

NTRD Program Disclaimers

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

Contract Number: _____582-5-70807-0005_____

Grantee: _____Teledyne Energy Systems, Inc._____

Date Submitted: _____08 Nov 2005_____

Report for the **Monthly** period:

Starting Date _____1 Nov 2005_____ Ending Date _____30 Nov 2005_____

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

- Steve Cohen and Bob Wynne of Teledyne Energy Systems visited Clean Fuel Generation (CFG) on November 14th to see their current design of the propane reformer. The operation of the unit was witnessed and it appears that this will be able to be developed into a reasonable package for the truck APU.
- On November 18th, the two Teledyne employees accompanied by Sanjeev Kumar and Iraj Parchamazad of CFG visited Kate Williams and Joe Walton of TCEQ. The meeting was an introduction of the parties and a discussion of contract and contract issues. Kate Williams and Joe Walton explained TCEQ's reimbursement policy and Roy Middleton explained the allowance for the assignment of payment that may help alleviate the issue of payment on the subcontracts. TCEQ also advised the involvement of TERC and HARC relative to future programs.
- On the same day, a project kick-off meeting was held at the Railroad Commission with Dan Kelly and Heather Ball of the RRC, Sanjeev Kumar and Iraj Parchamazad of CFG, and Bob Wynne and Steve Cohen of Teledyne Energy Systems (TESI) in attendance. The meeting focused on discussions of the operating and environmental requirements for the auxiliary power unit (APU) as well as the potential markets. Concerns for such potential impediments as propane availability and possible highway restrictions of propane were also discussed and will be investigated. All parties left the meeting with additional research assignments that will help finalize the design requirements for the APU.
- For the remainder of the month, the parties performed their research assignments the results of which will be reported next month.

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

The above accomplishments are related to completion of the Task 1 System Definition and project management.

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>As of the end of November, the purchase orders with the two subcontractors were not finalized. Although many of the issues have been eliminated, the payment terms remain the sticking point.</p>
<p>Proposed Solution(s)</p> <p><i>(Please report any possible solution(s) to the problem(s) that were considered/encountered)</i></p>	<p>All parties are remaining flexible and final resolutions are expected shortly. Although the subcontracts have not been executed, all parties are working the project in an effort to maintain the schedule.</p>
<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>The face to face meetings held on November 18th discussing the unresolved issues were helpful.</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)*

Goals for December include completing the system definition as required in Task 1 and begin the System Modeling as described in Task 2 of the Grant Activities.

Additional information-

The Notice to Proceed was received from TCEQ on September 13, 2005. Considering the 12-month performance period, the expiration date noted in the contract should be changed from May 31, 2006 to September 12, 2006.

_____ Date: _____
Authorized Project Representative's Signature

NOTE: *Please attach any additional information that you feel should be a part of your report or that may be required to meet the deliverable requirements for tasks completed during this reporting period.*