

RITCH MUELLER

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ENERGY AND INFRASTRUCTURE NEWSFLASH

CNE publishes Provisions on the criteria that the CENACE must observe in the application of Reliability Acquisition Mechanisms

On April 3, 2026, the National Energy Commission (*Comisión Nacional de Energía* “CNE”) published in the Federal Official Gazette (*Diario Oficial de la Federación*, “DOF”) the Resolution issuing the General Administrative Provisions setting forth the criteria that the National Energy Control Center must observe in the application of competitive mechanisms to acquire capacity, electric power, Ancillary Services, and other Associated Products aimed at ensuring the reliability of the National Electric System (the “Provisions”).

The purpose of the Provisions is to establish the criteria and activities that the National Energy Control Center (*Centro Nacional de Control de Energía*, “CENACE”) must follow for the application of the competitive mechanisms to acquire capacity, electric power, Ancillary Services, and other Associated Products aimed at ensuring reliability (“Reliability Acquisition Mechanisms”) of the National Electric System (*Sistema Eléctrico Nacional*, “SEN”), including, among others: (i) the procurement processes for electric power and Associated Products; (ii) the displacement or enablement of mobile power plant units; (iii) the registration of physical assets and accreditation as a market participant; (iv) the measuring requirements; (v) the minimum electrical infrastructure for interconnection and connection; and (vi) the settlement, invoicing, and collections resulting from the contracted electric power and associated products.

The Provisions are of public order and mandatory observance throughout the territory of the United Mexican States for all members of the Electric Sector, as well as for the interested parties and sellers participating in the Reliability Acquisition Mechanisms.

The Provisions address, among other aspects, the following:

I. General Provisions

It is provided that the interpretation and amendment of the Provisions constitute an exclusive authority of the CNE, in coordination with the Ministry of Energy (*Secretaría de Energía*, “SENER”). In this regard, said authorities, in order to ensure that the operation of the SEN is carried out under conditions of accessibility, efficiency, quality, reliability, continuity, safety, and sustainability, may adjust the criteria and requirements when they deem it necessary, in accordance with the development and evolution of Controllable Demand resources in the SEN and in the Wholesale Electricity Market (*Mercado Eléctrico Mayorista*, “MEM”).

Likewise, the Provisions provide that the application of the Reliability Acquisition Mechanisms must be carried out on a preventive basis.

II. Activation of the Reliability Acquisition Mechanisms

Prior to the activation of the Reliability Acquisition Mechanisms, CENACE must carry out the following actions:

1. Conduct studies in order to determine the periods and physical production availability of: (i) the State Mobile Power Plant Unit (*Unidad de Central Eléctrica Móvil del Estado*, “UCEM”), (ii) the corresponding Power Plant Unit (*Unidad de Central Eléctrica*, “UCE”) and (iii) the corresponding Electric Energy Storage System (*Sistema de Almacenamiento de Energía Eléctrica*, “SAEE”), required in each of the Interconnected Systems. If it is identified that the resources in operation are insufficient to ensure reliable operation, CENACE may initiate the processes for the implementation of the Reliability Acquisition Mechanisms; and
2. Identify scenarios in which the demand requirements, including reserves, are not met.

Once it is determined that the conditions for the activation of the Reliability Acquisition Mechanisms have materialized, CENACE must inform the CNE and request SENER’s corresponding authorization for activation.

Pursuant to the Provisions, the grounds that may trigger the activation of the Reliability Acquisition Mechanisms are the following:

1. Forecast of the Operating Reserve of the Interconnected Systems of the SEN below the limits required to maintain the Normal Operating State, as set forth in the Regulatory Manual of Operating States of the National Electric System of the Grid Code;
2. Accumulation of requests for scheduled outages, forced outages, and emergency licenses of power plants, as well as of elements of the National Transmission Grid (RNT) or the General Distribution Networks (RGD) of the MEM;
3. Declarations or forecasts for Emergency Operating States;
4. Deferrals in the commencement of operations of generation or transmission projects that result in the resources available in each Interconnected System being insufficient to ensure reliable, continuous, and safe operation;

5. Changes in demand and consumption forecasts, in weather conditions, or unavailability or degradation of generation, primary fuels, imports, exports, or transmission and distribution infrastructure, or any other relevant factor identified;
6. External factors or conditions in relation to the SEN; and
7. Any other ground proposed by CENACE and authorized by the SENER.

Accordingly, the SENER will have a period of up to five (5) business days, counted from receipt of the request, to notify CENACE of its determination regarding the activation of the Reliability Acquisition Mechanisms, being able to authorize or deny it.

III. Implementation of the Reliability Acquisition Mechanisms

The Provisions establish that, after noticing the CNE and once the SENER's authorization has been obtained, CENACE (to ensure the safety and reliability of the SEN) may, through the Reliability Acquisition Mechanisms, proceed in accordance with the following order of priority:

1. Implement the resources provided in the Provisions; or
2. Procure UCEs, SAEs, or both, being able to issue calls for tenders for the acquisition of electric power and Associated Products.

It is noted that, if the implementation of the resources provided in the Provisions is insufficient to address the conditions that triggered the activation of the Reliability Acquisition Mechanisms, CENACE must publish the corresponding call for tenders.

Accordingly, CENACE must receive, in writing and through the means and within the deadlines set forth in the respective call for tenders, all Reliability Monomial Bids submitted by the Interested Parties, for purposes of conducting their evaluation and assessment. The corresponding selection will be made based on the evaluation, priority, and award criteria determined by the CENACE itself, depending on the conditions to be addressed.

The representatives of the UCEs and the SAEs selected for the execution of the Contract will acquire the status of Sellers and must perform all legal acts necessary for its formalization.

Once the Contract has been executed and, at any time prior to the commencement of the supply of electric power and Associated Products, the Seller and CENACE must agree upon the operating procedure applicable to the operation of the interconnected UCE or SAE, as applicable, in the various Interconnected Systems of the SEN. Such procedure must be incorporated as an annex to the Contract and will form an integral part thereof.

During the term of the Contract, the Seller must operate and maintain the UCE or the SAE in accordance with: (i) prudent industry practices; (ii) the minimum operating criteria established by the CENACE; and (iii) the contractual specifications and the agreed operating procedures.

IV. Considerations regarding the Market Rules

The UCEs and SAEs contracted through the Reliability Acquisition Mechanisms will be considered as non-dispatchable firm resources; consequently, they will be required to submit Fixed Program Bids in the Short-Term Energy Market, as well as to have a generation schedule in accordance with the provisions of their respective Contracts, in order to comply with the Market Rules.

The Provisions establish that, for purposes of the MEM settlement of the energy associated with the Contracts, the Sellers must comply with: (i) the stages of the Temporary Market Participant process; (ii) the Temporary Market Participant Accreditation; (iii) the Physical Assets Registry; and (iv) the execution of the Temporary Market Participant Contract, once the corresponding registration stage has been completed.

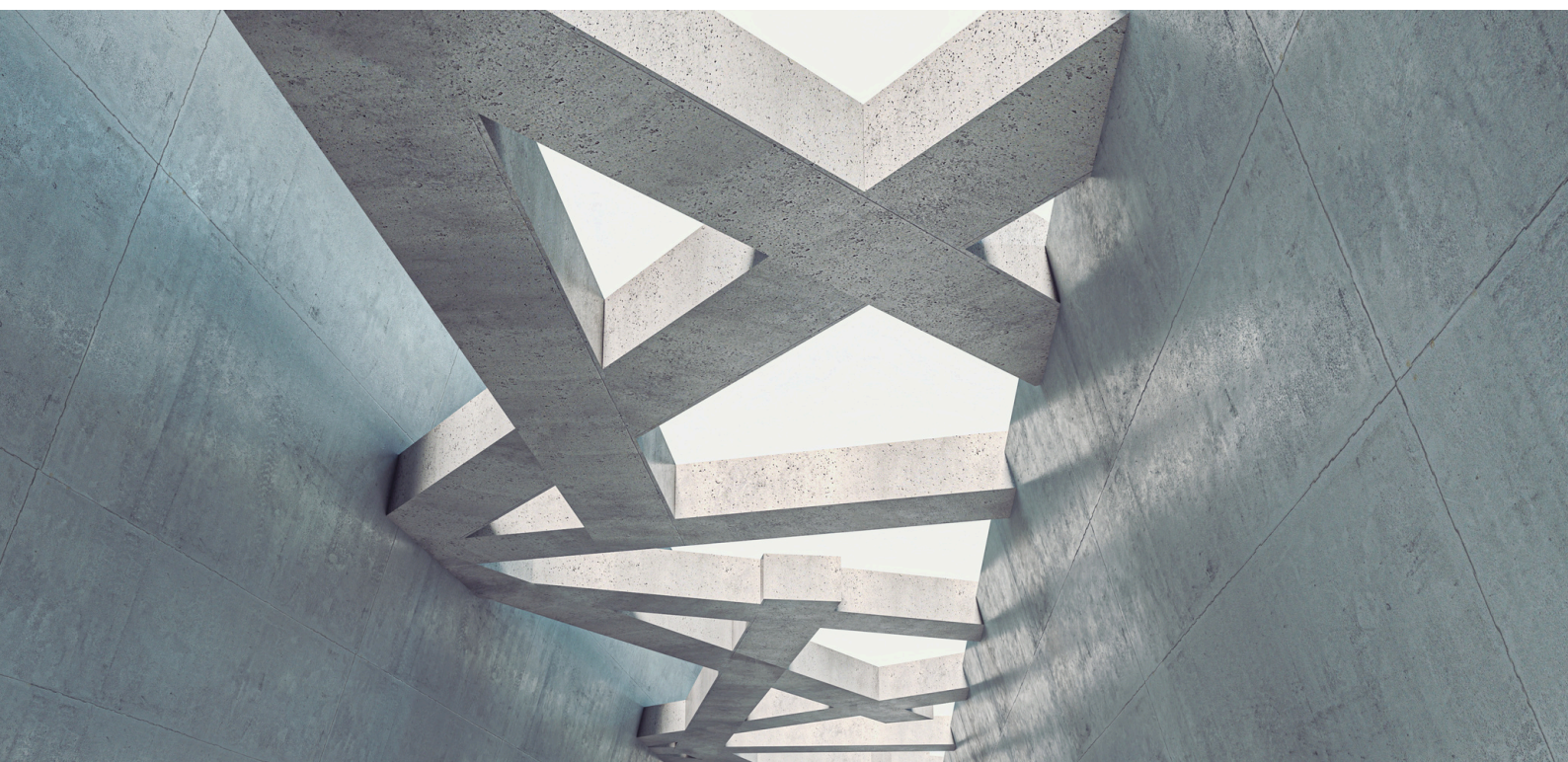
Therefore, the Sellers must comply with all the requirements and formalities of the registration and accreditation process as a Market Participant at least five (5) business days prior to the date of commencement of tests and of delivery of the contracted electric power and Associated Products.

V. Settlements, invoicing, and payments

The price of the electric power and Associated Products corresponding to the selected UCEs or SAEs will be the Monomial Price established in the Contract. CENACE must pay the Seller such price for each MWh actually delivered to the SEN during the term of the Contract.

Notwithstanding the foregoing, the settlements corresponding to the testing period will be made at the applicable Local Marginal Price, and not at the Monomial Price. Likewise, additional energy not requested by CENACE will be settled at the Local Marginal Price of the node at which the UCE or the SAE makes the delivery.

In turn, the net costs derived from the Reliability Acquisition Mechanisms must be socialized among the Load-Responsible Entities of the Interconnected System in which such mechanisms have been applied, allocated in proportion to the energy withdrawn from the SEN.



VI. Guarantees

To secure the performance of the obligations arising from the Contract, the Seller must deliver the Guarantee to CENACE no later than the date of its execution. Such Guarantee may be posted by means of: (i) bank transfer; or (ii) stand-by letter of credit in favor of CENACE. The amount thereof will be \$100,000.00 (one hundred thousand pesos 00/100 M.N.) per MW associated with the Seller's Reliability Monomial Bid contracted through Reliability Acquisition Mechanisms.

In the event of non-compliance by the Seller, CENACE may enforce the Guarantee with respect to any of the obligations provided in the Contract. In turn, the Seller may request, by means of a free-form written request addressed to CENACE, the return of the Guarantee once the first MEM re-settlement corresponding to the last day of operation of the contracted period has elapsed. In such cases, CENACE will have a period of up to 20 (twenty) business days to effect its return to the Seller.

VII. Transitory Provisions

The Provisions became effective on April 6, 2026, and repealed and rendered ineffective the *Resolution No. A/020/2018 whereby the Energy Regulatory Commission issues criteria that the National Energy Control Center must observe for the acquisition of capacity through reliability auctions and the mechanism for allocating net costs among load-responsible entities (Acuerdo número A/020/2018 por el que la Comisión Reguladora de Energía emite criterios que deberá observar el Centro Nacional de Control de Energía, para la adquisición de potencia por medio de subastas por confiabilidad y mecanismo de asignación de los costos netos entre las entidades responsables de carga)*, published in the DOF on July 12, 2018.

We invite you to contact your usual contacts at Ritch Mueller to discuss any questions related to the matters described in this note.

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