MRV in Mexico (Carbon Pricing)

June 2014
### Policy Instruments

- **National Climate Change Strategy (10-20-40 years route)**
- **Special Climate Change Program**
  - Every 6 year presidential term
- **Local Climate Change Programs**
  - Every 6 year local administrations

### General Climate Change Law (2012)

### National Climate Change System

### Measurement

<table>
<thead>
<tr>
<th>Emissions</th>
<th>Reporting</th>
<th>Verification</th>
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<tbody>
<tr>
<td>- National Emissions Inventory</td>
<td>- National Communications and BURs</td>
<td>- International Assessment</td>
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<td>- National Emissions Registry</td>
<td>- National Emissions Registry</td>
<td>- National Verification Entities</td>
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<td>- Local inventories</td>
<td>- Local Climate Change Programs'</td>
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<td>- National Information System</td>
<td>- Website of National Information System</td>
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### Reductions & Capture

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<tr>
<th>Reductions &amp; Capture</th>
<th>Reporting</th>
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<td>- Monitoring system of the Special Climate Change Program (PECC)</td>
<td>- PECC's electronic monitoring system</td>
<td>Evaluation Committee*</td>
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<td>- National Emissions Registry (voluntary report of reductions)</td>
<td>- National Emissions Registry (voluntary report of reductions)</td>
<td>- National and International Verification Entities</td>
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<td>- Domestic NAMA registry</td>
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### NDC

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<th>NDC</th>
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<td>MRV of Nat. Determined Contributions (future)</td>
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* **Policy EVALUATION:** Adaptation policy: reviewed and updated at least **every 6 years**, Mitigation policy: reviewed and updated at least **every 10 years**
A Carbon Tax was introduced in Mexico in 2014

- It applies only for the use of fossil fuels
- The Tax is set at $US 3.5/ tCO$_2$e
- It allows for the use of offsets in the payment (currently only CDM)
In December 2013, the Mexican Congress modified the Constitution, thus allowing domestic and foreign **private investment in the energy sector**.

- **Power Sector.** Private parties will be allowed to participate in service contracts to assist CFE in the generation, transmission and distribution of electricity.
- **Cap and Trade to be developed.**
- **Special policies can be developed promoting the use of renewables**

**Use of both instruments to be determined soon**

- Use of Certificates
- Emission
- Caps
- Mode of allocation
- Modes of exchange
- Trade requirements
- Trade platform
- Time lines

**Two market instruments described by law:**

- Certificados de Emisiones Contaminantes (Allowances)
- Certificados de Energía Limpia (Clean Energy Certificates)
**GHG Reporting Program**

**RENE**

- **Mandatory** above Threshold: 25,000 tCO$_2$e/year
- Verification once every three years
- Stationary and mobile sources
- Direct and Indirect emissions

**Sectors:** Energy, Industry, Transport, Waste, Agriculture, Services

**GHGs and Compounds:** CO$_2$, CH$_4$, N$_2$O, SF$_6$, HFC, HCFC, NF$_3$ and Black Carbon

**Emissions Reductions Reporting**

- **Verified & Certified**
- **Voluntary**

**Reporting Tool:**

- **NATIONAL EMISSIONS REGISTRY (RENE)**
- Mexican Certification System