

**Our Ref: EPL/ECG/211/20250228**

28<sup>th</sup> February 2025

The Acting Managing Director  
Electricity Company of Ghana  
Electro Volta House  
P.O. Box GP 521  
Accra, Ghana

Dear Sir,

**NOTICE OF PPA DEFAULT AND DEMAND FOR PAYMENT – FEBRUARY 2025**

**1. References**

Kindly refer to Annex A.

Capitalised terms used in this letter but not otherwise defined shall have the meaning given to them in the PPA or the A&R PPA as applicable.

**2. Background**

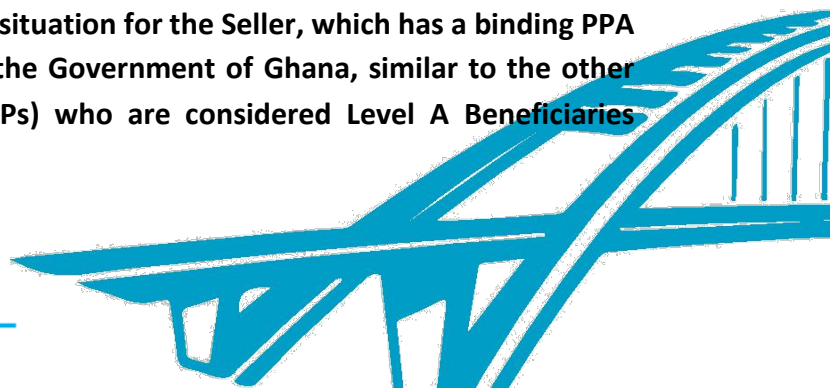
2.1 Under PPA Amendment no. 6, the Useful Energy Arrears up to COD of Stage 1 shall be paid by ECG to the Seller no later than 60 days after COD of Stage 1.

2.2 Under the A&R PPA, ECG is to make Guaranteed Monthly Payments of \$7 million for the Initial Deferral Period, ending in October 2024, and thereafter \$7.5 million for the Second Deferral Period.

2.3 The Seller achieved COD on 18 July 2024 and between then and 31 December 2024 has been available for dispatch at greater than 92% availability and generated 342,410MWh of energy.

2.4 As at 20 December 2024, the Seller has invoiced \$12,888M as Useful Energy and a further \$40.43M in the Initial Deferral Period and the first two months of the second deferral period (\$53.32M total, excluding fuel charges). Of this, only \$7.35M of the Useful Energy Arrears has been paid by ECG leaving \$5.54M in Useful Energy Arrears and \$35.64M of Guaranteed Monthly Payments unpaid (\$4.79M deferred).

**2.5 The Cash Waterfall Mechanism (CWM) continues to include the Seller as a Level B Beneficiary. This is a very worrying situation for the Seller, which has a binding PPA with ECG backed by a PCOA with the Government of Ghana, similar to the other Independent Power Producers (IPPs) who are considered Level A Beneficiaries**



**under the CWM. Reference the attached CWM allocations for the month of December 2024.**

2.6 The Seller considers this treatment as inappropriate as it has at all times cooperated with the Buyer to maintain integrity of supply. In December 2023, the Project suspended commissioning at great cost to generate 198MW to support the grid during the holiday period. It has recently again been called upon to suspend planned maintenance and generate 160MW during the recent curtailment of supply by other IPPs who are considered Level A Beneficiaries.

2.7 Like other IPPs, the Seller has agreed to defer a significant portion of its monthly invoice under the A&R PPA and therefore expects to be paid the Guaranteed Amounts of \$7 million and \$7.5M promptly, as agreed.

### **3. Notice of PPA Default and Demand for Payment**

We hereby bring to your attention that as of 31<sup>st</sup> January 2025, ECG is in default for the non-payment of \$48,215,405.89 (the "Total Arrears Amount") which has been invoiced under the terms of the PPA, out of which \$47,249,898.93 is overdue (the PPA Arrears Overdue"). We attach herewith a statement of account for your reference.

3.1 As a result of ECG's default in payment, the Seller finds itself in a precarious financial position and **will not be able to meet its debt service obligations and operating costs.**

3.2 The Seller hereby demands the immediate payment of the PPA Arrears Overdue in full and in any case, no later than 28 February 2025, failing which the Buyer will resort to remedies available to it under the PPA and the PCOA.

The Seller reserves all its rights and remedies that it may have now, or in the future, in connection with, or arising from, the PPA and the PCOA or at law, in respect of the matters referred to in this letter.

Kindly acknowledge receipt and for further enquiries you may contact the undersigned at [reginald.france@endeavor-energy.com](mailto:reginald.france@endeavor-energy.com).

Yours sincerely,

Reginald France  
**General Manager**  
**for and on behalf of Early Power LTD.**





## EARLY POWER LTD

Volta Place, 35 Patrice Lumumba Rd. Airport Residential Area  
P. O. Box CT3064, Accra, Ghana  
T: +233 (0) 302 799810

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- Encl.: 1. References  
2. EPL Statement of Account

CC:: *Hon. Minister For Finance, Ministry of Finance*  
*Hon. Minister For Energy, Ministry of Energy*  
*Executive Secretary, Public Utilities Regulatory Commission (PURC)*  
*Board Chairman, Electricity Company of Ghana*



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**Annex A – References**

We refer to:

- 1.1 The power purchase agreement between Early Power LTD (the “Seller”) and the Electricity Company of Ghana (“ECG”) dated 14<sup>th</sup> September 2016, as amended by an amendment no. 1 dated 13 March 2017, an amendment no. 2 dated 16 May 2018, an amendment no. 3 dated 18 October 2019, an amendment no. 4 dated 8 September 2022, an amendment no. 5 dated 27 December 2023 and an amendment no. 6 dated 19 August 2024 (the “PPA”) in respect of the Seller’s power plant located in Tema.
- 1.2 The Put Call Option Agreement between the Seller, Government of Ghana, ECG and others dated 27 September 2016, as amended.
- 1.3 The agreed form of the Amended and Restated Power Purchase Agreement (the “A&R PPA”) which was approved by the ECG Board, received Executive Approval and submitted to parliament for approval.
- 1.4 The Seller’s letter to ECG dated 18 July 2024 giving notification of the achievement of the Commercial Operations Date (COD) for Stage 1 of the Project under the PPA.
- 1.5 The Seller’s letter to ECG and the PURC dated 31 July 2024 (ref 176) reminding ECG of payment of guaranteed monthly payments following COD.
- 1.6 The Seller’s letters to ECG dated 25<sup>th</sup> October, 18<sup>th</sup> November and 18<sup>th</sup> December 2024 and 21<sup>st</sup> January 2025 notifying ECG of a PPA Default and Demand for Payment, copied to the Minister of Finance and Energy and the Executive Secretary of the Public Utilities Relatory Commission (PURC).
- 1.7 The Seller’s letter to the Ministry of Finance dated 18<sup>th</sup> February 2025 (ref EPL/MOF/029/20250218 requesting payment of guaranteed payments for the period since commercial operations date.



**Annex B – EPL Statement of Account**

| EARLY POWER LTD<br>STATEMENT OF PPA INVOICES |                       |                      |                          |  |          |                      |
|--|-----------------------|----------------------|--------------------------|--|----------|----------------------|
|  | Useful Energy Arrears | Payments             | Balance on Useful Energy | Commercial Invoiced Amounts <sup>1</sup> | Payments | Total Arrears        |
|  | (\$)                  | (\$)                 | (\$)                     | (\$)                                     | (\$)     | (\$)                 |
|  | 12,888,493.85         |                      | 12,888,493.85            |  |          | 12,888,493.85        |
| Aug-24                                       |                       | 185,881.81           | 12,702,612.04            | 7,908,471.41                             | -        | 20,611,083.45        |
| Sep-24                                       |                       | 1,473,634.87         | 11,228,977.17            | 8,300,347.08                             | -        | 27,437,795.65        |
| Oct-24                                       |                       | 183,516.97           | 11,045,460.20            | 7,558,824.95                             | -        | 34,813,103.63        |
| Nov-24                                       |                       | 2,488,938.44         | 8,556,521.76             | 9,600,735.14                             | -        | 41,924,900.33        |
| Dec-24                                       |                       | 1,657,582.18         | 6,898,939.58             | 6,982,580.78                             | -        | 47,249,898.93        |
| Jan-25                                       |                       | 5,658,370.84         | <b>1,240,568.74</b>      | 6,623,877.80                             | -        | <b>48,215,405.89</b> |
| <b>TOTAL</b>                                 |                       | <b>11,647,925.11</b> |                          | <b>46,974,837.15</b>                     | -        |                      |

**STATEMENT OF AMENDED AND RESTATED PPA INVOICES<sup>2</sup>**

|              | Useful Energy Arrears | Payments             | Balance on Useful Energy | Commercial Invoiced Amounts | Guaranteed Monthly Payments | Cumulative Deferred Amounts | Payments | Total Arrears        |
|--------------|-----------------------|----------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|----------|----------------------|
|              | (\$)                  | (\$)                 | (\$)                     | (\$)                        | (\$)                        | (\$)                        | (\$)     | (\$)                 |
|              | 12,888,494.85         |                      | 12,888,494.85            |                             |                             |                             |          | 12,888,494.85        |
| Aug-24       |                       | 185,881.81           | 12,702,613.04            | 7,908,471.41                | 7,000,000.00                | 908,471.41                  | -        | 19,702,613.04        |
| Sep-24       |                       | 1,473,634.87         | 11,228,978.17            | 8,300,347.08                | 7,000,000.00                | 2,208,818.48                | -        | 25,228,978.17        |
| Oct-24       |                       | 183,516.97           | 11,045,461.20            | 7,558,824.95                | 7,000,000.00                | 2,767,643.43                | -        | 32,045,461.20        |
| Nov-24       |                       | 2,488,938.44         | 8,556,522.76             | 9,600,735.14                | 7,500,000.00                | 4,868,378.57                | -        | 37,056,522.76        |
| Dec-24       |                       | 1,657,582.18         | 6,898,940.58             | 6,982,580.78                | 7,500,000.00                | 4,350,959.35                | -        | 42,898,940.58        |
| Jan-25       |                       | 5,658,370.84         | <b>1,240,569.74</b>      | 6,623,877.80                | 7,500,000.00                | <b>3,474,837.15</b>         | -        | <b>44,740,569.74</b> |
| <b>TOTAL</b> |                       | <b>11,647,925.11</b> |                          | <b>46,974,837.15</b>        | <b>43,500,000.00</b>        |                             | -        |                      |

1 Exclusive of fuel costs due to GNPC

2 Useful Energy Arrears was due for payment by 30 September 2024 under PPA Amendment No. 6.

