

Rules for the Integration of Energy Storage Systems (*Sistemas de Almacenamiento de Energía Eléctrica*) into the National Electric System (*Sistema Eléctrico Nacional*)

Mexico City, March 28, 2025

On March 7, 2025, the former Energy Regulatory Commission (*Comisión Reguladora de Energía*, the “CRE”), published Resolution No. A/113/2024 in the Federal Official Gazette (*Diario Oficial de la Federación*, the “DOF”), whereby the General Administrative Rules for the integration of energy storage systems into the National Electric System (the “Rules for the Integration of SAE”) were issued. The Rules for the Integration of SAE became effective on March 10, 2025.

The purpose of these rules is to establish the general conditions under which Energy Storage Systems (*Sistemas de Almacenamiento de Energía*, “SAE”) will be integrated into the National Electric System (“SEN”).

Definition of Electric Energy Storage Systems

SAE are defined as the “set of components or equipment that enable the extraction of electric energy from a Power Grid or generation source and its internal storage for later use or injection (to the grid).”

This resolution contemplates five SAE modalities: associated to a Power Plant (SAE-CE), associated to a Load Point (SAE-CC), associated to an isolated supply asset (SAE-AA), associated to an exempt generation asset (SAE-GE), and not associated to either a Power Plant or Load Point (Non-Associated SAE). The most relevant aspects of each modality include the following:

1. SAE-CE Modality (Energy Storage System associated with a Power Plant)

Under this modality, the infrastructure comprising the SAE shall be part of the associated Power Plant and shall be represented by the same Market Participant in the Wholesale Electricity Market (*Mercado Eléctrico Mayorista*), with the purpose of mitigating the variability of the Power Plant’s energy output. For new Power Plants, power producers must file for a Generation Permit with

CRE, currently, the National Energy Commission (*Comisión Nacional de Energía*, the “CNE”), including the information of the corresponding SAE; whereas, in the case of existing Power Plants, they must request an amendment to their existing Generation Permits, pursuant to the general administrative rules for the issuance or modification of Generation Permits, as applicable.

The SAE-CE modality also involves four relevant matters:

- i. The Generator must contemplate the integration of the SAE to the relevant Power Plant in its Interconnection Studies’ request to the National Center for Energy Control (*Centro Nacional de Control de Energía*, the “CENACE”). In the case of existing Power Plants, the integration of a SAE shall be considered a Technical Modification in accordance with the Manual for the Interconnection of Power Plants and Connection of Load Points (*Manual para la Interconexión de Centrales Eléctricas y Conexión de Centros de Carga*);
- ii. CENACE is expressly authorized to perform a Variability Analysis as part of the Interconnection Studies of Power Plants, in order to require the installation of a SAE with a specific capacity and ramp rate;
- iii. In the same context of the interconnection process with CENACE, the Generator must submit an hourly power profile for the operation of the SAE associated to the Power Plant, provided that, such profile will be key for the SAE-CE’s energy sale offers in the Wholesale Electricity Market, without prejudice to the primary objective of the SAE-CE, which is to mitigate the variability of the associated renewable intermittent Power Plant; and
- iv. A SAE-CE may be recognized Capacity (*Potencia*) in the CENACE Capacity Market (*Mercado para el Balance de Potencia*) as a firm Power Plant to the extent the SAE operates at its maximum capacity (or the value indicated as Physical Delivery Availability in the corresponding Interconnection Studies) for three consecutive hours. Otherwise, the SAE-CE shall be credited with Capacity as part of an intermittent Power Plant.

Lastly, the Rules for the Integration of SAE establish that, in order to install a SAE under any of its modalities in connection with Power Plants or Load Points operating under Grandfathered Interconnection Contracts (*Contratos de Interconexión Legado*, “CIL”), the permit holders or owners of such Load Points must migrate from the legal framework set forth in the Public Electricity Service Law (*Ley del Servicio Público de Energía Eléctrica*) to the regime established under the Electricity Industry Law (now, the Electricity Sector Law, *Ley del Sector Eléctrico*).

2. *SAE-GE Modality (Energy Storage System associated with an Exempt Generator)*

The Rules for the Integration of SAE establish that Exempt Generators (i.e. those who own a Power Plant with a capacity of less than 0.7 MW, formerly, 0.5 MW) may integrate a SAE to their Power Plants in accordance with the general administrative rules, the contract models, the compensation calculation methodology, and the general technical specifications applicable to Distributed Generation and Clean Distributed Generation Power Plants, as issued under Resolution No. RES/142/2017 or any instrument that may amend or replace such rules with respect to Power Plants with a Net Installed Capacity of less than 0.7 (0.5) MW, Distributed Generation, and Clean Distributed Generation.

3. *SAE-CC Modality (Energy Storage System associated with a Load Point)*

Under this modality, a SAE is integrated into a new or existing Load Point, without being associated with a Load Plant, and sharing the same Interconnection (Connection) Point to the grid.

Such SAE-CC shall be represented by the same Market Participant of the Load Point. Under this modality, the SAE shall not inject energy into the National Transmission Grid (*Red Nacional de Transmisión*, the “RNT”) or into the General Distribution Grids (*Redes Generales de Distribución*, the “RGD”), and therefore, it shall not require the issuance of a Generation Permit granted by CRE (currently, the CNE). Likewise, this modality shall not receive any compensation associated with the use/injection of the SAE’s electric energy, as such energy may not be delivered to the RNT or the RGD, and will instead be used to satisfy the power demand of the Load Center.

In principle, the Rules for the Integration of SAE do not require obtaining or modifying Connection Studies specifically related to the installation of an SAE-CC (except for Load Points of Qualified Users who are Market Participants). However, CRE (currently, the CNE) does require that Load Points connected to medium or high voltage submit a notice regarding the installation of the SAE.

4. *SAE-AA Modality (Energy Storage System associated with an Isolated Supply asset)*

Under this modality, the SAE is incorporated into a Power Plant which generation is used for Isolated Supply (now referred to as Self-Supply under the Electricity Sector Law), for the purpose of satisfying the internal power demand of those Load Points under the isolated supply scheme.

Owners of Power Plants intended for Isolated Supply who seek to implement a SAE project must request a new Generation Permit (or modify their existing Generation Permit), specifying the SAE-AA infrastructure.

5. *Non-Associated SAE Modality (Energy Storage System not integrated to a Power Plant or Load Point)*

Under this modality, the SAE is interconnected to the RNT or the RGD at an Interconnection Point established in the corresponding Interconnection Studies, provided that, the asset owner shall first comply with the relevant interconnection process pursuant to applicable regulations, akin to any other Power Plant and in accordance with the operational requirements set forth in the Rules for the Integration of SAE.

The Non-Associated SAE requires a Generation Permit, and must be registered as a firm Power Plant and represented in the Wholesale Electricity Market by a Market Participant under the Generator modality.

Non-Associated SAEs shall not have any rights or obligations with respect to Clean Energy Certificates (*Certificados de Energía Limpia*, “CEL”); that is, these SAEs shall neither receive CELs nor be subject to the obligation to acquire CELs related to their energy consumption.

Permits

The SAE modalities that require the issuance or modification of a Generation Permit are: SAE-CE, SAE-AA and Non-Associated SAE. Such kind of Generation Permit shall grant the permit holder all the rights and obligations set forth therein, as if it were any other Power Plant.

For the filing of the corresponding Generation Permit, applicants must comply with the provisions set forth in the general administrative provisions issued by the CRE (currently, the CNE) regarding the granting and modification of permits.

Sanctions

Violations to the Rules for the Integration of SAE shall be sanctioned in accordance with the Electricity Sector Law and shall be subject to the applicable fines pursuant to Title Nine, Chapter II, of said Law, without prejudice to any sanctions arising from other applicable legal or regulatory instruments and without prejudice to any resulting civil or criminal liability.

Transitory provisions

Among the most important transitory provisions of the Rules for the Integration of SAE are the following:

- i. The obligation of CENACE to issue and amend the Market Rules (including the issuance of an Operational Guide), within a period of 270 calendar days following the entry into force of the Rules for the Integration of SAE, regarding the sizing and operation of SAEs vis-à-vis the Wholesale Electricity Market (both the Short-Term Energy Market and the Capacity Market), it being understood that the participation of SAEs in the provision of Ancillary Services is contingent upon the effectiveness of such subsequent amendments to the Market Rules; and
- ii. It is acknowledged that SAEs associated with Power Plants that are installed or in operation as of the effective date of the Rules for the Integration of SAE have the option (but are not required) to modify their Generation Permit or, alternatively, simply notify their existence to the CRE/CNE.

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