

The Ministry of Energy updates the Transition Strategy to promote the use of cleaner technologies and fuels

On February 7, 2020, the Ministry of Energy (“SENER”) published in the Official Federal Gazette the **“Ruling by which the Energy Ministry approves and publishes the updating of the Transition Strategy to promote the use of cleaner technologies and fuels, in terms of the Energy Transition Law.”** (“Updated Strategy”) in order to regulate the sustainable use of energy, and the obligations regarding clean energy and reduction of the Electricity Industry’s polluting emissions. Some of the most relevant aspects of the Updated Strategy include the following:

1. The Updated Strategy recommends that SENER and the governmental bodies maintain mechanisms promoting clean energy, in order to reduce polluting emissions, under conditions of economic viability, in the generation of energy.
2. An obligation is established to promote the sustainable use of energy in final consumption and energy transformation processes and thus promote the use of renewable resources and waste for energy generation. This obligation will focus on residential hubs, commercial-service hubs and agriculture, which together will promote the self-sufficiency of the sector.
3. The main goals of the Updated Strategy are: (i) to promote the reduction of polluting emissions from the electricity industry; and (ii) to reduce, to the extent economically viable, the dependence of the country on fossil fuels as a primary source of energy.
4. The Updated Strategy provides a long- and medium-term planning mechanism to meet the clean energy and energy efficiency goals.
5. The establishment of incentives is encouraged to promote the purchase of products and services that prioritize energy efficiency or that make use of clean energy, particularly tax incentives such as investment subsidies and low interest loans.
6. The Updated Strategy is the framework from which the SENER will draft the Special Energy Transition Program (PETE), as well as the National Electric System Development Program (PRODESEN) and the RNT Expansion and Modernization Programs (PAMRNT).

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