

NEW REGULATIONS ON ELECTRICITY STORAGE

On March 7, 2025, the Mexican government published in the Official Journal of the Federation the new General Administrative Provisions for the Integration of Electricity Storage Systems into the National Electric System ("Storage Regulations"), which had previously been approved by the Energy Regulatory Commission ("CRE", now National Energy Commission or "CNE") on September 30, 2024. The Storage Regulations became effective the day after its publication.

In these Storage Regulations, CRE established the different modalities of electricity storage systems ("SAE" for their Spanish acronym), as well as the conditions and requirements for their orderly and economically viable integration to the National Electric System ("SEN"), allowing to counteract the variability of intermittent power plants and to take advantage of the products and services that those systems can offer.

The five modalities of SAE are as follows:

- SAE-CE: SAE associated exclusively with an intermittent power plant (solar or wind), existing or new, which share the same interconnection point; it is noteworthy that this definition excludes non-intermittent power plants.
- SAE-CC: SAE associated with a load center, existing or new, which share the same connection point, without including a power plant or injecting electricity to the SEN.
- SAE-AA: SAE associated with a power plant which generation is intended for isolated supply (now called "self-consumption").
- SAE-GE: SAE associated with an exempt generator.
- Standalone SAE: Battery-based SAE not integrated to a power plant or load center.

The Storage Regulations contain rules on the applicability of interconnection and connection studies; the potential offers for the purchase and sale of electricity, capacity, and associated products; the necessary obtaining or modification of generation permits, and the applicable sanctions. In general terms, the most important features are the following:

- The CRE pointed out that, although SAE do not constitute a new permitted activity under the abrogated Electricity Industry Law, their operation scheme is similar to the activity of generation since it allows such systems to inject (and withdraw) electricity.
- Thus, the SAE-CE, SAE-AA, and Standalone SAE modalities will have the same regulatory treatment as a power plant, in that they will require a generation permit granted by the CNE, in addition to interconnection studies before the National Center for Energy Control (“CENACE”). Likewise, in certain cases in which the SAE charges from the public utility grids, connection studies would be required.
- Standalone SAE projects may be considered as firm power plants for the accreditation of capacity, as long as they meet certain conditions, including that they can deliver the available energy uniformly in a period of at least three consecutive hours.
- To request interconnection or connection studies, applicants are required to submit documentation on the SAE detailing its type of technology, capacity, available energy, response time, loading and unloading speed, life cycle, among others.
- The different modalities of SAE may offer ancillary services included in the Wholesale Electricity Market (“MEM”), such as secondary regulation, rolling, operating, and supplementary reserves, as well as those not included in the MEM, such as emergency start-up services, isolated operation, and voltage support (reactive power and reactive reserve).
- SAE-CC do not require a generation permit, but those in medium and high voltage must give notice to the CNE within 90 business days after their installation. Those participating in the MEM will also require connection studies. The capacity of the SAE-CC is part of the contracted demand or maximum demand of the load center; therefore, electricity may not be withdrawn from the SEN in excess of such demand.
- The SAE-GE are not addressed in these regulations, which only indicate that such will be installed in accordance with the provisions on distributed generation, specifically the 2017 regulations or those that replace them.

The CRE establishes different modalities of electricity storage systems, as well as the conditions and requirements for their orderly and economically viable integration to the National Electric System.



In principle, the new Storage Regulations are consistent with the provisions of the recently published Electricity Sector Law (“LSE”), which a few weeks ago replaced the Electricity Industry Law. However, their publication came as a surprise days before the CRE was extinguished, so one should not rule out revisions as part of the regulatory implementation of the LSE.

The Storage Regulations include a transitory regime for CNE and CENACE to make necessary changes. For example, the interconnection and connection contract models in 180 calendar days; the methodology to size an SAE at an intermittent power plant in 270 calendar days; and in one year, the adjustments to the MEM systems and to the platform for interconnection and connection applications.

Although these new regulations do not expressly state it, any SAE that is in operation prior to the Storage Regulations entry into force may continue to function normally and may not be subject to the new requirements related to the notice to the CNE and the need to carry out studies. That said, we recommend analyzing each specific case carefully, for which we remain at your disposal.

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