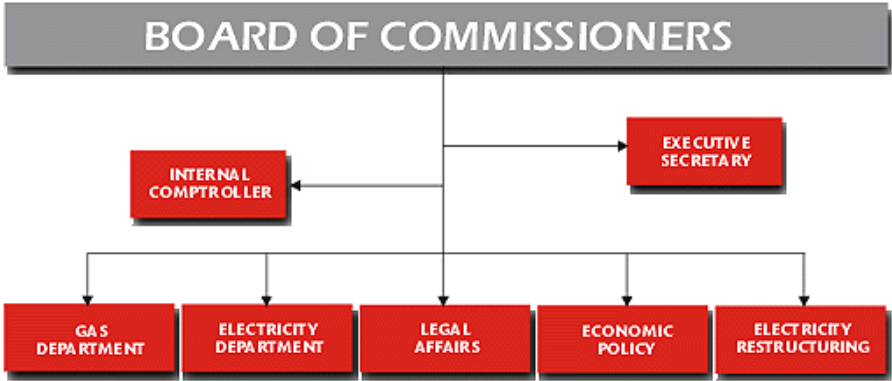


MEXICO

Electricity and Hydrocarbons Regulator

NAME	<i>Comisión Reguladora de Energía</i> or Energy Regulatory Commission CRE
WEBSITE	http://www.cre.gob.mx
LATEST ANNUAL REPORT	http://www.cre.gob.mx/pagina_a.aspx?id=25 <ul style="list-style-type: none"> 2008, in Spanish only http://www.cre.gob.mx/articulo.aspx?id=306
LEGAL BASIS	Energy Regulatory Commission Act 1995 (in Spanish) or CRE Act http://www.cre.gob.mx/articulo.aspx?id=15 Renewable Energy Development Law or LAERFTE (2008) Additional relevant legislation and regulations are available on CRE website.
LEGALLY ESTABLISHED	1995
OPERATIONAL	1995
COMPOSITION	Commission Board: 1 chairman and 4 members.
APPOINTMENT	Nominated by the Energy Minister and appointed by the President of Mexico.
TERM DURATION	5 years
TERM CHARACTERISTICS	Renewable, staggered.
TERM REVOCATION	Only in case of serious legal break
STAFF	155
STRUCTURE	 <pre> graph TD Board[BOARD OF COMMISSIONERS] --> Internal[INTERNAL COMPTROLLER] Board --> Executive[EXECUTIVE SECRETARY] Board --> Gas[GAS DEPARTMENT] Board --> Electricity[ELECTRICITY DEPARTMENT] Board --> Legal[LEGAL AFFAIRS] Board --> Economic[ECONOMIC POLICY] Board --> Restructuring[ELECTRICITY RESTRUCTURING] </pre>
IMPORT/EXPORT	<p>Electricity:</p> <ul style="list-style-type: none"> Grants permits and licences for private imports and exports of electricity. CRE does not supervise the electricity Imports/Exports exchange carried out by <i>Comisión Federal de Electricidad</i> or Federal Power Commission (CFE), the state-owned electricity monopoly.

	<p>Natural Gas:</p> <ul style="list-style-type: none"> - Natural gas foreign trade is an unregulated activity. Importers and exporters must inform CRE on imports and exports, however.
GENERATION	<p>The CRE Act empowers the Commission to regulate some generation activities. It grants permits for private self-supply generation, IPPs, and cogeneration. CRE has designed several instruments which regulate the relationship between suppliers (Federal Energy Commission and Light & Power Company) and private generators.</p> <p>CRE does not regulate adequacy, power quality or green certificates.</p> <p>The new 2008 CRE Law (CREL) allows CRE to issue directives, orders, methodologies and standards oriented to regulate generation with renewable sources.</p>
WHOLESALE/TRADING	<ul style="list-style-type: none"> - Regulates the private supply sale of electricity to CFE. - Regulates the price and terms and conditions of electricity sales by private generators using renewable sources, to CFE. - Regulates the acquisition of electricity for public service use by CFE. - Regulates Petróleos Mexicanos (Pemex) prices and terms and conditions of first hand sales of: natural gas, LPG, basic petrochemicals and fuel oil.
BALANCING	<p>CRE does not set nor approve balancing methodologies since there is no electricity market. Balancing and ancillary services are carried out by CFE for its own purposes.</p> <p>The new CREL empowers CRE to ensure that generation based on renewable sources is being dispatched according to LAERFTE.</p>
TRANSMISSION	<p>Electricity:</p> <ul style="list-style-type: none"> - Approves guidelines and methodologies for fees paid by State governments, municipalities, and beneficiaries of the electricity public service for the construction of specific works, expansion or modification of existing distribution facilities whenever requested by such parties. - Approves methodologies for electricity wheeling which include transmission and transformation services for electricity generated from conventional and renewable sources. <p>Gas:</p> <ul style="list-style-type: none"> - Regulated activities of natural gas and LPG are not related to exploration and exploitation of hydrocarbons. - Business Operations: Grants permits for transportation of natural gas and LPG via pipelines;

	<ul style="list-style-type: none"> - Commercial Operations: Approves rates as well as terms and conditions of service. - Technical Operations: Regulates and verifies compliance of technical operations. - Safety Operations: Regulates and verifies compliance with safety standards. <p>Biofuels, Basic petrochemicals and oil refined products:</p> <ul style="list-style-type: none"> - Regulated activities: Pipeline transportation - Commercial Operations: Approves rates as well as commercial terms and conditions of service. - Technical Operations: Regulates and verifies compliance of technical operations. - Safety Operations: Regulates and verifies compliance with safety standards.
DISTRIBUTION	<p>Electricity:</p> <ul style="list-style-type: none"> - Approves guidelines and methodologies to determine fees paid to CFE by State governments, municipalities, and beneficiaries of the electricity public service for the construction of specific works, expansion or modification of existing distribution facilities, when requested by such parties. - Verifies that CFE purchases electricity at the minimum possible cost while offering optimum stability, quality, and safety in the provision of such service. - Approves settlement methodologies for the purchase of electricity by CFE from private generators. - Approves settlement methodologies for electricity wheeling which includes transformation and distribution services. <p>Gas:</p> <ul style="list-style-type: none"> - Business Operations: Grants permits for natural gas and LPG distribution via pipelines. - Commercial Operations: Approves rates as well as terms and conditions of service. Regulates prices and rates charged to final users by natural gas distributors. - Technical Operations: Regulates and verifies compliance of technical operations to standards. - Safety Operations: Regulates and verifies compliance of safety standards. <p>Biofuels, Basic petrochemicals and oil refined products:</p> <ul style="list-style-type: none"> - Regulates pipeline distribution only

	<ul style="list-style-type: none"> - Commercial Operations: Approves rates as well as commercial terms and conditions of service. - Technical Operations: Regulates and verifies compliance of technical operations to standards. - Safety Operations: Regulates and verifies compliance of safety standards.
STORAGE	<p>Gas:</p> <ul style="list-style-type: none"> - Regulates all natural gas storage facilities and, for LPG, those linked to pipelines and import and large scale terminals. - Commercial Operations: Approves rates as well as commercial terms and conditions of service. - Technical Operations: Regulates and verifies compliance of technical operations to standards. - Safety Operations: Regulates and verifies compliance of safety standards. <p>Biofuels, Basic petrochemicals and oil refined products:</p> <ul style="list-style-type: none"> - Regulates storage linked to pipelines and import and large scale terminals. - Commercial Operations: Approves rates as well as commercial terms and conditions of service. - Technical Operations: Regulates and verifies compliance of technical operations to standards. - Safety Operations: Regulates and verifies compliance of safety standards.
CROSS-SECTORAL	<ul style="list-style-type: none"> - Energy Sector: Proposes amendments to the regulatory framework applicable to energy sector activities. - Gas: Proposes to the Energy Secretariat efficient market structures.
MONITORING POWERS	Oversight and enforcement of first hand sales prices and quality of service; of permit terms, service conditions, standards and other regulations.
SETTLEMENT POWERS	Establishes arbitration procedures
ENFORCEMENT POWERS	Penalties and permit cancellations
FINANCING:	Federal Government Budget
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