

Mexico Energy Chatter

May 13, 2026

Pipeline Dreams

Mexico is undertaking new investment in natural gas pipeline infrastructure as part of President Claudia Sheinbaum's plans to improve the country's energy self-sufficiency. The Plan de Gasoductos para México unveiled on May 7 commits 140.9 billion pesos through 2030 (101.3 billion for new infrastructure and 39.6 billion for maintenance). Of that total, 53.8 billion pesos will be managed by CFE across 9 projects, and 87.1 billion by CENAGAS, with the investment aimed at supplying 13 new combined-cycle power plants and the PODECOBI economic development hubs while modernizing aging installations across the country. The urgency of the modernization effort is underscored by the state of the existing network: 94 percent of CENAGAS's infrastructure is more than 45 years old, and the network's 24 entry points along the northern border reflect the country's deep integration with U.S. gas supply.

However, while welcome, the plan faces significant challenges. According to energy consultant David Madero Suárez, former CENAGAS CEO, quoted in Reforma, CENAGAS's spending obligations under the plan exceed the revenues it collects through its tariffs, creating a budgetary strain. The largest single project — the Naco-Hermosillo-Guaymas pipeline, with a capacity of 3,200 MMcfd and a cost of 44.4 billion pesos — is emblematic of the issue: CENAGAS has never built pipelines of this scale, and the financing model, whether through public debt, private partnership, or a mixed scheme, has yet to be defined. Any private participation would likely require tariff increases, since additional assets would be incorporated into the national transmission system. The two other CENAGAS pipelines — Coatzacoalcos II (125 MMcfd, 2.7 billion pesos) and Libramiento Reynosa (320 MMcfd, 322 million pesos, set for inauguration in June 2026) — are comparatively modest, leaving the Naco-Hermosillo-Guaymas project as the financial linchpin of CENAGAS's construction program.

Beyond financing, some energy experts warn of a recurring risk of combined-cycle plants being built without ensuring the pipelines to fuel them would be ready in time. The official presentation illustrates the scale of that challenge: of the 13 new gas-fired plants, only Manzanillo III (346 MW) is already in commercial operation as of April 17, while plants such as CCC Tuxpan Fase I (1,056 MW), CCC Riviera Maya (1,020 MW), and CCC Francisco Pérez (930 MW) are still under construction or in early development, with gas supply dates ranging from 2028 to 2029. Meanwhile, several CFE pipelines critical to feeding these plants, including Cuxtal II (307 MMcfd, operational May 2027), Centauro del Norte Tramo 2 (December 2028), and Re-ruta Guaymas-El Oro (December 2028), will not come online until well after some plants are expected to be ready. Some specialists caution that pipeline construction timelines in the current plan appear unrealistically short.

Approximately 80 percent of the natural gas Mexico consumes is imported from Texas, and the new infrastructure — which the official presentation itself acknowledges will raise import capacity from 6,758 to over 7,642 MMcfd — primarily expands the country's capacity to receive that imported gas rather than increasing domestic production. Pemex has signaled ambitions to raise dry gas output from around 2,315 MMcfd to as much as 5,000 MMcfd by 2030, but even in an optimistic scenario Mexico would continue importing a large share of its consumption.

That in itself is not a bad thing. USA gas is cheap, and as long as there are enough pipelines in place to transport it to Mexico, this brings down electricity costs in Mexico, helping cost of living for consumers and industrial competitiveness.

Mexico also faces a lack of strategic gas storage. The country currently holds roughly 2.4 days of reserves, and the new infrastructure would add only an estimated 0.4 additional days — far short of the stated goal of 10 days, and a fraction of the 20-to-105-day cushions maintained by European countries. The plan's 39.6 billion pesos in maintenance spending, spread across 41 modernization projects including compression station upgrades and IT improvements, addresses the reliability of existing infrastructure but does nothing to close that storage gap. As Texas itself faces rising domestic gas demand from data centers, advanced manufacturing, and LNG exports competing for the same Permian Basin supply, Mexico could find itself with rival buyers.

Esentia Energy Refinances, Refocuses

Esentia Energy Systems (formerly Fermaca), operator of the largest private natural gas pipeline system in Mexico, is successfully moving to diversify its financing sources. On May 7, the company priced a US \$2 billion dual-tranche bond offering (US \$1 billion in 6.125% senior notes due 2033 and US \$1 billion in 6.500% senior notes due 2038) to refinance existing subsidiary debt and strengthen its capital structure. Following the transaction, debt service will be limited to interest payments in the medium term, backed by a \$600 million revolving credit facility and \$726 million in cash as of March 2026.

Fitch Ratings assigned Esentia a first-time BBB- rating with a stable outlook on May 1, citing stable, predictable cash flows and a roughly 2,000-km system that delivers about 15 percent of Mexico's daily gas demand. The main rating constraint is customer concentration: CFE accounts for nearly 80 percent of revenue. Esentia aims to cut that to around 50 percent by 2030 by growing its Esentia Gas subsidiary, which serves private-sector clients under a bundled supply-and-transport model. A two-phase capex plan — adding up to 441 MMcfd of capacity for roughly US \$297 million — is designed to support that shift, with Fitch projecting 19 percent revenue growth in 2027 as new capacity comes online.

Esentia's core asset, the "Wajalajara" system, imports gas from the Waha Hub in West Texas and delivers it to Mexico's industrial west-central region, terminating in Jalisco. The other major private pipeline for U.S. gas imports is the Marine Pipeline, a joint venture by U.S. company Semptra Infraestructura and Canadian firm TC Energy, which runs along the Gulf coast to Tuxpan, Veracruz.

SENER Seeks Private Renewables Partners

The federal Energy Ministry (SENER) launched three new instruments designed to accelerate private investment in the electricity sector, framed as part of the broader Plan de Fortalecimiento y Expansión del Sistema Eléctrico Nacional 2025-2030. Energy Secretary Luz Elena González presented the measures on May 11, describing the overall plan as representing a total investment of 738.4 billion pesos (roughly US \$42.9 billion) — of which 54 percent corresponds to CFE and 46 percent to private capital — aimed at adding 32,000 MW of new renewable generation capacity and 6,145 MW of energy storage by the end of the current administration. The overarching goal is to raise the share of electricity generated from renewable sources from 24 to 38 percent by 2030, with more than 50 projects expected to contribute to that target.

The centerpiece of Monday's announcement was the Call for Priority Attention to Private Generation Projects, published in the Diario Oficial de la Federación. It allows private companies to participate individually in building renewable power plants, or jointly with CFE under mixed development schemes. A key requirement is that all projects must incorporate battery storage equivalent to at least 30 percent of the plant's capacity, with a minimum duration of three hours — though standalone storage systems not tied to generation will be reserved exclusively for CFE partnerships.

The registration window runs from May 13 to August 17; new plants are expected to come online between 2027 and the first half of 2030. Projects will be evaluated against binding planning criteria including grid reliability, congestion relief, and contribution to the energy transition. No specific capacity target was announced for this round, as the volume will depend on results from the mixed CFE scheme, to be published later this month. Experts suggest prices could fall in a range of \$35 to \$70 per MWh. This call builds on a first round launched in October 2025, under which 17 priority projects were awarded and are nearing the construction phase, alongside 34 strategic projects submitted through the standard window. A February 2026 call for CFE-private mixed projects has yielded 81 projects currently under evaluation, with generation permits expected by the end of May.

The second instrument is a new Strategic Projects Call, which will allow private players to independently develop generation projects or pursue mixed generation-and-storage schemes

with CFE. This call will be supported by the Ventanilla Única de Proyectos Estratégicos del Sector Energético (VUPE), a dedicated coordination mechanism designed to prioritize and streamline permitting, interconnection studies, and project tracking through to commercial operation.

The third instrument is the Ventanilla Única de Autoconsumo (VUA), published in the DOF on May 8 and aimed at companies and self-consumption groups seeking to generate between 0.7 and 20 MW of their own power. The platform consolidates nine previously separate procedures across four institutions (SENER, CFE, CNE and grid operator Cenace) into a single digital process and reduces the number of required technical studies from four to one. Processing times are expected to fall by up to 65 percent, from roughly 15 months to just 6 months. The VUA builds on the broader Ventanilla Energía portal SENER launched in June 2025, and CFE has 30 business days from the guidelines' entry into force to register the relevant procedures on the national citizen services portal.

Some industry analysts are cautious about interpreting the level of interest these calls have generated. While they are succeeding in attracting participants, the response is coming predominantly from small and medium-sized companies — many of which have been waiting years for an opening after their projects stalled under the energy policies of the previous administration. The rules have been relaxed in the Sheinbaum administration relative to the AMLO era, but the fundamental structure is unchanged and CFE-centric — meaning that for many companies now engaging, participation may be less a vote of confidence in the model than a pragmatic response after more than seven years on the sidelines.

Querétaro's Grid Growing Pains

Querétaro's industrial sector has been experiencing intermittent electricity supply disruptions that are temporarily halting production processes, including damage to industrial robots sensitive to voltage fluctuations. The state's Secretary of Sustainable Development, Marco del Prete, acknowledged the problem, noting that while industry has not raised concerns about overall transmission capacity, companies and residents have registered complaints about the frequency of outages. He described the situation as sporadic rather than systemic and said CFE is actively working to address it.

The reports of power instability come as Querétaro and the broader Bajío region face rapidly growing electricity demand, partly driven by an expanding data center sector. Mexico currently has 279 MW of installed data center capacity (roughly 70 percent are in Querétaro), but recent projections suggest the country could add at least 73 more data centers by 2029 — a buildout that would require installed energy capacity for the sector to grow by nearly 400 percent relative to current levels.

CFE pushed back against suggestions of a broader capacity shortfall, flatly denying that any investment projects in Querétaro have been cancelled or delayed due to insufficient electricity capacity. The utility said that between completed, ongoing, and planned works, it has committed 8.83 billion pesos to reinforcing the regional grid, adding 1,425 MVA of transformation capacity, 1,883.1 MVar of reactive compensation, and 344.7 kilometers of new transmission lines. Six projects currently under execution represent an additional 3.52 billion pesos in investment and will contribute 230.5 circuit-kilometers of new transmission lines, 225 MVA of additional transformation capacity, and 900 MVar of reactive compensation — expanding connections for new industrial, commercial, and service load centers. Two projects completed in December 2024 had already added 225 MVA of transformation capacity and 308 MVar of reactive compensation to the system.

CFE also said it will tender and execute further projects already authorized under the national electricity sector development plan, representing an additional 4.87 billion pesos for Querétaro. Those works will add 975 MVA of transformation capacity, 114.2 kilometers of transmission lines, and 675 MVar of reactive compensation, with the stated goal of ensuring adequate voltage levels and operational reliability. In total, CFE said there will be 1,000 MW of additional capacity available to meet the state's growth needs, on top of the 91.5 MW in industrial load already connected through April.

In other energy news...

Salina Cruz: Another Refinery, Another Accident

An explosion at Pemex's Salina Cruz refinery in Oaxaca this week injured six people and once again exposed the operational fragility of Mexico's refining strategy, following recent accidents at the Olmeca refinery in Tabasco. Although the fire was contained quickly and authorities moved immediately to guarantee fuel supply continuity, the political sensitivity surrounding the incident was evident from the start. The administration has placed refining capacity and fuel self-sufficiency at the centre of its energy narrative, which means that even relatively contained industrial accidents carry outsized symbolic weight. Pemex stressed that operations continued normally and that the regional supply of fuels was not affected, but the broader issue is less about immediate disruption and more about the recurring perception that the system continues to operate under persistent maintenance and reliability pressures.

Salina Cruz is one of the country's most strategically important refineries, and while the affected unit was isolated rapidly, the explosion is likely to intensify scrutiny over industrial safety, deferred maintenance and execution discipline across Pemex facilities. The administration continues to frame refining as a pillar of sovereignty, but incidents like this reinforce the broader

tension between expanding state control over the sector and sustaining operational consistency.

Grupo Carso Expands in Zama: Consolidation Around Strategic Assets

Grupo Carso's decision to increase its participation in the Zama field reflects a broader consolidation trend in Mexico's upstream sector, where large private players are concentrating around high potential assets with clearer long term production prospects. By purchasing an additional 5 percent stake from Harbour Energy, Carso strengthens its position in one of the country's most important offshore discoveries, a project expected to contribute meaningfully to national crude output later this decade.

What stands out is not just the acquisition itself, but the structure surrounding it. Pemex remains the majority stakeholder; Harbour operates the field and private investors continue increasing exposure within a framework ultimately shaped by the State. Zama therefore illustrates the hybrid model increasingly defining Mexico's energy sector: private participation remains possible, but within politically managed structures, where State control continues to anchor the project. The field still faces significant execution challenges, including financing requirements, regulatory approvals and coordination between partners, but the willingness of major investors to expand their stakes suggests that commercial interest in Mexican upstream assets remains stronger than the political rhetoric around energy nationalism sometimes implies.

Olinia: Industrial Ambition Beyond the Energy Sector

The upcoming presentation of the Olinia electric vehicle prototype on June 7 reflects the government's attempt to expand its sovereignty narrative into industrial and technological policy. The affordable EV — the original price tag was 90,000 pesos, but more recent official estimates put it at 150,000 pesos — designed by Mexican engineers for urban mobility and last-mile logistics, combines energy transition goals with a broader vision of domestic industrial development. Officials have positioned Olinia as proof that Mexico can build national technological capabilities in strategic sectors domestically, rather than depend entirely on foreign manufacturers.

The harder question is whether this translates into a commercially viable project. Developing an electric vehicle manufacturing industry requires scale, supply chains, financing and sustained consumer demand, all while competing against increasingly aggressive Chinese manufacturers already operating in Mexico. Important operational details also remain unresolved, including

manufacturing partners, production capacity, and the regulatory framework for the “mini vehicle” category, which the government is still developing. The risk is not necessarily technological failure, but political over-extension. Mexico has shown growing commitment to State-backed industrial projects, but the challenge remains execution.

Vitol Returns to Mexican Crude

Vitol’s purchase of Mexican crude for the first time in roughly a decade highlights how geopolitical disruptions are reshaping Pemex’s export strategy. The deal, involving more than one million barrels of Olmeca and Maya crude, comes after years in which Pemex had largely avoided direct dealings with major commodity traders following corruption-related tensions with Vitol in 2020. The immediate driver appears to be the disruption in global supply flows due to the war in the Middle East, which has increased demand for alternative crude sources and opened space for more flexible export arrangements. In practice, the transaction reflects a shift toward tactical pragmatism: market conditions are temporarily outweighing the political sensitivities that previously defined the relationship.

The administration continues to prioritise refining and domestic fuel sovereignty, but high international prices and tighter global supply conditions are creating incentives to preserve export flexibility when liquidity becomes strategically valuable. The return of a trader like Vitol demonstrates that commercial realities continue to shape Pemex’s decisions, even under a more nationalist energy framework. Whether the transaction is an exception or part of a broader trend of reopening to international traders remains to be seen.

Electromobility Debate: What Comes Next

A “Dialogues about Electromobility” event held on May 12 included panelists from the public and private sectors with expertise in energy, urban development and sustainability. The speakers highlighted major opportunities such as strengthening national value chains; increasing Mexican content in electric vehicle production; expanding public transport electrification; attracting “green” finance and using electromobility to improve air quality and support better urban planning. They also identified roadblocks: the need for stronger interinstitutional coordination, a stable regulatory framework, reliable data, charging infrastructure, battery standards, financing mechanisms, clean electricity generation and grid capacity. Overall, the event framed electromobility as a strategic opportunity for Mexico, but one that will require coordinated policy, investment, industrial planning and implementation capacity to ensure that the transition is inclusive and aligned with the country’s long-term development goals.