

NTRD Program Disclaimers

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

Contract Number: __582-5-70807-0011 ____

Grantee: __Rolling Frito Lay Sales, LP_____

Date Submitted: _May 5, 2006_____

Report for the **Monthly** period:

Starting Date __04/01/06_____ Ending Date __04/30/06__

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

- **Vehicle Construction** –

- **Azure Dynamics** – The hybrid drivetrain conversion is complete, and the unit is undergoing testing. It is anticipated that a visit to Azure will be conducted during the week of May 15 to sign off on acceptance and delivery of the vehicle.
- **Eaton/International** – Drivetrain conversion to hybrid continues. International has indicated an 8 week delay in delivery is forecasted due to contractual delays between International and Eaton. Opportunities are being explored to compress the schedule, including reducing vehicle tuning time. At this point, Eaton is indicating that the full 8 weeks of tuning will be required. At this point, the purchasing terms and conditions between Frito-Lay and International have been finalized; an update and finalization of the vehicle construction and delivery schedule is the only item required at this point.

Initial planning is underway for graphic design to used on the hybrid trucks. Frito-Lay's older logo and decal design was applied, which was current at the time of base vehicle construction. These decals will be removed and the current design applied. In addition, special graphics are being considered to advertise the truck as a low emissions hybrid vehicle. Logo and guidelines for graphics and logo use have been requested and received from TCEQ.

- **Testing/Data Acquisition**

LopezGarcia Group

Testing Protocol

As a result of a project review conducted at the National Renewable Energy Lab (NREL), the testing protocol is being revised to include more repetitions of the same routes (2 routes for 15 replications, 2 routes for 5 replications in Houston as confirmation). Previously, the test and baseline trucks were to be rotated through a higher number of routes for fewer replicates (4 routes, 5 runs each in both Houston and DFW areas). LG Group will update the proposal document and the project team will review prior to submission to TCEQ for approval.

Emissions Instrumentation

Agreement was reached finalizing the contract for lease of the Montana OEM 2100 system from Clean Air Technologies. It is expected that a Purchase order for the system will be issued by 5/8.

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

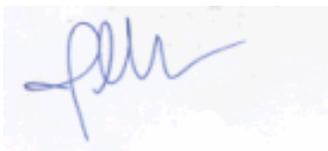
The above activities are directly related to Article 2, Scope of Work, Task 1: Development and Delivery of Hybrid Vehicles, specifically sections 2.1.1, 2.1.2, and 2.1.3.

Section II: Problems/Solutions

Problem(s) Identified <i>(Please report anticipated or unanticipated problem(s) encountered and its effect on the progress of the project)</i>	<i>International Corp. has indicated it expects an 8-week vehicle delivery delay due to a delay in securing commercial agreement between International and sub-supplier Eaton.</i>
Proposed Solution(s) <i>(Please report any possible solution(s) to the problem(s) that were considered/encountered)</i>	<i>Evaluation to accelerate the delivery schedule is continuing..</i>
Action(s) Conducted and Results <i>(Please describe the action(s) taken to resolve the problem(s) and its effect)</i>	<i>No action as of this report; examination of options underway.</i>

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. *Continue vehicle construction activities with each supplier. Continue to update project timeline based on latest available information from suppliers.*
2. *A formal Purchase Order needs to be issued to International once the purchasing agreement paperwork is in place (terms and conditions, final contract, etc.).*
3. *Issue purchase order for emissions monitoring equipment.*
4. *Finalize proposed testing protocol using input from environmental consultants and National Renewable Energy Lab (NREL).*



Date: May 5, 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.*