

Return of Organization Exempt from Income Tax

2004

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2004 calendar year, or tax year beginning , 2004, **and ending** , 2004, **and ending**

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

Please use IRS label or print or type. See specific instructions.
Institute for Energy Research
 6219 Olympia
 Houston, TX 77057

D Employer Identification Number
76-0149778

E Telephone number
713-974-1918

F Accounting method: Cash Accrual
 Other (specify) ▶

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

G Web site: ▶ www.instituteforenergyresearch.org

J Organization type (check only one): 501(c) 3 (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 259,327.

H and I are not applicable to section 527 organizations
H (a) Is this a group return for affiliates? Yes No
H (b) If 'Yes,' enter number of affiliates ▶
H (c) Are all affiliates included? Yes No (If 'No,' attach a list. See instructions.)
H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number. ▶
M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

		1a		1b		1c		1d	
REVENUE	1 Contributions, gifts, grants, and similar amounts received:								
	a Direct public support	222,483.							
	b Indirect public support								
	c Government contributions (grants)								
	d Total (add lines 1a through 1c) (cash \$ 196,091. noncash \$ 26,392.)							222,483.	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)							7,800.	
	3 Membership dues and assessments								
	4 Interest on savings and temporary cash investments							750.	
	5 Dividends and interest from securities								
	6a Gross rents	6a							
	b Less: rental expenses	6b							
	c Net rental income or (loss) (subtract line 6b from line 6a)							6c	
7 Other investment income (describe ▶)							7		
	8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other					
		26,392.	8a						
	b Less: cost or other basis and sales expenses	26,392.	8b						
	c Gain or (loss) (attach schedule)		8c						
	d Net gain or (loss) (combine line 8c, columns (A) and (B))							8d	
	e Special events and activities (attach schedule) (any amount is from gaming, check here <input type="checkbox"/>)								
	f Gross revenue (not including reported on line 1a) of contributions	9a							
	b Less: direct expenses other than fundraising expenses	9b							
c Net income or (loss) from special events (subtract line 9b from line 9a)							9c		
	10a Gross sales of inventory, less returns and allowances	1,902.							
	b Less: cost of goods sold	2,327.							
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)							10c	
	d Other revenue (from Part VII, line 103)							11	
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)							230,608.	
EXPENSES	13 Program services (from line 44, column (B))							168,423.	
	14 Management and general (from line 44, column (C))							33,321.	
	15 Fundraising (from line 44, column (D))							14,688.	
	16 Payments to affiliates (attach schedule)							16	
	17 Total expenses (add lines 16 and 44, column (A))							216,432.	
NET ASSETS	18 Excess or (deficit) for the year (subtract line 17 from line 12)							14,176.	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))							107,430.	
	20 Other changes in net assets or fund balances (attach explanation)							20	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)							121,606.	

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) See Stmt 3 (cash \$ 1,000. non-cash \$)	22 1,000.	1,000.		
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25 123,000.	87,500.	25,000.	10,500.
26 Other salaries and wages	26			
27 Pension plan contributions	27			
28 Other employee benefits	28 8,240.	4,120.	3,090.	1,030.
29 Payroll taxes	29 9,031.	6,353.	1,894.	784.
30 Professional fundraising fees	30			
31 Accounting fees	31 913.		913.	
32 Legal fees	32			
33 Supplies	33 2,151.	1,935.	108.	108.
34 Telephone	34 2,296.	2,066.	115.	115.
35 Postage and shipping	35 2,323.	2,091.	116.	116.
36 Occupancy	36 2,135.	1,921.	107.	107.
37 Equipment rental and maintenance	37 1,686.	1,518.	84.	84.
38 Printing and publications	38 26,297.	23,668.	1,314.	1,315.
39 Travel	39 4,178.	3,760.	209.	209.
40 Conferences, conventions, and meetings	40 4,527.	4,075.	226.	226.
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42 1,885.	1,696.	95.	94.
43 Other expenses not covered above (itemize):				
a <u>Book Promotion/Marketing</u>	43a 15,528.	15,528.		
b <u>Honorarium</u>	43b 5,000.	5,000.		
c <u>Other Expenses</u>	43c 50.		50.	
d <u>Research/Editing expense</u>	43d 6,192.	6,192.		
e	43e			
44 Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44 216,432.	168,423.	33,321.	14,688.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? <u>Energy policy research/evaluation</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a See Statement 4 ----- ----- ----- (Grants and allocations \$ 1,000.)	168,423.
b ----- ----- (Grants and allocations \$)	
c ----- ----- (Grants and allocations \$)	
d ----- ----- (Grants and allocations \$)	
e Other program services (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	168,423.

Part IV Balance Sheets (See Instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
A S S E T S	45 Cash — non-interest-bearing	7,327.	45	3,415.
	46 Savings and temporary cash investments	90,476.	46	60,725.
	47 a Accounts receivable			
	b Less: allowance for doubtful accounts	250.	47 c	
	48 a Pledges receivable			
	b Less: allowance for doubtful accounts		48 c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch)			
	b Less: allowance for doubtful accounts		51 c	
	52 Inventories for sale or use	4,336.	52	49,212.
	53 Prepaid expenses and deferred charges		53	
	54 Investments — securities (attach schedule)		54	
	55 a Investments — land, buildings, & equipment: basis			
	b Less: accumulated depreciation (attach schedule)		55 c	
56 Investments — other (attach schedule)		56		
57 a Land, buildings, and equipment: basis	17,743.			
b Less: accumulated depreciation (attach schedule)	12,589.	57 c	5,154.	
58 Other assets (describe ▶ See Statement 6)		58	3,100.	
59 Total assets (add lines 45 through 58) (must equal line 74)	107,430.	59	121,606.	
L I A B I L I T I E S	60 Accounts payable and accrued expenses		60	
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)		64 b	
	65 Other liabilities (describe ▶)		65	
66 Total liabilities (add lines 60 through 65)	0.	66	0.	
N E T A S S E T S O R F U N D B A L A N C E S	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds	107,430.	72	121,606.
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19; column (B) must equal line 21)	107,430.	73	121,606.	
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	107,430.	74	121,606.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

BAA

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total revenue, gains, and other support per audited financial statements.	a	N/A
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b...	c	
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	

a	Total expenses and losses per audited financial statements	a	N/A
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b.	c	
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
See Statement 7				
-----		123,000.	8,240.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No

If 'Yes,' attach schedule - see instructions.

Part VI Other Information (See instructions.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity.		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc, to any other exempt or nonexempt organization?		X
b If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.			
81a	Enter direct and indirect political expenditures. See line 81 instructions.	81a	0.
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		84b	N/A
85a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
85b	b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A
c Dues, assessments, and similar amounts from members.		85c	N/A
d Section 162(e) lobbying and political expenditures		85d	N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices.		85e	N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)		85f	N/A
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
85h	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86a	86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
86b	b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87a	87 501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
87b	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88	88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88	X
89a	89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>	89a	
89b	b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89b	X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0.
d Enter: Amount of tax on line 89c, above, reimbursed by the organization			0.
90a	90a List the states with which a copy of this return is filed <u>None</u>	90a	
90b	b Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	2
91	91 The books are in care of <u>Nancy C. Bradley</u> Telephone number <u>713-974-1918</u> Located at <u>6219 Olympia, Houston, TX</u> ZIP + 4 <u>77057</u>	91	
92	92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Organization Exempt Under
Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No 1545-0047

2004

Name of the organization

Institute for Energy Research

Employer identification number

76-0149778

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
None				

Total number of other employees paid over \$50,000 ▶

0

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services ▶

0

Part III Statements About Activities (See instructions.)

	Yes	No
<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>N/A</u></p> <p>(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.</p>		X
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)</p> <p>a Sale, exchange, or leasing of property?</p>		X
<p>b Lending of money or other extension of credit?</p>		X
<p>c Furnishing of goods, services, or facilities?</p>		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p> <p style="text-align: center;">See Form 990, Part V</p>	X	
<p>e Transfer of any part of its income or assets?</p>		X
<p>3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)</p> <p style="text-align: right;">See Statement 8</p>	X	
<p>b Do you have a section 403(b) annuity plan for your employees?</p>		X
<p>4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?</p>		X
<p>b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?</p>		X

Part IV Reason for Non-Private Foundation Status (See instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state ▶**
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	193,309.	176,730.	25,525.	35,375.	430,939.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	15,647.	6,460.	2,312.	3,442.	27,861.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975.	638.	738.	1,126.	1,546.	4,048.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	209,594.	183,928.	28,963.	40,363.	462,848.
24 Line 23 minus line 17	193,947.	177,468.	26,651.	36,921.	434,987.
25 Enter 1% of line 23	2,096.	1,839.	290.	404.	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				26a 8,700.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 188,709.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 434,987.
d Add: Amounts from column (e) for lines:	18 4,048.	19	20	21	26d 192,757.
	22	26b 188,709.			26e 242,230.
e Public support (line 26c minus line 26d total)					26e 242,230.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 55.69 %
27 Organizations described on line 12: N/A					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year:	(2003) _____	(2002) _____	(2001) _____	(2000) _____	
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:	(2003) _____	(2002) _____	(2001) _____	(2000) _____	
c Add. Amounts from column (e) for lines:	15 _____	16 _____	17 _____	20 _____	27c _____
	21 _____	22 _____	26b _____	27b _____	27d _____
d Add: Line 27a total _____ and line 27b total _____					27e _____
e Public support (line 27c total minus line 27d total)					27e _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h _____ %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See instructions.)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
32	Does the organization maintain the following:		
32a	a Records indicating the racial composition of the student body, faculty, and administrative staff?		
32b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
32c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
32d	d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
33a	a Students' rights or privileges?		
33b	b Admissions policies?		
33c	c Employment of faculty or administrative staff?		
33d	d Scholarships or other financial assistance?		
33e	e Educational policies?		
33f	f Use of facilities?		
33g	g Athletic programs?		
33h	h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34a	a Does the organization receive any financial aid or assistance from a governmental agency?		
34b	b Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked 'a' and 'limited control' provisions apply.

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term 'expenditures' means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table -- If the amount on line 40 is -- The lobbying nontaxable amount is -- Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h.)

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
		0.

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

- (i) Cash.
(ii) Other assets.
b Other transactions:
(i) Sales or exchanges of assets with a noncharitable exempt organization.
(ii) Purchases of assets from a noncharitable exempt organization.
(iii) Rental of facilities, equipment, or other assets.
(iv) Reimbursement arrangements.
(v) Loans or loan guarantees.
(vi) Performance of services or membership or fundraising solicitations.

Table with 3 columns: Question, Yes, No. Rows include 51 a (i), a (ii), b (i), b (ii), b (iii), b (iv), b (v), b (vi), and c.

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.
d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. First row contains 'N/A'.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If 'Yes,' complete the following schedule:

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. First row contains 'N/A'.

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Statement 1
Form 990, Part I, Line 8
Net Gain (Loss) from Noninventory Sales

Publicly Traded Securities

Gross Sales Price: 26,392.
 Cost or Other Basis: 26,392.

Total Gain (Loss) Publicly Traded Securities \$ 0.

Total Net Gain (Loss) From Noninventory Sales \$ 0.

Statement 2
Form 990, Part I, Line 10
Gross Profit (Loss) From Sales Of Inventory

Books	\$	1,902.
Gross Sales	\$	1,902.
Less Returns & Allowances		0.
Net Sales	\$	1,902.
Less Cost Of Goods Sold		2,327.
Gross Profit From Sales Of Inventory	\$	-425.

Statement 3
Form 990, Part II, Line 22
Grants and Allocations

Cash Grants and Allocations

Donee's Name: Society for the Development of
 Donee's Address: Austrian Economics
 7708 Queens Garden
 Relationship of Donee: Dallas, TX 75248
 Amount Given: \$ 1,000.

Total Grants and Allocations \$ 1,000.

Statement 4
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
BOOKS AND ESSAYS: Published "Energy: The Master Resource", essay entitled, "Political Capitalism" in Encyclopedia of Capitalism; entries entitled "Energy Industry" and "Enron" in Business Industry Encyclopedia; essay entitled "Are We Running Out of Oil?" in PERC Report and essay entitled		

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Statement 4 (continued)
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
"Energy for Sustainable Development" in Italian book entitled Piu Energia per Tutti. Continued work on "Political Capitalism: Insull, Enron, and Beyond" to be published in 2006.		125,822.
CONFERENCES: Presented: "The Changing Energy Sustainability Debate: From Alarmism to Realism" to the IAEE; "American's Energy Outlook" at ALEc's San Francisco and Seattle conferences; "Climate Alarmism Reconsidered" to the Houston Property Rights Association; "The Unsuccessful Company: Lessons from Enron: at The Objectivist Center's NYC conference. Sponsored Dr. Richard Lindzen's September 2004 speech entitled "Climate Alarmism Reconsidered" to the Houston Forum. Co-sponsored Society for te Development of Austrian Economics' Fall, 2004 conference.	1,000.	42,601.
	<u>\$ 1,000.</u>	<u>\$ 168,423.</u>

Statement 5
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Machinery and Equipment	\$ 17,743.	\$ 12,589.	\$ 5,154.
Total	<u>\$ 17,743.</u>	<u>\$ 12,589.</u>	<u>\$ 5,154.</u>

Statement 6
Form 990, Part IV, Line 58
Other Assets

Reference library ...	\$ 3,100.
Total	<u>\$ 3,100.</u>

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Statement 7
Form 990, Part V
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Robert L. Bradley, Jr. 6219 Olympia Houston, TX 77057	President/Dir. 60 hrs/week	\$ 94,000.	\$ 4,120.	\$ 0.
Nancy C. Bradley 6219 Olympia Houston, TX 77057	Sec/Treasurer 20 hrs/week	29,000.	4,120.	0.
Jim Clarkson 6219 Olympia Houston, TX 77057	Director <1 hr/week	0.	0.	0.
Howard Gano, Jr. 6219 Olympia Houston, TX 77057	Director <1 hr/week	0.	0.	0.
Steven Hayward 6219 Olympia Houston, TX 77057	Director <1 hr/week	0.	0.	0.
James L. Johnston 6219 Olympia Houston, TX 77057	Director <1 hr/week	0.	0.	0.
Preston Marshall 6219 Olympia Houston, TX 77057	Director <1 hr/week	0.	0.	0.
Douglas B. Wyatt 6219 Olympia Houston, TX 77057	Director <1 hr/week	0.	0.	0.
William M. Yeatts 6219 Olympia Houston, TX 77057	Director <1 hr/week	0.	0.	0.
Total		<u>\$ 123,000.</u>	<u>\$ 8,240.</u>	<u>\$ 0.</u>

Statement 8
Schedule A, Part III, Line 3
Qualifications of Recipients Receiving Grants or Loans

The Institute for Energy Research awards honorariums/grants to scholars/organizations for their research assistance, writing of articles/booklets and/or presentations at conferences/hearings on specific energy topics. Selection is based upon an individual's expertise and ability to conduct research and write about public policies in the energy markets.

2004 Federal Book Depreciation Schedule

Institute for Energy Research

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Form 990/990-PF

Machinery and Equipment

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus Pct	Cur 179 Bonus	Special Depr. Allow.	179/ Bonus/ Sp. Depr.	Prior Dec Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
1	Furniture & eqmt	Various		12,811							12,811	10,383	S/L	5		980
2	Furniture & eqmt '03	6/01/03		2,934							2,934	321	S/L	5		572
3	Furniture & eqmt '04	2/01/04		1,998							1,998		S/L	5		333
				17,743							17,743	10,704				
Total Machinery and Equipment				17,743							17,743	10,704				
Total Depreciation				17,743							17,743	10,704				
Grand Total Depreciation				17,743							17,743	10,704				