

## Mexico Issues New Administrative Provisions for CENACE Competitive Procurement Mechanisms for Electricity, Capacity, Ancillary Services and Related Products and CENACE publishes the first Call

On April 3, 2026, the National Energy Commission (*Comisión Nacional de Energía*, the “**CNE**”) published in the Official Gazette of the Federation (*Diario Oficial de la Federación*, the “**DOF**”) the “General Administrative Provisions establishing the criteria to be followed by the National Energy Control Center in the application of competitive mechanisms for the purchase of capacity, electricity, ancillary services, and other associated products aimed at ensuring the reliability of the National Electric System” (the “**DACGs**”).<sup>1</sup> Meanwhile, on April 10, the National Energy Control Center (*Centro Nacional de Control de Energía*, the “**CENACE**”) published, through the Market Information System (“**SIM**”), the First Call for a Reliability Procurement Mechanism for the summers of 2026 and 2027, with reference number CENACE/DOPS/208/2026 (the “**First Call**”).

Below is an executive summary of the DACGs and the First Call, highlighting the most relevant aspects and their implications for the power sector participants:

### 1. Procurement Mechanisms.

The purpose of the DACGs is to regulate and establish the criteria, requirements, and processes that the CENACE must follow to carry out competitive mechanisms intended for the procurement of Capacity, electricity, Associated Products, and Ancillary Services from Power Plant Units (“**UCE**”) and/or Battery Energy Storage Systems (“**SAEE**”), when deemed necessary to ensure the Reliability of the National Electric System (“**SEN**”). Such mechanisms are established in the article 155 of the Electricity Sector Law (“**LSE**”) and in article 14 of its Regulations (the “**Procurement Mechanisms**”).

In this regard, the DACGs detail the application of the Procurement Mechanisms; the provisions applicable to sellers participating in said mechanisms; the protocols for the displacement or commissioning of Mobile Power Plant Units (“**UCEM**”); the registration of Physical Assets and accreditation as a Market Participant; metering requirements; minimum electrical infrastructure for interconnection and connection; as well as the settlement, invoicing, and collection processes derived from the electricity and Associated Products contracted under the Procurement Mechanisms.

A relevant aspect of the Procurement Mechanisms is that they are designed to incentivize and facilitate the participation of interested parties. They establish an exceptional regime that allows greater flexibility since, depending on the conditions of the SEN, interested parties may be exempted from complying with certain requirements set forth in the applicable regulations, such as the posting of guarantees or obtaining permits, as well as compliance with specific provisions (e.g., the Grid Code, the Interconnection and Connection Manual, the Operating Procedure for the Declaration of Commercial Operation Date, etc.).

Under this logic, the DACGs introduce concepts such as “Temporary Interconnection,” as well as an abbreviated procedure for sellers to acquire the status of “Temporary Market Participant,” thereby reinforcing the viability and timeliness of these mechanisms in contexts requiring an agile response to ensure the reliability of the SEN.

<sup>1</sup> Capitalized terms used in this document that are not expressly defined herein shall have the meanings assigned to them in the DACGs.

## 2. Criteria for Activating Procurement Mechanisms.

### 2.1 Actions Prior to the Activation of the Procurement Mechanisms.

The DACGs stipulate that, in the event of scenarios in which demand requirements are not met, whether due to issues related to demand and consumption forecasts, weather forecasts, scheduled outages, interconnection requests, and connection requests, unavailability, contingencies, deferral or degradation of generation, as well as limitations on imports, exports, or transmission and distribution infrastructure, or any other situation that could affect the reliability of the SEN, CENACE must propose the necessary actions to address such conditions, considering the applicable resources or a combination of such resources.

For such purposes, CENACE may consider the following: (i) Electric power generation units with fixed and mobile interconnection points; (ii) SAEE or Controllable Demand Resources; (iii) import or export resources with other neighboring electric systems; (iv) deferral of UCE withdrawal; (v) relocation or activation of UCEMs; and (vi) any other resource or alternative identified by CENACE.

Once it is determined that the activation of the Acquisition Mechanisms have been justified, and that the remedial actions implemented by CENACE are insufficient to ensure the reliable operation of the SEN, CENACE must notify the CNE and request authorization from the Ministry of Energy (*Secretaría de Energía*, the “**SENER**”) to initiate the Procurement Mechanisms, justifying the need for their implementation. SENER will have up to five business days to notify CENACE of its authorization or refusal regarding the activation of the mechanisms.

### 2.2 Activation of Procurement Mechanisms.

Once approval has been obtained from SENER, CENACE must initiate the procurement processes for electricity and Associated Products by publishing a public bid (the “**Public Bid**”), directed at members of the electricity sector and the general public through the SIM. Such Public Bid must contain, among other elements, the technical information relevant to the process, including the geographic area of interest, a description of the electricity and Associated Products required, the applicable deadlines, as well as the corresponding interconnection points.

Procurement Mechanisms are structured as competitive processes in which interested parties must submit technical and financial proposals through Monomic Bids,<sup>2</sup> which must contain sufficient and detailed information to enable CENACE to conduct a comprehensive evaluation. In this regard, such bids must include, among other elements: **(i)** the relevant technical and operational characteristics of the UCE or the SAEE (e.g., technology, capacity, ramp-up/ramp-down capabilities, or, in the case of storage, charging and discharging profiles); **(ii)** the monomic price offered, which must be fixed, unique, and unalterable for the sale of electricity and Associated Products that CENACE requires to contract for the SEN, and which must include any fixed and variable costs incurred by the potential seller; **(iii)** the allocation and dispatch periods and profiles; and **(iv)** the location of the Interconnection Point or Points and voltage level.

CENACE’s evaluation of the Monomic Bids will be conducted in two stages. First, compliance with the technical, operational, and interconnection requirements established in the Public Bid will be verified, including the capacity of the UCE and SAEE to ensure their availability during the committed periods. Subsequently, once technical compliance has been verified, the determining criterion for awarding the contract will be the acquisition cost. Under this scheme, CENACE will select the bids that represent the lowest cost to the system, without distinguishing between technologies, provided they meet the required technical parameters.

In this context, participants whose bids are awarded must enter into the corresponding contract with CENACE; to date, no template or format for this contract has been published; however, the contract must contain, the information specified in the DACGs and will establish a commercial relationship between CENACE and the seller (the “**Contract**”).

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<sup>2</sup> A unilateral declaration of intent, through which the seller offers to CENACE, in connection with the Procurement Mechanisms, the sale of electric power and Associated Products that CENACE requires to contract for the SEN, to which civil law regulations apply.

Under this Contract, sellers shall be obligated to guarantee the availability of the committed products during the periods established in their Monomic Bid, which implies maintaining their facilities in operational condition to enable them to respond immediately to CENACE's dispatch instructions. Likewise, they must maintain the technical and operational characteristics in accordance with their Monomic Bid, ensure proper interconnection to the system, and keep the corresponding compliance guarantees in force. In this regard, the sellers' primary obligation is not limited to the generation or supply of energy itself, but rather focuses on responsiveness and availability, which are essential elements for preserving the reliability of the SEN.

### **3. General Provisions of the Reliability Procurement Mechanisms.**

During the term of the Contract, which shall correspond to the period necessary to meet the specific conditions of the SEN and may be extended at the request of CENACE, the seller must operate and maintain its UCE or SAEE in accordance with prudent industry practices, the minimum operational criteria established by CENACE, the contractual specifications, the operating procedures set forth in the Contract itself, and the dispatch instructions issued by CENACE. It is understood that the relevant UCE or SAEE will be considered firm, non-dispatchable resources and must submit bids in the Short-Term Energy Market.

In this regard, they may only engage in transactions involving the purchase and sale of electricity on the Short-Term Energy Market, as applicable. Consequently, they may not offer Ancillary Services other than those provided for in the Contract, nor enter into Bilateral Financial Transactions, nor receive Financial Transmission Rights, nor participate in the Clean Energy Certificate Market.

With regard to the settlement for the electricity and Associated Products delivered by the UCEs and SAEEs participating in the Procurement Mechanisms, this shall be subject to the standard settlement processes and deadlines of the Wholesale Electricity Market ("**MEM**"), on the understanding that CENACE must ensure that the electricity and Associated Products delivered to the SEN at the corresponding Interconnection Point are paid for at the fixed price, agreed upon between CENACE and the seller, in compliance with the terms of the Contract.

Finally, it should be noted that the net costs arising from the Procurement Mechanisms will be shared among all Suppliers and Qualified Users, or will be charged to those who, by failing to meet their coverage obligations, have caused the activation of such mechanisms.

### **4. Guarantees.**

In order to ensure the seller's obligations under the Contract, the seller must provide CENACE, no later than the date of signing the Contract, with a guarantee in the form of a bank transfer or a standby letter of credit in the amount of \$100,000.00 MXN for each contracted MW. It is understood that CENACE may enforce such performance guarantee in the event that the seller fails to fulfill its contractual obligations, for example, by delivering the contracted products late or failing to comply with the dispatch orders and instructions issued by CENACE. In this regard, we note that the DACGs do not provide for the issuance of any guarantee by CENACE.

### **5. First Call.**

Through this First Call for Proposals, CENACE hereby notifies interested parties that, in order to maintain dispatch security, reliability, quality, and continuity in the National Interconnected System within the Peninsular-Tabasco region, it has notified the CNE and has received authorization from SENER to activate the Procurement Mechanisms, with the purpose of managing the procurement of electricity and Associated Products for the months of peak demand, which are May through October for the years 2026 and 2027, and therefore requests Monomic Bids to meet the injection of electricity at a voltage level of 115 kV with an interconnection point at the Lerma Electrical Substation in the state of Campeche, guaranteeing: **(i)** a minimum capacity of 247 MW and a maximum of 260 MW from May 11 to October 31, 2026, on a daily basis from 12:00 a.m. to 2:00 a.m. and from 4:00 p.m. to 12:00 a.m. (Central Mexico Time); and **(ii)** a minimum capacity of 250 MW and a maximum capacity of 260 MW from May 1 to October 31, 2027, on a daily basis from 12:00 a.m. to 2:00 a.m. and from 4:00 p.m. to 12:00 a.m. (Central Mexico Time).

In light of the foregoing, **interested parties must submit their Monomic Bids by April 17, 2026, to meet the energy requirements described in subparagraphs (i) and (ii) of the preceding paragraph, along with an additional quote for the same period in 2028 (a 3-year quote).** Such Monomic Bids must comply with the requirements set forth in the DACGs and the First Call and be sent to the email address: [depmem.pen@cenace.gob.mx](mailto:depmem.pen@cenace.gob.mx).

## 6. **Transitory Provisions.**

The DACGs substitutes the Agreement No. A/020/2018, published in the DOF on July 12, 2018, issued by former Energy Regulatory Commission (*Comisión Reguladora de Energía* or “**CRE**”) pursuant to the regulatory framework of the Electricity Industry Law, which established the criteria for CENACE’s acquisition of capacity through reliability auctions and the mechanism for allocating net costs among load-responsible entities (the “**CRE Agreement**”).

Below is a comparative table highlighting the main changes in the mechanisms provided for in the CRE Agreement and the Acquisition Mechanism regulated in the DACGs:

Theme	CRE Agreement	DACGs (current)
Procurement of the Products	The purpose of reliability auctions was to acquire exclusive capacity.	Regulated the acquisition of capacity, electricity, ancillary services, and other Associated Products.
Requirements	Interested parties were required to comply with all legal requirements set forth in the Market Rules.	A more flexible “ <i>ad-hoc</i> ” process is provided for interested parties, allowing both UCE and SAEE to participate, with certain exceptions to the applicable regulations.
Grounds	The procurement process was motivated by: (i) reserve levels below those defined for the normal operating state of the SEN; and (ii) the variation in electrical parameters.	The Acquisition Mechanism is triggered when there is: (i) lower-than-expected reserves; (ii) a backlog of requests to exit the MEM; (iii) declarations of a state of emergency; (iv) delays in generation projects; (v) changes in projected consumption; (vi) conditions external to the SEN; and (vii) other situations proposed by CENACE or SENER.
Contract Term	Maximum 1 year.	The term depends on a case by case basis and the circumstances that led to the Procurement Mechanism, on the understanding that the Contract may be extended.

At Von Wobeser y Sierra, we remain at your disposal to advise on the analysis and implementation of these Provisions. Should you require further information, please do not hesitate to contact our partners and associates specializing in this area.

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Mexico City, April 14, 2026.

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