

Increase of wheeling charges for legacy projects

Energy – June 10, 2020

Publication of announcement regarding the increase of wheeling charges for legacy projects

On June 10, 2020, CFE Intermediary of Legacy Contracts (CFE ILC), an affiliate of the Federal Commission of Electricity that in charge of managing legacy interconnection agreements and representing legacy assets in the Wholesale Electricity Market, published an announcement informing of the increase of wheeling charges applicable to self-supply legacy projects.

Below is a chart showing the tariffs announced on June 10, 2020, in comparison with the tariffs published by the Energy Regulatory Commission, which is the entity charged with determining regulated tariffs, for June of 2020:

Tension level	CRE June 2020 tariff	CFE ILC June 10, 2020 announcement (2018 prices)	Increase
High	\$0.051 kW/h	\$0.27857 kW/h	446%
Medium	\$0.051 kW/h	\$0.25865 kW/h	407%
Low	\$0.10199 kW/h	\$0.89284 kW/h	775%

This announcement follows the alleged approval by the Energy Regulatory Commission of the new tariffs for legacy projects on May 28, 2020, although to this date, the resolution issued by such Commission has not been published, and its content is unknown.

On the other hand, the announcement does not set forth as of what date would CFE ILC consider these tariffs to charge for transmission services. It must also be noted that the announcement sets forth that the new rates refer to 2018 prices, and thus, it could be expected and update for payments made as at present.

These wheeling charges are applicable for the transmission of electricity from the generating power plant to the consumer's load points. While they are payable by the generator to CFE ILC as its counterparty under the legacy interconnection agreement, some power purchase agreements for self-supply projects include a pass-through of this charge to the offtakers.

For ease of reference, you may access the Spanish version of the [announcement](#) here.

Contact us:

Horacio M. de Uriarte

Partner | hdeuriarte@macf.com.mx

+52 (55) 5201 7400

For more information, visit:

www.macf.com.mx

Pilar Mata

Partner | pmata@macf.com.mx

