



Suspension to the Decree by means of which several provisions of the Power Industry Law are added and modified

Energy Update

Mexico City, March 15, 2021

On March 11, 2021, the Second District Court for Administrative Matters Specialized in Economic Competition, Broadcasting and Telecommunications, with residence in Mexico City and Jurisdiction throughout the Republic, granted to a plaintiff the provisional suspension with general effects of the "*Decree by means of which several provisions of the Power Industry Law are added and modified*" (the "Suspension") published in the Federal Official Gazette ("DOF") on March 9, 2021¹ (the "LIE Amendment"). As of today, other similar suspensions have accumulated from other *amparo* proceedings.

Accordingly, the LIE Amendment is provisionally suspended with general effects, that being, its effects and consequences will not be produced and it cannot be temporarily implemented by the authorities of the sector. In this regard, the Federal Judge ordered the responsible authorities to inform about such measure through a publication in the DOF in the sense that the provisions applicable before the entry into force of the LIE Amendment will continue to be provisionally applied.

It should be emphasized that the Federal Judge's criteria to grant the suspension with general effects was in order not to grant a competitive advantage to the plaintiff against the other participants of the electricity industry and not to cause distortions in the market that may affect competition and the development of the sector.

Thus, the Ministry of Energy (*Secretaría de Energía*), the Energy Regulatory Commission (*Comisión Reguladora de Energía*), the National Energy Control Center (*Centro Nacional de Control de Energía*) and the Federal Electricity Commission (*Comisión Federal de Electricidad*) must continue to apply the provisions of the Electricity Industry Law, in accordance with the text in effect prior to the publication of the LIE Amendment, until such time as a decision is made on the definitive suspension.

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¹ Galicia Abogados issued an update on the reform initiative on February 3, 2021.