

## Ofgem consultation on reactive power charging

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Clearly the REA would not wish those generators with poor power factors to be charged for reactive power taken. This is likely to be the case mainly for conventional i.e. non double wound induction generators. Double wound induction generators and synchronous generators can alter their power factor so should be able to escape any charges. It is important however that DNOs permit generators that can alter their power factor to operate at power factors that allow reactive power charges to be avoided. Reactive power charges cannot be cost reflective if generators are not allowed to operate in a manner that can avoid them.

As poor power factors can precipitate extra costs for DNOs it follows that appropriate generation of reactive power should save them costs and should therefore be rewarded. Any charging for poor reactive power should be accompanied by making payments to those generators that can vary their power factors so as to improve the overall power factor on a network.