



PUBLIC UTILITIES REGULATORY COMMISSION

Cash Waterfall Mechanism Validation Report for March 2024 Payment

March 2024

1. Introduction

Pursuant to the implementation of the New Cash Waterfall Mechanism (CWM) adopted in August 2023 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 March 2024 revenues to the power sector players. Upon submission of the approved March 2024 CWM Model to the Electricity Company of Ghana (ECG), ECG was supposed 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 March 2024 and thus presents its report as follows.

2. Cash Waterfall Mechanism Implementation

The CWM application for March 2024 payments was based on invoices submitted for January 2023. The total ECG revenues reported for March 2024 was **GHS 1,002,850,000.00**.

2.1 Allocation Revenue to Sector Players

A total amount of GHS 620,172,800.00 representing the total payment due Seven (7) Independent Power Producers (IPPs) and WAPCo as Level A was deducted from the collected revenues reported by ECG. The remaining GHS 334,842,550.00 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	15.84%	53,036,183.37
Bui	28.34%	94,902,309.58
BXC Solar	0.68%	2,262,816.47
Meinergy	0.71%	2,374,251.67
Safisana	0.02%	50,945.73
GNGC (Ghana Gas)	9.81%	32,857,791.02
VRA (NGAS + WAPCO)	2.62%	8,757,971.59
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	4.41%	14,779,562.90
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	2.02%	6,770,841.51
ECG	20.36%	68,158,442.36
GRIDCo	15.2%	50,891,433.81
Total	100%	334,842,550.00

2.2 Ministry of Finance (MoF) Top up.

The Ministry of Finance is expected to release an amount of GHS 159,929,648.21 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 Cash Waterfall Mechanism (CWM) to the Ministry of Finance to pay for the shortfalls for the Level B beneficiaries to prevent any new debt accumulation and to 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

COMPANY	CWM PAYMENT (GHS)	MOF TOP UP (GHS)
VRA	53,036,183.37	42,408,493.97
Bui	94,902,309.58	75,885,249.88
BXC Solar	2,262,816.47	3,166,779.58
Meinergy	2,374,251.67	3,322,731.52
Safisana	50,945.73	71,297.84
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	6,770,841.51	2,481,399.03
GRIDCo	50,891,433.81	32,593,696.38
Total		159,929,648.21

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 52,000,000.00** equivalent to **GHS 620,172,800.00**. A summary of the payments to the various beneficiaries is shown in Table 3.

Table-3: Summary of Payments to Level A Beneficiaries

COMPANY	AMOUNT PAID USD	GHS EQUIVALENT OF AMOUNT PAID
Cenpower	10,000,000.00	119,264,000.00
Karpower	7,000,000.00	83,484,000.00
Amandi	7,000,000.00	83,484,000.00
Cenit	5,000,000.00	59,632,000.00
Asogli	7,000,000.00	83,484,000.00
Aksa	7,000,000.00	83,484,000.00
Early Power	5,000,000.00	59,632,000.00
WAPCO	4,000,000.00	47,705,600.00
Grand Total	52,000,000.00	620,172,800.00

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 March 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 ALLOCATION	EXPECTED PAYMENT BY CWM (GHS)	ACTUAL PAYMENT BY CWM (GHS)	VARIANCE (GHS)
VRA	15.84%	53,036,183.37	53,036,183.37	-
Bui	28.34%	94,902,309.58	94,902,309.58	-
BXC Solar	0.68%	2,262,816.47	2,262,816.47	-
Meinergy	0.71%	2,374,251.67	2,374,251.67	-
Safisana	0.02%	50,945.73	50,945.73	-
GNGC (Ghana Gas)	9.81%	32,857,791.02	32,857,791.02	-
VRA (NGAS + WAPCO)	2.62%	8,757,971.59	8,757,971.59	-
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	4.41%	14,779,562.90	14,779,562.90	-
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	2.02%	6,770,841.51	6,770,841.51	-
ECG	20.36%	68,158,442.36	68,158,442.36	-
GRIDCo	15.2%	50,891,433.81	50,891,433.81	-
Total	100%	334,842,550.00	334,842,550.00	-

As indicated in Table 4, the total actual revenue payment to the Level B beneficiaries stood at **GHS 334,842,550.00**. All beneficiaries under level B have confirmed receipt of payment 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 engagements are still ongoing to ensure MoF takes the necessary step to honour its obligation by paying for the shortfalls.

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