

Issue # EE08

Power factor corrections are supposed to reduce electricity consumption of a firm. Others dispute that and argue it reduces only electricity costs in case the power utility is offering a tariff where a reactive power demand charge are part of the monthly electricity bill. In discussing the nature or phenomena of reactive power experts use incomprehensive equations or explanations. The question is: What is reactive power and under which circumstances may power factor corrections reduce electricity consumption in a plant, or reduce electricity costs only, or reduce both electricity costs and electricity consumption.

Read the question carefully to avoid wasting your time with unnecessary efforts to write a highly theoretical dissertation about the subject. The answers are simple for those who have a good grasp of what reactive power really is.