MIRANDA INTELLIGENCE

Mexico Energy Chatter

October 15, 2025

Further thoughts on binding planning

Earlier this month, the government published the six regulatory decrees comprising the secondary legislation for the energy sector, such as the Law on Energy Planning and Transition, the Electric Sector Law, and the Hydrocarbons Sector Law, among others. These new laws introduce the concept of binding planning, a process implemented by the Energy Ministry (SENER) to manage the development of the energy sector in a coordinated way, aiming to guarantee sovereignty, energy justice, self-sufficiency, and energy transition.

The process will be carried out through specific instruments known as Energy Sector Planning Instruments, which include:

- The National Energy Transition Strategy
- The Energy Sovereignty Program (PROSENER)
- The Program for the Energy Transition and the Sustainable Use of Energy (PLATEASE)
- The Electric Sector Development Program (PLADESE)
- The Hydrocarbons Sector Development Program (PLADESHi)

Binding planning must be considered by SENER and the CNE when granting allocations, contracts, permits, concessions, and authorizations in all areas of the electric, hydrocarbons, biofuels, and geothermal sectors. This means that no permit or authorization may be issued that contradicts approved strategic plans.

While the intent might be positive, some observers are worried the process could result in delays due to bureaucracy or blocked projects. This in turn could pose risks for the National Electric System (SNE) in the short term (such as blackouts), but also in the medium and long terms: lack of investment in infrastructure, failure to incorporate renewable projects (possibly breaching the Paris Agreement), lack of innovation, and disincentives to private participation. They have raised concerns particularly in generation and storage projects that depend on long-term stability and transparent permitting.

That said, there is a consensus on a positive change in tone within the Sheinbaum administration, even if actions may be lagging words. Various executives from major firms and consultants note an increased keenness from SENER and state-owned enterprises to attract private capital, provided it complies with existing regulations and contributes to national policy goals such as energy transition and grid reliability. In recent months, authorities have held consultations with private sector participants to identify regulatory and operational bottlenecks, signaling a more pragmatic approach to investment partnerships. While challenges remain, this outreach suggests that the government finally recognizes the critical need for private participation to meet Mexico's growing energy demand and climate targets.

The effectiveness of these new decrees will depend largely on the publication of technical guidelines, the clarity of coordination between SENER, CRE, and CFE, and the government's capacity to balance state control with private sector participation. Stakeholders across the energy value chain will be closely watching how binding planning is applied in practice and whether it leads to more coherent, resilient, and sustainable energy policy outcomes.

MIRANDA INTELLIGENCE

Sheinbaum's energy plan revisits AMLO's missed targets

SENER is expected to finally publish the annual sectoral energy program outlining the current state of the industry and the objectives for the next 5 years. This year's plan, the 2025 PROSENER, will be the first delivered under President Sheinbaum. Although released later than usual (it is typically published in the first quarter) the delay was expected given the government's overhaul of the energy law framework. The document remains under public consultation but could be formally released within days.

The draft provides a clearer picture of the sector's current situation. While it maintains a critical tone toward what former President Andrés Manuel López Obrador called the "neoliberal" period, it also acknowledges that AMLO's administration failed to achieve several of its own targets. Mexico's clean energy share reached 24.32% of total electricity generation in 2025, well short of the 35% goal set by the General Climate Change Law for 2024 and commitments under the Paris Agreement. The document appears to correct the accounting methods used by the previous government, which included gas-steam generation as "clean energy," inflating results. The revised figures show Mexico roughly 10 percentage points below the legal target and far from Sheinbaum's 2030 goal of 38%.

According to the draft, CFE remains heavily reliant on fossil fuels, which account for about 30,033 MW of its installed capacity, followed by hydroelectric (12,156 MW) and nuclear (1,608 MW). Under the prior administration, CFE began rehabilitating 16 hydro plants to add 554 MW and launched 10 combined-cycle projects totaling 6,692 MW, along with the 580 MW Puerto Peñasco solar park—together representing close to US$6 bn in investments. By the end of 2024, CFE operated 808 MW of geothermal, 86 MW of wind, and 426 MW of solar capacity. The expansion of Puerto Peñasco to 1,000 MW by 2028 will make it one of the ten largest photovoltaic plants in the world. However, the report shows CFE was unable to complete most of its planned new generation capacity under AMLO. Some of that capacity has been inaugurated under this government like the Salamanca combined-cycle unit, but the largest units like the two power plants in the Yucatan Peninsula and the other two in Mexico's Northwest are still in process to enter operation.

Sheinbaum's administration aims to accelerate renewable integration through the National Electric System Expansion Plan 2025–2030, which projects 28,004 MW in new capacity—17,009 MW from state projects. CFE plans to add 2,850 MW of wind, 5,393 MW of solar, 150 MW of solar-thermal, and 2,216 MW of battery storage to support intermittent sources. The plan also includes modernization of transmission and distribution networks across all 32 states, reinforcing CFE's central role in ensuring reliable, low-carbon electricity supply through 2030. Still, the draft does not specify how these projects will be financed, built, or delivered over the next five years.

The document also reveals that fuel price caps between 2018 and 2024—tied to inflation adjustments—cost MXN 833 bn in subsidies through changes in fuel taxation.

The sector continues to wait for clearer signals from the government before resuming large-scale investment, as neither the new rules nor the PROSENER yet outline a clear path toward Sheinbaum's goals for renewable expansion and higher oil and gas output.

In other energy news…

— Investment bank UBS warned that Pemex remains Mexico's main fiscal risk, as a shortfall in oil revenues could heighten pressure on public finances. The bank said the government's

projection of 1.79 m bpd of crude output for next year— including condensates and joint-venture production—looks optimistic given the company's structural challenges. It estimated that if Pemex failed to meet that goal, the resulting revenue gap could reach 0.3–0.4% of GDP, compounding fiscal stress if other sectors also underperform. The report added that rating agencies remain wary of Pemex's large contingent liabilities, with Moody's maintaining a negative outlook since November 2024 and possibly downgrading Mexico to Baa3 in coming months. UBS said Mexico's investment-grade status is not immediately at risk but warned that low public investment—around 2.5% of GDP—could constrain medium-term growth and limit the country's ability to capitalize on nearshoring opportunities, particularly in the energy sector.

— Mexico's maritime transport chamber Cameintram said Pemex will begin settling 2024 service payments starting October 17 under a new agreement aimed at clearing overdue bills to contractors. Cameintram president José Manuel Urreta said the organization expects subsequent payments to follow on schedule through year-end and that Pemex plans to clear all outstanding debts by late 2026. Some maritime operators report up to a year of payment delays, prompting smaller players to exit the market.

— The Energy Planning Council was established as a permanent body responsible for coordinating binding planning and the energy transition in Mexico. This council will support SENER in implementing the planning instruments, which will be periodically updated to align with the national objectives of sovereignty, sustainability, and energy self-sufficiency.