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MEXICAN LEGAL NEWS

# New Provisions for the integration of Electric Energy Storage Systems into the National Electric System.

On March 7, 2025, "Resolution A/113/2024 of the Energy Regulatory Commission issuing the General Administrative Provisions for the integration of Electric Energy Storage Systems into the National Electric System" ("DACG" for the acronym in Spanish) was published in the Federal Official Gazette, which establishes the general terms and conditions for integrating Electric Energy Storage Systems ("SAF") into the National Electric System.

The purpose of the DACG is to allow the storage of electric energy (which prior to the publication of the DACG was permitted but did not have any specific regulation)<sup>1</sup> in an orderly and economically viable manner, in order to counteract the variability of intermittent Power Plants, as well as to take advantage of the products and services that SAE can offer to the Wholesale Electricity Market ("MEM").

The DACG considers the following types of SAE: (i) SAE associated with an Isolated Supply scheme ("SAE-AA"); (ii) SAE associated with a Power Plant ("SAE-CE"); (iii) SAE associated with a Load Center ("SAE-CC"); (iv) SAE associated with an Exempt Generator ("SAE-GE"); and (v) SAE not integrated into a Power Plant or Load Center ("Non-Associated SAE").

The following is a brief description of the most relevant points in the DACG:

#### 1. Interconnection/Connection Point for SAE

All SAE must be installed considering the same existing Interconnection or Connection Point, as applicable, or the one defined in the Connection Studies.

# 2. Technical Modifications for Intermittent Power Plants

For existing intermittent Power Plants with a valid permit, integrating a SAE into their Power Plant will be considered for all purposes as technical modification. To proceed with the technical modification, it would need to:

- Submit a request for certain Studies before to the National Energy Control Center ("CENACE"), and
- File a request for modification of the permit to the Energy Regulatory Commission ("CRE").

<sup>&</sup>lt;sup>1</sup> For instance, section 3.3.21 of the Electric Market Rules, regarding only and exclusively the Accreditation Procedure for Market Participants, states that the storage equipment must be registered as a Power Plant and represented in the MEM by a Generator and therefore would require a generation permit (SAE-CE and Non-Associated SAE).

#### 3. Request for Interconnection and Connection Studies

- <u>Interconnection Studies.</u> The request for Interconnection Studies for the SAE-CE, SAE-AA and Non-Associated SAE must be made in accordance with the provisions of the Manual for the Interconnection of Power Plants and Connection of Load Centers ("MIC").
- <u>Connection Studies</u>. The request for Connection Studies for the SAE-CC that participate in the MEM and Non-Associated SAE, as well as for the SAE-CE that are to be loaded from the National Transmission Grid ("RNT") or the General Distribution Grids ("RGD"), must be made in accordance with the provisions of the MIC.

#### 4. Related Services (Servicios Conexos)

All SAE may offer the Related Services (*Servicios Conexos*) established in the regulation, as long as they comply with the requirements of the Market Rules and their technical and operational capacities allow it.<sup>2</sup>

#### 5. Characteristics of the SAE Modalities

#### **SAE-CE** (Associated with a Power Plant)

In the SAE-CE, the SAE will be part of the Power Plant and both will be represented by the same Market Participant. The SAE-CE must be loaded with the resources of the associated intermittent Power Plant. If the SAE-CE intends to load its SAE from the RNT or the RGD, this must be indicated in the Interconnection Request.<sup>3</sup>

# **SAE-GE (Associated with an Exempt Generator)**

The SAE-GE does not require a Permit and will be governed by the General Administrative Provisions, the contract models, the methodology for calculating consideration and the general technical specifications, applicable to distributed generation and distributed clean generation power plants.

## **SAE-CC** (Associated with a Load Center)

Regarding the SAE-CC, the SAE Power is part of the Contracted Demand or Maximum Demand of the Load Center, as applicable, i.e., at no time may the withdrawal of electrical energy from the RNT or the RGD exceed the Demand Contracted by the Basic Supply User, or the Maximum Demand of the Load Center registered in a registration certificate of the Qualified Users Registry.

The Medium or High Voltage Load Center that installs a SAE must notify the CRE of the incorporation of the SAE, for statistical purposes on the evolution of the SAE-CC, within 90 (ninety) business days after installation.

## SAE-AA (Associated with an Isolated Supply scheme)

The SAE-AA comprises the Power Plant and Load Center together to satisfy the demand of their facilities' loads or to import or export electricity in the Isolated Supply mode.

<sup>&</sup>lt;sup>2</sup> The Related Services included in the MEM are the following: (i) Secondary Regulation Reserves; (ii) Rolling Reserves; (iii) Operating Reserves; and (iv) Supplementary Reserves. The Related Services not included in the MEM are the following: (i) Emergency Start-up Service; (ii) Island Operation Service; and (iii) Voltage Support Service (reactive power and reserve).

<sup>&</sup>lt;sup>3</sup> The injection of electric energy into the Electricity Grid may not exceed the maximum power established in the Interconnection Contract, except when CENACE requests this for conditions of safety, reliability and continuity of the SEN.

#### **Not Associated-SAE**

The Non-Associated SAE will be interconnected to the RNT or the RGD at an Interconnection Point that is established as a result of the Studies, independently and without being integrated into a Power Plant or Load Center. These SAE must install, at the Interconnection/Connection point, the Metering Systems necessary for the process of settling transactions in the MEM<sup>4</sup>.

#### 6. SAE for Legacy Schemes

It is established that since Energy Storage is contemplated in the Market Rules, under the regulatory framework of the Electric Industry Law, in order to install any type of SAE, the Power Plants and Load Centers included in a Legacy Interconnection Contract must carry out a total change of regime.

# 7. Other provisions in the DACG

- As a general rule, the SAE-CE, SAE-AA, and Non-Associated SAE will have the regulatory treatment of a Power Plant; consequently, their operation and implementation require the issuance or modification of a Generation Permit by the CRE.
- The associated SAEs that, on the date of entry into force of the DACG, are already installed or in commercial
  operation, will have the option of modifying their generation permit, or providing a written notice to the CRE
  of their SAE.
- The DACG establishes a period of 180 calendar days for updating the model of the connection and interconnection agreements to include provisions related to SAE; likewise, it provides certain deadlines for CENACE to carry out various adjustments, modifications, and other actions necessary for the correct operation of SAE. Notwithstanding the foregoing, CENACE must temporarily update the National Catalog of Regulations, Procedures, and Services (CNTRyS) until the aforementioned actions are completed, considering that the DACG must be observed as of the date of publication.

Von Wobeser y Sierra is available to support you in implementing the necessary measures to fully comply with the provisions of the DACG. Should you require additional information, please do not hesitate to contact our experts on the matter:

<sup>&</sup>lt;sup>4</sup> For non-associated SAE, the demand to be considered in the Connection Studies will be equal to the SAE Power.

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 ${\it Mexico\ City,\ March\ 7,\ 2025.}$ 

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