

Energy Reform 2025: Regulations and new guidelines.

By Emilia Cardona and Tracy Delgadillo.

In the article “*Energy Reform 2025: The new rules of the game*¹” published in March 2025, we analyzed the constitutional and legal reform that represented a profound structural change in the country’s energy sector, through the enactment of new statutes that strengthened the State’s stewardship and redefined private participation mechanisms.

In October 2025, new regulations derived from the laws published in March of the same year, including the Electricity Sector Law, the Hydrocarbons Sector Law, the Geothermal Law, the Biofuels Law, and the Energy Planning and Transition Law (collectively, the “Energy Laws”). were published in the Official Federal Gazette (“DOF” for its acronym in Spanish).

New regulatory provisions

Pursuant to the published decree, and in accordance with legal logic, the previous regulations were repealed upon the entry into force of the new provisions. The changes introduced in the new regulations reflect the legislator’s intent to align the regulatory framework with the Energy Laws. This new regulatory orientation seeks to embody the principles of energy sovereignty, traceability, and a just transition.

Among the new concepts and relevant modifications introduced in the regulations, the following stand out:

1. Incorporation of the principle of energy justice.

One of the guiding principles of the legislative framework enacted in March of this year was the pursuit of *energy justice*. For the first time, this concept is incorporated into regulatory text as a directive for public policy, aiming to ensure that access to, use of, and benefit from energy resources occur under criteria of social equity, environmental sustainability, and economic efficiency, recognizing energy as both a social right and an essential public good.

Thus, the regulations reaffirm that the activities of the sector must not only pursue economic profitability but also contribute to reducing inequalities and promoting the inclusion of local communities in the energy chain.

2. Digitalization and traceability of procedures.

To ensure traceability of operations, as well as transparency in administrative processes, the new regulations introduce comprehensive electronic systems for processing, renewing, and supervising permits before the Ministry of Energy (“SENER” for its acronym in Spanish) and the National Energy Commission (“CNE” for its acronym in Spanish). This technological shift is expected to enhance digital tracking of case files, enable real-time information exchange, and shorten administrative timelines.

¹ For more information, see our article in the following link: <https://jata.mx/en/articles>.

3. Binding planning.

The Energy Laws established a new concept of binding planning as a mechanism to ensure the predominance of State participation in the energy sector and to regulate private involvement. The new regulations set forth clearer guidelines for this planning process, which will be under the responsibility of the SENER. They also call for the creation of development plans for the electricity and hydrocarbons sectors, making project approvals, permit grants, and other authorizations subject to compliance with such binding planning.

Hydrocarbons Sector

In general, the Regulation of the Hydrocarbons Sector Law establishes rules and specifications for: (a) authorizations regarding reconnaissance and surface exploration; (b) authorizations for assignments, whether for self-development or mixed development; (c) bidding processes for hydrocarbons exploration and extraction contracts, or their direct award; and (d) the granting of permits in the sector, among others.

The most significant changes introduced include:

1. Duration of permits.

The new regulation prohibits automatic extensions or renewals of permits. From now on, upon the expiration of a permit's validity, Pemex and/or private operators must submit a new application to obtain a new permit. The new application may be filed up to one year before the previous permit expires, to prevent operational interruptions.

In contrast with the previous regulations that allowed permits with durations of up to 30 years, the new framework reduces the validity periods for certain permits, conditioning them on environmental, technical, and industrial safety compliance. This change ensures periodic review of operator performance and strengthens the State's ability to adjust energy policy according to market conditions and energy transition goals.

2. Petroleum product formulation.

In accordance with the Hydrocarbons Sector Law, the new regulation formally recognizes petroleum product formulation as an independent regulated activity, establishing specific technical, safety, and environmental provisions. Formulation, also known as blending, involves mixing fuels with additives or biofuels in authorized facilities to obtain finished products that meet quality standards. The formulation permit may be granted for a maximum of five years.

3. End of the "white flag".

Another relevant change is the elimination of the "white flag" scheme for service stations and public fuel retail. In the hydrocarbons sector, the term white flag refers to independent gas stations that operated without the Pemex brand or any private franchise. These stations defined their own image, set free market prices, and chose their fuel suppliers, whether Pemex, private distributors, or direct imports.

The new Regulation of the Hydrocarbons Sector Law establishes that all stations must now operate under a registered commercial brand, meaning no establishment may sell fuel without being associated with an authorized brand or duly recognized franchise. This measure ends the existence of unbranded stations that emerged after the 2014 market opening, reinforcing regulatory control, traceability, and corporate accountability regarding fuel quality and safety.

Electricity Sector

The Regulation of the Electricity Sector Law includes: (a) rules and specifications for granting permits and authorizations; (b) mechanisms to uphold the aforementioned principle of energy justice; (c) regulations for power generation, whether through distributed generation, self-consumption, or the wholesale market; and (d) guidelines for the development of power plants.

Some of the key changes introduced in the new regulation include:

1. Prevalence of CFE.

In mixed-investment power plant projects, the Electricity Sector Law (“LSE” for its acronym in Spanish) mandates that the Federal Electricity Commission (“CFE” for its acronym in Spanish) must hold at least a 54% (fifty-four percent) ownership in the project. The LSE regulation specifies that this participation percentage must be recalculated annually by the SENER no later than the last business day of February and may increase or decrease each year.

2. Simplified process.

Interconnected self-generation projects producing more than 20 MW of energy, as well as individuals developing power plants, must obtain definitive authorization of their social impact assessment (“MIS” for its acronym in Spanish) before starting construction. However, generation permits for self-consumption between 0.7 and 20 MW may follow a simplified process, which could exempt the requirement of an MIS, subject to guidelines issued by the CNE.

3. Electricity sector’s development plan.

As part of the aforementioned binding planning, the SENER will be responsible for drafting an annual development plan for the electricity sector, to be published each year in the month of May, outlining programs and investment plans within the sector.

The publication and entry into force of the Energy Laws’ regulations thus consolidate the second phase of this transformation process in the energy sector. It will be crucial to monitor how these new rules are applied in practice and whether they prove effective for the development and regulation of the country’s energy and hydrocarbons industries.

The JATA legal team stands ready to address and resolve any questions regarding the provisions contained in the new regulations of the Energy Laws.

October 2025.

Please send any comments or questions to info@jata.mx. The authors of this note are Senior Associate and Partner of JATA – J.A. Treviño Abogados, and may be reached respectively at ecardona@jata.mx and tdelgadillo@jata.mx. JATA is a Mexican law firm with offices in Monterrey, Mexico and Houston, Texas.



JATA - J.A. Treviño Abogados S.A. de C.V.
www.jata.mx

Monterrey Office:
Tel. +52 (81) 8335-4200.

Houston Office:
Tel. +1 (713) 963-3677.
info@jata.mx

Disclaimer: J.A. Treviño Abogados S.A. de C.V. (the "Firm") does not necessarily endorse, and is not responsible for, any third-party opinion expressed in this article, and therefore the Firm will not be liable for the content of such opinions. Any article, comment, quote or any other information appearing under the authorship of any person or legal entity other than the Firm, even if related to the Firm, solely represents the opinion, comment or position of such author. The information contained in this article is provided for informational purposes only, and should not be construed as legal advice on any subject matter. The information contained in this article is protected as property of the Firm. No recipient of this article, client of the Firm or otherwise, should act or refrain from acting on the basis of any content included in the article without seeking the appropriate legal or other professional advice on the particular facts and circumstances at issue from an attorney licensed in the relevant jurisdiction. This article contains general information and may not be updated. The Firm expressly disclaims all liability in respect to actions taken or omitted based on any or all of the contents of this article.