



PUBLIC UTILITIES REGULATORY COMMISSION

Cash Waterfall Mechanism Validation Report for October 2024 Payment

October 2024

1. Introduction

The new Cash Waterfall Mechanism (CWM) adopted in August 2023 is to allocate revenues 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 players. Upon submission of the approved October 2024 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 October 2024 and hereby presents its report as follows.

2. Implementation of Cash Waterfall Mechanism

The implementation of the new CWM involves fixed payments to Level A comprising the Independent Power Producers (IPPs) and varying payments to Level B comprising of State-Owned Enterprises, Regulators and the embedded generators. The CWM application for October 2024 payments was based on invoices submitted for August 2024. The total ECG revenues reported for October 2024 were **GHS 911,050,000.00**.

2.1 Allocation Revenue to Sector Players

A total amount of **GHS 668,709,978.00** representing the total payment due to Six (6) Independent Power Producers (IPPs) and WAPCo as Level A players was deducted from the collected revenues reported by ECG. The remaining **GHS 212,047,519.25** after deducting payments to the IPPs and statutory players 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.

Table-1: Allocation Revenues

COMPANY	CWM PERCENTAGE	EXPECTED PAYMENT CMW (GHS)
VRA	27.34%	57,980,153.54
Bui	5.95%	12,612,282.73
BXC Solar	0.48%	1,023,540.29
Meinergy	0.53%	1,122,289.49
Safisana	0.02%	49,809.67
Early Power	1.41%	2,984,049.80
GNGC (Ghana Gas)	18.15%	38,496,719.12
VRA(NGAS+WAPCO)	3.24%	6,860,781.57
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	7.71%	16,345,052.66
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.57%	3,322,488.32
ECG	18.86%	39,988,275.17
GRIDCo	14.74%	31,262,076.89
Total	100%	212,047,519.25

2.2 Ministry of Finance (MoF) Top up.

The Ministry of Finance is expected to release an amount of GHS 202,773,969.25 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 that 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	57,980,153.54	125,286,700.57
Bui	12,612,282.73	27,253,313.34
BXC Solar	1,023,540.29	3,290,142.90
Meinergy	1,122,289.49	3,607,569.57
Safisana	49,809.67	160,111.81
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	3,322,488.32	4,147,867.41
GRIDCo	39,988,275.17	39,028,263.65
Total		202,773,969.25

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 45,619,574.99** equivalent to **GHS 668,709,978.00**. 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 PAID	ACTUAL AMOUNT PAID (GHS)
Cenpower	10,000,000.00	146,584,000.00	120,000,000.00
Karpower	7,000,000.00	102,608,800.00	50,000,000.00
Amandi	7,000,000.00	102,608,800.00	100,000,000.00
Cenit	5,000,000.00	73,292,000.00	20,000,000.00
Asogli	7,000,000.00	102,608,800.00	88,292,000.00
Aksa	7,000,000.00	102,608,800.00	100,000,000.00
WAPCO	2,619,574.99	65,915,922.44	50,000,000.00
Grand Total	45,619,574.99	668,709,978.00	528,292,000.00

The data in Table 3 also highlights the actual amount paid to IPPs for the month of October 2024 as reported by ECG and confirmed by the IPPs. The actual payments made to Level A stood at **GHS 528,292,000.00**, which varied slightly lower than the allocations per the CWM Model approved.

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 October 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

COMPANY	CWM PERCENTAGE	EXPECTED PAYMENT BY ECG (GHS)	ACTUAL PAYMENT BY ECG (GHS)
VRA	27.34%	57,980,153.54	57,980,153.54
Bui	5.95%	12,612,282.73	12,612,282.73
BXC Solar	0.48%	1,023,540.29	1,023,540.29
Meinergy	0.53%	1,122,289.49	1,122,289.49
Safisana	0.02%	49,809.67	833,384.00
Early Power	1.41%	2,984,049.80	2,984,049.80
GNGC (Ghana Gas)	18.15%	38,496,719.12	38,496,719.12
VRA (NGAS + WAPCO)	3.24%	6,860,781.57	6,860,781.57
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	7.71%	16,345,052.66	16,345,052.66
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.57%	3,322,488.32	3,322,488.32
ECG	18.86%	39,988,275.17	39,988,275.17
GRIDCo	14.74%	31,262,076.89	31,262,076.89
Total	100%	212,047,519.25	212,831,093.58

As indicated in Table 4, the total actual revenue payment to the Level B beneficiaries stood at **GHS 212,831,093.58** as reported by ECG and confirmed by the beneficiaries.

3.0 Conclusion

The Commission has validated payments and receipts from the stakeholders along the energy value chain and wishes to state that ECG partially complied with the approved payment to Level A. However, regarding payments to Level B, ECG 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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