



**USAID**  
FROM THE AMERICAN PEOPLE



National  
Association of  
Regulatory  
Utility  
Commissioners

## FEATURE STORY

# Collaboration Guides Mexican Energy Officials on Path to Reform

**With USAID and NARUC support, Mexican officials find common path on efforts to reform energy sector.**



**“NARUC plays a valuable role in facilitating the dialogue between the Mexican energy authorities. Through the workshop format, and under the guidance of external experts, we can understand the strengths and weaknesses of the law.”**

-Ministry of Energy (SENER)

Sometimes the best first step toward progress is getting in the same room and talking about the path ahead. As Mexico embarks on an ambitious and transformational plan to reform its energy sector, the United States Agency for International Development (USAID) is helping stakeholders within Mexico get on the same page and find common ground for the future.

With the support of USAID, the National Association of Regulatory Utility Commissioners (NARUC) is helping Mexican officials navigate the country's sweeping plans to open the electricity market to merchant generators and restructure electricity rates. Aiming to attract private investment and stimulate economic growth, the reforms require the country to shift toward cleaner sources of energy, select the lowest cost resources available, and maintain a high standard of reliability.

Mexico's various energy government authorities are tasked with implementing these and other goals, and the reforms in many instances require those agencies to take on technically challenging and relatively unfamiliar responsibilities. Agencies that had previously not worked closely together on these issues are also searching for clarity on what role they will play and how to balance the potentially competing goals of the broader reform efforts.

At a NARUC workshop in August, a broad group of Mexican officials came together to explore technical details on how to meet the reform's lofty goals. Officials from the Ministry of Energy (SENER), the Energy Regulatory Commission (CRE) and the Federal Commission of Electricity (CFE) said the workshop was critical not only for the information shared by NARUC's expert volunteers but also for the dialogue and mutual understanding it facilitated among the various government agencies.

Communication and open relationships will be the key as the country moves ahead, officials said. Regulatory and utility officials alike noted the challenges of achieving low-cost requirements while also setting up a technically viable energy system that encourages clean energy technologies. Through the workshop format and the guidance of NARUC experts, officials said they were able to find common ground and work to address the gaps between the law and its implementation.

NARUC experts also called on Mexican officials to make collaboration a priority and to create clear rules to ensure reliability. The experts noted that stakeholders in the Midcontinent Independent System Operator meet more than 600 times per year to maintain a properly functioning electricity market. They recommended that CRE, SENER, generators and others ramp up their engagement as the reform moves ahead.

The August workshop was part of NARUC's ongoing partnership with Mexico, which seeks to improve CRE's oversight of the sector. NARUC is planning peer reviews and further stakeholder engagement in the coming months.

October 2015