



PUBLIC UTILITIES REGULATORY COMMISSION

Cash Waterfall Mechanism Validation Report for January 2025 Payment

1. Introduction

The New Cash Waterfall Mechanism (CWM) adopted in August 2023 is to allocate Revenue collected from the regulated electricity market in an equitable and transparent manner to ensure financial sustainability across the electricity value chain. As part of the implementation of the New CWM, the Public Utilities Regulatory Commission (PURC) has been mandated to validate and publish monthly payments to the power sector's players. Upon submission of the approved January 2025 CWM Model to the Electricity Company of Ghana (ECG), ECG was supposed to pay the various stakeholders along the energy value chain based on the approved model. PURC validated the payments made by ECG to various stakeholders for January 2025 and thus presents its report as follows.

2. Implementation of Cash Waterfall Mechanism

The implementation of the revised CWM involves fixed payments to Level A comprising the Independent Power Producers (IPPs) and varying payments to Level B comprising of State Own Enterprises, Regulators and the embedded generators. The CWM application for January 2025 payments was based on invoices submitted for November 2024. The total ECG revenues reported for January 2025 were **GHS 1,005,200,000.00**.

2.1 Allocation Revenue to Sector Players

A total amount of **GHS 728,962,894.34** representing the total payment due Six (6) Independent Power Producers (IPPs) and WAPCo as Level A was deducted from the collected revenues reported by ECG. The remaining **GHS 241,707,467.45** after deducting the payment to the IPPs and statutory payment of **GHS 34,529,638.21** was 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

COMPANY	CWM PERCENTAGE	EXPECTED PAYMENT CMW (GHS)
VRA	15.63%	37,770,975.70
Bui	19.63%	47,438,796.91
BXC Solar	0.28%	668,854.52
Meinergy	0.42%	1,022,479.72
Safisana	0.001%	4,055.71
Early Power	5.74%	13,874,476.01
GNGC (Ghana Gas)	16.69%	40,345,260.10
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	6.74%	16,289,720.75
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.55%	3,739,039.82
ECG	18.65%	45,075,172.49
GRIDCo	14.68%	35,478,635.73
Total	100%	241,707,467.45

2.2 Ministry of Finance (MoF) Top up.

The Ministry of Finance is expected to release an amount of **GHS 243,806,953.81** 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 summary of the beneficiaries for the MoF top-up is captured in Table 2.

Table-2: Beneficiaries of MoF Top up

COMPANY	ECG PAYMENT (GHS)	MOF TOP UP (GHS)
VRA	37,770,975.70	102,950,040.72
Bui	47,438,796.91	89,481,400.38
BXC Solar	668,854.52	4,758,365.24
Meinergy	1,022,479.72	4,862,502.77
Safisana	4,055.71	168,262.02
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	3,739,039.82	3,995,142.63
GRIDCo	35,478,635.73	37,591,240.06
Total		243,806,953.81

2.3 Actual Disbursements of Revenue to Sector Players

2.3.1 Disbursement to Level A Beneficiaries

The total actual revenue approved to Level A beneficiaries stood at **USD 47,379,863.79** equivalent to **GHS 728,962,894.34**. A summary of the payments to the various beneficiaries is shown in Table 3

Table-3: Summary of Payments to Level A Beneficiaries

COMPANY	EXPECTED AMOUNT PAID OT BE PAID (USD)	GHS EQUIVALENT OF AMOUNT	ACTUAL AMOUNT PAID (GHS)
Cenpower	10,000,000.00	153,855,000.00	123,023,255.81
Karpower	7,000,000.00	107,698,500.00	128,656,253.14
Amandi	7,000,000.00	107,698,500.00	85,116,279.07
Cenit	5,000,000.00	76,927,500.00	46,511,627.91
Asogli	7,000,000.00	107,698,500.00	85,116,279.07
Aksa	7,000,000.00	107,698,500.00	85,116,279.07
WAPCO	4,379,863.79	67,386,394.34	72,004,994.40
Grand Total	47,379,863.79	728,962,894.34	625,544,968.47

The data in Table 3 highlights ECG's reported actual amount paid to the IPPs for the month of January 2025, which varied significantly from the allocations per the CWM Model approved. As at the time of finalizing this report all the Six IPPs were yet to confirm the actual amount received.

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 January 2025 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

COMPANY	CWM PERCENTAGE	EXPECTED PAYMENT BY ECG (GHS)	ACTUAL PAYMENT BY ECG (GHS)
VRA	15.63%	37,770,975.70	54,234,081.12
Bui	19.63%	47,438,796.91	47,204,780.78
BXC Solar	0.28%	668,854.52	665,555.05
Meinergy	0.42%	1,022,479.72	1,022,479.72
Safisana	0.001%	4,055.71	4,055.71
Early Power	5.74%	13,874,476.01	65,116,279.07
GNGC (Ghana Gas)	16.69%	40,345,260.10	40,345,260.10
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	6.74%	16,289,720.75	16,289,720.75
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.55%	3,739,039.82	3,739,039.82
ECG	18.65%	45,075,172.49	45,075,172.49
GRIDCo	14.68%	35,478,635.73	35,478,635.73
Total	100%	241,707,467.45	309,017,713.53

As indicated in Table 4, the total actual revenue payment to the Level B beneficiaries stood at **GHS 309,017,713.53** which varies slightly from the allocations in the approved Model. It was observed that the variance was because of an overpayment to Early Power and VRA.

In general, it is worth noting that the total actual amount paid to CWM beneficiaries stood at **GHS 934,562,682.00** which varied from the expected payment of GHS 970,670,361.79 as at the time of finalizing this report. The variation is as a result of an under payment to level A beneficiaries and an over payment to level B beneficiaries as presented in tables 3 and 4 respectively per data received from ECG.

3.0 Conclusion

The Commission has validated payments and receipts from the stakeholders along the energy value chain and wishes to state that ECG did not comply with the approved payment to Level A. However, regarding payments to Level B, ECG partially complied with the approved payment allocation. The Commission will continue to engage MoF to take the necessary steps to make payment for the shortfalls.

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