

COUNTRY EXPERIENCES WITH ENERGY-CLIMATE POLICY PACKAGES

MEXICO

SANTIAGO CREUHERAS DÍAZ
DIRECTOR GENERAL OF ENERGY EFFICIENCY AND SUSTAINABILITY

JUNE 2017

LEGAL FRAMEWORK

I. CLIMATE CHANGE POLICY

- MEXICO'S SPECIAL PROGRAMME ON CLIMATE CHANGE 2014-2018 (PECC)
- NATIONALLY DETERMINED CONTRIBUTIONS (NDCs)

II. ENERGY REFORM

- ENERGY TRANSITION LAW

FINANCIAL MECHANISMS

LEGAL FRAMEWORK



LEGAL FRAMEWORK

I. CLIMATE CHANGE POLICY

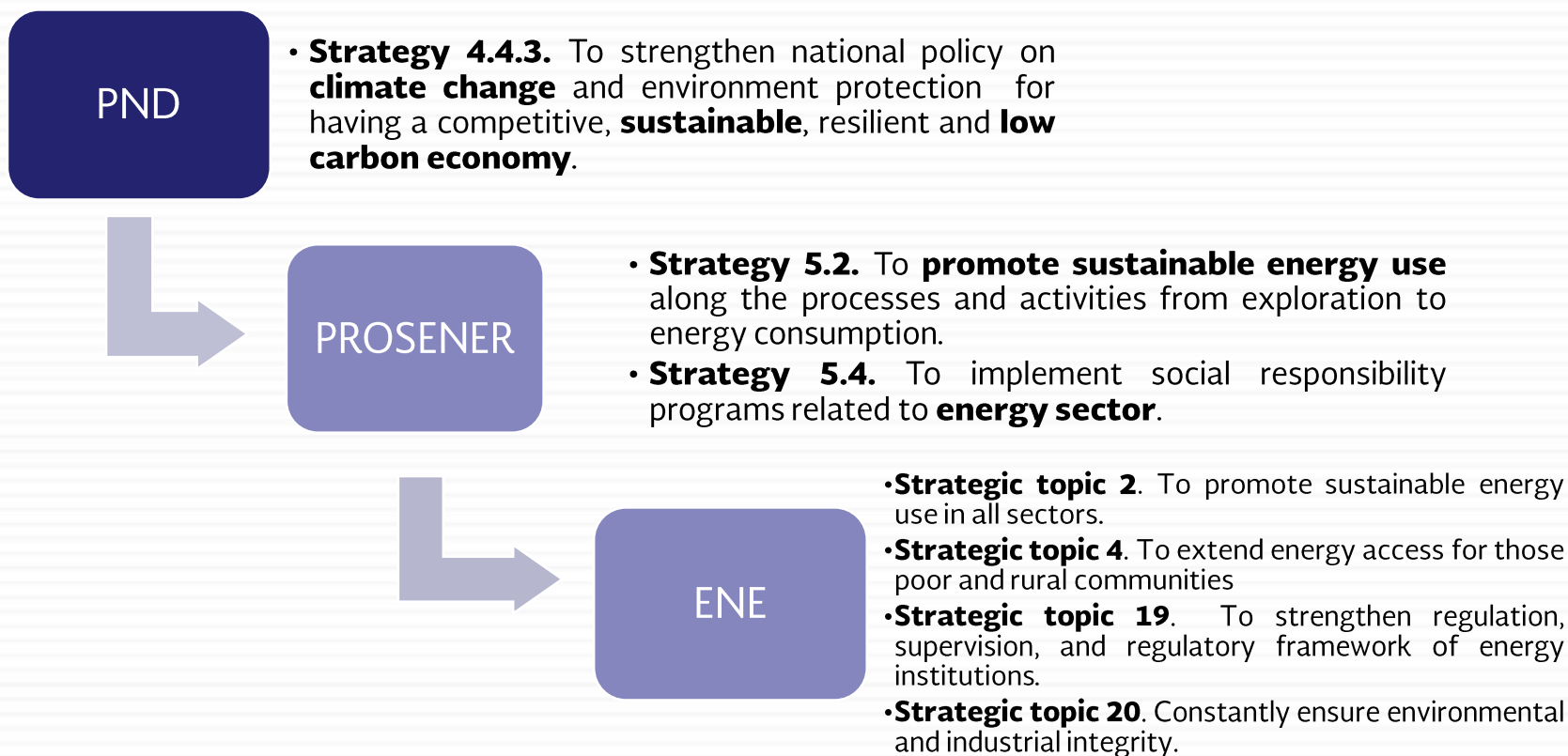
- MEXICO'S SPECIAL PROGRAMME ON CLIMATE CHANGE 2014-2018 (PECC)
- NATIONALLY DETERMINED CONTRIBUTIONS (NDCs)

II. ENERGY REFORM

- ENERGY TRANSITION LAW

FINANCIAL MECHANISMS

National Development Plan and Sectorial Policy

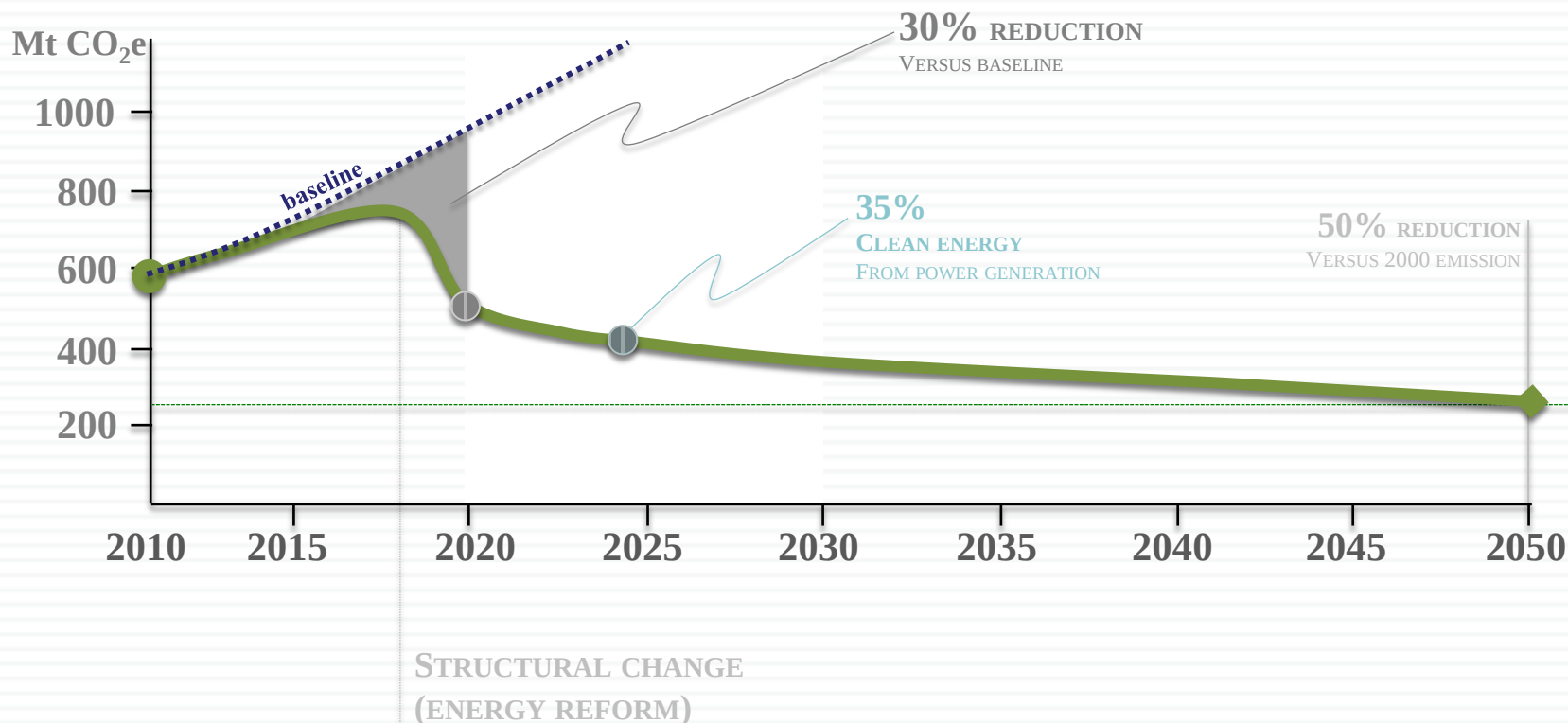


NATIONAL TARGETS FOR LOW CARBON ECONOMY

GENERAL CLIMATE CHANGE LAW

CONDITIONAL TARGET 2020 AND 2050

ESTIMATED EMISSIONS THEORETICAL ROADMAP



LEGAL FRAMEWORK

I. CLIMATE CHANGE POLICY

- **MEXICO'S SPECIAL PROGRAMME ON CLIMATE CHANGE 2014-2018 (PECC)**
- NATIONALLY DETERMINED CONTRIBUTIONS (NDCs)

II. ENERGY REFORM

- ENERGY TRANSITION LAW

FINANCIAL MECHANISMS

MEXICO'S SPECIAL PROGRAMME ON CLIMATE CHANGE 2014-2018 (PECC)

Climate Change Mitigation

- Almost **62%** of mitigation commitments established in PECC belong to the energy sector.
- Energy sector will contribute with **36.9% of total black carbon** reductions and **11.25% of methane** reductions.
- It is expected to decrease at least **25% of emissions** per MW/h, between 2013 and 2018.
- It is expected to mitigate **18.3 MtonCO₂e** from clean energy generation.

MEXICO'S SPECIAL PROGRAMME ON CLIMATE CHANGE 2014-2018 (PECC)

Climate Change Adaptation actions

- 1** • To optimize climate events response programs on oil sector, related to region level efforts.
- 2** • To incorporate climate change criteria in the energy infrastructure management plans.
- 3** • To generate management programs on vulnerability and to increase resilience of the energy infrastructure, considering regional ecosystems.
- 4** • Development of reforestation and conservation programs and management of basins in hydroelectric power plants.

LEGAL FRAMEWORK

I. CLIMATE CHANGE POLICY

- MEXICO'S SPECIAL PROGRAMME ON CLIMATE CHANGE 2014-2018 (PECC)
- **NATIONALLY DETERMINED CONTRIBUTIONS (NDCs)**

II. ENERGY REFORM

- ENERGY TRANSITION LAW

FINANCIAL MECHANISMS

CONTEXT: NATIONAL TARGETS

From the Climate Change Law (2012) and the recently adopted Energy Transition Law (2015)

2020 30% GHG reduction below

2050 50% GHG reduction below emissions in 2000

2024 35% Clean energy generation

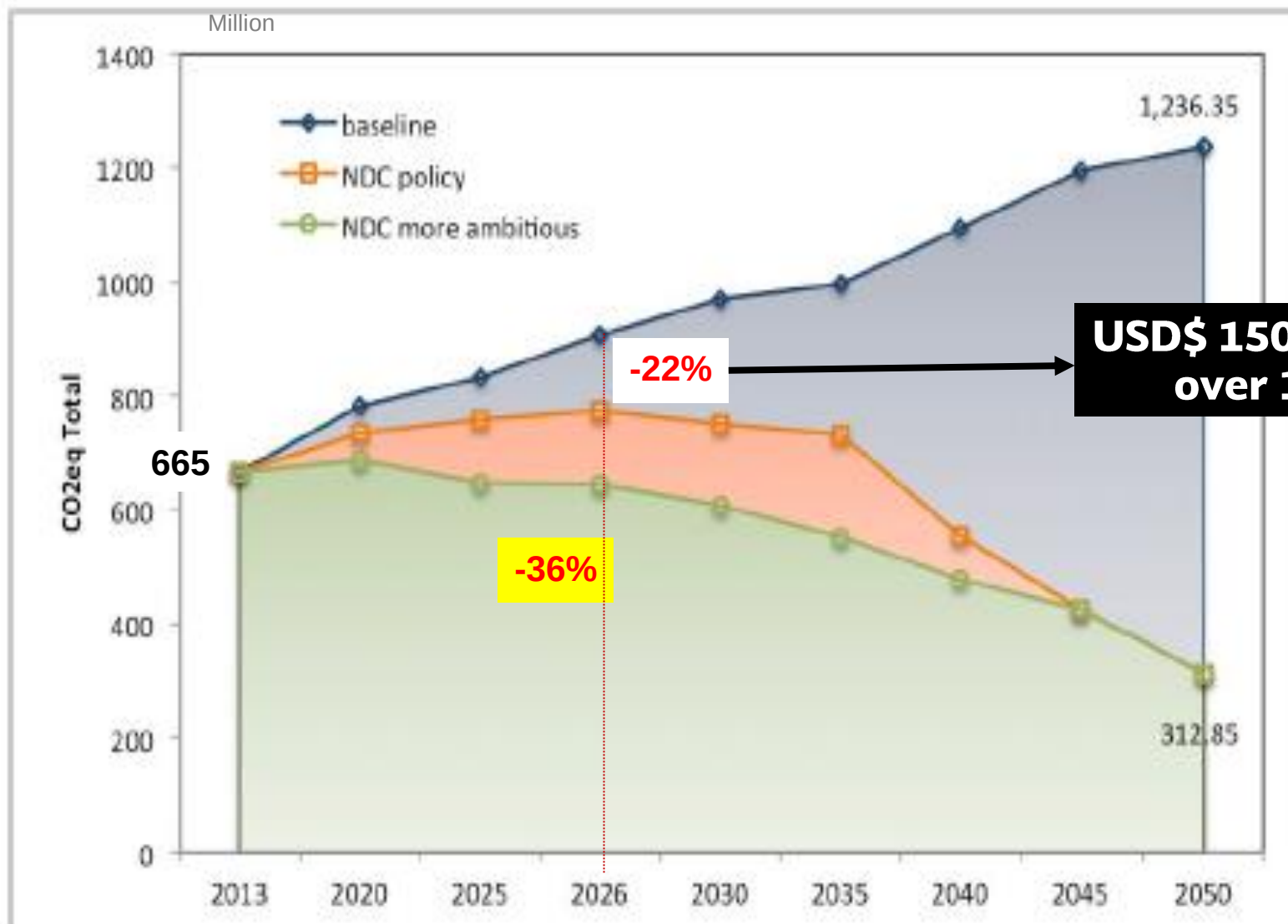
NATIONALLY DETERMINED CONTRIBUTION (NDC)

NON-CONDITIONAL TARGET
(MTon CO₂e)
2020-2030

2013	2020	2025	2030	TARGET 2030	Δ _{GHG}
665	792	888	973	762	-22%

- **22% GHG reduction below BAU**
- **51% reduction** emissions of **black carbon** emissions
- Emissions peaking by 2026
- **Adaptation:** increase resilience and reduce vulnerability of most vulnerable municipalities, and of strategic infrastructure + ecosystems-based adaptation

NATIONALLY DETERMINED CONTRIBUTIONS



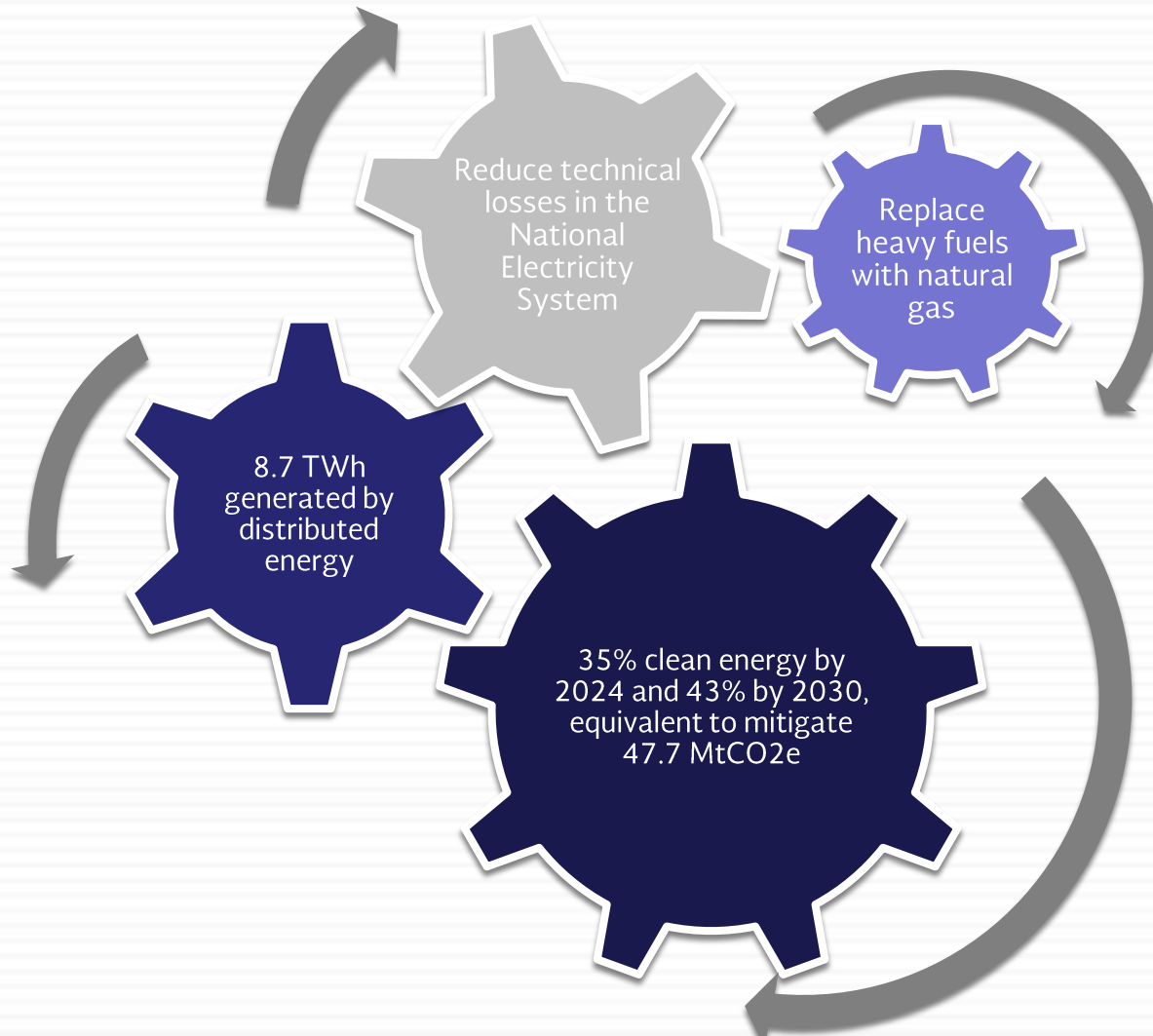
**USD\$ 150-160 billion
over 15 years**

INVESTMENT NEEDS ESTIMATE

Set of 30 policies and actions

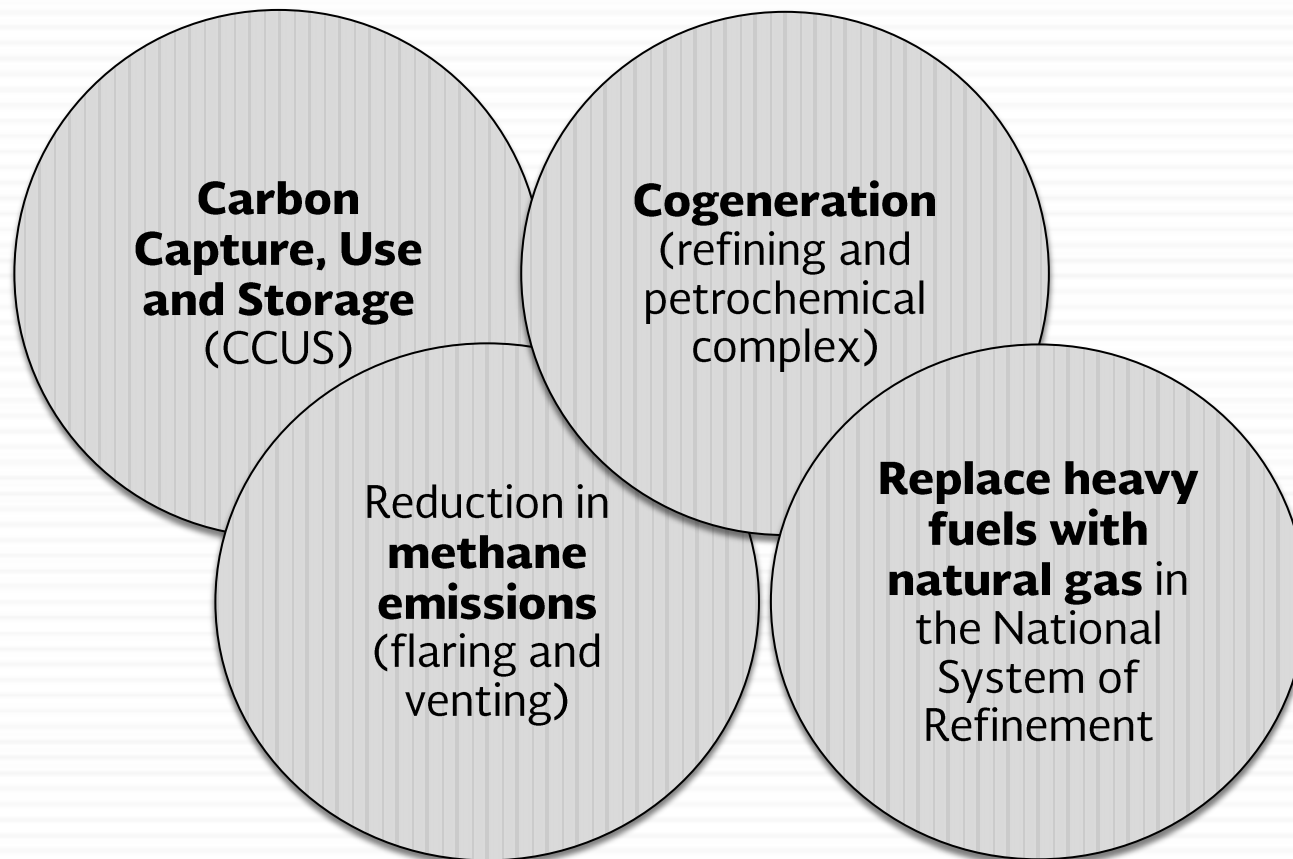
NATIONALLY DETERMINED CONTRIBUTIONS

Power Generation



NATIONALLY DETERMINED CONTRIBUTIONS

Hydrocarbons Production



LEGAL FRAMEWORK

I. CLIMATE CHANGE POLICY

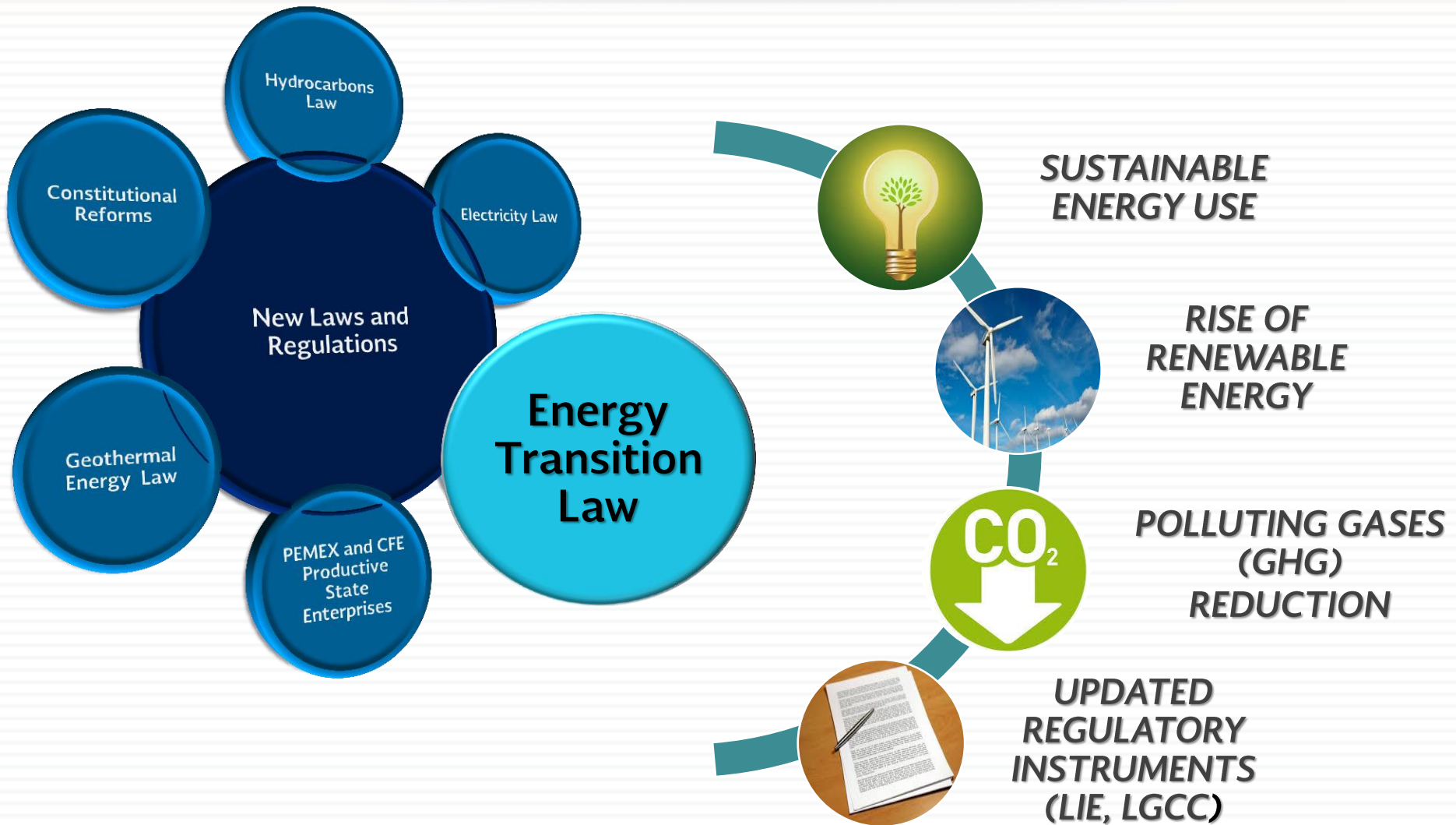
- MEXICO'S SPECIAL PROGRAMME ON CLIMATE CHANGE 2014-2018 (PECC)
- NATIONALLY DETERMINED CONTRIBUTIONS (NDCs)

II. **ENERGY REFORM**

- ENERGY TRANSITION LAW

FINANCIAL MECHANISMS

ENERGY REFORM



LEGAL FRAMEWORK

I. CLIMATE CHANGE POLICY

- MEXICO'S SPECIAL PROGRAMME ON CLIMATE CHANGE 2014-2018 (PECC)
- NATIONALLY DETERMINED CONTRIBUTIONS (NDCs)

II. ENERGY REFORM

- **ENERGY TRANSITION LAW**

FINANCIAL MECHANISMS

Modifications to the Regulatory Framework

Energy Transition Law

(DOF 24/12/2015)

Clean Energy and Energy Efficiency Goals

Goals of electricity generation through clean energy:

✓ **25% to 2018 , 30% to 2021; 35% to 2024**

- Smart Grids Programme
- *Capacity Building and Promotion of Research and Development in Clean Energy and Energy Efficiency*
 - Advisory Council of Transition Law
 - Energy Efficiency Goal and Roadmap

Energy Policy Planning Instruments

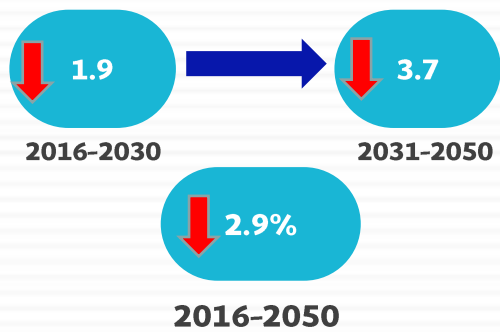
- ✓ *Transition Strategy to Promote the Use of Technologies and Cleaner Fuels*
 - ✓ Special Energy Transition Programme
- ✓ PRONASE, The National Program on Energy Sustainable Use

ENERGY TRANSITION; GOALS AND CHALLENGES

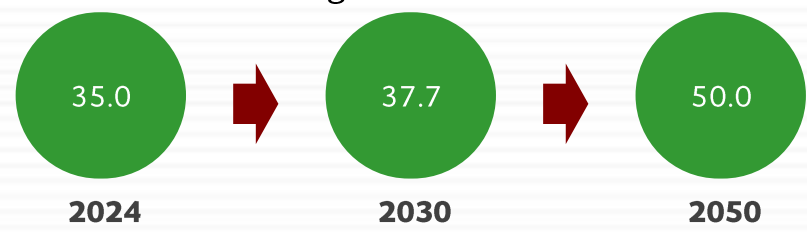
Transition Strategy to Promote the Use of Technologies and Cleaner Fuels Goals:

Energy Efficiency Goals

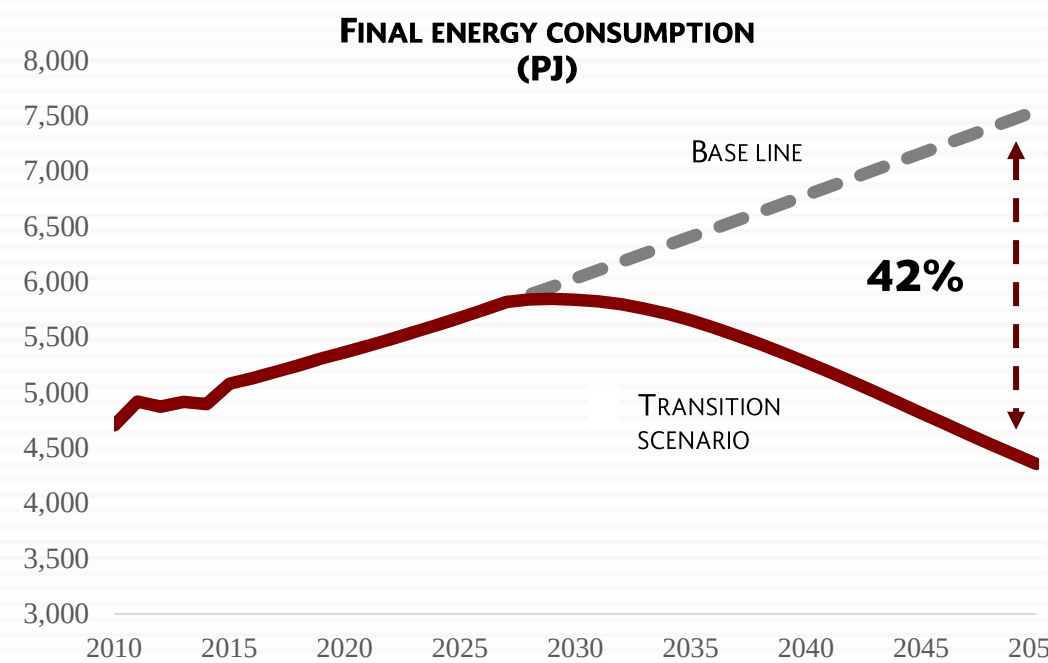
(Average annual rate of reduction in the intensity of final energy consumption)



Clean Energy Goals (% of total electricity generation)



TRANSITION ENERGY SCENARIO
AVERAGE ANNUAL REDUCTION IN ENERGY INTENSITY



ENERGY CONSUMPTION ↓ OF **42%** WITH
ENERGY EFFICIENCY

LEGAL FRAMEWORK

I. CLIMATE CHANGE POLICY

- MEXICO'S SPECIAL PROGRAMME ON CLIMATE CHANGE 2014-2018 (PECC)
- NATIONALLY DETERMINED CONTRIBUTIONS (NDCs)

II. ENERGY REFORM

- ENERGY TRANSITION LAW

FINANCIAL MECHANISMS

	Donors	Mechanisms
National	<ul style="list-style-type: none"> • Climate Change Fund (LGCC) • Fund for Contributions for Social infrastructure.(FONADIN) • Fund for Energy Transition and Sustainable Use of Energy(FOTEASE) • SENER – CONACYT Energy Sustainability Fund (FSE) 	<p>Loans Donations</p>
International multilateral and bilateral	<ul style="list-style-type: none"> • Green Climate Fund • Global Environmental Facility (GEF) • World Bank • USAID • Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH • Climate Investment Fund • UK Prosperity Fund • Inter-American Development Bank • Others. 	<p>Loans Donations</p>

THANK YOU

SANTIAGO CREUHERAS DÍAZ
DIRECTOR GENERAL OF ENERGY EFFICIENCY AND SUSTAINABILITY

screuheras@energia.gob.mx

JUNE 2017