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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 12, 2014

Mr. Michael A. Schiltz
Vice President of Operations & Engineering
American Power Group
2503 E. Poplar Street
Algona, IA 50511

Re: Dual-Fuel Conversion System Assessment
Tracking No. **DF-2015-010**

Dear Mr. Schiltz:

The Texas Commission on Environmental Quality (TCEQ) has reviewed your request for a determination of the percentage reduction in nitrogen oxides (NO_x) emissions that may be considered for a grant under the Emissions Reduction Incentive Grants (ERIG) Program to retrofit a heavy-duty on-road engine with the dual-fuel conversion system listed below.

Manufacturer	Engine Family	System Approval	Fuel
American Power Group, Inc.	DAPGH12.1VP1	EPA Heavy-Duty On-Road Engine Outside Useful Life	Diesel/CNG Diesel/LNG

This assessment is conducted under authority of Texas Health and Safety Code, §386.104(f-1), and the *Texas Emissions Reduction Plan: Guidelines for Emissions Reduction Incentive Grants (RG-388)*. Based on the information provided, the TCEQ has determined that a **16%** reduction in NO_x emissions may be used in an application to the ERIG Program.

This determination only applies to a project to retrofit an engine included under the U.S. Environmental Protection Agency's (EPA) acceptance of the conversion system, as listed on the EPA's website at <<http://www.epa.gov/otaq/consumer/fuels/altfuels/altfuels.htm>>. The installation of the system must comply with all applicable EPA requirements.

This letter is provided solely to establish a percentage emissions reduction factor for use under the ERIG Program. The TCEQ has made no other determinations and provides no other approvals regarding the system.

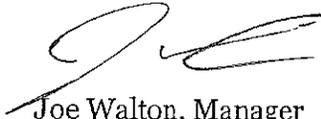
Mr. Michael A. Schiltz

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Thank you for your participation in this program. If you have any questions, please contact Mr. Stephen Dayton at (512) 239-6824.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Walton". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke.

Joe Walton, Manager
Implementation Grants Section
Air Quality Division
Texas Commission on Environmental Quality

JW/sd