

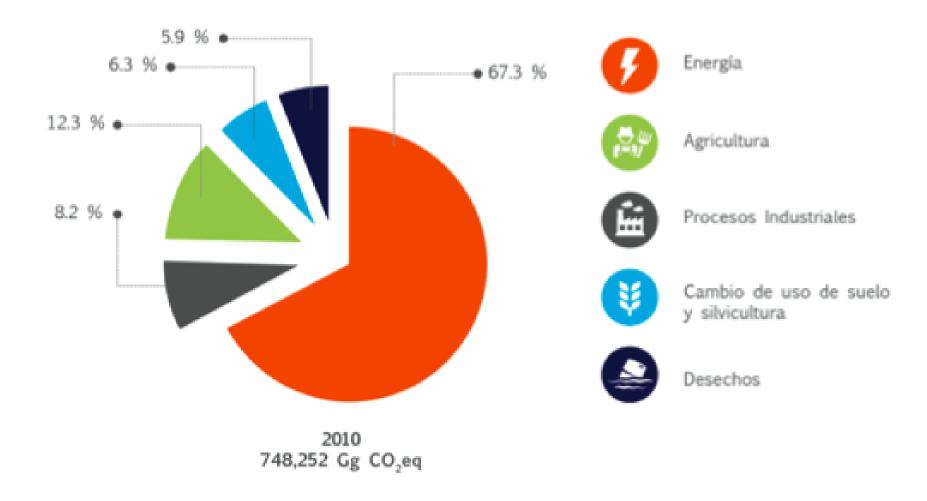
Mexican Carbon Tax and Interaction with ETS

Latin American and Caribbean Regional Workshop on Carbon Finance

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Mexican GHG Emissions - 2010



Av. Paseo de la Reforma 255 piso 7, Col. Cuauhtémoc, C.P. 06500, México D.F.



Mexican GHG reduction targets

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.

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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 tCO $_2$ e 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.

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Thank you

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