

## Larry Pascal, Natalia Cosio Ondiviela in *Energy Advisor*: 'Is L'pez Obrador Upending the Power Sector's Landscape'?

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**PRACTICES** Mexico, Mexico Energy Reform, Traditional Power, International

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Haynes Boone Partner [Larry Pascal](#) and Foreign Associate [Natalia Cosio Ondiviela](#) were featured in an *Energy Advisor* Q&A about the Mexican government's proposed regulatory changes in the power sector.

Below is an excerpt:

**Q: What are the most important changes that the government of Mexican President Andrés Manuel López Obrador has introduced in the country's power sector since taking office in December 2018? What effects have they had on the sector's investment climate? Are more and similar changes expected in the period ahead, and how can companies prepare for them?**

A: Natalia Cosio Ondiviela, attorney, and Larry Pascal, member of *Energy Advisor's* Board of Advisors and chairman of Haynes Boone's Americas Practice Group:

"Earlier this year, the López Obrador administration released a new power policy that in part modifies some of the goals of the 2013 energy reforms. First, the Mexican national grid operator (CENACE) issued an order suspending all pre-commissioning tests of intermittent wind and solar power plants. Later, the Energy Ministry (SENER) consolidated this idea and released its 'Policy on Reliability, Safety, Continuity, and Quality for the National Electric System,' which, among other things, grants the Energy Regulatory Commission (CRE) authority to require from generation permit applicants a new interconnection feasibility opinion, to be issued by CENACE, thereby placing an additional obligation on power developers.

The current administration has also decided to favor CFE by prioritizing power generation in its plants, among other actions. Furthermore, the president's party has proposed a constitutional amendment to repeal the 2013 energy reform, which is pending legislative debate. Overall, these regulatory developments may discourage investment in future renewable energy projects, although in the past the government has successfully negotiated agreements out of court with generation companies. However, several environmental groups have challenged the CENACE order and the SENER policy in court actions, and the courts have temporarily suspended these measures until a definitive ruling. Finally, CRE's 2020 regulatory program envisions additional changes to the power sector, which will give market actors an opportunity to comment on proposed changes."

To read the full article, click [here](#).