

## **CRE issues new regulations regarding the acquisition of private grids by CFE**

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On January 18, 2024, the Energy Regulatory Commission ("CRE") published resolution number A/051/2023, in the Official Gazette of the Federation, which sets forth the "General Criteria for the Evaluation of the Net Benefit of works requested by private parties to be included in the Expansion and Modernization Programs of the National Transmission Grid and the elements of the General Distribution Grids corresponding to the Wholesale Electricity Market, as well as for the transfer and acquisition of private grids, based on articles 34 and 44 of the Electric Industry Law" (the "Regulations").

The Regulations seek to establish criteria to evaluate, in a transparent and systematic manner, the net benefit of the works that private parties may request (i) to include in the expansion and modernization programs of the National Transmission Grid and General Distribution Grid of the Wholesale Electricity Market, or (ii) to transfer to the National Electric System.

According to the Electricity Industry Law, for the interconnection of power plants and the connection of load centers, interested parties may execute the required infrastructure works at their own expense, or may request the National Center for Energy Control ("CENACE"), Transporters and Distributors to include specific works in the expansion and modernization programs of the grid, as long as this provides a net benefit to the National Electric System. Furthermore, the law contemplates that, with the agreement between sponsors and the Transporter or Distributor, the non-objection of CENACE, and the confirmation by CRE of the net benefit for the National Electric System, the transfer of private grids may be agreed for their integration into the public grid.

The Regulations define "net benefit" as the value representing the benefit of a project for the electric system, deducting its investment, operation, and maintenance costs. For these purposes, the works that can be considered include new transmission lines that strengthen the grid, works that increase the interregional capacities of the National Interconnected System, and works that expand the transmission capacities of the grid, excluding those works considered intrinsic to a specific project.

The Regulations are applicable to both new projects to be developed in the "planning modality" and to private networks in the "individual modality," as established in the Manual for the Interconnection of Power Plants and Connection of Load Centers.

In the case that private networks present a net benefit for the National Electric System, as stipulated in the Regulations, the owner may request their transfer to CFE Transmission or CFE Distribution, where the acquisition price will be agreed by the parties.

The Regulations may be of interest to developers of projects in congested areas, where the interconnection or connection works determined by CENACE in the facilities study may have been oversized. To understand the requirements for accrediting the net benefit, the Regulations may be reviewed [here](#).

The Regulations will come into force 365 days after their publication, that is, on January 18, 2025.

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