



Mexico's Energy Regulatory Commission: Challenges and Opportunities in Reforming the Energy Industry

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Mexico's landmark energy reform is now a reality, creating significant investment opportunities throughout the entire value chain



239 billion dollars:
Public and Private Investment



Hydrocarbons "Rounds One and Two"

Round 1:

- 1st Tender: **2.7** billion USD
- 2nd Tender: **3.1** billion USD
- 3rd Tender: **1.1** billion USD
- 4th Tender: **4.4** billion USD
- Trión: **11** billion USD

Round 2:

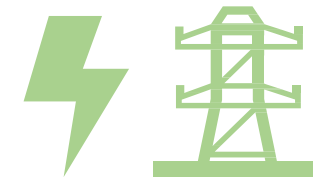
- 1st Tender: **11.3** billion USD
- 2nd Tender: **5** billion USD

Seismic data: **2.5** billion USD



Natural Gas and Petroleum Products

- Gas pipelines: **16** billion USD
- Petroleum Products: **7.8** billion USD*



Power Sector

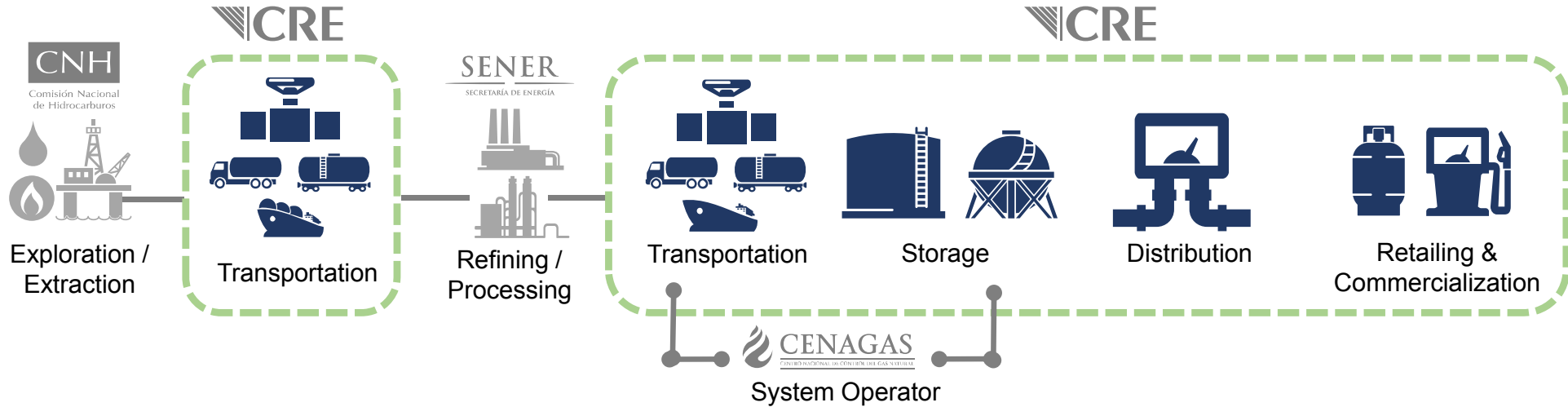
- First Power Auction: **2.6** billion USD
- Generation: **98.7** billion USD *
- Transmission: **15.3** billion USD *
- Distribution: **17.7** billion USD *

*Total expected investment throughout 2030. Source: Mexico's Ministry of Energy, 2016.

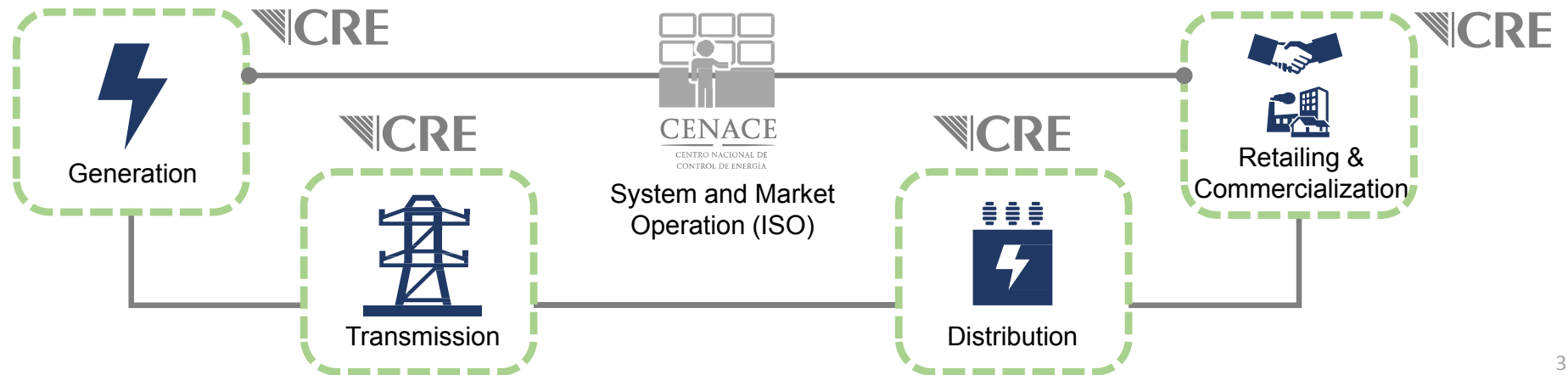
The Energy Regulatory Commission (CRE) has effectively become the regulator of the mid and downstream segments of the oil and gas value chain, as well as the entire electricity supply chain



Hydrocarbons



Electricity



CRE faces several challenges and opportunities ahead...



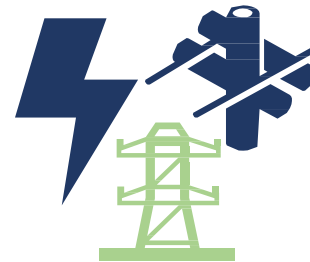
“Ensure that all energy flows are delivered to industrial, commercial and residential consumers in the demanded quantities, with the appropriate specifications, and at competitive costs.”



Strengthen the link between **natural gas and electricity**; without a robust natural gas market, an efficient electricity market won't be feasible



Guarantee efficient operation and costs for the **hydrocarbons and petroleum products transportation and storage network** (including LP gas)



Oversee **generation** activities, as well as the operation of the **wholesale electricity market**.

On **transmission and distribution**, guarantee open access to the grid and set competitive rates that foster long-term investment. CRE must also monitor **retailing and commercialization** activities



Promote a competitive environment for the uptake and deployment of **renewable energy** sources

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