

## Pascal and Alva in Latin America Energy Advisor: How Has Mexico's Power Sector Fared Under Sheinbaum?

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May 2, 2025 Larry Pascal, Carlos Alva

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**PRACTICES** Energy, Power and Natural Resources, Mexico, Mexico Energy Reform

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Haynes Boone attorneys [Larry Pascal](#) and [Carlos Alva](#) were quoted in a featured Q&A from *Latin America Energy Advisor* in the May 2, 2025 issue discussing how Mexico's power sector has fared under President Claudia Sheinbaum.

Read an excerpt below:

**Q:** Mexico's government will open a power sector auction later this month for five natural gas plants and two solar facilities with a total generating capacity of 3.4 gigawatts, Energy Secretary Luz Elena González announced April 9. It will mark the first request for power sector projects available to the private sector since Mexico's government implemented constitutional changes to the role of state-run energy firms late last year. What level of participation is expected from private companies in the upcoming power sector tender? To what extent is the upcoming auction a test of Mexico's new energy landscape in the wake of Sheinbaum's reforms? How has the outlook for renewable energy changed in recent months in Mexico, relative to that for oil and gas?

**A, from Pascal and Alva:** "Private sector participation in the projects to be tendered this month is still uncertain, as CFE could still decide to develop the projects by itself. However, it is expected that CFE will decide to include private sector participation for the projects to reduce costs and risks, although SENER did not mention in its public communication the locations of the projects, or the investment amount required. Private sector participation will largely depend on the provisions of the bidding rules and contract structure that CFE uses for its 'Mixed Development' structure (for example, whether or not the Mexican government contributes capital to the project). The bids are an outgrowth of the national energy policy, which seeks to increase power production in order to achieve the 2030 power generation goals established in the 'Plan México' strategy, which aims to reach energy self-sufficiency. To achieve such goals, CFE will likely need some private investment. Recently, Pemex announced its intention to enter into association contracts with private companies in July for the development of oil fields to increase oil production. The foregoing is a positive sign that the government is trying to address Mexico's current energy challenges. Nevertheless, it will be important to see how these projects will be developed and the role of the private sector, given the current energy policy that establishes a greater role for Pemex and CFE."

To read the full edition of *Latin America Energy Advisor*, click [here](#).