

Unclassified

DAF/COMP/LACF(2014)12

Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

28-Aug-2014

English - Or. English

**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE**

DAF/COMP/LACF(2014)12
Unclassified

LATIN AMERICAN COMPETITION FORUM

**Session II - Electricity Markets in Latin America: Regional Integration
and Competition Issues**

-- Contribution from Mexico --

16-17 September 2014, Montevideo, Uruguay

*The attached document from Mexico is circulated to the Latin American Competition Forum FOR
DISCUSSION under Session II at its forthcoming meeting to be held on 16-17 September 2014 in Uruguay.*

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JT03361385

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LATIN AMERICAN COMPETITION FORUM



16-17 September 2014 • Montevideo • Uruguay

Session II - Electricity Markets in Latin America: Regional Integration and Competition Issues

-- CONTRIBUTION FROM MEXICO --

1. Between 1960 and 2013, the Political Constitution of the United Mexican States (*Constitución Política de los Estados Unidos Mexicanos—CPEUM*) determined that “It exclusively corresponds to the Nation to generate, drive, transform, distribute and supply electricity for the purpose of public service.”¹ The electricity sector in Mexico and the National Electricity System (*Sistema Eléctrico Nacional—SEN*) were thus nationalized under constitutional principles that vested the state with the obligation to guarantee the service’s provision. This is directly and indirectly linked to the fulfillment of the population’s basic needs, and is an essential aspect in most productive activities.

2. For more than 50 years, the Mexican electricity industry principally operated through two highly-regulated state-owned enterprises. These companies were developed as legal monopolies, vertically integrated across all levels: power stations, transmission networks, transformers and distribution networks.²

3. It is worth emphasizing that since 1939 the possibility was provided for the private sector to invest (subject to permits) in power generation plants that were not within the public sector. However, in 1975 this was defined as self-provisioning as a manner of “*satisfying individual private interests*.”³

4. Between 1980 and 1991, the state-owned enterprises CFE and LyFC owned an average of 87.9% of generation capacity. The remaining 12.1% was held by private self-provisioning companies. These agents produced 92.2% and 7.8% of the country’s electricity consumption respectively.⁴

¹ Political Constitution of the United Mexican States (CPEUM), Article 27, paragraph in effect between Sept. 1960 and Dec. 2013.

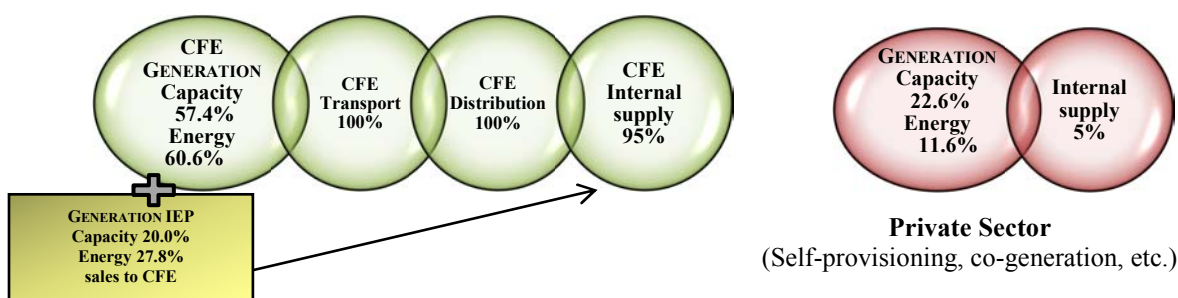
² Federal Electricity Commission (*Comisión Federal de Electricidad – CFE*) and Central Light and Power (*Luz y Fuerza del Centro – LyFC*).

³ Article 6 of the Electricity Industry Act (*Ley de la Industria Eléctrica*) published in the Official Gazette of the Federation (DOF) on February 11, 1939, and Article 3 of the Electricity Public Service Act (*Ley del Servicio Público de Energía Eléctrica – LSPEE*) published in the DOF on December 22, 1975, introduced the concept of self-provisioning.

5. The sector was partially modernized in 1992. However, opportunities for private sector participation were only extended to the generation phase, and were only available to owners of production units by means of various permit types. Furthermore, legal means were created for the corporate sector to invest and own large-scale power stations that would sell electricity to the CFE in order for the latter to meet the needs of public service. The corporate sector could also directly provide electricity to users by means of self-provisioning or co-generation partnerships.^{5 6}

6. In this way, since its nationalization, all phases of the Mexican electricity industry have therefore remained vertically-integrated within state-owned enterprises. With the termination of the LyFC in October 2009, these elements were concentrated within the CFE.⁷

Structure of the Mexican Electricity Industry (2012).⁸



1. Infrastructure

7. **Generation.** This is comprised of:

- CFE Power Stations. This enterprise satisfies public service needs using the capacity of its established power stations, and is subject to rules of lower economic cost when adding to or replacing its generation capacity.
- Independent or External Energy Producers (IEPs or EEPs).⁹ These provide exclusive capacity and electricity to the CFE under the terms of contracts awarded through public bidding, except when its production is for export. In 2012, exporting IEPs accounted for 2.7% of total capacity and 1.9% of authorized energy.¹⁰

⁴ Source: "El Sector Eléctrico en México 1980-2006" (*The Electricity Sector in Mexico 1980-2006*). Center for Public Finance Research. CEFPI/073/2006. Chamber of Deputies. Hon. Congress of the Union.

⁵ LSPEE, Application guidelines for electricity generation, export and import permits from the Energy Regulation Commission (*Comisión Reguladora de Energía*) and the Electricity Sector Prospectus (*Prospectivas del Sector Eléctrico*) published by the Ministry of Energy (SENER).

⁶ Reforms to the LSPEE published in the DOF on December 23, 1992.

⁷ The LFyC was terminated by Presidential Decree on October 11, 2009. Its assets, the operation of its power stations and networks, and the public service provision of electricity were brought under the control of the CFE.

⁸ Shares calculated based on capacity, generation and internal sales data as of 2012. 2013-2027 Electricity Sector Prospectus (PROSPECTUS).

⁹ Power plant generation with capacity of over 30 MW for exclusive sale to the CFE or for export.

¹⁰ Calculated using information from the PROSPECTUS.

- Self-provisioning and Co-generation.^{11,12} These provide capacity and electricity to the CFE by entering into contracts awarded through public bidding, informed automatic delivery and uninformed automatic delivery. These permit holders primarily supply major electricity users directly. In 2012, permit holders accounted for 18.2% of capacity and 9.6% of authorized energy.¹⁰
- Small-scale Production.¹³ Provide capacity and electricity to the CFE only, using infrastructure with capacities of no more than 30 MW. Purchase agreements are awarded via public bidding in the case of small-scale renewables-based production.¹⁴ Most of these permit holders currently sell their energy production to the CFE, accounting for 0.4% of capacity and 0.1% of authorized energy for the year in question.

8. **Energy Distribution.** Through the National Center for Energy Control (*Centro Nacional de Control de Energía - CENACE*), the CFE receives public service electricity bids from its power stations and private entities with whom it holds conventions. Distribution is delivered in strictly increasing order of short-term total cost (offer price) up to the amount required to satisfy demand at all times. During this process, the hydroelectric generation values of medium- to short-term operational planning studies must be respected, as must the energy reserve margin of dams.

9. **Transmission.** Includes the following systems:

- Interconnected System (IS). Formed by the transmission network that extends nationwide (except the Baja California peninsula) and links the CFE's power stations to IEPs. Also includes self-provisioning, co-generation and small-scale production plants, the electricity which can be employed throughout the territory covered by the system. Regions that generate a significant capacity surplus in relation to local demand, such as the South-Southwest of the country, can meet the needs of consumption centers located in other areas of the IS.
- Isolated Systems. The SEN has two isolated systems linking the power stations in Baja California and Baja California Sur. There are plans to continue transmission network interconnection with a view to joining the Baja California Isolated System (*Sistema Aislado de Baja California - SABC*) to the IS in 2015.

¹¹ Energy designed to meet the needs of certain entities, which are not contrary to the national interest.

¹² This is produced: a) together with steam or any other means of secondary thermal energy; b) directly and indirectly from thermal energy not used in productive processes, and; c) directly or indirectly using fuels obtained during the productive processes in question. Must be designed to meet the needs of the generation facilities.

¹³ Destined for: i) sale to CFE when capacity is no greater than 30 MW in a given area; ii) for the self-provisioning of small rural communities or remote areas devoid of electricity services (must not exceed 1 MW), and; iii) export, with an upper limit of 30 MW.

¹⁴ Assignments of this kind will occur when the Ministry of Energy (SENER) – the federal government department responsible for electricity sector policy – instructs the CFE to solicit generation capacity from small-scale renewables production in order to meet the goals of the Special Program for the Use of Renewable Energy (*Programa Especial para el Aprovechamiento de Energías Renovables*), in accordance with Resolution No. RES/382/2012 of the Energy Regulation Commission (*Comisión Reguladora de Energía – CRE*), published on November 14, 2012. The CRE, the other sector regulator, is responsible for issuing electricity generation permits and regulating generation activities.

- For external trade. The SEN has permanent and emergency interconnections at different voltages at the country's northern and southern borders: i) **Belize**, permanent 40 MW; ii) **Guatemala**, permanent 120 MW fixed output, can be expanded to 200 MW, and; iii) **United States of America (USA)**, two permanent 800 MW capacity interconnections with the SABC and ten with the IS, most of which are for emergencies.¹⁵

2. Regulation

10. Article 27 of the Constitution, the Public Service Electricity Act (LSPEE) and the regulation of this Act (RLSPEE) oblige the CFE to provide electricity to all requesting entities that meet the requirements stipulated in said legislation. In this sense, the CFE must provide a universal service.¹⁶

11. The CFE and permit holders are regulated by the LSPEE and the RLSPEE. The CFE has a higher level of responsibility given the importance of the public service and because it is the only company with responsibility for the country's transmission and distribution networks. Furthermore, the state-owned enterprise must comply with all environmental protection, safety and security, and health and life protection regulations set forth in official Mexican standards.

12. In commercial matters, the CFE and permit holders are subject to the regulations and supervision of the Energy Regulation Commission (CRE). The CRE: i) participates in determining rates for the supply and sale of electricity; ii) approves methodologies for calculating consideration for the purchase of energy targeted for public service, and; iii) approves and issues model accession conventions and agreements applicable to regulated activities.

13. The CFE and policy holders must also comply with the SEN's distribution and operational rules under the terms of the LSPEE and the RLSPEE. This must be fulfilled by following principles that allow for the protection of user interests, the promotion of suitable nationwide coverage, and the satisfaction of service provision and supply in a reliable, stable and safe fashion. Both legal regulations also provide general terms for regulating electricity transmission and distribution activities.

14. In addition to its public service provision, the legal framework applicable to the CFE also obligates the body to formulate all operational, investment and financing programs required for the provision of this service. These documents, and all technical aspects thereof, must be authorized by the SENER. The SENER must use these programs to determine the growth or replacement needs of the system's generation capacity. Furthermore, it must consider whether installation will be carried out by the CFE or whether private entities will be called upon to provide public service electricity. The RLSPEE sets forth the terms and conditions of the agreements and conventions under which the CFE procures electricity from private entities.

15. In accordance with the LSPEE and the RLSPEE, public service electricity rates are under government control. As such, each CFE project has a budget ceiling for the contracting of capacity and the purchasing of energy from IEPs.

¹⁵ Source: PROSPECTUS.

¹⁶ Article 1 of the LSPEE: "It is the exclusive domain of the Nation to generate, drive, transform, distribute and supply electricity for public service provision under the terms of Article 27 of the Constitution. Concessions will not be awarded to private entities and, acting through the Federal Electricity Commission, the Nation shall make use of all assets and natural resources that it may require for said purposes."

16. The public service electricity rates used by the CFE, as well as the adjustment and restructuring thereof, are regulated by the Ministry of Finance and Public Credit (SHCP) with input from the SENER, the CRE and the Ministry of Economy. These rates are calculated based on criteria that include the financial needs of the state-owned enterprise, service expansion and responsible energy consumption. The SHCP can set special rates for periods of peak demand, minimum demand or a combination thereof. This department also authorizes the CFE's above mentioned budget ceilings.

17. Public service rates differ according to type of user, quantity of electricity consumed, voltage, region, time of day and season. The rates for the industrial and commercial sectors generally include a fixed charge and other variables. For all other users, rates include a single component. The criteria applicable to the variable component as of the date on which this document was produced provides for a monthly adjustment based on fuel basket development (generation supplies). An inflation-based adjustment is used for the fixed component. For residential and agricultural users, prices are adjusted based on inflation only: on a monthly basis for the former, and annually for both agricultural categories. Energy-efficiency rates are subsidized through the CFE's accounting records.

18. The international trade in electricity and the interconnections that enable it are regulated by the CRE. This is achieved by granting permits for electricity imports and for setting up power generation facilities designed for export, and by authorizing interconnection and marketing conventions. The export tariffs agreed by and between IEPs and importers are not subject to regulation or supervision by the sector authorities.

19. Prior to the 2013 reform, competition legislation was not enforced in the electricity markets under terms of the CPEUM. However, the competition authority has been involved in analyzing tenders for IEP contracts at the insistence of the Chamber of Deputies of the Congress of the Union. First of all, this has allowed it to ensure that competition exists in the market for the capacity provision and sale of public service electricity. Secondly, it has prevented concentrations of generation assets to the detriment of the public interest. These considerations are developed in the final section of this document.

3. SEN Regional integration with other economies

20. The different regional integration circumstances on the northern and southern borders are due partly to the CFE being a state enterprise and partly because of the structural characteristics of Mexico and neighboring countries. Further factors include the industry's technical characteristics and the legal status of the sector in Mexico. Indeed, these factors have determined the vertical integration of all of the CFE's industry activities. This is firstly due to its dominant presence in electricity generation and sales under the long-term exclusivity terms set forth in regulation for its purchases from IEPs, and secondly as a result of its monopolistic position in transmission and distribution.

3.1 Northern Border

21. The 1992 partial reform opened the door to private sector-driven international regional integration by means of IEP export permits. The procedure for obtaining these permits is non-problematic and contains no barriers that would restrict their issuance. However, economic factors have restricted power stations of this kind to individual viable business cases, particularly in Baja California. These factors include the high investment levels necessary for the construction, maintenance and operation of power stations, the recovery of which requires long-term critical demand. Therefore, cross-border electricity generation and consumption between Mexico and the USA has only taken place within the framework of bilateral business negotiations.¹⁷

¹⁷ IEPs include Termoeléctrica de Mexicali, Energía de Baja California Energía Azteca X (who also have a contract to provide capacity and electricity to the CFE) with Sempra Energy Trading, Arizona Public

22. Of the ten export permits issued in the northern region of the country up to 2013, seven were for power stations in Baja California and two for power stations in Sonora. Of this total, two power stations are reported as being under construction in Baja California, and only three are in operation. As stated previously, these projects have been implemented in response to business initiatives between IEPs and their counterpart purchasers in the USA. These initiatives seem to have materialized in less than half of all cases, and represent a small fraction of the electricity market in California. Import permits for own use have also been concentrated in the Baja California region (the region accounts for 81.4% of the 43 currently in effect).¹⁸

23. Along the rest of the northern border, most of the exchange has taken place as a result of the CFE's logistical needs, including emergency purchases and sales. This exchange has increased significantly in recent years due to the SEN's capacity restrictions in the Chihuahua and Tamaulipas regions. Few import permits for personal consumption have been granted to industrial enterprises and are in effect in this region (eight). These are concentrated in the states of Sonora and Coahuila.¹⁹

24. In short, the size of the U.S. market and electricity industry infrastructure, as well as the structure of the domestic industry and the development of private sector participation in Mexico, have led to restrictions on the integration of the both countries' electricity systems. This has concentrated on the fulfillment of certain specific needs of the CFE and the private entities engaged on both sides of the border. Furthermore, the size and structure of both countries' economies presents a significant challenge in effectively integrating their electricity systems. This is noticeable to some extent in the case of Baja California/California, USA.

25. However, the 2013 energy reform can open the door to new possibilities, which will be evaluated when the regulations and other rules that govern these activities are issued. Moreover, we will have to wait to find out the status of the CFE as a productive state enterprise.

3.2 *Southern Border*

26. The infrastructure connecting the Mexican and Guatemalan systems forms part of the Mesoamerican Integration and Development Project (*Proyecto de Integración y Desarrollo de Mesoamérica – PIDM*) promoted under the framework of the Tuxtla Dialogue and Coordination Mechanism (*Mecanismo de Diálogo y Concertación de Tuxtla*). The PIDM was agreed to between the governments of Mexico, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, the Dominican Republic and Colombia with the objective of integrating the SEN with the Central American Electricity Interconnection System (*Sistema de Interconexión Eléctrica de América Central – SIEPAC*), which in turn links the Central American electricity markets for the purposes of attracting private investment.^{20,21}

Service, San Diego Gas & Electric, Imperial Irrigation District and CAISO, and the CFE with El Paso Electric Co., Rio Grande Electric Cooperative Inc., American Electric Power and Sharyland Utilities. Source: Prospectus and Electricity generation and import permit statistics, Energy Regulation Commission (CRE).

¹⁸ Electricity generation and import permit statistics, CRE.

¹⁹ Ibid.

²⁰ The countries participating in the SIEPAC are Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panamá. It is financially supported by the Inter-American Development Bank. The SIEPAC aims to create and implement a wholesale Central American electricity market (Regional Electricity Market and its regional CRIE regulatory bodies) and EOR (operating body). See <http://www.eprsiepac.com/contenido/> and <http://energiapanama.wordpress.com/tag/sistema-de-interconexion-electrica-para-america-central-siepac/>.

27. Given the public nature and role of the SEN, the CFE has therefore been responsible for constructing the transmission line, transformers and interconnections. The body was also entrusted with implementing and conducting trade in electricity with Guatemala, primarily exports.

28. Any progress toward greater integration with Central America is dependent on the effects of the Mexican energy reform and the development of the transmission systems and markets of the other countries in the region. The size of electricity markets is intrinsically related to infrastructural capacities for receiving, sending and transporting large flows of electricity between countries. Moreover, investment in these areas is dependent on the resources available and the dynamics of the region's economies. As such, multilateral co-operation agreements and the financial and promotional support of international organizations are of major importance.

29. In the case of Belize, the CFE provides electricity to a private enterprise in the country based on bilateral agreements under the general framework of international co-operation. Currently, the CFE supplies Belize's main provider.²² In fact, according to information from the CRE, one exporter in Yucatan connected to the CFE's transmission network delivers electricity to the same company through this channel.²³

4. Enforcement of Competition Legislation

30. Pursuant to the provisions of Articles 27 and 28 of the CPEUM effective as of December 2013, all activities involved in the electricity sector were not subject to the Federal Economic Competition Law (*Ley Federal de Competencia Económica – LFCE*).²⁴

31. The sole intervention of the authority in matters of sector competition came as a result of a specific mandate from the Chamber of Deputies in 2001. This decree provided that the concentration of private sector generation capacity in IEP contracts should be analyzed. In these cases, the Federal Competition Commission (*Comisión Federal de Competencia – CFC*) analyzed tender documents to ensure that the rules of the process allowed intense market competition through the incorporation of specific protective and promotional measures.

32. The CFC also carried out a prospective market analysis on the provision of capacity and sale of public service electricity. This was done for the purposes of evaluating participants to ensure that the award of a contract did not produce concentrations providing a large enough capacity so as to restrict supply and the SEN's efficient operations.

33. As a result of the reforms to the CPEUM in December 2013 and the enactment of the Electricity Industry Act (*Ley de la Industria Eléctrica – LIE*) on August 11, 2014, the role of the competition agency, currently the Federal Economic Competition Commission (*Comisión Federal de Competencia Económica – COFECE*), in promoting and protecting the industry's competition and free market participation process changed.

²¹ <http://www.proyectomesoamerica.org/>.

²² Belize Electricity Limited.

²³ See Resolution CRE which authorizes the export permit (<http://cre.gob.mx/documento/resolucion/RES-229-2002.pdf>) and statistics of permits for generation and imports of electrical energy. The IEP is called AES Merida III.

²⁴ Paragraph four of Article 28 of the CPEUM: "The functions exercised by the state in the following strategic areas shall not be considered monopolies: postal, telegraphy and radiotelegraphy services; petroleum and other hydrocarbons; basic petrochemicals; radioactive minerals and nuclear power generation; electricity and all other activities expressly stated in the laws passed by the Congress of the Union."

34. Article 2 of the LIE provides that the electricity industry includes the activities of electricity generation, transmission, distribution and marketing, the planning and control of the SEN, and the operation of the Wholesale Electricity Market (*Mercado Eléctrico Mayorista – MEM*).^{25 26} It also mentions that planning and control of this service, and the public service of electricity transmission and distribution, are strategic areas. Consequently, concessions will not be granted in these activities, regardless of the state's prerogative to enter into contracts with private entities.²⁷ Pursuant to the above, the LIE stipulates that electricity generation and marketing are services provided under the principles of free competition.²⁸

35. The LIE stipulates that all generation, transmission, distribution, marketing and primary-input provisioning for the electricity industry shall be performed independently and under strict conditions of legal separation.²⁹ It further sets forth that the CRE is entitled to issue administrative provisions for MEM design and operation. The CRE shall also define the tariff regulation methodology governing transmission, distribution, Basic Service Provider operations, CENACE operations and connected services not included in the MEM, as well as end-user rates for basic energy provision.³⁰

36. The state thus has the power to promote the competition process in the electricity industry, acting through the sector administrator and the regulator.³¹ The actions of the COFECE are not restricted by the constitutional reform, the reform of the energy sector or the Electricity Industry Act.

37. The LIE entitles the SENER to establish strict terms of legal separation that may be required to promote the open access and efficient operation of the electricity sector. The SENER will oversee the compliance thereof, with no prejudice to the authorities of the COFECE.³² Furthermore, if the SENER should rule in regards to insufficient legal separation, it may order the divestiture of assets, rights, equity interests or shares.³³

38. The LIE also entitles the SENER to penalize: i) undue discrimination in relation to access to the National Transmission Network, General Distribution Networks, and any other goods and services necessary for the industry; ii) breach of Load Center connection and Power Station interconnection obligations, and; iii) breach of the obligation to offer all available power station capacity to the MEM.³⁴

²⁵ The system comprising: a) the National Transmission Network; b) The General Distribution Networks; c) The power stations that deliver electricity to the National Transmission Network or the General Distribution Networks; d) The CENACE equipment and installations used to maintain operational control of the SEN; and e) Other elements as determined by the SENER.

²⁶ Wholesale Electricity Market (MEM): The market operated by the CENACE, where market participant can perform transactions for the buying and selling of: I. Electricity; II. Connected services included in the MEM; III. Output or any other product guaranteeing sufficient resources to satisfy electricity demand; IV. The import and export of the products above; V. Transmission fees; VI. Clean energy certification; and VII. Any other products, collection fees and financial penalties required for the SEN to function properly.

²⁷ Article 27 of the CPEUM and second paragraph of Article 2 of the LIE.

²⁸ Article 4 of the LIE.

²⁹ Article 8 of the LIE.

³⁰ Sections IV and IX of Article 12 of the LIE.

³¹ Article 6 section III of the LIE.

³² Second paragraph of Article 8 of the LIE.

³³ Final paragraph of Article 9 of the LIE

³⁴ Sections I, II and III of Article 9 of the LIE.

39. Furthermore, the LIE stipulates that, notwithstanding the legal provisions contained in the LFCE, the COFECE must act within the limits of its powers when monopolistic practices are observed in the form of any convention, arrangement or co-ordination between market participants for the intention or purpose of restricting the efficient operation of the MEM.³⁵ This is also the case when the sales prices of electricity or associated products are agreed or manipulated in any way.^{36 37}

40. The LIE further stipulates that, at the request of the SENER, the CRE, the CENACE or any other entity, the COFECE must analyze and set competition conditions in any market of the electricity industry.³⁸ If appropriate, the COFECE may order all measures necessary to set conditions of free competition and market participation.

41. Finally, Sections XII and XIII of Article 56 of the LFCE establish specific relative monopolistic practices for essential inputs. On the basis thereof, any entity may report these electricity industry practices and, if deemed appropriate, the COFECE must act within the limits of its powers. Moreover, at the request of the Executive or the Ministry of Economy, the COFECE must initiate the procedure contained in Article 94 of the LFCE to determine whether there are barriers to competition and free market participation or to essential inputs which could produce anti-competitive effects, and may issue recommendations to public authorities or order the divestiture of the assets, rights, equity interests or shares of the economic agent concerned.

5. Universal Service

42. Article 4 of the LIE provides that the activities of the electricity industry serve the public interest and shall be subject to universal public service obligations. In terms of universal service, the LIE provides for the creation of the Universal Electricity Service Fund (*Fondo de Servicio Universal Eléctrico*), the purpose of which is to fund electrification activities in marginalized rural communities and urban areas. The Fund will also ensure the provision of energy saving lamps and basic supply to marginalized end-users.³⁹ Contributions to this fund come from the surplus income generated from technical loss management within the MEM, and from third party donations.⁴⁰

43. The LIE provides an obligation for Basic Service providers and distributors to provide the service mentioned in the paragraph above to marginalized rural communities and urban areas. The resources allocated by the Universal Electricity Service Fund must be used for this purpose.⁴¹ As such, the SENER must set forth policies and strategies for electricity provision to the communities and areas mentioned at the lowest possible cost to the country, while promoting clean energy use.

³⁵ Wholesale Electricity Market (MEM): The market operated by the CENACE, where market participant can perform transactions for the buying and selling of: I. Electricity; II. Connected services included in the MEM; III. Output or any other product guaranteeing sufficient resources to satisfy electricity demand; IV. The import and export of the products above; V. Transmission fees; VI. Clean energy certification; and VII. Any other products, collection fees and financial penalties required for the SEN to function properly.

³⁶ Clause k), section III of Article 131 of the LIE.

³⁷ Associated products: Products linked to the operation and development of the electricity industry required for the efficiency, quality, reliability, security and sustainability of the SEN, including: power, related services, clean energy certificates, transmission fees, transmission and distribution services and operative control of the SEN, together with other products and collection rights as set out by the rules of the market.

³⁸ Article 105 of the LIE.

³⁹ Second paragraph of Article 113 of the LIE.

⁴⁰ Article 114 de of the LIE.

⁴¹ Second paragraph of Article 114 of the LIE.

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