

THE MINISTRY OF ENERGY ISSUES THE MANUAL FOR THE INTERCONNECTION OF POWER PLANTS AND THE CONNECTION OF LOAD CENTERS.

Today the Manual for the interconnection of Power Plants and the Connection of Load Centers (the "Manual") issued by the Ministry of Energy ("SENER"), was published in the Official Federal Gazette. It provides the requirements, describes the process and procedures, and defines the obligations and rights to be observed regarding the requests for interconnection of power plants or the connection of consumer load centers to the National Transmission Grid and General Distribution Grids that are filed with the National Center of Energy Control (the "CENACE").

In general terms, the Manual provides the following:

- 1.- It revokes the prior Rules that provided the specific characteristics of infrastructure required by the Interconnection of Power Plants and the Connection of Load Centers (the "Rules"). The requests initiated before today will still be governed by the Rules; however, the applicant has the unilateral right to request the CENACE to apply the dispositions set forth in the Manual.
- 2.- It incorporates three methods to request the interconnection of power plants or the connection of load centers, which are classified according to the specific needs of the applicants.
- 3.- The incorporation of different studies into the process of interconnection or connection such as the "Estudio Rápido" with the purpose of determining whether the increase of the installed capacity of power plants or the load contracted by load centers requires initiating the interconnection or connection process with the indicated impact or installation studies, or only one of them, or determining that those increases do not need studies and only require executing a new Interconnection or Connection Contract.

Additionally, it incorporates a study called "Estudio para Infraestructura a la Red Nacional de Transmisión" that will make it possible to estimate costs, the characteristics of the metering systems, the physical spaces within substations, adjustments and modernization in the substations and the specific characteristics of the infrastructure required to achieve the interconnection of the power plant or the connection of the load center. It also includes the "Estudio Clúster" which will determine simultaneously the specific characteristics of the infrastructure required for the interconnection of a group of power plants, load centers or a combination of both, with an individual capacity of 20 MW or more and with an aggregated capacity of 300 MW or more, subject to some location conditions.

4.- It provides a mechanism to obtain a "priority in the execution of an interconnection or connection contract" from the moment the Installation Study is request, provided the financial guarantee has been delivered to the CENACE.

5.- It sets forth a mechanism to deliver financial guarantees based on the method and classification of the interconnection or connection request, which will be delivered partially when the interconnection or connection studies are being done. The foregoing will allow the applicant not to submit 100% of the amount of the financial guarantee in one lump sum, but that amount will be guaranteed as long as the studies are carried out.

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Sincerely,

Von Wobeser & Sierra, S.C.

Mexico City, February 9th, 2018.