



PUBLIC UTILITIES REGULATORY COMMISSION

Cash Waterfall Mechanism Validation Report for July 2024 Payment

July 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 allocated across the electricity value chain equitably and transparently, the Public Utilities Regulatory Commission (PURC) published this report for the validation of disbursement of July 2024 revenue to the power sectors players. Upon submission of the approved July 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 July 2024 and hereby presents its report.

2. Implementation of Cash Waterfall Mechanism

The implementation of the revised CWM involves fixed payments to Level A stakeholders comprising the Independent Power Producers (IPPs) and varying payments to Level B stakeholders, comprising the State-Owned Enterprises, Regulators and the embedded generators. The CWM application for July 2024 payments was based on invoices submitted for May 2024. The total ECG revenues reported for July 2024 was **GHS 857,000,000.00**.

2.1 Allocation Revenue to Sector Players

A total amount of **GHS 698,517,524.99** 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 138,672,165.63** 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

COMPANY	CWM PERCENTAGE	EXPECTED PAYMENT CMW (GHS)
VRA	27.372%	37,957,209.58
Bui	6.600%	9,152,424.82
BXC Solar	0.562%	779,530.15
Meinergy	0.542%	751,537.39
Safisana	0.015%	20,665.53
Early Power	1.062%	1,473,062.53
GNGC (Ghana Gas)	20.481%	28,401,965.20
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	7.188%	9,967,558.00
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.613%	2,237,078.93
ECG	19.752%	27,390,656.88
GRIDCo	14.812%	20,540,476.62
Total	100%	138,672,165.63

2.2 Ministry of Finance (MoF) Top up.

The Ministry of Finance was expected to release an amount of **GHS 303,717,462.72** 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. A summary of the beneficiaries for the MoF top-up is captured in Table 2.

Table-2: Beneficiaries of MoF Top up

COMPANY	CWM PAYMENT (GHS)	MOF TOP UP (GHS)
VRA	37,957,209.58	181,941,813.01
Bui	9,152,424.82	43,870,684.56
BXC Solar	779,530.15	5,241,914.24
Meinergy	751,537.39	5,053,678.16
Safisana	20,665.53	138,964.30
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	2,237,078.93	6,590,621.40
GRIDCo	20,540,476.62	60,513,959.96
Total		303,351,635.64

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 47,653,053.88 equivalent to GHS 698,517,524.99. 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	-
Karpower	7,000,000.00	102,608,800.00	-
Amandi	7,000,000.00	102,608,800.00	-
Cenit	5,000,000.00	73,292,000.00	-
Asogli	7,000,000.00	102,608,800.00	-
Aksa	7,000,000.00	102,608,800.00	-
WAPCO	4,653,053.88	68,206,324.99	43,975,200.00
Grand Total	47,653,053.88	698,517,524.99	43,975,200.00

The data in Table 3 highlights the actual amount received by the IPPs for the month of July 2024, which varied significantly from the allocations per the CWM Model approved. As at the time of finalizing this report all Six IPPs were yet to confirm their actual amounts 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 July 2024 payment. 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	27.372%	37,957,209.58	37,957,209.58
Bui	6.600%	9,152,424.82	9,152,424.82
BXC Solar	0.562%	779,530.15	0
Meinergy	0.542%	751,537.39	1,331,077.36
Safisana	0.015%	20,665.53	0
Early Power	1.062%	1,473,062.53	0
GNGC (Ghana Gas)	20.481%	28,401,965.20	28,401,965.20
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	7.188%	9,967,558.00	9,967,558.00
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.613%	2,237,078.93	2,237,078.93
ECG	19.752%	27,390,656.88	27,390,656.88
GRIDCo	14.812%	20,540,476.62	20,540,476.62
Total	100%	138,672,165.63	136,978,447.39

As indicated in Table 4, the total actual revenue payment to the Level B beneficiaries stood at **GHS 136,978,447.39** which varies from the allocations in the approved Model. It is worth noting that as at the time of finalizing this report two of the embedded generators and one IPP were yet to confirm their actual amounts received.

3.0 Conclusion

The Commission has validated payments and receipts from some stakeholders along the energy value chain. The Commission wishes to state that it will continue to engage MoF to take the necessary steps to make payment for the shortfalls.

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