

### Rules for the Migration of Self-Supply and Cogeneration Schemes, and New Methodology for Transmission Charges

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On June 18, 2026, the Ministry of Energy (*Secretaría de Energía*) published the guidelines for the voluntary and expedited migration of self-supply and cogeneration permits granted under the Public Electricity Service Law (*Ley del Servicio Público de Energía Eléctrica*, "LSPEE") to the structures provided under the Electricity Sector Law (*Ley del Sector Eléctrico*, "LSE")<sup>1</sup>.

On the same date, the National Energy Commission (*Comisión Nacional de Energía*) published a new methodology to determine the charge for transmission service applicable to permit holders with generation facilities that have interconnection agreements and transmission agreements entered into under the LSPEE<sup>2</sup>.

The two instruments should be read together. The guidelines open a path for legacy projects and their associated load centers to migrate to the new regime. The transmission methodology, in turn, changes the way in which the transmission charge will be calculated for certain projects that remain under the legacy regime.

Migration is voluntary. Not migrating does not automatically cancel the permit or the existing agreements. However, the new methodology may change certain economic aspects of projects that decide to remain under the legacy scheme. In practice, this requires generators, offtakers, banks and financing parties to review their projects and contracts in greater detail.

#### 1. What changes and why does it matter?

The guidelines create a special procedure to migrate self-supply and cogeneration permits, together with legacy interconnection agreements and transmission agreements, and associated load centers, to the structures provided under the LSE.

<sup>1</sup> [https://www.dof.gob.mx/nota\\_detalle.php?codigo=5790937&fecha=18/06/2026#gsc.tab=0](https://www.dof.gob.mx/nota_detalle.php?codigo=5790937&fecha=18/06/2026#gsc.tab=0)

<sup>2</sup> [https://www.dof.gob.mx/nota\\_detalle.php?codigo=5790939&fecha=18/06/2026#gsc.tab=0](https://www.dof.gob.mx/nota_detalle.php?codigo=5790939&fecha=18/06/2026#gsc.tab=0)

Generation facilities may migrate, depending on the case, to self-consumption, generation for the Wholesale Electricity Market (*Mercado Eléctrico Mayorista*), or cogeneration structures under the new regime. Load centers, in turn, may migrate to receive qualified supply or basic supply.

In parallel, the new transmission methodology replaces the prior administrative methodologies applicable to legacy permit holders, both conventional and renewable. Under the new methodology, the transmission charge will be determined based on amounts associated with settlements and charges of the Wholesale Electricity Market, including transmission, distribution, operation of the *Centro Nacional de Control de Energía*, and ancillary services not included in the Wholesale Electricity Market.

This does not mean that all projects will have the same economic impact or that there is a single tariff or general percentage increase. It means that the calculation method changes and that each project will need to assess the effect based on its own information, although the expectation is that there will be an increase in costs compared to those currently applicable under the legacy scheme.

In practical terms, the authority does not immediately eliminate legacy self-supply and cogeneration schemes. Rather, it creates an exit path into the new regime and, at the same time, updates the transmission cost and other related concepts applicable to certain projects that remain under the prior regime.

The signal is clear: legacy schemes may continue until their expiration, but their continued operation will not necessarily preserve the same economics they historically had.

## **2. Migration is not merely an update to a permit**

Migration entails replacing the regulatory and contractual basis of the project.

When a permit is granted under the LSE as a result of the migration procedure, the legacy permit is waived and terminated. In addition, upon completion of the procedure, the contracts and agreements linked to the legacy structure are terminated early, including the interconnection agreement and transmission agreements.

In practice, this entails new interconnection or connection agreements, physical asset registrations, representation by market participants, qualified supply arrangements for certain load centers, and adjustments to electricity supply agreements through new electricity coverage agreements (*contratos de cobertura eléctrica*) or self-consumption services agreements, among



others. For this reason, migration should be treated as a transition process for the entire project, not as an isolated filing by the generator.

### **3. Potential benefits of migration**

The guidelines include certain relevant benefits for those entering into the procedure.

The procedure will be processed through a migration filing window and under a coordinated process among authorities and institutions of the sector. For the generation permit granted as a result of migration, certain binding planning criteria that would be relevant for new projects will not apply, given that these are previously granted and currently valid permits.

In addition, if the legacy structure has an interconnection agreement, no additional interconnection studies, reinforcement works, or payments associated with such works should be required, provided that the migration remains within the permitted parameters, including maintaining the same authorized generation/interconnection capacity.

For operating facilities, the new permit may be granted for the remaining term of the legacy agreement and, in certain cases, extended by up to 15 additional years, without exceeding 30 years in total, subject to the submission of a modernization program.

The installation of energy storage systems is not mandatory to migrate. Their integration is optional and, if requested as part of the migration, must comply with the applicable requirements.

These benefits may be important, but they do not eliminate the need to review the specific case. Migration may be convenient for certain projects and not for others.

### **4. What happens if a project does not migrate?**

Not migrating does not automatically terminate the legacy permit or the interconnection agreements and transmission agreements entered into under the prior regime. In principle, those instruments may remain in force until their expiration.

The key point to analyze is the economic impact. The new transmission methodology may change the regulated charges applicable to permit holders that remain under the legacy regime. Therefore, although the project may preserve its legal structure, its operating cost may change.



The published instruments do not include a table indicating how much the cost will increase or decrease for each project. Nor is there a general percentage applicable to all projects. What the methodology does is replace the prior methodologies and link the transmission charge to amounts determined in settlements and regulated charges of the Wholesale Electricity Market, presumably higher than those under the legacy scheme.

Therefore, to determine the real impact, each project will need to compare its current cost under the legacy transmission agreement against the charge that would result from applying the new methodology.

That exercise requires specific information: the interconnection agreement, the transmission agreement, historical invoicing, energy delivered or wheeled, load points, voltage level, settlement data or reasonable assumptions, and the manner in which the commercial agreement between generators and offtakers allocates those charges between the parties.

The practical conclusion is straightforward: the publication of the methodology alone is not enough to conclude that all projects will pay a specific amount. However, it is possible to state that the convenience of remaining under the legacy regime must be reviewed on a case-by-case basis.

## **5. Key dates and transitional treatment**

For practical purposes, the guidelines include two initial dates that are relevant for any project evaluating migration.

The statement of interest must be submitted between **June 19 and September 18, 2026**.

The migration application must be submitted between **September 21 and October 16, 2026**.

These two dates are the most important for the initial decision-making process. Without a statement of interest and an application submitted on time, the project will not be included in the expedited procedure, although the right to migrate through the ordinary route would remain available.

From that point onward, there is no single timeline. The guidelines distinguish among different migration modalities. The migration of a power plant or the joint migration of a power plant and load centers is not the same as the migration of end users to qualified supply or basic supply. Each modality has different stages and consequences.

It should also be considered that the **new transmission methodology enters into force on October 19, 2026**. However, permit holders that initiate the migration procedure could temporarily preserve the prior transmission treatment during the period from October 19, 2026 until the earlier of (x) October 6, 2028, and (y) the date on which the migration procedure is completed and they begin operating in the Wholesale Electricity Market. For this purpose, they must have an interconnection agreement and a transmission agreement under the Public Electricity Service Law with a term extending beyond October 6, 2028, and must timely submit the statement of interest and the migration application.

During such transition period, those permit holders would continue operating under their existing instruments and paying the transmission charge in accordance with the prior methodology.

For this reason, the transitional treatment may be valuable, but it does not necessarily resolve the long-term economic impact for certain projects. Therefore, any decision, whether to migrate or not to migrate, must be accompanied by an individual analysis of the project and a realistic route to complete the migration if that is the strategy to be adopted.

## **6. Impact for generators, offtakers and banks**

For generators, the main question will be whether it is convenient to migrate, remain under the legacy regime, or initiate migration within the applicable window. The analysis should consider the remaining term of the permit and legacy interconnection agreements, the terms and conditions of any electricity supply agreement in force with self-supplied partners or establishments associated with existing cogeneration, the expected impact of the new transmission charge, the possibility of extending the regulatory life of the project, the technical status of the facility, and the requirements to operate under the new regime.

For offtakers, the impact will depend largely on their contracts with generators. If the contract allows transmission charges to be passed through, the offtaker may see a higher cost reflected. If the contract has a fixed price or limits the pass-through of charges, the impact may remain with the generator.

In any analysis, the change in law and force majeure provisions set forth in the contracts between generators and offtakers should be taken into account.

For banks and financing parties, migration entails the termination of the legacy permit, the issuance of a new permit, the early termination of linked contracts and agreements, new interconnection or connection agreements and potential changes to the revenue or cost structure of the project. In financings of this type of project, these events may affect negative

covenants, material permits, project documents, pledged contracts, financial model assumptions, restrictions on amendments, material adverse change events, information undertakings, events of default or prior approval requirements.

## 7. Potential remedies and litigation considerations

Without prejudice to the fact that each case should be analyzed based on its permits, contracts and specific impact, there could be arguments to challenge the legality and, as applicable, the constitutionality of the new transmission methodology. The outcome of any potential challenge cannot be anticipated and will depend, to a large extent, on the approach adopted by the courts in light of the new constitutional framework of the electricity sector.

In principle, two avenues could be considered: a federal administrative litigation proceeding, to raise legality arguments before the Federal Court of Administrative Justice, and an indirect amparo proceeding, to raise constitutional and legality arguments before the competent specialized courts.

Based on an initial reading, if the methodology is challenged as a self-executing general provision, the filing period would be **30 business days**. For both the federal administrative litigation proceeding and the indirect amparo proceeding, the term would run from the effective date of the methodology. **Since the methodology provides that it will enter into force on October 19, 2026, that date should be used as a reference to calendar any defense strategy**, without prejudice to the fact that the specific calculation of the term should be confirmed depending on the route chosen and the manner in which the challenge is structured.

The potential lines of analysis could focus on four issues: first, whether the methodology respects the transitional regime applicable to permits, contracts, and administrative acts granted under the Public Electricity Service Law; second, whether the authority acted within its legal authority to update transmission methodologies or whether it introduced a structural change to the economic regime of legacy contracts; third, whether the application of components linked to system settlements and charges to legal relationships created under the prior regime gives rise to legal certainty, proportionality, or legitimate expectation concerns; and fourth, whether the transitional regime and the differentiated treatment among projects raise additional questions regarding equality, competition, or impact on renewable and efficient cogeneration projects.

It should be considered that there are relevant procedural risks. The new constitutional framework of the electricity sector could lead courts to grant greater deference to the regulatory authority. In addition, the rules applicable to injunctive relief in amparo proceedings have

become stricter, and therefore it should not be assumed that a challenge will necessarily suspend the effects of the methodology. In any case, the effects of any potential injunction will depend on the remedy, the challenged act, and the specific situation of the claimant company.

Therefore, any litigation strategy should be assessed on a case-by-case basis, considering not only the strength of the legal arguments, but also the commercial, regulatory and reputational impact of a challenge.

## **8. What should participants do now?**

Participants should review, at a minimum, the following:

First, they should carry out a comparative economic analysis. It is not enough to review the rule. The current cost must be estimated and compared against the potential cost under the new methodology.

Second, they should review the commercial contracts between generators and offtakers to determine who bears the impact. In some cases, the cost may be passed through; in others, it may be absorbed by one of the parties. In addition, change in law and force majeure clauses should be reviewed to analyze potential price adjustment and/or liability exemption scenarios.

Third, they should review the technical and regulatory feasibility of migrating. Not all projects will be in the same position to comply with metering, market representation or load center reconfiguration requirements.

Fourth, they should review creditor documentation before initiating any migration. In financed projects, the migration route must be coordinated with creditors and, where applicable, documented through authorizations, consents, etc.

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