

DATE ISSUED: July 10, 2001

REPORT NO. 01-142

ATTENTION: Committee on Rules, Finance and Intergovernmental Relations
Agenda of July 11, 2001

SUBJECT: Legislation adjusting Daylight Savings Time to promote energy
conservation

SUMMARY

Issue – Should the City Council support federal legislation, H.R. 704 and section 204 of H.R. 1647 to allow states in the Pacific Time Zone to temporarily adjust the standard time in response to the energy crisis?

Manager's Recommendation – Support H.R. 704 and Section 204 of H.R. 1647 and direct the City's contract lobbyist in Washington D.C. to communicate the City's position to the appropriate members of Congress.

BACKGROUND

Time zones were first used by the railroads in the 1880s to standardize their schedules. Before the time zones were established, a system existed whereby every major city and region set clocks according to local astronomical conditions. The completion of the transcontinental railroad and the need to have a standardized train schedule were the catalysts for establishing nationwide rail zones.

In 1918, the U.S. Congress made the U.S. rail zones official under federal law and gave the responsibility to make any changes to those zones to the Interstate Commerce Commission. When Congress created the Department of Transportation (DOT) in 1966, it transferred the responsibility for the time laws to the DOT.

Also in 1918, Congress placed the country on Daylight Saving Time (DST) for the remainder of World War I in an effort to conserve energy resources for the war effort.

However, because of the law's unpopularity, it lasted only seven months and was repealed.

On February 2, 1942, Congress reinstated DST to save energy during World War II. Time in the U.S. was advanced one hour year-round until September 30, 1945. From 1945 to 1966, there was no U.S. law about DST so states and localities were able to choose to observe the time or not. By 1966, approximately 100 million Americans were observing DST through their own local laws causing confusion for the broadcasting industry and for trains and buses. Congress, seeking an end to the confusion, passed the Uniform Time Act of 1966 establishing a single pattern across the country. The Uniform Time Act created DST to begin on the last Sunday of April and to end on the last Sunday of October. Any area that wished to be exempt from DST was permitted upon the adoption of a local ordinance. The Uniform Time Act was amended in 1986 to begin DST on the first Sunday in April.

DISCUSSION

In an effort to help California and the western power grid reduce energy consumption and avert rolling blackouts during peak energy usage times, Congressman Sherman (D – Woodland Hills, CA) introduced H.R. 704, the Energy Time Adjustment Authorization Act. Congressmen Filner and Hunter have signed on as cosponsors of the measure.

H.R. 704 was introduced by Mr. Sherman in response to various studies, which have concluded that the observance of daylight saving time results in significant reductions in energy use (approximately 3400 MegaWatt hours (MWh) according to a report by the California Energy Commission). Existing law allows states to exempt themselves from observance of DST and to observe Standard time year-round, but does not permit states to observe DST year-round.

Congressman Sherman's legislation would permit year-round observance of DST, if any of the legislatures of any of the states of California, Nevada, Oregon or Washington makes a finding that adjusting the standard time is necessary to help alleviate the energy crisis, that legislature is authorized to make any adjustments to the standard time, on a statewide basis, as it considers necessary. Once one of the four western states has made the required finding, any of the other three states may make an adjustment to their standard time, on a statewide basis, without first making a finding. The authority to have adjusted time in effect pursuant to H.R. 704 would expire after December 31, 2003.

Additionally, Section 204 of H.R. 1647 (Barton (R) – Fort Worth, TX) contains the exact same provisions of H.R. 704 which would permit the four western states to observe DST year-round.

According to a study by the California Energy Commission conducted in May 2001, the largest peak savings would occur during the Winter DST scenario. Winter DST modeling predicts a reduction of approximately 3400 MWh per day, or 0.5 percent. The savings associated with this reduction of consumption would be around \$60 million under

pre-deregulation prices while recent marginal price savings could be as great as \$350 million. Most importantly, the reduction in peak demand may reduce the chance of rolling blackouts.

CONCLUSION

In conclusion, City staff recommends that the City Council support H.R. 704 and Section 204 of H.R. 1647 and direct the City's federal lobbyist to communicate the City's position to the appropriate members of Congress.

Respectfully submitted,

J. Brent Eidson
Governmental Relations

Approved: P. Lamont Ewell
Assistant City Manager