

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

Contract Number:	<u>582-11-13515-2019</u>		
Grantee:	<u>Nett Technologies Inc. (Nett)</u>		
Report for the Monthly period:	<u>July 1, 2012 to July 31, 2012</u>	Date Submitted:	<u>August 11, 2012</u>

Section I. Accomplishments

Provide a bulleted list of project accomplishments as well as a description of their importance to the project.

- Generator load-bank for conducting 1000 hour durability hours has been acquired.
- Contract extension for new scope of work has been granted by TCEQ.
- Discussions with the United States Environmental Protection Agency (EPA) revealed that stationary product verifications have to be conducted on engine dynamometer versus generator electrical load.

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

- Task 1

Section II: Problems/Solutions

Problem(s) Identified: Report anticipated or unanticipated problem(s) encountered and its effect on the progress of the project

- a) At early stages of the project the EPA response was very slow resulting in Nett considering the change of change verification agency to California (Air Resources Board (ARB). The application was still submitted to both agencies, based mostly however on ARB guidance. Verification protocol required/allowed testing of the product using generator's electrical load-bank. Latest discussions with EPA revealed that our verification application included generator electrical load-bank testing instead of engine dynamometer. As a result, testing will have to be moved to external laboratory as Nett's engine dynamometer has limitations (220 kilowatts versus required 300 kilowatts). There will not be negative effects on the progress of the project. Nett's internal priorities will have to be adjusted to compensate for unforeseen logistics changes.

Proposed Solution(s): Report any possible solution(s) to the problem(s) that were considered/encountered

- a) To approach Environment Canada for their testing services

Action(s) Conducted and Results: Describe the action(s) taken to resolve the problem(s) and its effect

- a) Environment Canada has been approached. The official proposal is not expected prior to August 20, 2012 (holiday season)

Section III. Goals and Issues for Succeeding Period:

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

- System(s) design finalization
- Load bank installation and testing (preparation for durability of the system)
- Obtaining an official Environment Canada verification testing proposal
- Final EPA verification application submission and approval
- TCEQ approval to proceed to Task 2

Date: 8/11/2012

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.*