



# PUBLIC UTILITIES REGULATORY COMMISSION

## Cash Waterfall Mechanism Validation Report for April 2024 Payment

April 2024

## 1. Introduction

The New Cash Waterfall Mechanism (CWM) adopted in August 2023 is to ensure that revenue collected from the regulated electricity market is equitably and transparently allocated across the electricity value chain. This report is published for the validation of disbursement of revenue collected for April 2024 to the power sector players. Upon submission of the approved April 2024 CWM Model by the CWM Standing Committee to the Electricity Company of Ghana (ECG), ECG was mandated to pay the various stakeholders along the electricity value chain based on the approved model. PURC validated the payments made by ECG to various stakeholders for the period under review and subsequently presents its report as follows.

## 2. Cash Waterfall Mechanism Implementation

The CWM application for April 2024 payments was based on invoices submitted for February 2024. The total ECG revenues reported for April 2024 was **GHS 832,600,00.00**.

### 2.1 Allocation Revenue to Sector Players

A total amount of **GHS 595,883,257.30** representing the total payment due Six (6) Independent Power Producers (IPPs) and WAPCo as Level A category players was deducted from the collected revenues reported by ECG. The remaining **GHS 207,127,149.86** after deducting the payment to the IPPs and the Statutory payment, was then allocated to State Owned Enterprises (SOEs), regulators, and some embedded generators within the ECG network in Level B. This is captured in Table 1 below.

Table-1: Allocation Revenue

<b>COMPANY</b>	<b>CWM PERCENTAGE</b>	<b>EXPECTED PAYMENT CMW (GHS)</b>
VRA	15.21%	31,500,408.65
Bui	26.43%	54,742,560.59
BXC Solar	0.37%	768,766.38
Meinergy	0.69%	1,423,639.56
Safisana	0.01%	15,251.25
GNGC (Ghana Gas)	7.54%	15,625,104.83
VRA (NGAS + WAPCO)	6.15%	12,736,034.88
Regulatory Levy (PURC, EC, MoEn, Pro poor) ( Gas)	3.73%	7,718,827.77
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.95%	4,034,132.82
ECG	20.36%	42,161,499.20
GRIDCo	17.57%	36,400,923.93
<b>Total</b>	<b>100%</b>	<b>207,127,149.86</b>

## 2.2 Ministry of Finance (MoF) Top up.

The Ministry of Finance is expected to release an amount of **GHS 215,901,364.40** in accordance with the CWM guidelines and the approved CWM model. This is to make up for the shortfalls of the Level B category to ensure no arrears accumulate in the power sector. The Public Utilities Regulatory Commission (PURC) issued relevant payment instructions on behalf of the CWM to the Ministry of Finance to pay for the shortfalls for the Level B beneficiaries to prevent new debt accumulation and improve overall debt sustainability. The summary of the beneficiaries for the MoF top-up is captured in Table 2.

Table-2: Beneficiaries of MoF Top up

<b>COMPANY</b>	<b>CWM PAYMENT (GHS)</b>	<b>MOF TOP UP (GHS)</b>
VRA	31,500,408.65	58,596,185.08
Bui	54,742,560.59	101,830,590.44
BXC Solar	768,766.38	2,162,972.57
Meinergy	1,423,639.56	4,005,499.59
Safisana	15,251.25	42,910.35
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	4,034,132.82	4,914,901.42
GRIDCo	36,400,923.93	44,348,304.96
<b>Total</b>		<b>215,901,364.40</b>

The Commission wishes to state that, MoF has not made up for the shortfalls since August 2023. However, engagement is still ongoing to ensure that the Finance Ministry honours its obligation.

## 2.3 Actual Disbursements of Revenue to Sector Players

### 2.3.1 Disbursement to Level A Beneficiaries

The total actual revenue reported by ECG to Level A beneficiaries stood at **USD 49,104,917.00** equivalent to **GHS 595,883,257.30**. A summary of the payments to the various beneficiaries is shown in Table 3.

Table-3: Summary of Payments to Level A Beneficiaries

<b>COMPANY</b>	<b>AMOUNT PAID USD</b>	<b>GHS EQUIVALENT OF AMOUNT PAID</b>
Cenpower	10,000,000.00	121,349,000.00
Karpower	7,000,000.00	84,944,300.00
Amandi	7,000,000.00	84,944,300.00
Cenit	5,000,000.00	60,674,500.00
Asogli	7,000,000.00	84,944,300.00
Aksa	7,000,000.00	84,944,300.00
WAPCO	6,104,917.00	74,082,557.30
<b>Grand Total</b>	<b>49,104,917.00</b>	<b>595,883,257.30</b>

It is worth noting that the allocation for CENIT Energy was transferred into the liquid fuel account through the understanding reached between the Ministry of Energy and ECG.

### 2.3.2 Disbursement to Level B Beneficiaries

Disbursements of the net revenues reported by ECG were based on the approved allocation percentages submitted to ECG for April 2024 payment. The total payments made to the various members in the Level B category are summarized in Table 4.

Table-4: Summary of Payments to Level B Beneficiaries

<b>COMPANY</b>	<b>CWM PERCENTAGE ALLOCATION</b>	<b>EXPECTED PAYMENT BY CWM (GHS)</b>	<b>ACTUAL PAYMENT BY CWM (GHS)</b>	<b>VARIANCE (GHS)</b>
VRA	15.21%	31,500,408.65	31,500,408.65	-
Bui	26.43%	54,742,560.59	54,742,560.59	-
BXC Solar	0.37%	768,766.38	768,766.38	-
Meinergy	0.69%	1,423,639.56	1,423,639.56	-
Safisana	0.01%	15,251.25	15,251.25	-
GNGC (Ghana Gas)	7.54%	15,625,104.83	15,625,104.83	-
VRA (NGAS + WAPCO)	6.15%	12,736,034.88	12,736,034.88	-
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	3.73%	7,718,827.77	7,718,827.77	-
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.95%	4,034,132.82	4,034,132.82	-
ECG	20.36%	42,161,499.20	42,161,499.20	-
GRIDCo	17.57%	36,400,923.93	36,400,923.93	-
<b>Total</b>	<b>100%</b>	<b>207,127,149.86</b>	<b>207,127,149.86</b>	<b>-</b>

As indicated in Table 4, the total actual revenue payment to the Level B beneficiaries stood at **GHS 207,127,149.86**. With the exception of VRA/N-Gas allocation which was transferred into the liquid fuel account through the understanding reached between the Ministry of Energy and ECG, all beneficiaries under level B have confirmed receipt of payments due them.

### 3.0 Conclusion

The Commission has validated payments and receipts to all stakeholders along the energy value chain. The Commission wishes to state that engagement is still ongoing to ensure MoF takes the necessary steps to honour its obligation by paying for the shortfalls.

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