

NTRD Program Disclaimers

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**Texas Commission on Environmental Quality
New Technology Research & Development (NTRD) Program
Monthly Project Status Report**

Contract Number: 592-5-70807-0004

Grantee: Baytech Corporation

Date Submitted: 14 March 2006

Report for the **Monthly** period:

Starting Date: 1 February 2006

Ending Date: 28 February 2006

Section I. Accomplishments *(Please provide a bulleted list of project accomplishments as well as a description of their importance to the project.)*

No technical work was performed by Baytech on the project this reporting period.

Baytech evaluated two alternative heavy-duty engine emissions testing facilities for our propane and CNG 6.0L engine testing, as described in Baytech's January progress report. Olson Ecologic Testing Labs, Fullerton, CA is unable to meet Baytech's testing requirements. Roush, Livonia, MI has the required facilities, with the exception of particulate testing capability. Roush has proposed to rent the required particulate instrumentation.

Baytech continued negotiating our specific testing needs and costs with SwRI. We plan to resolve outstanding issues and costs with SwRI so that we can conduct our testing in May 2006 within our available budget. However, we have been unable to finalize our agreement as of this reporting period.

Indicate which part of the Grant Activities as defined in the grant agreement, the above accomplishments are related to:

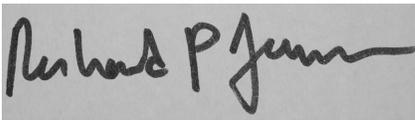
The work described above is related to Task 3 of the Scope of Work.

Section II: Problems/Solutions

<p>Problem(s) Identified</p> <p><i>(Please report anticipated or unanticipated problem(s) encountered and its effect on the progress of the project)</i></p>	<p>SwRI's proposed subcontract cost for 6.0L engine testing continues to exceed our remaining budget, even though our remaining budget is significantly more than was expended for 8.1L engine testing at SwRI. (SwRI's original proposal to Baytech, which was the basis for Baytech's test facility subcontract proposal to TCEQ, is now over two years old.)</p> <p>In addition, SwRI cannot accommodate Baytech's 6.0L engine testing until late April, as described in earlier progress reports. Due to Baytech scheduling conflicts in April, Baytech testing at SwRI cannot begin until May. This represents a schedule delay of approximately three months.</p>
<p>Proposed Solution(s)</p> <p><i>(Please report any possible solution(s) to the problem(s) that were considered/encountered)</i></p>	<ol style="list-style-type: none"> 1) Resolve testing requirements and costs with SwRI and conduct testing in May 2006. 2) Conduct testing at Roush, Livonia, MI, in May 2006 if an acceptable subcontract agreement can be negotiated.
<p>Action(s) Conducted and Results</p> <p><i>(Please describe the action(s) taken to resolve the problem(s) and its effect)</i></p>	<p>Baytech is working toward a final subcontract workscope and cost agreement with SwRI. Baytech plans to conduct testing at SwRI in May if final agreement can be reached. Otherwise, Baytech will conduct testing at Roush.</p>

Section III. Goals and Issues for Succeeding Period: *(Please provide a brief description of the goal(s) you hope to realize in the coming period and identify any notable challenges that can be foreseen)*

Baytech will finalize the testing facility to be used for the 6.0L engine, in association with TCEQ. Testing will occur no later than May 2006.



Date: 3/14/06

Authorized Project Representative's Signature