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# Midstream gas opportunities

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## The history

**1937:** large-scale expropriation of petroleum industry assets

**1960s:** definitive closure

- Whole hydrocarbons industry incorporated into the state-owned monopoly
- Nationalization of electricity industry

**1990s:** certain **activities** opened to **private participation**

- **Gas transportation, storage and distribution**
- Power generation for self-supply and IPPs



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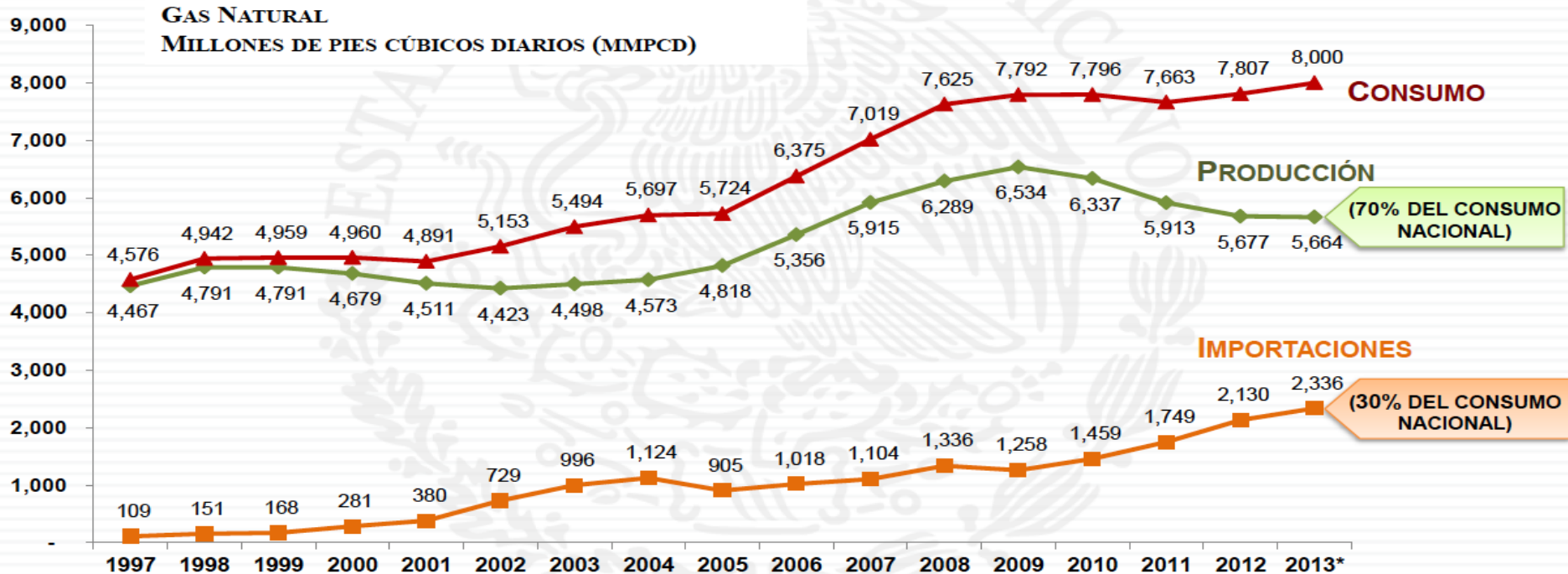
## In the past two decades...

- Important transnational (and some national) players, but
- Pemex (PGPB) still the dominant player:
  - 90% of transportation infrastructure (SNG, Naco-Hermosillo)
  - Regulatory difficulties: no Chinese walls, no capacity reservation, gas delivery at the door (no “*régimen permanente*”)





# The gas crisis



Source: SENER



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## The gas crisis

### *Critical alerts: 2011-2012*

- Lack of supply from the Southeast
- Lack of infrastructure in the North
- Imports using the Manzanillo LNG terminal: higher prices
- Huge political pressure from the industrial sector (Nuevo León, Jalisco)



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## History is made...

**December 2013: CONSTITUTIONAL AMENDMENT**

### **PARADIGM SHIFT:**

Free market model with regulation where needed

21 transitory articles to guide further legislative  
and executive action



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## A new legal framework

After 3 months of Congressional debate:

9 new statutes  
(inc. **Hydrocarbons Law**)

12 amended statutes

Came into force on August 12th

New **midstream** and **downstream**  
**presidential regulations**

Came into force on November 1st



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## System operators

New public organism (created last September):

**CENAGAS:** Inherits transportation pipelines and contracts from Pemex

 Integrated system operator (inc. planning\*)

Its mission:  
bringing about effective **open access** to the networks

**Other independent** integrated systems' operators





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## Open access

- Public capacity availability
- Secondary market
- Chinese walls / unbundling
- Users' investments
- Fees' regulation
- Almost no "self-supply" infrastructure



## New permits

- Marketing
- Compression
- Decompression
- Liquefaction
- Regasification

**Light regulation**



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## Regulatory agencies

The **CRE** is stronger:

- Now independent federal agency, no longer part of SENER (just “coordinated”)
- Commissioners nominated by 2/3 Senate vote (now 7)
- Budgetary provisions
- Self-organization and consultative councils
- Transparency and accountability rules





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## Safety and the environment

### **ANSIPAH:**

New agency specialized in the hydrocarbons sector,  
part of the Department of the Environment (SEMARNAT):

- Industrial and operational safety
- Facilities' dismantling and abandonment
- Waste and emissions control



# Gas infrastructure

## Gas transportation 2014



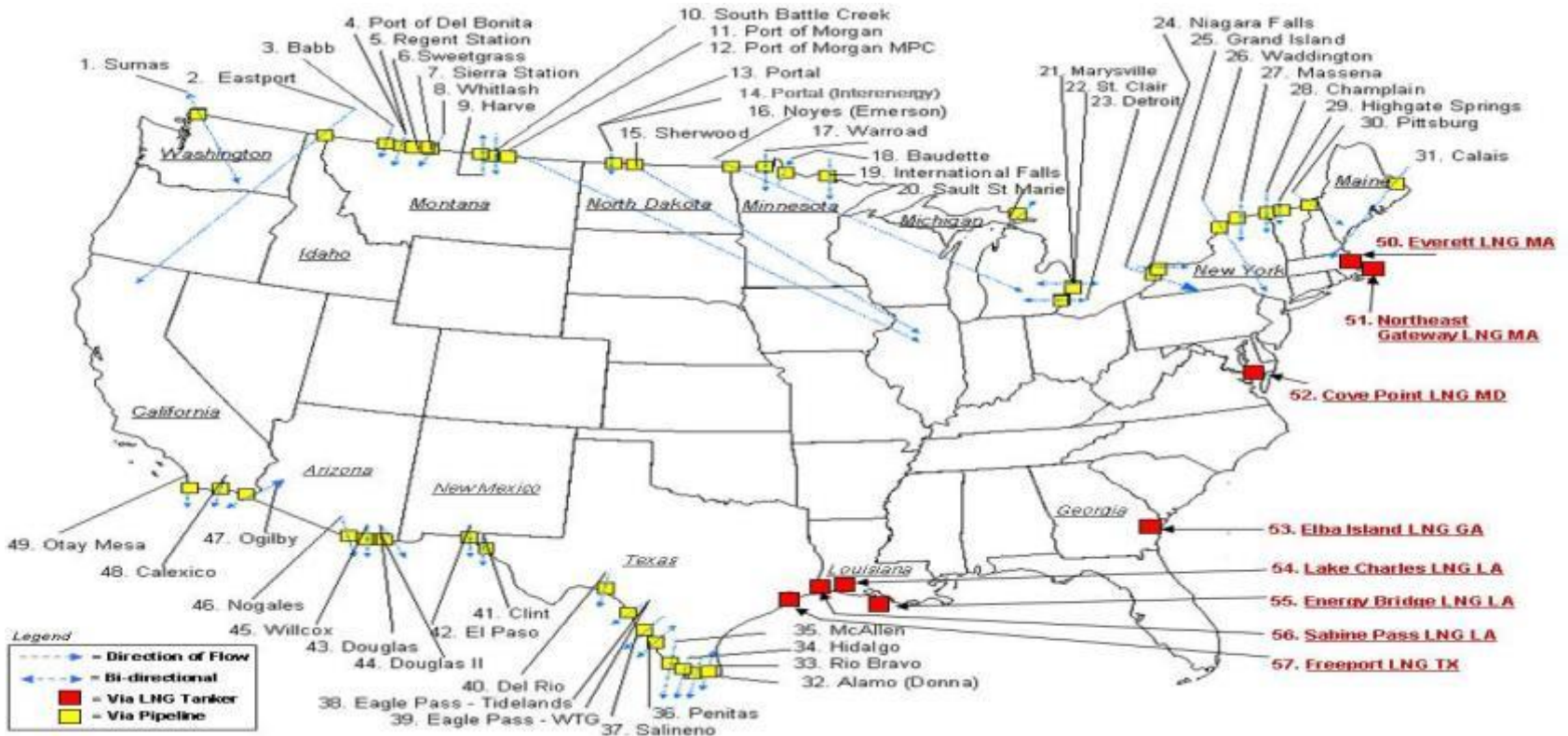
## Gas transportation 2018





# Gas infrastructure

## US foreign trade points





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## Other midstream opportunities

Services now opened for  
**oil, petrochemicals** and **refined products**,  
via **permits** granted by the Energy Regulatory Commission (CRE),  
also under **open access** conditions.

\* Pemex will not transfer current assets



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## Thank you

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