

## New Regulations Issued on Contributions for the Development of Electrical Infrastructure

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On January 26, 2024, Resolution A/065/2023 was published in the Official Journal of the Federation, by which the Energy Regulatory Commission (“CRE” per its initials in Spanish) issued the General Administrative Provisions on Contributions (“DACGMA” per its initials in Spanish). These will enter into force 365 days after their publication. The drafts of these long-awaited new regulations had already been discussed on the portal of the National Commission for Regulatory Improvement (“CONAMER” per its initials in Spanish) since 2018 and 2022. Finally, the CRE has established –among other matters– a regulated procedure so that the voltage transformation capacity (“kVA”) expressed as electricity demand rights may be transferred with efficiency and certainty between end users. The DACGMA also contains (i) the methodology for calculating contributions; (ii) the criteria and basis for determining and updating the amounts of contributions, and (iii) the corresponding agreement templates.

For the purposes of this article, the concept of “contributions” refers to the participation fees that the applicant owner of a load center must have to deliver or assign to the Federal Electricity Commission (“CFE” per its initials in Spanish) to be able to receive electricity supply. Such payments may be in cash or in kind, or a combination of both. CFE uses these contributions to carry out specific works, expansions, or modifications of infrastructure in order to provide the electricity supply service under the conditions required by the end user in aspects such as demand and voltage.

The new regulations are very important given the current conditions of the electricity market, where there are restrictions on new generation and, at the same time, a growing demand for electricity that requires legal certainty in terms of required contributions. The need for new electrical infrastructure to satisfy demand in the context of the economic phenomenon of nearshoring is well known. According to its financial report delivered to the Mexican Stock Exchange, [the CFE increased its electricity sales by 10.9% in 2023](#); in the industrial sector, the dynamics registered respond in part to increased nearshoring activity.

As examples of the significance of these new regulations, the main changes to the DACGMA include (i) the principle of application of contributions; (ii) the role of CENACE in the calculation and determination of contributions; (iii) the methodology to determine a “Net Present Value” (of the expected rate collection) for determining the charge for medium voltage expansions, and (iv) the construction of works by the applicant, among other aspects. Regarding the development of works for contributions, the new DACGMA defines stages of the construction of interconnection infrastructure for power plants and connection infrastructure for load centers.

To measure the importance of the DACGMA, [Mr. Héctor Beltrán Mora](#) has referred to the CFE Distribution Contributions Report in order to highlight that, only in the period between 2015 and 2020, it received 1.1 million requests for medium voltage service for the connection of load centers and interconnection of power plants. Of all such requests, 64% were required to make a contribution to be connected or interconnected to the grids. The above allows us to conclude that, in two out of every three service requests, the end user was required to provide cash, equipment or built works.

At CCN, we have attorneys who focus on applicable legislation and procedures of the Mexican electricity sector and can advise clients on how to determine the effects of these new regulations on their projects.