

## THE SUSTAINABLE USE OF ENERGY LAW

On the 28th of October, 2008, the Mexican Energy Commission published their proposal for the approval of the **Sustainable Use of Energy Law** in the Parliamentary Gazette.

This proposal intends to establish the bases for the implementation of actions in relation to the sustainable, or *optimal*, use of energy in all the processes and activities involved in its production, transformation, distribution and consumption, including measures to ensure energy efficiency.

In order to obtain the objective<sup>1</sup> stated in the abovementioned Law, it is proposed that a **National Program for the Sustainable Use of Energy** will be established, which in turn shall establish the objectives, goals, strategies and actions aimed at promoting the development and use of energy efficient technology, equipment, tools and vehicles. Further, it is also hoped that the Federal Public Administration provide their services, and access to their assets, with better and more energy efficient practices, and that they establish and apply criteria for the sustainable use of energy in relation to their acquisitions and loans, as well as the works and services that they contract. To obtain the stated objectives, an **Advisory Council** will be created, comprised of the Head of the Ministry of Energy (“**ME**”) and six academic experts in the field.

This Advisory Council shall be the consultative body of the **National Commission for Energy Efficiency**<sup>2</sup>.

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<sup>1</sup> The objective of the Law is to promote and bring about a sustainable use of energy through the optimization of the processes through which it is used, from generation to consumption.

<sup>2</sup> This body shall be responsible for providing assessment services required by the Federal Public Administration for the implementation of their proposals in relation energy efficiency. Further, it shall be responsible for issuing general administrative communications in relation to energy efficiency and

The Commission will be a decentralized organ of the **ME**, and its overall objective shall also be to promote the sustainable use of energy; provide technical assessment to the dependencies and entities of the Federal Public Administration, States and Municipalities; to promote scientific and technological research in relation to energy efficiency; to formulate and issue methodologies for quantifying the emissions of greenhouse gases and to determine the economic value of relative forms of energy consumption. It shall be headed by a General Director to be chosen by the Federal Executive.

The creation of a **National Energy Efficiency Information System** is also intended. Such a system would have among its objectives the registration, organization, updating and dissemination of information relating to energy consumption in the principal sectors in which it is used, the factors that influence the energy consumption of those sectors and the indicators of energy efficiency both in Mexico and abroad. To ensure the good functioning of this system the dependencies and entities of the Federal Public Administration, as well as those users with a high level of energy consumption, shall be asked to provide the Commission with an annual report containing information relating to the production, exportation and consumption of electricity generated according to each type of source, energy conservation measures that have been implemented and the results of the energy conservation measures implemented in the previous year.

Equipment and machinery that consume energy in order to function and that comply with certain criteria, must clearly and visibly display information concerning their energy consumption. The Commission shall

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for drafting and proposing Official Mexican Standards (“**NOM**’s”)

be responsible for publishing a directory of the equipment and machines that must display said information.

It is worth mentioning that Title Six of the Law provides for the administrative liability of public officers for non-compliance with their obligations established within. Said public officers shall be sanctioned in conformity with the Federal Law on Administrative Liability of Public Officers and such sanctions shall be independent of any other civil or criminal sanctions that may also be applicable.

Further, large-scale energy consumers will be subject to fines that range from 100 to 1,000 times the general minimum wage in force at the time in the Federal District, in the event of a failure to provide the information requested by the Commission, or if the information they do present is false or incomplete.

The proposed reform also provides for the possibility that individual companies may voluntarily certify the energy efficiency of their processes, products or services, with the objective of defining preventative and/or corrective measures necessary to optimize said efficiency.

The measures stated within this document have been established due to the realization that energy efficiency is an invaluable tool in reducing the consumption of vital and exhaustible natural resources and emissions of greenhouse gases, combating the deterioration of ecosystems and in boosting the productivity and efficiency of the Mexican economy.

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