



SEMARNAT

SECRETARÍA DE MEDIO AMBIENTE
Y RECURSOS NATURALES

**DEVELOPMENT ON EMISSIONS
TRADING ON THE POWER SECTOR**

May 2014

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CLIMATE CHANGE LAW

ACCOMPLISHMENTS



1º de diciembre



January 29
CLIMATE CHANGE INTERMINISTERIAL COMMISSION
14 Secretariats



June 3
NATIONAL STRATEGY FOR CLIMATE CHANGE
Vission 10-20-40



April 28
SPECIAL PROGRAM FOR CLIMATE CHANGE 2013-2018



2012

2013

2014

October 10
LGCC

December 5
CLIMATE CHANGE FUND

May 14
CLIMATE CHANGE COUNCIL



November 14
Congress approves a
CARBON TAX
For fossil fuels

December
Congress approves an
ENERGY REFORM

May-?
CONGRESS DISCUSSIONS ON ENERGY REFORM BYLAWS (INCLUDING CAP & TRADE ON ENERGY SECTOR)

- In December 2013 the Mexican Congress modified the Constitution, thus allowing domestic and foreign **private investment in the energy sector**.
- **Secondary laws** in 9 packages, modifying 27 laws have been sent to Congress for discussion. **Results are expected during the summer**.
- **Oil & Gas:** The new legal framework allows private participation in the oil and gas sector through service, profit-sharing, production-sharing and license contracts.
- **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**

- **General Climate Change Law and electricity generation objectives:**

- ➡ 30% GHG emission reduction with respect to the BAU scenario by 2020
- ➡ 35% of electricity generation from clean energy sources by 2024

- **PECC related goals:**

- ➡ 82.5 MtCO₂e emission reduction by 2018
- ➡ Change in grid emission factor from 0.45 to 0.35 in 2018 (18.7 MtCO₂e)

Two market instruments described by law:

Certificados de Emisiones Contaminantes (Allowances)

Certificados de Energía Limpia (Clean Energy Certificates)

Use of both instruments to be determined soon

SENER (Energy)

SEMARNAT
(Environment)

CRE
(Commission for
Energy Regulations)



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

