

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-T036

Grantee: World Energy Alternatives, LLC

Date Submitted: February 16, 2006

Report for the **Monthly** period:

Starting Date January 6, 2006

Ending Date February 15, 2006

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

No accomplishments were made during January in reference to the Grant Activities (Scope of Work). However, World Energy submitted an amendment to TCEQ for an extension of Task 2, which was approved. A timeline has been developed by World Energy and West Virginia University for completion of the project and will be submitted to TCEQ.

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

Section II: Problems/Solutions

Problem(s) Identified

(Please report anticipated or unanticipated problem(s) encountered and its effect on the progress of the project)

A reference fuel was identified and secured by World Energy. The fuel met the initial specifications and was sent to West Virginia University. Upon arrival, WVU ordered additional third party analysis on the fuel to meet their chain of custody requirements. Test results were different than those previously reported for the fuel. For this reason, WVU and World Energy personnel conferred on multiple occasions regarding the proper testing procedures, margins of accuracy and other fuel property issues. WVU personnel have also contacted the appropriate TCEQ personnel to determine the proper course of action.

Proposed Solution(s)

(Please report any possible solution(s) to the problem(s) that were considered/encountered)

- Confirm that the reference fuel that has been received is acceptable or alternatively, procure a new batch of reference fuel that meets TCEQ requirements.
- Request meeting with TCEQ regarding reference fuel.

Action(s) Conducted and Results

(Please describe the action(s) taken to resolve the problem(s) and its effect)

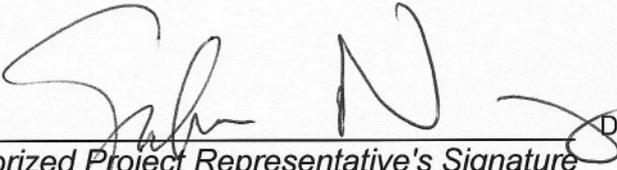
World Energy and WVU have contacted and continue to contact all possible fuel suppliers to procure a reference fuel that meets the requirements established by TCEQ.

Morris Brown has been contacted by West Virginia to discuss the fuel analysis.

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)*

The goals for the coming period include the following:

1. WVU to obtain approval of current reference fuel.
2. If current reference fuel is not approved, WVU will receive second batch of reference fuel for testing and will conduct fuel analysis in preparation for testing.
3. WVU will submit analysis to TCEQ for final approval of testing plan.
4. WVU will conduct scoping phase for testing in early March.


Date: 2/16/06
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.