



**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 MtCO<sub>2</sub>e emission reduction by 2018
- ➔ Change in grid emission factor from 0.45 to 0.35 in 2018 (18.7 MtCO<sub>2</sub>e)

**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**

