

NTRD Program Disclaimers

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

Contract Number: 582-5-70807-0006

Grantee: Railroad Commission of Texas

Date Submitted: February 10, 2006

Report for the **Monthly** period:

Starting Date: January 1, 2006

Ending Date: January 31, 2006

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

1. By letter from Robert H. Cross, Chief, Mobile Source Control Division, dated December 9, 2005, Lubrizol has obtained CARB approval for its TermiNOx system to be used on four-cylinder engines from 2.0-3.0 liters displacement. The Railroad Commission is reviewing the company's plan for testing of the TermiNOx system on the GM 4.3-liter V6 engine. The plan will be forwarded to CARB for their approval. If the plan is approved and testing under the current program demonstrates that the GM 4.3 complies with CARB verification standards, the retrofit market will be increased, because the GM 4.3 represents a substantial share of the installed base of forklift engines in Texas.
2. NETT Technologies is the marketer of Safe Controls' (El Paso, Texas) retrofit fuel system and a marketer of standard air valve system. NETT has notified the Railroad Commission that they have completed their testing plan, sent it to CARB, and it has been approved orally. They are ready to join the project and start the testing of their systems. We are waiting to review a copy of the CARB approval. We have sent them a reminder to forward a copy of the CARB written approval.
3. A third potential manufacturer participant, Motive Ventures of Boerne, Texas, has not followed up on their original letter of interest. To our knowledge they have not submitted a test plan to CARB for approval.
4. Carnot Emission Services of San Antonio, Texas, was the only company that responded to the Railroad Commission's Invitation for Bids to conduct verification emissions testing under the NTRD program. Carnot met the requirements of the invitation to bid. A notice of contingent award has been sent to Carnot. Carnot is currently submitting emissions test results to both CARB and EPA for certification of engines. We are confident that tests conducted by Carnot will meet CARB audit requirements.

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

Task I. Select partners

2.1.1 Select retrofit fuel systems

2.1.5 Submit names of verification partners and copies of the agreements

Task 2. Initiate CARB verification process

2.3.1 Select testing laboratory

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><i>Safe Controls has not communicated their interest in the program in the last 4 months.</i></p> <p><i>AFRED has been notified that Precision Governors has decided not to enter the low-NOx retrofit fuel system market for forklifts.</i></p> <p><i>The partners for the testing have been selected: Lubrizol, NETT and Motive Ventures. Lubrizol and NETT are almost ready to proceed with the testing. Motive Ventures participation is uncertain at this time.</i></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><i>AFRED is working with NETT management to include their systems in the RRC/NTRD testing program. NETT has been asked to furnish the necessary documentation for the CARB verification process. NETT has indicated that they are still working on testing plan approval with CARB. No plan has been received from NETT at this time.</i></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><i>Lubrizol has received the CARB approval on the 4 cylinder engines and is working on the test plans for the V6 engine. Lubrizol has sent the Railroad Commission a test plan for the V6 engine. The plan has been forwarded to the emissions testing laboratory for review, after which it will be sent to CARB.</i></p>
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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)*

1. *By submission of this report, we are requesting TCEQ's written approval to use Carnot Emission Services as the laboratory for the program.*
2. *Receive additional documentation from Lubrizol indicating CARB approval of their testing plan for the GM 4.3L program; secure TCEQ approval to proceed.*
3. *Receive additional documentation from NETT indicating CARB approval of their testing plan for the GM 4.3L program; secure TCEQ approval to proceed.*
4. *Schedule test cell time; implement testing of one or both fuel systems on the GM 4.3L engine.*
5. *Contact Motive Ventures to clarify their plans.*
6. *AFRED has been advised that Lubrizol has spun off its forklift retrofit fuel systems business to a group of investors from Cleveland, Ohio, and that Engine Control Systems, Ltd., is the new entity. The management team will stay in place. If confirmed, this change will not materially affect our project except that any future agreements would not use the name Lubrizol.*



Date: February 10, 2006

 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.*