

NTRD Program Disclaimers

1. Disclaimer of Endorsement:

The posting herein of progress reports and final reports provided to TCEQ by its NTRD Grant Agreement recipients does not necessarily constitute or imply an endorsement, recommendation, or favoring by TCEQ or the State of Texas. The views and opinions expressed in said reports do not necessarily state or reflect those of TCEQ or the State of Texas, and shall not be used for advertising or product endorsement purposes.

2. Disclaimer of Liability:

The posting herein of progress reports and final reports provided to TCEQ by its NTRD Grant Agreement recipients does not constitute by TCEQ or the State of Texas the making of any warranty, express or implied, including the warranties of merchantability and fitness for a particular purpose, and such entities do not assume any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represent that its use would not infringe privately owned rights.

**Texas Commission on Environmental Quality
New Technology Research & Development (NTRD) Program
Monthly Project Status Report
GTI Project #20485**

Contract Number: 582-5-70807-0018

Grantee: Gas Technology Institute

Date Submitted: September 10, 2006

Report for the Monthly period: August 2006

Starting Date: August 1, 2006

Ending Date: August 31, 2006

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

Accomplishment	Importance to the Project
Refrigerant mix is being adjusted to maximize system efficiency	GTI has optimized the refrigerant mix and has successfully tested the system to generate LNG. There are ongoing adjustments and component replacements that are necessary, based on initial test runs.
GTI has finalized an agreement with Clean Energy to pick up LNG at GTI's Des Plaines site beginning in September.	Field-testing is an important deliverable in the overall project. This accomplishment will result in GTI being able to meet all deliverables on this project.

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

Accomplishment	Grant Activity
Engine component replacements	Tasks 1-6
Demonstration site identification	Tasks 5

Engine Controller Installation	Tasks 1 & 4
Refrigerant Charging	Task 4

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>No changes from previous month's report</p> <ol style="list-style-type: none"> 1) The initial test run as identified some additional components that need replacing. 2) Locating an alternate field test site has taken significantly greater time and expense than initially estimated
<p>Proposed Solution(s)</p> <p><i>(Please report any possible solution(s) to the problem(s) that were considered/encountered)</i></p>	<p>No changes from previous month's report</p> <ol style="list-style-type: none"> 1. The delay in project timeline resulted in a request from GTI for a no-cost time extension. The new projected completion date is 12-31-06. 2. Clean Energy will begin collecting LNG from GTI's demonstration site in Des Plaines in September. In October, GTI expects to host representatives from the El Paso Transit Agency who are interested in operating GTI's system in the future.

<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>No changes from previous month's report</p> <ol style="list-style-type: none">1. GTI has requested interim project report time extensions.2. Other contract modifications have been requested that will not change the project goals and objectives.
---	--

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)*

- Continue systems refinement, efficiency enhancements, and system optimization activities that were initiated during October.



Date: 9-10-06

Authorized Project Representative's Signature

**J. B. Weeks, Associate Director
Hydrogen Energy Systems
Gas Technology Institute**

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.*