



PUBLIC UTILITIES REGULATORY COMMISSION

Cash Waterfall Mechanism Validation Report for June 2024 Payment

June 2024

1. Introduction

To ensure that Revenue collected from the regulated electricity market is allocated across the electricity value chain equitably and transparently, the Cash Waterfall Mechanism (CWM) was revised and adopted in August 2023. The Public Utilities Regulatory Commission (PURC) was mandated to publish monthly validation report of disbursement as part of the New Cash Waterfall Mechanism. Upon submission of the approved June 2024 CWM Model to the Electricity Company of Ghana (ECG), ECG is supposed to pay the various stakeholders along the energy value chain based on the approved model. PURC validated the payments made by ECG to the various stakeholders for June 2024 and hereby publishes this report.

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 the State-Owned Enterprises, Regulators and the embedded generators. The total ECG revenues reported for June 2024 was **GHS 884,200,000.00**. This revenue reported was disbursed based on invoices submitted for April 2024.

2.1 Allocation Revenue to Sector Players

A total amount of **GHS 700,121,454.55** representing the total payment due Six (6) Independent Power Producers (IPPs) and WAPCo as Level A stakeholders was deducted from the collected revenues reported by ECG. The remaining **GHS 161,068,727.26** 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	20.02%	32,243,532.72
Bui	14.99%	24,143,966.56
BXC Solar	0.60%	963,802.13
Meinergy	0.62%	992,730.36
Safisana	0.01%	22,887.10
Early Power	1.62%	2,605,427.65
GNGC (Ghana Gas)	18.02%	29,019,679.52
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	6.89%	11,097,326.74
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.63%	2,630,653.88
ECG	20.36%	32,786,136.54
GRIDCo	15.25%	24,562,584.08
Total	100%	161,068,727.26

2.2 Ministry of Finance (MoF) Top up.

The Ministry of Finance is 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 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	CWM PAYMENT (GHS)	MOF TOP UP (GHS)
VRA	32,243,532.72	131,765,928.03
Bui	24,143,966.56	98,666,364.82
BXC Solar	963,802.13	5,572,812.76
Meinergy	992,730.36	5,740,079.01
Safisana	22,887.10	132,335.83
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	2,630,653.88	5,982,350.63
GRIDCo	24,562,584.08	55,857,591.65
Total		303,717,462.72

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 47,762,474.39** equivalent to **GHS700,121,454.55**. 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	63,975,200.00
Karpower	7,000,000.00	102,608,800.00	
Amandi	7,000,000.00	102,608,800.00	43,975,200.00
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	20,000,000.00
WAPCO	4,762,474.39	69,810,254.55	58,633,600.00
Grand Total	47,762,474.39	700,121,454.55	186,584,000.00

The data in Table 3 highlights the actual amount received by the IPPs for the month of June 2024, which varied significantly from allocations as per the approved CWM Model. As at the time of finalizing this report three of the IPPs were yet to confirm the actual amount received.

2.3.2 Disbursement to Level B Beneficiaries

Disbursements of net revenues reported by ECG were based on the approved allocation percentages submitted to ECG for June 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	20.02%	32,243,532.72	32,243,532.72
Bui	14.99%	24,143,966.56	24,143,966.56
BXC Solar	0.60%	963,802.13	-
Meinergy	0.62%	992,730.36	1,331,077.36
Safisana	0.01%	22,887.10	-
Early Power	1.62%	2,605,427.65	-
GNGC (Ghana Gas)	18.02%	29,019,679.52	29,019,679.52
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Gas)	6.89%	11,097,326.74	11,097,326.74
Regulatory Levy (PURC, EC, MoEn, Pro poor) (Power)	1.63%	2,630,653.88	2,630,653.88
ECG	20.36%	32,786,136.54	32,786,136.54
GRIDCo	15.25%	24,562,584.08	24,562,584.08
Total	100%	161,068,727.28	157,814,957.40

As indicated in Table 4, the total actual revenue payment to the Level B beneficiaries stood at **GHS 157,814,957.40** 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 the actual amount received.

3.0 Conclusion

The Commission has validated payments and receipts from some 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 payments for the shortfalls.

OUR CONTACTS

HEAD OFFICE

2nd Floor Olympic Committee Building
No. 53, Liberation Road, Ridge
P. O. Box CT 3095 Cantonments, Accra
Digital Address: GA-052-9469
Tel: (233-302) 244180, 218300
WhatsApp: (233-558) 082547
Email: info@purc.com.gh
Website: <http://www.purc.com.gh>

Greater 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, U.S.T
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: (233-312) 024010
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

KOFORIDUA

Galloway, Near Jubilee Park Koforidua
P. O. Box KF 2781
Koforidua, Eastern Region
Tel: (233-342) 020770
WhatsApp: (233-540) 126205

HO

2nd Floor, GERCO Plaza, Opposite SG-Bank
P. O. Box HP 1373
Ho, Volta Region
Tel: (233-362) 028607
Fax: (233-362) 028608
WhatsApp: (233-540) 126206

SUNYANI

Plot 15/16 South Industrial Estate
Sunyani Magazine
P. O. Box SY 1003
Sunyani, Bono Region
Tel: (233-352) 021651
(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

2nd Floor Stanbic Bank Building
Opposite Societe Generale
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 - Bolgatanga
P. O. Box BG 273, Bolgatanga
Bolgatanga, Upper East Region
Tel: (233-382) 024524
WhatsApp: (233-540) 126210

TECHIMAN

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