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Creating Micro-Grids

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Pinched by soaring energy costs and the need for economic development, a growing number of Connecticut cities and towns are exploring setting up their own energy micro-grids. It's an intriguing idea.

Legislation authorizing the so-called "energy improvement districts" was adopted by the General Assembly last year. It gives municipalities the authority (and a lot of flexibility) to establish the districts and provide assistance, including issuing and guaranteeing a district's bonds to build energy facilities. Property owned by the district would be tax-exempt, although a district can make payments in lieu of taxes.

The goal of the legislation is to enable neighboring businesses, industries or institutions like schools and municipal office buildings to share in the benefits of cheaper, dependable, locally generated energy and energy conservation. The concept is similar to the urban business improvement districts created in the 1980s in which participating businesses paid a small tax to fund their own security and clean-up crews.

The concept is catching on. In just the last few months, districts were established in Ansonia and Stamford. Berlin, Bridgeport, New Haven, Oxford, Wethersfield, Manchester and Watertown are considering them, too.

Newly built power plants are more efficient. They also present opportunities for energy conservation. For example, a local power plant can use surplus heat to meet the heating and cooling needs of neighboring customers of the energy improvement district. These districts can also benefit from state incentives that encourage newer and cleaner energy technologies such as fuel cells, solar and wind power. In Stamford, officials are exploring using geothermal energy to address the district's needs.

Finally, by generating their own power, these districts can promise customers reliable energy at predictable prices. If enough municipalities create districts, they can reduce demand on the larger transmission system, which is struggling to meet peak demand.

It's too early to know how well these districts can deliver. But the approach, which encourages innovation and small-scale solutions to local energy needs, is very promising.

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