

Guy Hobbs

From: "Jake Vorac" <jvorac@mpnevada.com>
To: <guy@hobbson.com>
Sent: Tuesday, January 15, 2002 11:38 AM
Subject: Governor's Task Force on Tax Policy in Nevada - Solicitation of Comments

Mr. Hobbs,

Greetings from Mechanical Products Nevada, Inc. Your talk this morning at the Nevada Development Authority was very informative. I know you will be very busy over the next few months gathering information for this committee, however, I feel one topic that must receive some attention is Energy Conservation/Taxation /Tax Incentives. I know your time is a valuable resource, so I have kept the explanation brief. If you would be interested in any follow-up information feel free to contact me directly.

The State of Nevada has traditionally done little to encourage more efficient designs and provides insufficient funds in the area of tax incentives/rebates for retrofits. This encourages the use of less efficient systems that operate at an energy penalty. These efforts are improving with Randy Harris (Harris Consulting Engineers, Las Vegas) currently looking into several energy action items for the State. As you are most likely aware, Southern Nevada's grid is strained to match the growth of the valley. Nevada Power is also currently seeking \$932 million dollar rate increase to recoup deferred energy costs for the past two years. These are just a few of the energy concerns that will affect the future growth of the valley.

Several other states provide programs that make available tax incentives to conserve energy or use more efficient design/systems. Other states use tax penalties to encourage conservation. California is obviously the most aggressive in these endeavors.

It seems that at a time when the entire tax structure of the state is being examined, this would be an ideal time examine how energy tax rebates/penalties could benefit the continued growth of the valley. Such programs often lead to several other benefits such as improved air quality, better human comfort, and reduced operating costs. Your presentation did mention energy as a concern; therefore I hope this will help lend some light on the issue.

Best Regards,
Jake Vorac

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