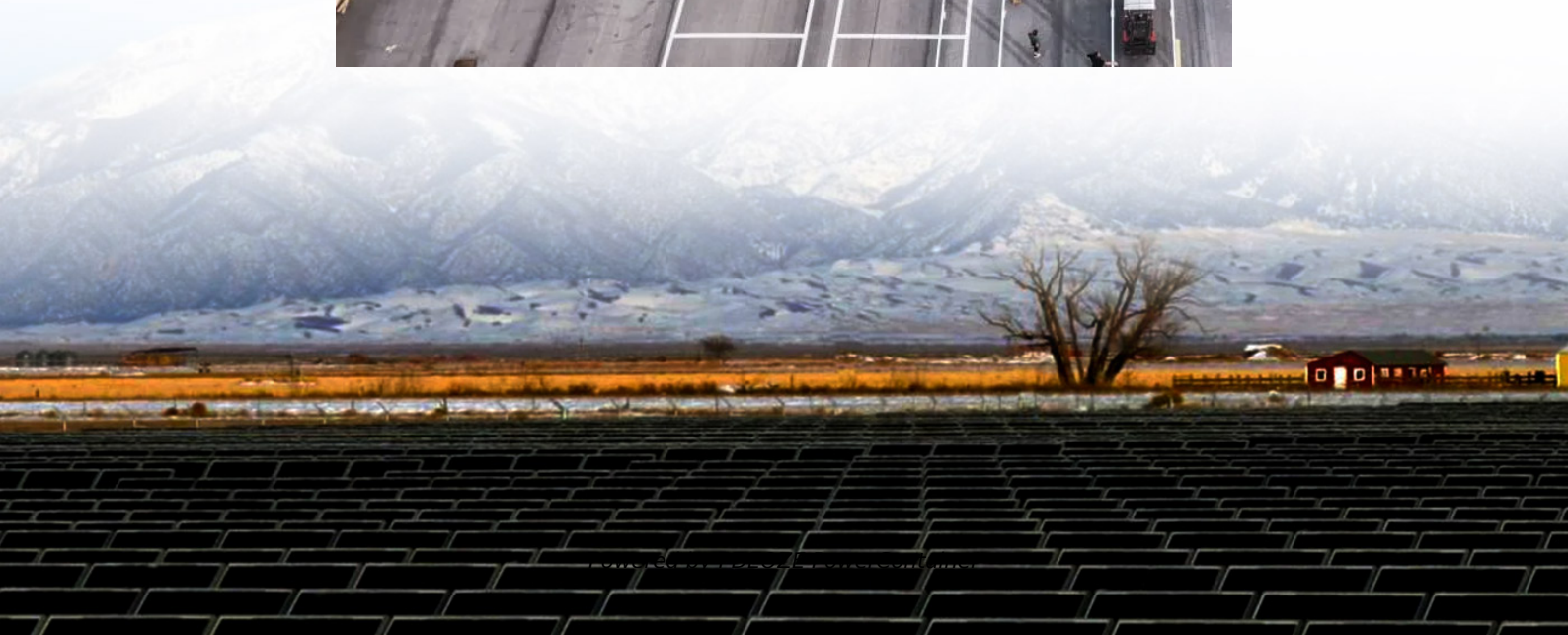
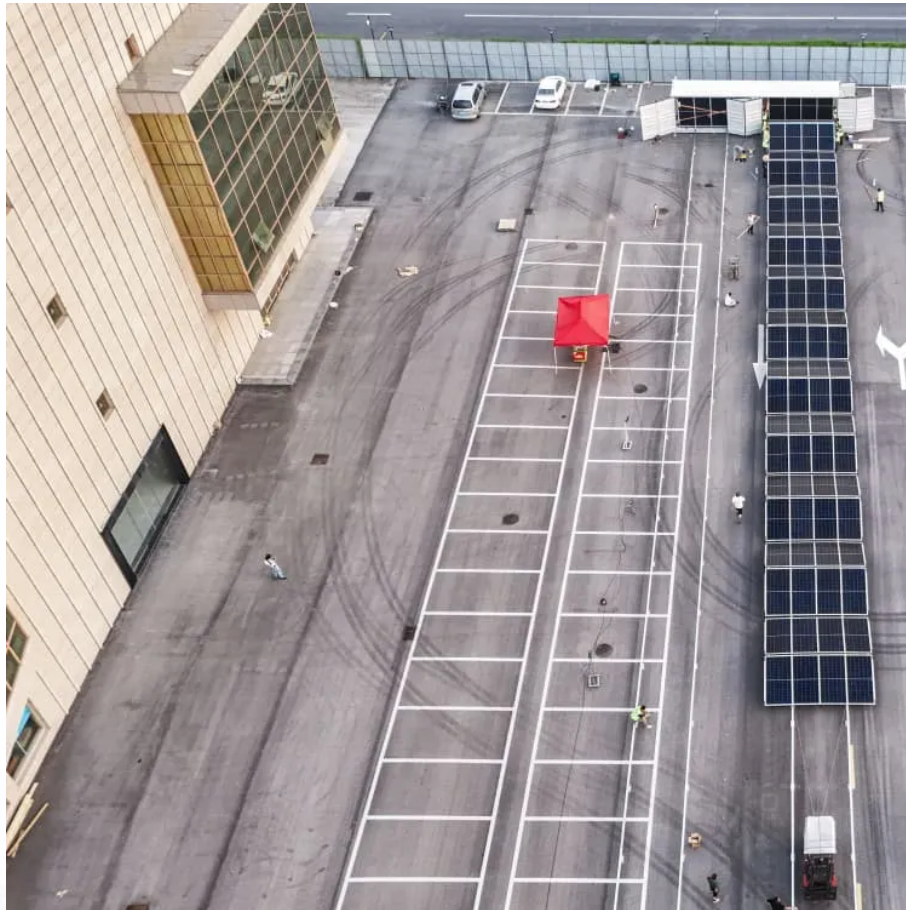


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Mexico s new energy equipment costs



Overview

In this policy brief, nonresident scholar Rolando Fuentes argues that the law's stipulations may contradict its very goals, potentially restricting competition, increasing costs, and hindering the energy transition.

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The Mexican government introduced a new Electricity Sector Law (Ley del Sector Eléctrico, LESE) on Jan. 29, 2025. This law modified previous legislation dating back to the Enrique Peña Nieto administration (2012–18), which largely opened the sector to private and foreign investment. The new 2025.

As Mexico continues to navigate its energy future — balancing liberalization, state control, and external economic pressures — the role of tariffs in altering supply availability and pricing is increasingly apparent. Tariffs on imported energy equipment and cross-border trade frictions are not only.

Mexico is ideally positioned to become a clean energy powerhouse given its world-class renewable energy resource potential and the low cost of renewable energy generation. Rapid growth in renewable energy deployment in Mexico could generate high levels of investment, increase energy access, reduce.

Mexico's latest proposed energy reform establishes a new regulatory framework that gives the government greater control over electricity generation and oversight. These changes reduce private sector participation, introduce new permitting rules, and increase political influence over key energy.

Despite changes in policy and delays in permits, the U.S. Commercial Service Mexico has seen increasing participation from both Mexican companies seeking U.S. renewable energy technologies and U.S. firms travelling to Mexico for trade shows and events with the interest of expanding operations in.

Mexico's new Electricity Sector Law (LESE) marks a sharp departure from the market liberalization introduced in 2013, shifting the electricity sector back under state control. The government defends LESE as a necessary step to restore energy sovereignty, arguing that past reforms unfairly benefited. Should Mexico re-centralize its energy sector?

Mexico's re-centralization of its electricity sector under LESE presents a fundamental policy contradiction. While the government seeks to strengthen the CFE to achieve energy sovereignty, this strategy risks undermining market efficiency, slowing renewable energy growth, and even compromising energy security.

Does Mexico need gas to generate electricity?

Over half of Mexico's electricity relies on United States gas imports, risking its energy security. Achieving 45% clean generation by 2030 could cut gas imports for electricity by 20%, saving \$1.6 billion USD per year. Electricity generated in Mexico with gas imported from the US in 2024.

How much electricity does Mexico generate from renewables?

Mexico generated 22% of its electricity from renewables in 2024, below the global average of 32% and well below the Latin American average of 62%. In October 2024, Mexican President Claudia Sheinbaum, in her inaugural address, declared that renewables would be promoted so as to reach a 45% share of electricity generation by 2030.

What are Mexico's energy reforms?

These reforms, one concerning the electricity sector (the "Electricity Sector Reform") and the other addressing the hydrocarbon sector (the "Hydrocarbon Sector Reform"), are designed to reshape Mexico's energy policy by redefining the roles of both the state and private sectors.

What is Mexico's New Electricity Law?

On Jan. 29, 2025, the Mexican government announced a new electricity law aimed at bolstering state control over the sector to promote affordable, reliable energy.

What is the value chain of electricity in Mexico?

In Mexico, the value chain of the electricity sector consists of four main

activities that together conform what is known as the National Electric System (the “Grid”). – Generation, which refers to power plants that produce electricity using various technologies (hydroelectric, thermoelectric, wind, etc.).

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The U.S. National Renewable Energy Laboratory (NREL) conducted a 2024 renewable integration study for Mexico, utilizing planned project data from developers, and a regional production ...

By prioritizing state control over economic incentives, Mexico may discourage private investment, raise electricity costs, and limit new capacity expansion--ultimately weakening the very ...

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The installed capacity of renewable energy mainly came from hydro, wind, and photovoltaic solar PV plants. According to a 2022 report by the National Renewable Energy ...

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A new tax regime called the "Petroleum Law for Wellbeing" is being implemented for holders of exploration and extraction assignments. Under this regime, the tax rates for ...

To reach this goal, Mexico would need to install 36 GW of solar and 10 GW of onshore wind power by 2030. This build-out could generate 419,000 jobs during construction and an additional 15,000 ...

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It analyzes how public and private stakeholders may collaborate under the new policy regime, the financing tools available to accelerate investment, and the opportunities and ...

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Tariffs on imported energy equipment and cross-border trade frictions are not only increasing project development costs, but they're also altering how and where capital flows, ...

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