

University of Texas Annual Gas And Power Institute

“ Developing Energy Projects in Mexico: Non-Technical Risks”

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Introduction

- Opening of the Energy Sector - huge
- Bank, Developer, EPC, Contractor, Manufacturer, Consultant, Law Firm, etc.
- E&P – operator, non operator, OFS, contractor, seismic company, equipment manufacturer, etc.
- Electricity – offtaker, marketer, developer, etc.
- Every sector, subsector and niche has its own risks and its own way to mitigate them.

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Security

- Most of the country is safe
- Hire reputable consultants like FTI, Kroll, Control Risks
- Training
- Follow Protocols

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Political Risk

- Federal Elections – Senators and Legislators (up to 12 years)
- Municipal Elections (up to 3 more)
- Understand political environment
- Project Continuity
- Financing
- Establish long term working relationships
- PRI – Political Risk Insurance
- Energy Reform – 2/3 Congress plus majority SL

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Regulatory Risk

- Agencies are learning to interact with each other
- Not all regulations have been issued
- No regulatory jurisprudence
- Sense of too much information in E&P
- Mitigant – COFEMER
- Chambers of Commerce and Industry Associations (AMEXHI)

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"Mexico Update: Practical Aspects and Risk Mitigation in Developing Energy Infrastructure in Mexico"