Galicia

Energy Update

General Administrative Provisions applicable to the integration of Energy Storage Systems into the National Electric System

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On April 16, 2026, the new "General Administrative Provisions applicable to the integration of Energy Storage Systems into the National Electric System" (the "DACGs") were published in the Federal Official Gazette (*Diario Oficial de la Federación*). Their issuance represents a significant step in the evolution of the regulatory framework applicable to energy storage in Mexico.

The DACGs replace the provisions published on March 7, 2025, and establish a broader and more precise regulatory framework for Energy Storage Systems ("ESS") under the Electricity Sector Law (*Ley del Sector Eléctrico*) and its Regulations.

Beyond formally recognizing storage as a regulated concept, the new DACGs seek to provide greater clarity on how an ESS should be analyzed, depending on the function it performs within a project, the manner in which it is interconnected or connected, and the modality under which it participates in the National Electric System (*Sistema Eléctrico Nacional*, or "SEN"). In that respect, the DACGs provide a more useful basis for structuring and evaluating storage projects, particularly in the context of renewable generation schemes, load centers, self-consumption arrangements, grid infrastructure, and market participation.

Key highlights:

- The integration of an ESS does not, in and of itself, constitute the performance of the regulated storage activity. Its treatment depends on the modality under which it participates.
- The new framework expressly recognizes five main modalities: ESS-PP, ESS-LC, ESS-Self-Consumption, ESS-NTN/GDN, and Non-Associated ESS.
- Storage is now expressly incorporated into the self-consumption framework, with specific rules for schemes with and without the sale of surplus energy.
- The DACGs link storage to issues of variability, reliability, and backup, and also introduce relevant references to ESS Capacity and its operational treatment.

- They also recognize ESS associated with transmission and distribution infrastructure, as well as aggregated integration scenarios.

What changes in practical terms?

1. Storage is no longer treated as a single, uniform concept

One of the clearest developments in the new DACGs is that they no longer approach storage as a single category. Instead, they organize it according to the modality under which it participates and the role it plays within the relevant project.

This has an important practical consequence: the regulatory analysis of storage should no longer be carried out in the abstract. It must be grounded in the specific function performed by the ESS. An ESS integrated into a power plant is not the same as one associated with a load center, a self-consumption scheme, grid infrastructure, or autonomous market participation.

This approach also helps distinguish, from the outset, between cases in which the ESS forms part of a principal installation and those in which it may give rise to an autonomous regulated storage activity. Although this is, at first glance, a conceptual distinction, it has meaningful implications for permitting, studies, operations, and project structuring.

2. The modalities now have a clearer regulatory map

The DACGs expressly distinguish five main modalities:

- ESS-PP: Energy Storage Systems associated with Power Plants.
- ESS-LC: Energy Storage Systems associated with Load Centers.
- ESS-Self-Consumption: Energy Storage Systems associated with the Self-Consumption framework.
- ESS-NTN/GDN: Energy Storage Systems associated with infrastructure intended for the Public Service of Energy Transmission and Distribution.
- Non-Associated ESS: Energy Storage Systems not associated with power plants, load centers, or grid infrastructure.

This classification is relevant because it provides a clearer basis for determining when an ESS forms part of a principal installation and when it could give rise to an autonomous regulated storage activity.

Self-consumption: one of the most relevant developments

For many industry participants, the chapter of greatest practical interest will likely be the one dealing with self-consumption. The DACGs introduce specific rules for this modality and distinguish among different operational scenarios, including schemes with and without the sale of surplus energy.

Among other notable clarifications, the DACGs specify that the installed capacity of an ESS should not be added to the installed generation capacity under the relevant permit. This is an important distinction, as it avoids treating storage automatically as additional generation capacity and provides greater certainty for structuring self-consumption projects with storage.

In addition, in cases of interconnected self-consumption with the sale of surplus energy and variable-source power plants, the DACGs link storage to the self-backup criterion set out in the Regulations. This confirms that, in certain cases, the ESS may form part not only of the project's operational strategy, but also of its regulatory and technical solution.

Variability, reliability, and backup

Another key aspect of the new framework is the clearer connection the DACGs establish between storage and system reliability. The DACGs contemplate scenarios in which an ESS may form part of the technical response to effects associated with variability or other operating needs of the SEN.

The DACGs also include rules relating to the maintenance of capacity and the need to replace or update that capacity where the ESS has been integrated to fulfill a specific function and its degradation compromises that purpose. This reflects the fact that, in certain circumstances, storage may play a more demanding regulatory and technical role than simply serving as a project optimization tool.

For developers, investors, and lenders, this is particularly relevant because storage may affect not only project efficiency, but also technical sizing, regulatory profile, and certain compliance scenarios.

Greater visibility for storage in grid infrastructure

The new DACGs also expressly recognize ESS associated with infrastructure intended for the Public Service of Energy Transmission and Distribution. This development reinforces the notion that storage may serve a system-wide function aimed at improving reliability, continuity, quality,

safety, and overall system efficiency, and not merely a function linked to a private generation or consumption project.

In other words, the new regulatory framework gives greater visibility to storage as a potential component of grid infrastructure. This represents an important evolution from a more limited view of ESS as an asset associated exclusively with power plants or end users.

Aggregated integration

Another noteworthy feature of the DACGs is the express recognition of aggregated ESS integration scenarios. This is relevant because it allows for shared flexibility or infrastructure solutions, rather than assuming that every storage integration must follow a strictly stand-alone logic.

From a practical standpoint, this concept may be particularly useful in developments involving multiple participants or shared operational management needs. It also opens the door to more sophisticated structures for allocating costs, benefits, and responsibilities among the participants in the aggregation.

What still needs to be further developed

Although the new DACGs provide a much clearer regulatory basis for the integration of ESS into the SEN, their implementation will still require certain complementary developments contemplated in the DACGs' transitional regime.

In particular:

- The DACGs contemplate a transitional market regime while the Market Rules are updated to more specifically regulate the criteria applicable to ESS.
- They contemplate the issuance by CENACE, subject to prior authorization by the CNE, of the Variability Analysis methodology.
- They provide for the publication of authorized forms for storage permits and for generation permits involving storage systems.

Taken together, these pending developments appear to reflect the need to operationalize certain aspects of the new regime, rather than any lack of clarity as to its overall direction. In other words, the DACGs represent meaningful progress in the regulatory architecture for storage, even if some aspects of their practical implementation will need to be further specified in the next stage.

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