



This project is funded by the European Union

# RENEWABLE ENERGIES

## Definition

Renewable energy is defined as the one that is collected from renewable resources, which are naturally replenished on a human timescale, including carbon neutral sources like sunlight, wind, rain, tides, waves, and geothermal heat.

## Technologies



Solar power



Co-generation



Wind power



Energy storage



Geothermal



Energy efficiency



Hydropower



Energy distribution and supply



Tidal energy



Biofuel technologies



# MARKET OPPORTUNITY MEXICO

## RENEWABLE ENERGIES

### Market overview

- The main forms of renewable energy used in Mexico are hydroelectric energy, biomass, geothermal energy, solar energy, and wind energy.
- Currently only 25% of Mexico's total energy production comes from renewable sources but the goal is to achieve a share of 60% by 2050.

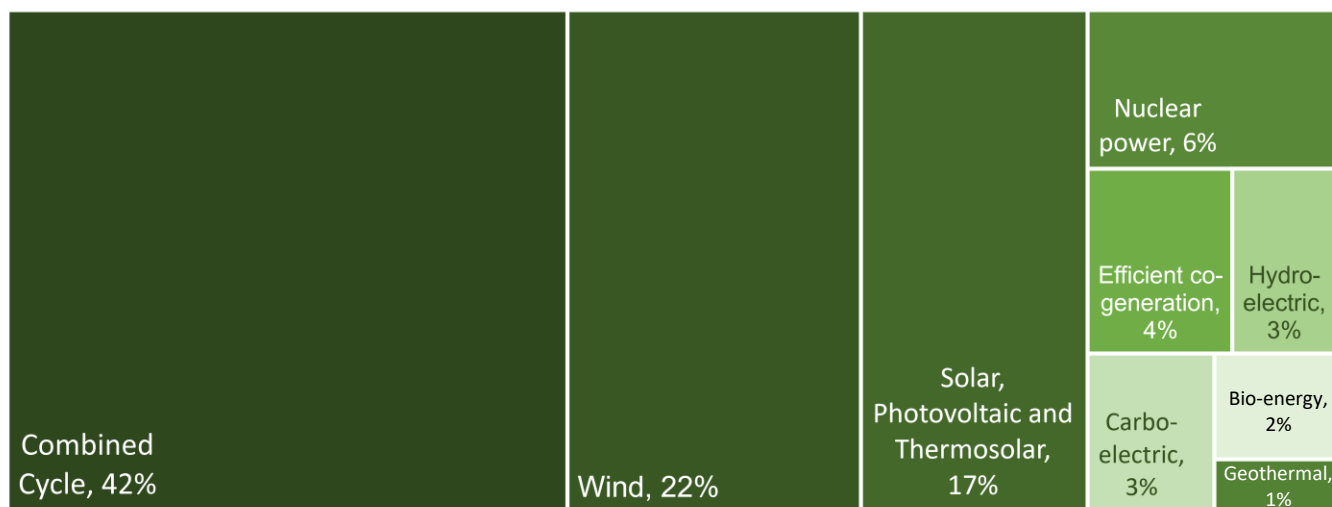
## Key business opportunities for European companies

1	Cogeneration is considered a great boost to technological modernization by most corporations. According to EMIS, cogeneration could generate gains of more than 8,300MW of energy for private operators.
2	The Rural Development and Agrobusiness Ministry (SEDRAE) recently launched a financial support program to promote the adoption of solar panels in the sector.
3	Maintenance activities and supply of components for wind and photovoltaic installations. Mexico has 54 wind farms and 44 solar parks and there is an upward trend for years to come.
4	Solar distributed energy generation to meet household demand (< 0,5MW). The largest green mortgage entity provides financing programs for houses equipped with green technologies (Hipoteca verde program).
5	Equipment supply: many manufacturers and sellers import key renewable technology from abroad as there is a limited local supplier base.

## Sector highlight

In 2019, renewable energy represented 29.4% of the total energy generated in Mexico. The below matrix showcases the current mix of renewable energy sources in Mexico. Non clean energy sources are not included in this matrix.

Current Renewable Energy Source Mix in Mexico



Source: Energy Ministry Data



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### Sector insights

- The [Power Industry Law](#) regulates the generation, transmission, and commercialization of electricity in Mexico. It aims to guarantee fair competition between the private and public sectors and assure non-discriminatory use of transmission and distribution electric networks.
- Mexico also has a guide for [Cogeneration projects](#).



### Drivers

- Some states have created new carbon taxes and rights that could foster renewable energy projects.
- The Law for the Promotion and Development of Bioenergy promotes the development of bioenergy projects for the diversification of energy sources and sustainable development in rural areas of the country.
- The energy sector produces most GHG emissions given the intensive use of fossil fuels and is thus considered a key sector to act on for the reduction of these emissions and to meet Mexico's new NDC goals.

### Barriers

- The Federal Government has adopted policies and actions to foster the production of fossil fuel-based electricity by the Federal Electricity Commission while restricting new contracts for the private sector in large-scale renewable energy projects.
- Poor communication to electricity consumers about the benefits of distributed power generation.
- Permit delays.
- Production and storage mechanisms for renewable energies are often considered unstable.

### Case study

An important service utility company plans to expand the capacity of one of its wind farms and will need a supplier of specialized components for its wind turbines. In this context, high import tariffs to certain Chinese products are an incentive for EU suppliers. The company also co-invests in a global lithium battery business with an automotive company.

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