

INVESTMENT OPPORTUNITIES IN THE ELECTRICITY SECTOR. TRANSMISSION AND TRANSFORMATION PROJECTS – JOINT DEVELOPMENT SCHEMES

During the first quarter of 2026, the Mexican Federal Government, through the Federal Electricity Commission (“**CFE**”), has driven several significant milestones for the development of Mexico’s electricity sector. Notable progress has been made on strategic transmission and transformation projects aimed at strengthening the National Transmission Grid (“**NTG**”), as well as the ongoing process of inviting private sector participation in joint development schemes with the CFE. In this note, we analyze these developments, their main benefits and implications.

I. Transmission and Transformation (Substation) Projects

On March 20th, a series of transmission and transformation projects aimed at strengthening the NTG were announced (the “**Transmission Projects**”).

The purpose of the Transmission Projects is to address the growth in electricity generation and demand, as well as to enhance the reliability of the National Electric System by strengthening the NTG, with the participation of the private sector. They also aim to support new generation capacity within the framework of the Electricity Sector Development Plan, the Expansion Plan, and the Plan for Strengthening and Expanding the National Electric System 2025–2030.

The organization of the Blocks, Packages, and Projects is structured as follows:

- **Initial Block:** comprises 19 packages with 19 projects. At this stage, to date, 5 packages are currently under tender, and 14 additional packages are yet to be tendered.
- **Block 1:** comprises 9 packages with 15 projects scheduled for the second half of 2026.
- **Block 2:** comprises 7 packages with 10 projects scheduled for the first half of 2027.
- **Block 3:** comprises 14 packages with 14 projects to be published during the second half of 2026 and the first half of 2027.

The Initial Block, as well as Blocks 1 and 2, will be financed through FIBRA E. Block 3, meanwhile, will be financed under the Public Works Financed scheme. For clarity, in the following page the summary is provided:

Financing	Blocks	Packages	Projects
Fibra E	Initial	19	19
	1	9	15
	2	7	10
OPF	3	14	14
Total	3	49	58

The five projects currently in the bidding process, which are part of the Initial Block, are as follows:

Project	CFE Procedure	Key Dates	Status of the bid submission period
Capacitive Compensation in Southeastern Puebla / Izúcar de Matamoros	CFE-0004-CACON-0009-2026	Technical bids: March 4-12, 2026 Financial bids: March 4-26, 2026 Award: April 9, 2026	Concluded
Alvarado II and San Andrés II	CFE-0004-CACON-0011-2026	Bid submission: March 11-24, 2026 Award: April 20, 2026	Concluded
Increase in Transformation Capacity in the Southeast of Guadalajara Metropolitan Area	CFE-0004-CACON-0015-2026	Bid submission: March 24 to April 14, 2026 Award: May 6, 2026	Ongoing
Reactive Power Compensation for Santiago Area	CFE-0004-CACON-0017-2026	Bid submission: March 26 to April 20, 2026 Award: May 14, 2026	Ongoing
Increasing the Reliability of Power Transformation in Mazatlán Zone	CFE-0004-CA-COA-0003-2026	Bid submission: March 27 to April 13, 2026 Award: April 30, 2026	Ongoing

Interested parties should review each project on the CFE microsite (<https://msc.cfe.mx/Aplicaciones/NCFE/Concursos/>), to stay informed about the status of calls for proposals and deadlines. Please note that if you wish to participate in any of the Transmission Projects, you must first register on the CFE microsite to ensure proper participation.

In this context, where deadlines are critical, it is recommended that participants promptly evaluate the available opportunities, as well as the regulatory requirements and conditions applicable to each process, to define an appropriate participation strategy.

II. Joint Development Projects

Regarding the call for proposals for joint development schemes with the CFE (the “**Joint Development Call**”), issued on February 6, which seeks to promote clean generation projects within the framework of the binding planning model provided for in Article 38 of the Electricity Sector Law ^{3/4}which prioritizes, under the guidance of the State, the development of strategic generation infrastructure aligned with planning instruments^{3/4}, the following points are highlighted:

The Joint Development Call establishes a replicable, bankable, and scalable framework for the development of renewable energy projects, in which the CFE participates as the majority partner with 54% of the capital stock, alongside private investors holding 46%, through a special-purpose vehicle.

The model provides long-term PPAs of up to 25 years to ensure the project’s financial viability. Under this structure, 70% of the energy is allocated to the Basic Supply Provider and/or Qualified Supplier (CFE), and the remaining 30% can be sold on the Wholesale Electricity Market or to third parties. The private sponsors assume full responsibility for the project’s overall development, while the CFE assists with permits, studies, interconnection, and technical support, acting as an anchor off taker to enhance bankability.

In March, the CFE presented the progress made in evaluating the projects under the Joint Development Call. The update indicates high interest from private investors, as evidenced by the following data:

- A total of 80 companies participated in the Call.
- A total of 394 projects were registered, of which 255 were completed, and 139 were not finalized.
- Under the category of requirements issued by CENACE's Regional Control Office, 222 projects were registered, equivalent to 37,749 MW.
- Additionally, 22 specific projects were registered in conjunction with the CFE, equivalent to 1,073 MW. Of those 22 projects, 11 correspond to the Concepción Mendizábal photovoltaic park and 11 to Cerro Prieto.
- Please note that the registered portfolio is in advanced stages of development:
 - ✓ 51% of the projects already have Interconnection Studies.
 - ✓ 48% have completed or are in the process of completing the MISSE procedure.
 - ✓ 43% already have their EIA.

Please consider the following dates for the Joint Development Call:



Source: Ventanilla de Energía (SENER)

Once the CFE completes the technical review of the projects, it will share the “Request for Proposals” (Stage 3) exclusively with the selected participants, after which the “Submission and Evaluation” stage (Stage 4) will commence. Since the official schedule is subject to change, registered participants should closely monitor the proceedings.

As of 6:00 p.m. on April 8, the projects remain in Stage 2 (Technical Review and Selection), as the CFE has neither amended the schedule nor issued any announcements regarding the start of Stage 3 (Request for Proposals).

At VWyS, we are actively advising several sponsors and investors on their participation in the Joint Development Call. We possess the capabilities and specialized team required to provide strategic counsel to companies interested in the Transmission Projects, drawing on our extensive experience with infrastructure schemes and in-depth knowledge of the applicable regulatory framework.

We stand ready to guide you through these procedures. Should you require further information or strategic assistance, please do not hesitate to contact our experts:

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S I N C E R E L Y

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