



Reactive Charges and Power Factor Correction

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Reactive Power is the difference between True Power (measured kW) and Apparent Power (measured kVA), and Power Factor is the ratio between them.

Power Factor is a measure of how efficiently electrical equipment on site is being used; the closer this ratio is to 1 the better, but in practise anything above 0.95 is said to be good and will usually be sufficient to avoid penalty charges.

The presence of reactive power (kVAr) on the system leads to a lower Power Factor. Certain types of equipment (motors, chillers, induction heaters, fluorescent tubes, for example) require reactive power to operate and this places additional load on the network. Network operators make a charge for this and pass it onto the end user via the supplier as kVArh charges.

Power Factor Correction works to eliminate Reactive Power (kVAr) with the result being that the overall Reactive Power levels are reduced, and Power Factor is improved to a level that eliminates kVArh charges.

| Why install Power Factor Correction?

Save money

- ☑ Removal of Reactive Power and Excess
- ☑ Availability Charges are both direct savings that you can benefit from

Free up capacity

If you want to increase your authorised supply capacity but can't due to limitations on the network, improving power factor could free up enough capacity to facilitate this without costly upgrades.

| How can Control Energy Costs help?

Our CEC Solutions team will review options as part of the working arrangement with all our clients, and if there is an opportunity to secure a reduction in costs, we will let you know. If you would like us to review Power Factor and options to reduce costs or free up capacity within your estate, please get in touch. We would be delighted to help.