

Publication of actions to ensure the reliability of the National Electric Grid due to the COVID-19 pandemic (suspension of pre-operational tests)

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Authors: [Vicente Corta Fernández](#), [Francisco de Rosenzweig](#), [Juan F. Ruenes Rosales](#), [Roberto Ríos Artigas](#), [José Daniel Franco](#)

On April 29, 2020, the National Energy Control Center (“**CENACE**”) published within the Market Information System a “*Resolution to ensure the efficiency, quality, reliability, continuity and safety of the National Electric Grid, in recognition of the SARS-CoV2 (COVID-19) disease epidemic*” (the “**Resolution**”).¹

The Resolution contains seven actions and strategies CENACE will implement to ensure the reliability of the National Electric Grid (“**SEN**”), considering the drop in electricity demand resulting from the suspension of non-essential activities as part of the Government’s measures to prevent and combat the COVID-19 pandemic.

Among other actions, the Resolution provides that CENACE will implement the following measures:

[Suspension of Pre-Operational Tests](#)

As of May 3, 2020, and for an indefinite period, CENACE (i) will not authorize pre-operational tests and (ii) will suspend pre-operational testing of wind and photovoltaic power plants which are in the process of commencing commercial operation.

This measure may result in a delay on the commencement of operations for wind and photovoltaic intermittent power generation projects and, consequently, the risk that the terms and conditions of generation permits granted by the Energy Regulatory Commission, interconnection agreements, power purchase agreements, financing agreements, governmental authorizations related to environmental and social matters, among others, will be breached.²

[Power Plant Activation \(*Must Run*\)](#)

CENACE will dispatch power plants (*Must Run*) as necessary to maintain reliability in the regions of the SEN, for an indefinite term.³

This measure could impact the dispatch of intermittent power plants, since the Resolution does not specify whether the dispatch allocation will be carried out on a discretionary basis or in accordance with the mechanisms set forth in the electricity market rules.

¹ The Resolution is available [here](#).

² Section Five, Unique Annex (Technical), of the Resolution.

³ Section Fourth, Unique Annex (Technical), of the Resolution.

Review of licenses (scheduled maintenance)

CENACE will review the feasibility of the licenses requested by generators (for scheduled maintenance) in order to grant them based on the dates and times in which the reliability of the SEN is not compromised.⁴ This measure could impact maintenance programs of power plants in operation under the agreements executed for that purpose.

Other Measures

CENACE will apply other technical measures, such as the operation of the National Transmission Grid within its design capacity, activation of transmission constraints and the application of additional unspecified actions and strategies to maintain sufficiency, quality and continuity on isolated systems (*i.e.* Baja California and Mulegé Interconnected Systems).

White & Case, S.C.
Torre del Bosque – PH
Blvd. Manuel Ávila Camacho #24
11000 Ciudad de México
México

T +52 55 5540 9600

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⁴ Section Seventh, Unique Annex (Technical), of the Resolution.