Mexican Carbon Tax and Interaction with ETS

Latin American and Caribbean Regional Workshop on Carbon Finance
Mexican GHG Emissions - 2010

2010
748,252 Gg CO₂eq
LGCC y objetivos de generación de electricidad

Reducción de emisiones de GEI del 30% con respecto a la línea base para 2020.

35% de generación de fuentes de energías limpias para 2024

Objetivos relacionados con el PECC

Cambio en el factor de emisión de la red eléctrica de 0.45 a 0.35 tCO₂eq/MWh en 2018.

Reducción de emisiones equivalente a 82.5 toneladas métricas de CO₂ para 2018.
Carbon Tax: Main Features

• Passed in the 2013 fiscal reform. In force since January 2014.

• Tax on fossil fuel CO₂ emissions applied to production or import according to IPCC equivalences.

• Based on a 3 USD (39 MXN) price per tCO₂e though original proposal included a 5 USD (70) price.

• Private companies lobbied for coal and coke not to have increases that equaled inflation rate (4%). The tax on these fuels is much lower than 3 USD.

• Most of the tax is paid by PEMEX, state-owned oil and gas monopoly, and CFE, national electricity utility.

• It is included in the legislation that the tax could be covered with Mexican CDM offsets, however, secondary regulation is still pending.

• 2014 income: 1 billion USD approx.
Thank you

Eduardo Piquero
Director
eduardop@mexico2.com.mx