

The Power Sector and Energy Efficiency in Mexico

Breakout Session

Challenges For Low carbon Study Implementation

- **Availability of Data**
 - setting baseline
 - Figuring out market size for energy efficiency
- **Client buy in on the project**
- **Financing**

Some of the barriers to large-scale and rapid implementation of low-carbon measures in energy

- ***Investment and Financing.*** Higher up-front costs (MEDEC scenario -- ~\$64 billion to 2030 (\$3b/year) or less than 0.4% of GDP). Public vs. private investment.
- ***Regulations.*** Reducing electricity subsidies for middle and high-income residential consumers would spur energy efficiency. Enforcement of environmental and efficiency standards.
- ***Institutions.*** Governance and management reforms that would promote efficiency is difficult
 - **Contracting/Licensing**
 - No predefined procedures for renewables (or cogeneration) to sell to the grid.
 - Difficult licensing procedures and are not mainstreamed

Policy Implications