

## **Alert** | Energy & Natural Resources



September 2020

### **Mexico's Energy Sector Program 2019-2024.**

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On July 8, 2020, Mexico's Ministry of Energy ("SENER") published in the Federal Official Gazette ("DOF") the Energy Sector Program 2020-2024, which derives from the general outline provided in the National Development Plan 2019-2024 ("Program"), published in the DOF on June 12, 2019.

The Program is the guiding instrument for planning energy matters, and integrates priority objectives and strategies with specific actions to be conducted by SENER, in coordination with state-owned Productive Companies, the relevant authorities, and the energy regulatory bodies.

The Program seeks to achieve the following objectives through the following activities:

- a.** *Achieve and maintain sustainable energy self-sufficiency, balancing national energy demand with internal production.*
  - Define national strategic planning instruments to guide execution of the energy policy; define necessary decisions and actions for the preservation and independence of the energy sector.
  - Increase investment in exploration and extraction activities.
  - Ensure the required investment for construction of new refineries and the implementation of oil storage.

- Optimize use of primary energies available in Mexico, and make electricity generation more efficient, in order to guarantee supply.
  - Develop renewable energy generation projects, working towards energy independence in an orderly and sustainable manner.
- b.** *Strengthen state-owned production companies to ensure energy security and independence.*
- Recover the nation's rectory to allow Pemex to compete equally with the other economic agents in the market.
  - Strengthen the Federal Electricity Commission ("CFE") through its reintegration with the energy sector, new investment resources, increased operational efficiency, and efficient administrative management.
- c.** *Define the scientific, technological and industrial capacities necessary for Mexico's energy transition throughout the 21st century.*
- From the outset of developing educational materials, prioritize and develop a culture of efficient and sustainable energy use.
  - Coordinate and increase all scientific research, technological development, innovation and professional training capacity in relation to energy.
  - Guide international energy cooperation towards the development of national science and technology.
- d.** *Increase efficiency and sustainability in the production and use of energy in the national territory.*
- Establish a policy on the diversification of energy sources, optimizing the use of all the nation's resources, to advance clean and renewable energy.
  - Optimize the use of fuel oil and reduce its sulfur content for its utilization in electric energy generation.
  - Diversify the energy matrix to reduce energy shortage and dependence.
- e.** *Provide universal access to energy.*
- Reduce energy poverty for the population with social and economic underdevelopment.
  - Guarantee the supply of oil, natural gas and petrochemicals.
  - Increase natural gas availability and coverage, and optimize its use.
  - Promote the participation of communities in energy projects.
- f.** *Strengthen the national energy sector so that it constitutes the foundation of the country's development and satisfies the population's basic needs, using Mexico's own resources, through both state-owned and private companies.*
- Comprehensively evaluate compliance with contracts and assignments for carbon exploration and extraction to identify areas of opportunity.
  - Promote cohesion among the international energy sector.

- Generate and maintain optimal support and administrative services, to strengthen and develop the public management of the energy sector.

*\* This GT Alert is limited to non-U.S. matters and law.*

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