

## Mexico: General administrative provisions on the integration of energy storage systems are published

March 2025

On 7 March 2025, the Official Journal of the Federation published the final agreement of the Energy Regulatory Commission (CRE) that establishes the administrative provisions for the orderly and efficient integration of storage systems into the National Electricity System (SEN). The objective is to improve the stability and sustainability of the grid, optimising the use of intermittent energy sources.

After the [preliminary draft agreement on the integration of electricity storage systems was published in May 2024](#), on 7 March 2025 the Official Journal of the Federation published the "Agreement of the Energy Regulatory Commission issuing the general administrative provisions (DACGS) for the integration of electricity storage systems into the National Electricity System".

### I. Purpose and scope

The purpose of the resolution is to establish the general conditions for the orderly and economically viable integration of energy storage systems (ESS) into the National Electric System (SEN), allowing counteraction of the variability component of intermittent power plants and to take advantage of the products that ESS can offer to improve the efficiency, quality, reliability, continuity, safety and sustainability of the SEN.

The provisions contained in the resolution are of public order and general observance throughout the national territory. In turn, the parties bound by the resolution are, insofar as applicable to each of them:

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| <b>The National Center for Energy Control (CENACE)</b> | The provider of electricity transmission services |
| <b>The generators</b>                                  | The distributor                                   |
| <b>Exempt generators</b>                               | The load responsible entities                     |
| <b>Suppliers</b>                                       | End users   |

As for its content, the resolution establishes and expands on the following elements: the general conditions applicable to ESS; the different modalities of ESS for integration into the SEN and their characteristics; the general requirements that interested parties must meet (including obtaining or modifying the corresponding permit); and the interconnection or connection process that must be observed for the integration of ESS.

### II. Modalities and general provisions

The resolution sets forth the following modalities for integration into the SEN: i) ESS associated with a power plant (intermittent); ii) with a load point; iii) with an isolated supply scheme; iv) ESS of exempt generators (distributed generation); and v) non-associated ESS (not integrated into any power plant or load point).

The modalities of ESS associated with a power plant (intermittent), with an isolated supply scheme, and non-associated ESS, will receive the regulatory treatment of a power plant.

**Clean energy certificates (CEL):** The clean power plants susceptible to receive CEL that are associated with an ESS cannot receive additional CEL for their stored energy; therefore, this element will not be taken into account by the Energy Regulatory Commission (CRE). Regarding the obligated participants that are associated with an ESS in any of the other modalities, their obligations in terms of CEL will not be increased, so the demonstration of the related requirements will not include the load of the ESS.

**Connection and interconnection point:** The ESS, in any of their modalities, must be installed considering the same existing point of interconnection or connection, or the one defined in the corresponding studies, according to the provisions of the Manual for the interconnection of power plants and connection of load points (MIC).

**Purchase and sale offers:** The purchase and sale offers of energy, power and associated products, as applicable, made by the ESS associated with a power plant and the non-associated ESS will be subject to the provisions of the market rules and other applicable provisions regarding the representation of power plants or load points, as applicable.

The sale offers made by the ESS associated with a power plant and non-associated ESS will be made based on the availability of the intermittent power plant or the available energy of the ESS, correlatively, in accordance with the hourly power profile, net installed capacity, and ESS power presented for the interconnection study. For the ESS associated with a load point, the supplier that represents the load point will be responsible for making the purchase offers.

Likewise, the ESS in their different modalities may offer the ancillary services established in current regulation, so long as they comply with the requirements of the market rules and when their technical and operating capacities allow it.

Accordingly, depending on the corresponding modality, different requirements are applicable in relation to the request for new permits, their modification, and their content, as well as interconnection and connection studies, among other elements.

The main characteristics of each modality are described below:

#### **a. ESS associated with a power plant (ESS-PP)**

For the purposes of the resolution, the ESS-PP are those integrated with an **intermittent** power plant, meaning those that have a variable primary energy source. In turn, the resolution considers as intermittent those energy resources whose availability is not constant, such as **wind or solar energy** and as **variability** the extraordinary condition generated by climatological scenarios that suddenly affect the primary energy source causing random intermittency in the power generated by the power plants.

In this modality, the ESS will be part of the power plant and both will be represented by the same market participant.

Likewise, new intermittent power plants that intend to include an ESS must request a new generation permit from the CRE. With respect to the ones already operating that intend to associate an ESS, they must request the modification of the permit, since the integration of an

ESS is considered for all purposes as a technical modification. Therefore, they will also have to submit the corresponding request for studies before CENACE.

The load of the ESS-PP must be carried out with the energy resources of the associated intermittent power plant, and its discharge will meet the variability of the primary source, so the energy must be available to compensate for the variability produced when it is in operation.

For its part, CENACE may request the intermittent power plants to discharge the ESS in order to comply with the criteria applicable to the SEN. Thus, the remuneration of the load and discharge of the ESS-PP will be determined in accordance with market conditions. In a first stage, the settlement of the load and discharge of the ESS will be based on the local marginal price resulting in the short-term market (at the time of consumption or injection), while, in a second stage, the market rules may provide for additional considerations.

In relation to the previous point, the injection of electric energy to the grid may not exceed the maximum power established in the interconnection contract, except when CENACE requests it.

The ESS-PP that are only loaded from the energy resources of the associated power plant unit may credit power as **firm power plant units**, for which they must have the conditions to operate at their maximum capacity or in accordance with the physical delivery availability value.

For interconnection study requests of intermittent power plants at any stage (indicative, impact or facilities studies), CENACE may perform a variability analysis and, if it deems necessary the inclusion of an ESS, it must indicate in its results the minimum capacity required, with the purpose of contributing to counteract the variability of the injection to the grid.

**Legacy interconnection contracts (CIL):** In order to install an ESS in any of its modalities, the power plants and load points included in a CIL must carry out a **total regime change**, excluding themselves entirely from said contract and from the associated permits granted under the Electricity Public Service Law.

The generation permit title for the ESS-PP modality shall indicate the installed capacity and estimated generation of the Power Plant for which it is granted. On the other hand, it must indicate: i) ESS technology, iii) ESS active power (kW, MW), iv) ESS capacity (MWh), and v) ESS energy availability (MWh).

Likewise, the ESS active power requested for the generation permit, or the corresponding modification shall be at least equal to the minimum necessary as indicated by CENACE as a result of the studies carried out.

#### **b. ESS associated with a load point (ESS-LP)**

Regarding the ESS-LP modality, the ensemble is formed by a load point and an ESS that share the same connection point, without a power plant. In this modality, the ESS-LP may receive the energy supply for its ESS and load points through a supplier or participate in the wholesale electricity market (MEM).

The ESS capacity in this modality is considered part of the contracted demand (basic user) or maximum load point demand (qualified user), as applicable. Therefore, at no time may the consumption of electricity from the networks exceed that demand. In the event that it exceeds demand for a billing period, CENACE or the distributor, as applicable, will request the load point to carry out connection studies.

Any load point connected in medium or high voltage that installs an ESS shall give notice to the CRE of its incorporation, for statistical purposes, within 90 working days after the installation.

As the ESS-LP will either receive energy from a supplier or participate directly in the Wholesale Electricity Market, they are not required to obtain an electric energy generation permit from the CRE.

Load points participating in the MEM that wish to incorporate an ESS shall comply with the corresponding connection process. Thus, derived from the facilities study, CENACE may request the ESS-LP the installation of infrastructure that ensures that there will be no injection of electricity into the SEN. The ESS in this modality that participates in the MEM will not receive any consideration associated with the use of the electric energy of the ESS, since it will not be able to deliver it to the grid.

The energy stored in the ESS-LP modality will be used to meet the demand of the load point itself as well as associated equipment within its facilities. If a power plant is integrated with this ensemble, it will imply a change of modality.

### **c. ESS associated with an isolated supply scheme (ESS-IS)**

This modality will include the conjunction of a power plant and a load point for satisfying the demand of its facilities or, to carry out the import or export of electric energy, in isolated supply modality.

As in the ESS-PP modality, the power plants intended for isolated supply that wish to incorporate an ESS must request a new generation permit or, if they are already operating, request its modification.

Electricity import and export projects in isolated supply modality that include an ESS must request the corresponding authorization and generation permit from the CRE, in accordance with the provisions applicable to such activities.

The ESS-IS for the import and export of electric power shall comply with the connection and interconnection processes corresponding to the isolated supply modality, according to the applicable regulation as any other Power Plant and Load Point, as well as with the operation conditions established in this Resolution.

The ESS-IS destined to the satisfaction of the demand of its load point and its facilities will be exempt from registration and representation by market participants. Likewise, the energy stored in the ESS shall be subject to the provisions applicable to isolated supply.

The generation permit title for this modality shall indicate the same elements as for the ESS-PP modality. Likewise, the ESS active power requested for the generation permit, or the corresponding modification, must be at least equal to the minimum necessary indicated by CENACE as a result of the studies carried out.

### **d. Non-associated ESS**

In this modality, also known in the industry as standalone, the ESS is interconnected to the grid at an interconnection point established as a result of the corresponding studies, in an independent manner and without being integrated with a power plant or load point. Thus, it must comply with the corresponding connection and interconnection processes, according to the applicable regulation as any other power plant or load point.

Likewise, the non-associated ESS must register as a firm power plant and be represented in the MEM by a market Participant in the modality of generator. The ESS in this modality must submit its energy purchase and sale offers as stipulated in the short-term energy market, subject to the provisions applicable to all other power plants or load points, as in the market rules and other applicable provisions.

Non-associated ESS shall install at the point of interconnection/connection the necessary metering systems for the settlement process of transactions in the MEM, as well as the communication and control infrastructure that allows its supervision, as established in the applicable manuals.

For the purposes of crediting power, the non-associated ESS will be considered to be firm power plants, as long as they have the conditions to deliver the available energy of the ESS uniformly in a period of at least three consecutive hours or in accordance with the value of availability of physical delivery considering the degradation of the ESS. To guarantee the foregoing, the non-associated ESS shall comply with the following:

- a. In the commercial operation start-up tests, it shall be verified that the non-associated ESS is capable of delivering the physical delivery availability value considered in the interconnection studies.
- b. For subsequent years of commercial operation, the ESS degradation will be considered for the purpose of accreditation of power.

On the other hand, the title of the permit for the non-associated ESS modality must indicate: i) the ESS active power (kW, MW); ii) ESS capacity (MWh); iii) energy availability of the ESS (MWh); iv) operating ranges of the ESS ramp rate and duty cycles; and v) its storage technology.

The ESS active power related to the generation permit shall be consistent with the result of the studies performed by CENACE.

#### **e. ESS of exempt generators (distributed generation) (ESS-EG)**

With respect to this modality, the resolution establishes that exempt generators may install ESS in accordance with the applicable provisions in force regarding distributed generation.

### **III. Relevant transitional provisions**

Within a maximum period of 180 calendar days following the entry into force of the resolution, the CRE will update the corresponding connection and interconnection contract models, in order to contemplate the ESS.

Likewise, within a maximum period of 270 calendar days following the entry into force of the resolution, CENACE will submit for the CRE's authorization the technical specifications with: i) the methodology for the calculation of the sizing of the ESS for intermittent power plants, which will be applied in the studies performed by CENACE (meanwhile, CENACE will calculate the percentage of storage with the tools and information at their disposal); and ii) the methodology for determining the required studies.

In addition, within a maximum period of 270 days following the entry into force of the Resolution, CENACE will issue an operating guide that establishes the manner in which the ESS, in its various modalities, will be represented in the short-term energy market optimization models. Likewise, within such term, it must make the modification to the operating procedure for the declaration of

commercial operation of power plants and load points to determine the necessary tests for the ESS.

Until the adjustments and modifications are made, and the regulatory instruments indicated in the transitional provisions of the resolution are issued, the ESS may offer their products and services and settle transactions under the current CENACE conditions applicable to the power plants and load points.

Finally, the associated ESS that, at the date of entry into force of the Resolution, are already installed or in commercial operation, will have the option to modify their generation permits in accordance with the provisions of this instrument or give written notification to the CRE of the existence of the ESS.

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