



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

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Chairman

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15th Annual

**Gas and Power Institute**

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:

1<sup>st</sup> Tender: **2.7** billion USD  
2<sup>nd</sup> Tender: **3.1** billion USD  
3<sup>rd</sup> Tender: **1.1** billion USD  
4<sup>th</sup> Tender: **4.4** billion USD  
Trión: **11** billion USD

#### Round 2:

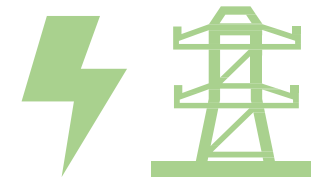
1<sup>st</sup> Tender: **11.3** billion USD  
2<sup>nd</sup> Tender: **5** billion USD

**Seismic data: 2.5** billion USD



### Natural Gas and Petroleum Products

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



### Power Sector

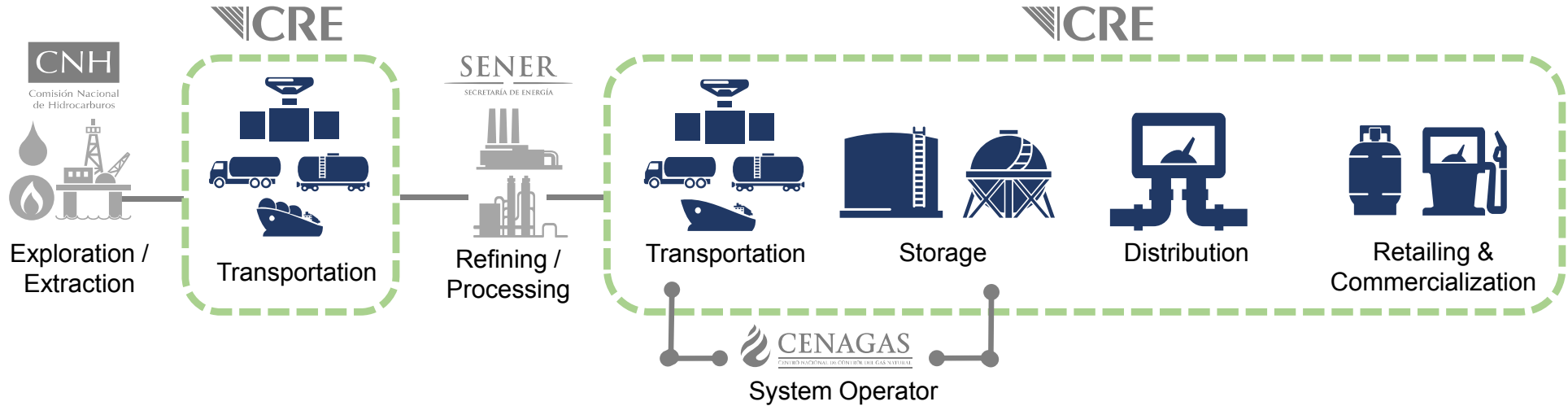
First Power Auction: **2.6** billion USD  
Generation: **98.7** billion USD \*  
Transmission: **15.3** billion USD \*  
Distribution: **17.7** billion USD \*

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

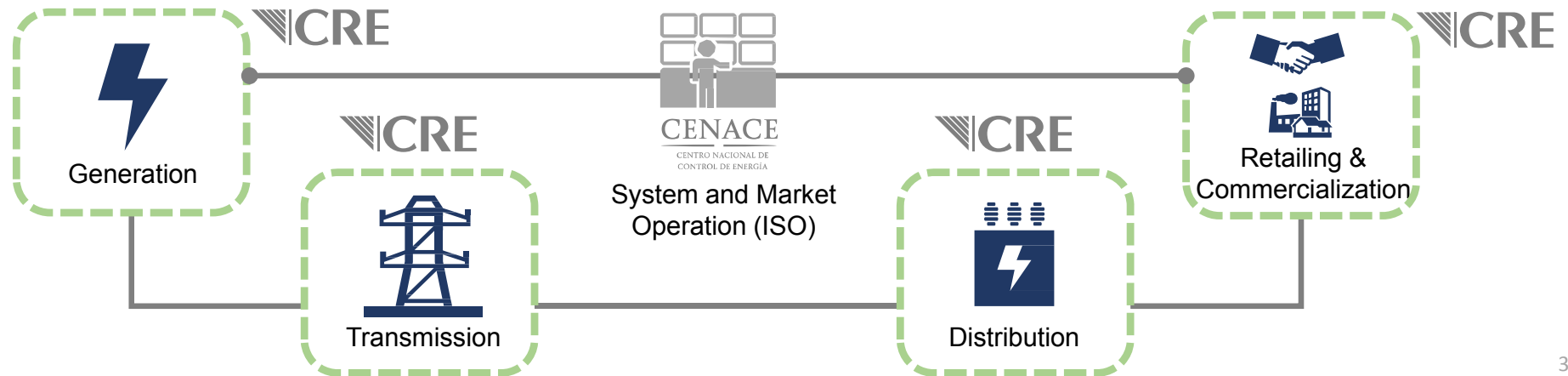
The Energy Regulatory Commission (CRE) has effectively become the regulator of the mid and downstream segments of the oil and gas value chain, as well as the entire electricity supply chain



Hydrocarbons



Electricity



## CRE faces several challenges and opportunities ahead...



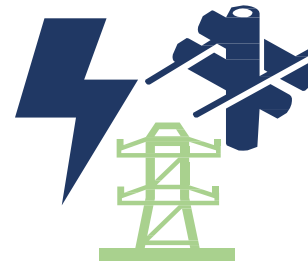
**“Ensure that all energy flows are delivered to industrial, commercial and residential consumers in the demanded quantities, with the appropriate specifications, and at competitive costs.”**



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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Also available as part of the eCourse

[Mexico Update, Challenges, and Opportunities](#)

First appeared as part of the conference materials for the  
15<sup>th</sup> Annual Gas and Power Institute session  
"Mexico Keynote"