

COFECE-010-2020

COFECE invites the public to complete a questionnaire on the market of Clean Energy Certificates

- Pursuant to the Energy Transition Law, COFECE will prepare a document analyzing the degree of competition in the market of Clean Energy Certificates (CEL, per its initials in Spanish).
- The document will review the CEL market operation, the degree of competition and its
 effectiveness as a mechanism to encourage investment into clean energy generation
 projects that enable Mexico to meet its international commitments concerning clean energy
 consumption.
- COFECE invites interested parties to answer the questionnaire, with the purpose of enriching said document.

Mexico City, March 19, 2020.- The Mexican Federal Economic Competition Commission (COFECE or Commission) invites decision-makers of the electric sector, public institutions, branches of the Federal Government, users and concessionaires, social organizations, industrial chambers and any interested parties to answer the *Public Questionnaire for the Document related to the market of Clean Energy Certifications (CEL)*. The document is mandated by the Energy Transition Law, which establishes that two years after the entry into force of obligations regarding CELs, the Commission, within its scope of authority, shall carry out an assessment of the market's competitiveness and shall issue recommendations to enhance its performance.

Interested parties will be able to complete the Questionnaire through the following URL: https://www.cofece.mx/cuestionariocel/ (in Spanish). If there are questions related to the questionnaire, these can be sent to certificadosenergia@cofece.mx. The Commission will publish received answers to the questionnaire in an aggregated and anonymous manner and the general approach that will follow to address them.

One CEL is given by the Mexican Energy Regulatory Commission (CRE, per its initials in Spanish) to electricity generators for each MWh generated from clean energies. Qualified users and suppliers, among others, require these titles to prove compliance with their clean









energy consumption obligations. Accordingly, the CEL market works as a mechanism that incentivizes investment in projects for the generation of electricity from clean sources.

The market of Clean Energy Certificates was created in 2018 1 to meet Mexico's international commitments for the reduction of greenhouse gas emissions. Accordingly, in 2024, 35% of electricity generation must come from clean energy sources, a proportion that would reach 43% by 2030.

To ensure the efficient operation of the CEL market and encourage investments in clean energy generation projects, competition conditions must be secured during the certification process. Therefore, pursuant to the Energy Transition Law, COFECE shall prepare, in 2020, a document analyzing the degree of competition in the CEL market.

The Commission will analyze from a competition perspective the regulation in this market, as well as some mechanisms currently in operation – such as long-term electricity auctions. COFECE will also study regulations in force and their implementation in other links of the electricity industry chain, for example, transmission, or load balancing, as the operation of these markets affects competitive conditions in the CEL market. The objective is to 1) identify policies and regulations that could hinder the ability to compete of clean-sourced based projects and 2) propose measures to eliminate such obstacles.

Complete here: The Questionnaire of the Document on the market for Clean Energies Certifications (CEL) (in Spanish)

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MORE COMPETITION FOR A STRONGER MEXICO

The Federal Economic Competition Commission is entrusted with safeguarding competition and free market access. Through this, it contributes to consumer welfare and the efficient functioning of the markets. Through its work, it seeks better conditions for consumers, greater output and better services and a "level playing field" for companies.









¹ Notice of publication of the requisite to obtain a CEL in 2018, available in Spanish at: http://www.dof.gob.mx/nota_detalle.php?codigo=5387314&fecha=31/03/2015