PUBLIC UTILITIES REGULATORY COMMISSION

Cash Waterfall Mechanism Validation Report for November 2024 Payment

November 2024

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 players. Upon submission of the approved November 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 November 2024 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 Stat- Owned Enterprises, Regulators and embedded generators. The CWM application for November 2024 payments was based on invoices submitted for September 2024. The total ECG revenues reported for November 2024 were **GHS 920,115,200.00.**

2.1 Allocation Revenue to Sector Players

A total amount of **GHS 666,635,536.51** 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 221,794,705.55** after deducting payments to the IPPs and statutory payments, 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 Revenue

COMPANY	CWM PERCENTAGE	EXPECTED PAYMENT CMW (GHS)
VRA	19.55%	43,353,789.88
Bui	16.99%	37,681,945.57
BXC Solar	0.61%	1,359,714.66
Meinergy	0.63%	1,389,472.23
Safisana	0.02%	48,081.31
Early Power	1.92%	4,252,060.07
GNGC (Ghana Gas)	16.37%	36,312,825.06
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	8.75%	19,396,087.36
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.57%	3,475,213.11
ECG	18.86%	41,826,415.83
GRIDCo	14.74%	32,699,100.48
Total	**100%**	**221,794,705.55**

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 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	43,353,789.88	102,950,040.72
Bui	37,681,945.57	89,481,400.38
BXC Solar	1,359,714.66	4,758,365.24
Meinergy	1,389,472.23	4,862,502.77
Safisana	48,081.31	168,262.02
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	3,475,213.11	3,995,142.63
GRIDCo	32,699,100.48	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 45,478,056.03**, equivalent to **GHS 666,635,536.51**. 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	146,584,000.00	60,000,000.00
Karpower	7,000,000.00	102,608,800.00	30,769,400.00
Amandi	7,000,000.00	102,608,800.00	80,000,000.00
Cenit	5,000,000.00	73,292,000.00	40,000,000.00
Asogli	7,000,000.00	102,608,800.00	40,000,000.00
Aksa	7,000,000.00	102,608,800.00	80,000,000.00
WAPCO	2,478,056.03	36,324,336.51	75,317,648.60
Grand Total	**45,478,056.03**	**666,635,536.51**	**406,087,048.60**

The data in Table 3 highlights ECG's reported actual amount paid to the IPPs for the month of November 2024, 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 November 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	19.55%	43,353,789.88	43,353,789.88
Bui	16.99%	37,681,945.57	37,681,945.57
BXC Solar	0.61%	1,359,714.66	1,359,714.66
Meinergy	0.63%	1,389,472.23	1,389,472.23
Safisana	0.02%	48,081.31	0
Early Power	1.92%	4,252,060.07	60,000,000.00
GNGC (Ghana Gas)	16.37%	36,312,825.06	36,312,825.06
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	8.75%	19,396,087.36	19,396,087.36
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.57%	3,475,213.11	3,475,213.11
ECG	18.86%	41,826,415.83	41,826,415.83
GRIDCo	**14.74%**	**32,699,100.48**	**32,699,100.48**
Total	**100%**	**221,794,705.55**	**277,494,564.18**

As indicated in Table 4, the total actual revenue payment to the Level B beneficiaries stood at **GHS 277,494,564.18** 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 non-payment to Safisana. It is worth noting that as at the time of finalizing this report all the embedded generators and one IPP are yet to confirm the actual amount received.

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.

Our Contacts

HEAD OFFICE
2nd Floor
Ghana Olympic Committee Building
No. 53, Liberation Road, Ridge
P. O. Box CT 3095 Cantonments, Accra
Digital Address: GA-052-9469
Tel: (+233) 302 218300
WhatsApp: (+233) 558 082547
Email: info@purc.com.gh
Website: www.purc.com.gh

ACCRA REGIONAL OFFICE
Ground Floor, GNAT Heights
Opposite Zenith Bank, Liberation Road
Tel: (+233) 302 240046
WhatsApp: (+233) 540 126201

KUMASI
1st Floor, Cocobod Jubilee House
P. O. Box 1001, KNUST
Kumasi, Ashanti Region
Tel: (+233) 322 037510
WhatsApp: (+233) 540 126202

TAKORADI
2nd Floor, GPHA Credit Union House
Behind Bank of Ghana
P. O. Box AX 1985
Takoradi, Western Region
Tel: (+233) 540 126203
WhatsApp: (+233) 540 126203

TAMALE
1st Floor, NCA Building
Opposite Regional Coordinating Council
P. O. Box TL 1870
Tamale, Northern Region
Tel: (+233) 372 026380
WhatsApp: (+233) 540 126204

TECHIMAN
1st Floor, Williams Residence
Close to TMA, Pomaakrom
P. O. Box TH 316, Techiman
Bono East Region
Tel: (+233) 503 522089
WhatsApp: (+233) 531 031443

HO
,2nd Floor, GERCO Plaza
Opposite SG-Bank
P. O. Box HP 1373
Ho, Volta Region
Tel: (+233) 362 028607
WhatsApp: (+233) 540 126206

SUNYANI
Plot 15/16 South Industrial Estate
Sunyani Magazine
P. O. Box SY 1003
Sunyani, Bono Region
Tel: (+233) 352 021653
WhatsApp: (+233) 540 126207

CAPE COAST
First Floor, Data Bank Building
Tantri Road
P. O. Box CC 453
Cape Coast, Central Region
Tel: (+233) 332 137926
WhatsApp: (+233) 540 126208

WA
Katee Plaza, Wa Polytechnic Road
Adjacent Winners Chapel
P. O. Box 445
Wa, Upper West Region
Tel: (+233) 392 024275
WhatsApp: (+233) 540 126209

BOLGATANGA
Ground Floor, NCA Building
Opposite the Regional Hospital
P. O. Box BG 273
Bolgatanga, Upper East Region
Tel: (+233) 382 024524
WhatsApp: (+233) 540 126210

KOFORIDUA
Ground Floor, PURC Building
Galloway, Near Jubilee Park
P. O. Box KF 2781
Koforidua, Eastern Region
Tel: (+233) 342 020770
WhatsApp: (+233) 540 126205

PURC Ghana