, and around the world.
RFF Ideas That Made an Impact

This year, RFF researchers examined a variety of policy issues, pioneering new approaches and developing creative options for improving their efficiency and effectiveness, including the following:

- The benefit of using flexible performance standards to regulate greenhouse gas emissions from existing power plants under the Clean Air Act
- The use of natural gas to generate lower fuel prices for cars and trucks
- A proposal for improving flood insurance affordability by using a voucher system coupled to a low-interest loan program for investments in hazard mitigation
- Approaches for producing large levels of biomass without compromising crop production
- New funding strategies for financially struggling state parks
- The limits of using innovation to respond to environmental problems
- Options for supplementing the Corporate Average Fuel Economy (CAFE) standards with policies to reduce greenhouse gas emissions and oil dependence
- The impact of a carbon tax on economic growth and greenhouse gas emissions
- The effect of shale gas development on surface water and property values
- Implementation of and cost containment in California’s cap-and-trade system

RFF researchers, working in an advisory capacity, actively contribute to the work of numerous organizations, including those listed here:

- California Air Resources Board
- Inter-American Development Bank
- Intergovernmental Panel on Climate Change
- National Academy of Sciences
- National Oceanic and Atmospheric Administration
- National Research Council
- US Department of Energy
- US Environmental Protection Agency
- The World Bank
As RFF concluded the celebration of its 60th anniversary, researchers and staff began to look toward shaping the next decade at RFF. Led by RFF Vice President for Research Molly Macauley, they explored the consequential issues ahead that could represent a new phase in RFF’s evolution, while remaining true to RFF’s commitment to public service.
This Annual Report turns a page in RFF's history as we begin our seventh decade. We remain keenly aware of our social responsibility as a think tank dedicated to exceptional research and policy analysis.

In fact, we were critically reminded of this public service role when several of our university fellows (exceptionally distinguished academicians working in RFF's fields) met with the RFF Board of Directors to celebrate RFF's 60th anniversary and help launch us into the next decade. They noted that RFF has been and remains “the most influential institution working on environmental economics.” They also said that the organization had shaped the direction of their professional lives; for example, one commented, “for my career, I have been standing on the shoulders of one giant and that giant is RFF.”

The excellence of RFF has been and always will be its people and ideas. In the 1980s, RFF researchers and collaborators produced seminal books on the economics of the energy and electricity sectors; today, major changes lie ahead in these sectors and our creativity is being tapped to address emerging issues in these markets. The need also remains for deeper application of concepts such as ecosystem services and their valuation to inform conservation return on investment analysis—another area in which RFF has produced pioneering research. And the years ahead may bring fundamental changes in the macroeconomy (rates of unemployment and economic growth, in particular), with new implications for environmental management. Developing new tools to quantify risk and communicate uncertainty about the future will become more critical than ever.

With these priorities, RFF has initiated new research on the economics of natural gas and the potential creation of an energy market that could span North America. We are sharpening our focus on the measurement and mitigation of risk and uncertainty about the effects of extreme weather on our coasts and the related problem of improving the effectiveness of flood insurance. And, we are building an innovative model to understand the effects of environmental policies on economic growth and employment.

“Looking toward the next decade, RFF’s reputation and credibility continue to allow it to be a place of people and ideas, generating a dynamic dialogue that ensures we make a difference.”

What distinguishes RFF as we pursue these ideas is not only state-of-the-art research. In addition to our core staff, our academic fellowships support a large network of junior scholars—an investment in the next generation. Furthermore, this Annual Report provides a glimpse of the almost daily flow of visitors from around the world for collaborations critical to our work. Looking toward the next decade, RFF’s reputation and credibility continue to allow it to be a place of people and ideas, generating a dynamic dialogue that ensures we make a difference.
Board of Directors
As of October 2013

Leadership
W. Bowman Cutter
Chair
Senior Fellow and Director,
Economic Policy Initiative,
The Roosevelt Institute

John M. Deutch
Vice Chair
Institute Professor, Department
of Chemistry,
Massachusetts Institute of Technology

Philip R. Sharp
President,
Resources for the Future

Members
Anthony Bernhardt
Northern California Director,
Environmental Entrepreneurs

Trudy Ann Cameron
Raymond F. Mikesell Professor
of Environmental and Resource
Economics,
University of Oregon

Red Cavaney
Alexandria, VA

Elaine Dorward-King
Executive Vice President of
Sustainability and External Relations,
Newmont Mining Corporation

Linda J. Fisher
Vice President and Chief
Sustainability Officer,
DuPont Environment and Sustainable
Growth Center

C. Boyden Gray
Founder/Partner,
Boyden Gray & Associates

David Hawkins
Director, Climate Center,
Natural Resources Defense Council

Rick R. Holley
President and CEO,
Plum Creek

Peter R. Kagan
Managing Director,
Warburg Pincus, LLC

Sally Katzen
Senior Advisor,
Podesta Group

Rubén Kraiem
Partner,
Covington & Burling LLP

Robert B. Litterman
Chairman, Risk Committee,
Kepos Capital

Richard G. Newell
Director, Duke University Energy
Initiative; Professor, Nicholas School
of the Environment,
Duke University

Henry Schacht
Managing Director and Senior Advisor,
Warburg Pincus

Richard Schmalensee
Howard W. Johnson Professor and
Dean Emeritus, Sloan School of
Management,
Massachusetts Institute of Technology

Robert N. Stavins*
Albert Pratt Professor of Business and
Government,
John F. Kennedy School of
Government, Harvard University

Lisa A. Stewart
President and CEO,
Sheridan Production Company, LLC

Joseph Stiglitz
Professor of Economics, Business,
and International Affairs,
Columbia University School of
Business

Mark R. Tercek
President and CEO,
The Nature Conservancy

Chair Emeriti
Darius W. Gaskins, Jr.
Partner,
Norbridge, Inc.

Robert E. Grady
Managing Director,
Cheyenne Capital Fund

Lawrence H. Linden
Founder and Trustee,
Linden Trust for Conservation

Frank E. Loy
Washington, DC

*Board member-elect
In Appreciation of RFF’s Retiring Board Members

In October, four RFF board members retired from their positions after nearly a decade of service. RFF thanks them greatly for their leadership and dedication to the institution and its role in the policy process.

Vicky A. Bailey
Principal/Partner,
BHMM Energy Services LLC

Vicky Bailey was elected as a member of the RFF Board of Directors in 2004. During her tenure, she demonstrated a keen understanding of complex policy matters related to energy and electricity and significantly advanced RFF’s fundraising success as chair of the Development Committee of the Board.

Mohamed T. El-Ashry
Senior Fellow,
UN Foundation

Mohamed El-Ashry joined the RFF Board in 2004, bringing his deep knowledge of global environmental policy. He also served as the founding chair of the Research Program Committee, creating a forum through which the RFF Board and staff can explore emerging areas of research together.

Lawrence H. Linden
Founder and Trustee,
Linden Trust for Conservation

Larry Linden was elected to the RFF Board of Directors in 2001, and also served as its chair for several years. His tenure was characterized by a strong personal commitment to creating a more sustainable world shaped by smarter policy. He also worked closely with the Board and the RFF leadership team through a strategic review that significantly enhanced RFF’s ability to deliver on its mission.

Frank E. Loy
Washington, DC

Frank Loy joined the RFF Board in 2001. He served as the board chair during a crucial time in RFF’s history, leading the search that appointed current RFF President Phil Sharp. To this role, he brought considerable experience in the public, private, and nonprofit sectors, and encouraged RFF to be more attuned to the needs of policymakers.
Supporters

RFF is sincerely grateful to the following supporters for their generous contributions during 2013.

Individuals and Family Foundations

Chairman's Circle
$50,000 and above
- Gregory Alexander
- S.D. Bechtel, Jr. Foundation
- Anthony Bernhardt
- W. Bowman Cutter
- Christopher J. Elliman
- Joseph Gleberman
- Grantham Foundation for the Protection of the Environment
- Mark Heising and Liz Simons
- Peter Kagan
- Lawrence H. Linden
- Litterman Family Foundation
- The G. Unger Vetlesen Foundation

President's Circle
$25,000 and above
- Knobloch Family Foundation

Council
$5,000 and above
- Christopher C. Aitken
- Merribel Ayres
- Vicky A. Bailey
- Paul F. Balser
- David Blood
- John M. Deutch
- Linda J. Fisher
- Robert W. Fri
- Edward F. Hand
- James Harmon
- Stephen D. Kahn
- Raymound J. Kopp
- Rubén Kraiem
- Richard E. Kroon
- Jan W. Mares
- Wilhelm Merck
- Steve Percy
- Helen Raffel
- John W. and Jeanne M. Rowe
- Robert P. Rotella Foundation
- Roger and Vicki Sant
- Henry B. Schacht
- Philip R. Sharp
- Jeffrey A. Smith
- Lisa Stewart
- Edward L. Strohbehn, Jr.

Associates
$250 and above
- Anonymous (4)
- Catherine Abbott
- Garrett Albright
- James K. Asselstine
- Carter Bales
- H. Spencer Banzhaf
- Glenn C. Blomquist
- Harold and Colene Brown Family Foundation
- Dallas Burtraw
- Barbara Bush
- John M. Campbell
- Red Cavaney
- Emery Castle
- John C. Colman
- Joel Darmstadter
- Lee H. Endress
- Richard L. Epstein
- Robert S. Epstein
- Dod Fraser
- William Fulkerson
- Kathryn Gabler
- Manuel Godinho de Matos
- Debbie Groberg
- Ridgway M. Hall
- Nicole Hardy
- Lea Harvey
- William Hildreth
- R. Glenn Hubbard
- Leonard S. Hyman
- Julia and Howard Klee
- Don Kerr
- The Jennifer and Tim Kingston Charitable Fund
- Thomas E. Lovejoy
- Ernest J. Moniz
- George G. Montgomery
- Richard G. Newell
- Daniel H. Newlon
- Abby Newton
- Robert R. Nordhaus
- Edward L. Phillips
- Bernard J. Picchi
- Mark Pisano
- William Pizer
- Paul and Chris Portney
- Milton Russell
- Thomas C. Schelling
- Richard Schmalensee
- Schmitz-Fromherz Family Fund
- Deborah J. Schumann
- Jesse A. Schwartz
- Hilary A. Sigman
- Joseph Stiglitz
- John E. Tilton
- Tesar Timon
- Victoria Tschinkel
- Chris Whipple
- R. James Woolsey

Legacy Society

- Catherine G. Abbott
- John F. Ahearne
- Paul F. Balser
- Emery N. Castle
- Thomas D. Crocker
- J. Clarence Davies
- Margaret W. Fisher
- Maybelle Frashure
- Kenneth D. Frederick
- Robert W. Fri
- Darius W. Gaskins
- Robert E. Grady
Corporations and Associations

Chairman’s Circle
$100,000 and above
- Duke Energy*
- Exelon
- ExxonMobil Corporation
- General Electric
- Goldman, Sachs & Co.
- Plum Creek Timber Company, Inc.
- United Technologies Corporation
- Weyerhaeuser

President’s Circle
$50,000 and above
- Anadarko Petroleum Corporation
- American Chemistry Council
- BP America
- Chevron Corporation
- Green Diamond Resource Company
- Southern Company
- Toyota
- Warburg Pincus*

Council
$25,000 and above
- American Gas Association
- American Honda Motor Company
- CF Industries
- ConocoPhillips
- The Dow Chemical Company
- EQT*
- Hess Corporation
- Pacific Gas and Electric Company
- The Salt River Project
- Schlumberger Ltd.
- Shell Oil Company
- Southern California Edison

Associates
Less than $25,000
- American Forest and Paper Association
- Bracewell & Giuliani LLP
- BASF Corporation
- Consolidated Edison Company of New York
- Edison Electric Institute
- Hunton & Williams LLP
- MeadWestvaco Corporation
- Merrill Lynch & Co., Inc.*
- Microsoft Corporation*
- Mitsubishi Corporation
- Raytheon Company*
- Stout and Teague
- Two Sigma Investments LLC
- Vinson & Elkins LLP
- Westport Innovations, Inc.

Foundations
- The Energy Foundation
- Fuel Freedom Foundation
- Generation Foundation
- The Gordon and Betty Moore Foundation
- The Curtis & Edith Munson Foundation
- Alfred P. Sloan Foundation
- Tinker Foundation
- US Endowment for Forestry and Communities
- The Walton Family Foundation

Other Institutions
- Asian Development Bank
- Bipartisan Policy Center
- Biotechnology Industry Organization
- Cornell University
- Deutsche Gesellschaft Für Internationale Zusammenarbeit
- Electric Power Research Institute
- University of Gothenburg

Government Agencies
- National Science Foundation
- US Army Corps of Engineers
- US Centers for Disease Control and Prevention
- US Department of Agriculture/Forest Service
- US Department of Defense
- US Department of Energy
- US Department of Health and Human Services
- US Department of Transportation (FTA)
- US Environmental Protection Agency
- US Geological Survey
- US National Aeronautics and Space Administration
- US National Oceanic and Atmospheric Administration

*Matched their employees’ contributions to RFF.
# Financial Statements

Year Ending September 30th

## ASSETS

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<td><strong>INVESTMENTS</strong></td>
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<td>20,473,766</td>
</tr>
<tr>
<td>Investment in Land, LLC</td>
<td>8,900,000</td>
<td>8,900,000</td>
</tr>
<tr>
<td>Investment in RCC</td>
<td>-</td>
<td>4,689,894</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>56,940,529</td>
<td>34,063,660</td>
</tr>
<tr>
<td>Fixed assets - net of accumulated depreciation</td>
<td>6,844,141</td>
<td>6,019,189</td>
</tr>
<tr>
<td>Assets held under charitable trust agreements</td>
<td>373,046</td>
<td>334,003</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$68,026,968</td>
<td>$43,108,122</td>
</tr>
</tbody>
</table>

## LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax-exempt bond financing, current portion</td>
<td>$260,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Line of credit</td>
<td>-</td>
<td>908,776</td>
</tr>
<tr>
<td>Grants and awards payable</td>
<td>67,750</td>
<td>32,500</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>1,612,343</td>
<td>1,712,976</td>
</tr>
<tr>
<td>Postretirement benefits, current</td>
<td>53,045</td>
<td>53,045</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>598,563</td>
<td>379,816</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>2,591,701</td>
<td>3,337,113</td>
</tr>
<tr>
<td>Tax-exempt bond financing, net of current portion</td>
<td>5,160,000</td>
<td>5,420,000</td>
</tr>
<tr>
<td>Postretirement benefits, net of current</td>
<td>463,763</td>
<td>469,645</td>
</tr>
<tr>
<td>Liabilities under split-interest agreements</td>
<td>237,323</td>
<td>221,052</td>
</tr>
<tr>
<td>Funds held for others</td>
<td>146,231</td>
<td>83,603</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$8,599,018</td>
<td>$9,531,413</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>49,532,008</td>
<td>24,798,050</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>3,583,035</td>
<td>2,855,752</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>6,312,907</td>
<td>5,922,907</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>59,427,950</td>
<td>33,576,709</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$68,026,968</td>
<td>$43,108,122</td>
</tr>
</tbody>
</table>
CHANGES IN UNRESTRICTED NET ASSETS

REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual contributions</td>
<td>$2,494,226</td>
<td>$2,348,554</td>
</tr>
<tr>
<td>Foundation grants</td>
<td>1,488,922</td>
<td>1,525,872</td>
</tr>
<tr>
<td>Corporate contributions</td>
<td>2,300,150</td>
<td>1,353,550</td>
</tr>
<tr>
<td>Government grants and contracts</td>
<td>2,036,023</td>
<td>2,512,294</td>
</tr>
<tr>
<td>Other institution grants</td>
<td>972,491</td>
<td>1,255,166</td>
</tr>
<tr>
<td>Rental income</td>
<td>2,023,711</td>
<td>3,168,343</td>
</tr>
<tr>
<td>Investment income net of fees</td>
<td>1,567,343</td>
<td>187,317</td>
</tr>
<tr>
<td>Other revenue</td>
<td>13,017</td>
<td>35,177</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>$12,895,884</td>
<td>$12,386,273</td>
</tr>
</tbody>
</table>

EXPENSES

<table>
<thead>
<tr>
<th>Programs</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>8,600,249</td>
<td>8,488,544</td>
</tr>
<tr>
<td>Academic relations</td>
<td>185,195</td>
<td>188,594</td>
</tr>
<tr>
<td>Communications</td>
<td>1,255,065</td>
<td>1,140,249</td>
</tr>
<tr>
<td>Other direct</td>
<td>221,535</td>
<td>102,405</td>
</tr>
<tr>
<td>Total program expenses</td>
<td>$10,262,044</td>
<td>$9,919,792</td>
</tr>
<tr>
<td>Fundraising</td>
<td>1,114,947</td>
<td>959,775</td>
</tr>
<tr>
<td>Management and administration</td>
<td>1,795,025</td>
<td>1,622,396</td>
</tr>
<tr>
<td>Building operations and maintenance</td>
<td>1,261,596</td>
<td>1,008,127</td>
</tr>
<tr>
<td>Total functional expenses</td>
<td>$14,433,612</td>
<td>$13,510,090</td>
</tr>
<tr>
<td>Change in unrestricted net assets from operations</td>
<td>$(1,537,728)</td>
<td>$(1,123,817)</td>
</tr>
</tbody>
</table>

NON-OPERATING REVENUES (EXPENSES)

| Realized and unrealized gains (losses) on investment transactions | 2,807,881 | 2,497,068 |
| Realized gain on sale of investment in RCC | 24,581,087 | - |
| Increase (decrease) in unrestricted net assets | $25,851,241 | $1,373,251 |
| Net assets at beginning of year | $33,576,709 | $32,203,458 |
| Net assets at end of year | $59,427,950 | $33,576,709 |

REVENUE

In fiscal year 2013, RFF’s operating revenue was $12.9 million, 72.1 percent of which came from individual contributions, foundation grants, corporate contributions, and government grants. RFF augments its income by an annual disbursement from its reserve fund to support operations. At the end of fiscal year 2013 the reserve fund was valued at $48 million.

EXPENSES

RFF research and educational programs continued to be vital in 2013, representing 71.2 percent of total expenses. Management and administration combined with fundraising expenses were only 20.1 percent. The balance is related to facilities rented to other nonprofit organizations.
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As of October 2013

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Vice President, Finance and Administration

Lea Harvey
Vice President, Development, and Corporate Secretary

Molly K. Macauley
Vice President for Research and Senior Fellow

Peter Nelson
Director of Communications

Research

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Nonresident Fellow

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Senior Fellow and Associate Director, CCEP

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Center Fellow, CCEP

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Robert Fri
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Hal Gordon
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Yusuke Kuwayama
Fellow

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Fellow and Associate Director, CCEP

Antung Anthony Liu
Fellow

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Virginia D. McConnell
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Senior Fellow

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Center Fellow, CCEP

Lucija Anna Muehlenbachs
Fellow

Clayton Munnings
Research Assistant

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Research Director, Senior Fellow, and Associate Director, CCEP

Sophie Pan
Research Assistant

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Center Fellow, CCEP

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Nathan Richardson
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Jhih-Shyang Shih
Fellow

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Peter Vail
  Research Assistant

Margaret A. Walls
  Research Director and Senior Fellow

Yushuang Wang
  Research Assistant

Zhongmin Wang
  Fellow

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Michael Wolosin
  Visiting Scholar

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  Sigma Xi

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  Vanderbilt University

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  University of British Columbia

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Anup Malani
  University of Chicago

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  University of Maryland

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  Duke University

Stephen Polasky
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  University of Arizona

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Thomas Sterner
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  Colorado School of Mines

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  Development Assistant

Barbara Bush
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Key Hill
  Director of Foundation and Corporate Relations

Khadija Hill
  Development Officer, Individual Giving

Mike Viola
  Development Associate

Dana Yanocha
  Development Officer, Foundation and Corporate Relations

Finance and Administration

Julie Alleyne
  Research Division Manager

Jane Bergwin-Rand
  Grants and Contracts Administrator

Michael Brewer
  Mailroom and Purchasing Assistant

Chris Clotworthy
  Librarian

Karen Furman
  Staff Assistant

Shilo Lillis
  Accounting Staff Assistant

Mara Parrish
  Human Resources Manager

Charlotte Pineda
  Senior Staff Assistant

Claudia Rios
  Accounting Manager

Tiffany Smith
  Human Resources Assistant

Marilyn M. Voigt
  Executive Assistant to the President

Lester Wilkerson
  Payroll-Project Accounting Clerk

Information Technology

Aris Awang
  Database Programmer/Analyst

Danish Baig
  Desktop Support Analyst

Nauman Memon
  IT Manager

Jhon Valdez
  Desktop Support Analyst
RFF’s capacity to make an impact is due in large part to the individuals and organizations that believe that objective, research-based insights lead to smarter policy. Every gift helps RFF develop rigorous, independent research on issues that will shape the environment, economy, and world for years to come.

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- Donate online through the secure Network for Good website, www.networkforgood.org.
- Participate in the Combined Federal Campaign using RFF’s CFC code 19241.
- Provide matching gifts through your employer’s matching gift program.
- Give gifts of stocks, bonds, or mutual funds.
- Consider planned gifts through bequests or deferred giving.
Improving Efficiency and Collaboration

RFF completed the renovation of its headquarters in 2013. With a desire to maximize efficiency while still planning for growth, RFF moved from three floors to two—still adding more offices for researchers and visitors, doubling its collaborative work areas, and improving the technology in its conference suites.