

# Annual Report 2018/2019

### German-Mexican Energy Partnership



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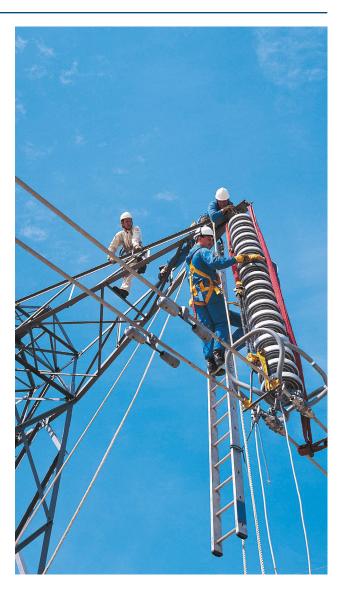
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### **Executive summary**

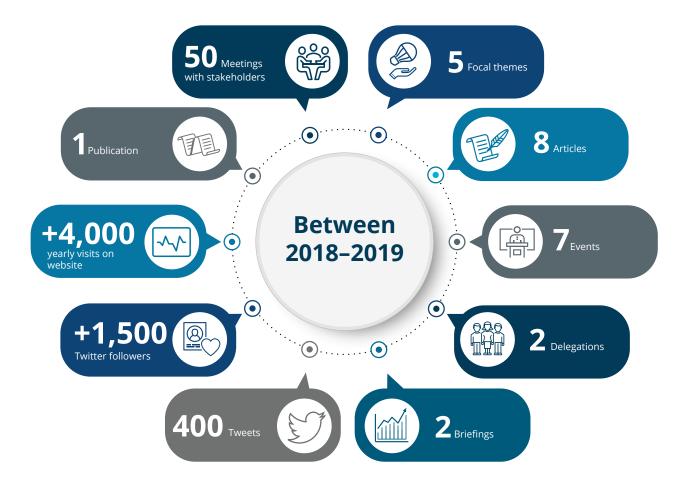
The German–Mexican Energy Partnership (EP) makes a powerful contribution to the exchange of best– practice between experts and a high–level political dialogue between the two nations.

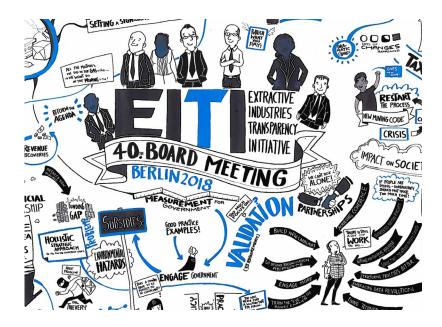
In line with its mission, the EP successfully implemented several activities during 2018–2019, supporting large events, holding workshops, organizing expert delegations or conducting studies. Amongst those were: The third High Level Steering Group (HLSG) meeting; a Mexican delegation to the Hannover Messe 2018; the first Energy Partnership Summer Reception; and an international experts event on both cybersecurity and the use of blockchain in the energy sector.





### **Key facts and figures**





















### The German-Mexican Energy Partnership

#### How it all began

On April 12th, 2016, with the signing of the "Joint Declaration of Intent on the Energy Partnership between the Government of the United Mexican States and the Government of the Federal Republic of Germany", the German-Mexican EP was established.

#### What is the German-Mexican EP?

The EP is a platform supporting high-level political and strategic exchange of information and best practices between the competent authorities, regulatory bodies, energy system operators and other relevant actors, including the involvement of actors from the industry.

The main aim of this partnership is to foster and advance the far reaching and profound energy transitions that are ongoing in both countries by exchanging views, best practices and knowledge on the development of a sustainable energy system, which is characterized by more efficient use of energy and enhanced use of renewable energy.

### **Overall steering and structure**

#### Steering

The overall steering of the German-Mexican EP is done via the High-level Steering Group (HLSG). This committee is composed of high-level representatives of both governments and led by the German Federal Ministry for Economic Affairs and Energy (BMWi) and the Mexican Ministry of Energy (SENER). The HLSG sets the priorities and defines the thematic focus of the EP. It meets once a year alternately in Mexico and Germany. The first meeting of the committee was held in June 2016 in Mexico City, defining the first key crosscutting topics for the partnership. Those were echoed and amplified at the second HLSG meeting in September 2017 and confirmed during the third meeting in April 2018.

#### **B2G Energy Council**

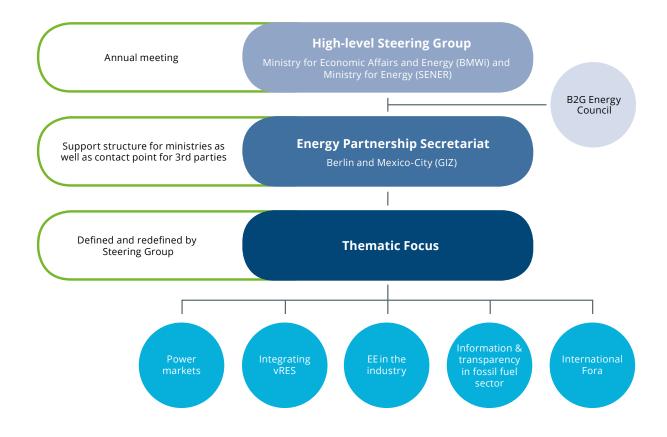
To further enhance the collaboration between the German and Mexican energy ministries and the energy industries of both countries, BMWi and SENER had agreed upon guidelines to form a German-Mexican Business-to-Government (B2G) Energy Council. The first meeting of the B2G Energy Council was held in April 2018, on the margins of the Hannover Messe 2018.

#### Secretariat

The German-Mexican EP is supported by a Secretariat with contact persons in both Mexico City and Berlin.

The role of the Secretariat is to support both BMWi and SENER in its agreed priorities, ensure the implementation of related activities and serve as a point of contact for key actors.

### Structure



### **Thematic focus**

The work of the EP in 2018-2019 focused on five areas previously established within the HLSG by BMWi and SENER.

#### **Power markets**

Both Germany and Mexico are transforming their electricity sectors: They are incorporating new and redesigned schemes for energy markets, new or transformed institutional settings as well as new support systems for renewable energy.

As in other countries around the globe, Germany and Mexico search for and implement cost-effective instruments to promote renewable energy in the interest of transparent prices for society. Furthermore, the institutional strengthening is one of the key elements for allowing for functioning power markets.

#### **Integrating vRES**

Variable renewable energy sources (vRES) are increasing their participation in the energy mix. For this reason, integrating vRES both onto the grids and into the system is one of the main challenges for a country's energy transition.

Profound exchange on experience gained with existing measures as well as with the application of new and innovative means can help both countries to successfully face those challenges.

## Enhancing energy efficiency in the industry

The industry sector plays a crucial role for economic growth. With an efficient use of energy, industries can increase the cost-effectiveness of their processes while contributing to the reduction of GHG emissions. Peer-to-peer planning and better policies of energy efficiency constitute key factors to implement a successful energy transition.

At the same time, both Germany and Mexico are confronted by the challenge of ensuring and amplifying the attractiveness of efficiency measures in and for the industry.

## Increasing information and transparency in the fossil fuel sector

Open information available for citizens and industry, especially regarding the fossil fuel sector, is a concern for both governments. Increasing economic efficiency of public resources in that sector is also key.

#### Supporting the German-Mexican Energy Cooperation in the international scene

Germany and Mexico are both members of various international organisations and initiatives, such as: Group of Twenty (G2O), International Renewable Energy Agency (IRENA), Clean Energy Ministerial (CEM), Extractive Industries Transparency Initiative (EITI), just to name a few. Synergies and common efforts of both countries in those organisations should, where applicable, be supported and enhanced within the bilateral Energy Partnership. Moreover, at quite a number of international occasions and events both countries collaborate on energy matters.



2018

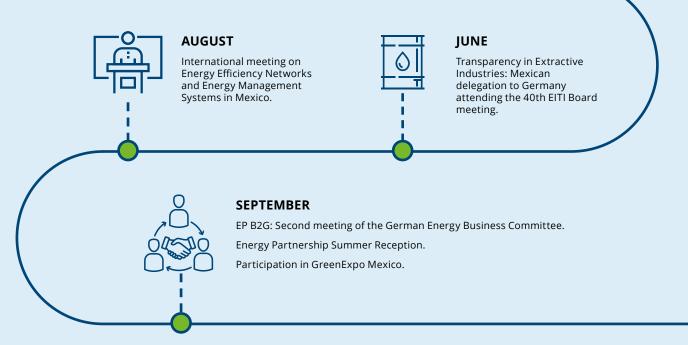
### Timeline of Highlights 2018 / 2019

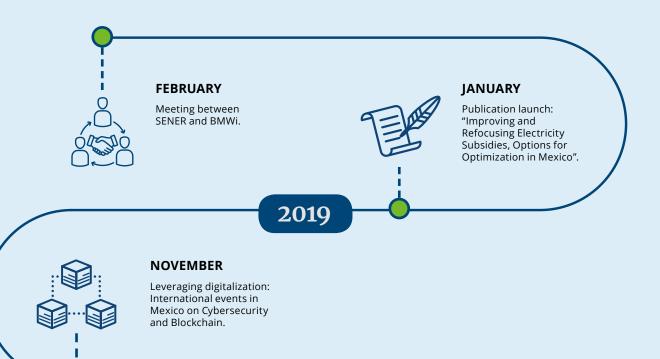
#### APRIL

Berlin Energy Transition Dialogue (BETD) 2018: Accompanying Mexican delegation led by SENER.

Hannover Messe 2018: Support of the Mexican delegation to the Hannover Messe, organization of events and conferences.

EP B2G and HLSG: First meeting of the B2G Council and third HLSG meeting.





#### OCTOBER

EP B2G: Second meeting of the Mexican Energy Business Committee.

### Highlights 2018 / 2019

#### 2018

#### April

#### **Berlin Energy Transition Dialogue (BETD) 2018**

With the aim of participating at the Berlin Energy Transition Dialogue (BETD), the EP Secretariat accompanied a Mexican delegation led by SENER to Germany. Besides supporting their visit, the Secretariat joined several bilateral meetings.

#### Hannover Messe 2018

From April 23rd to 27th, 2018 the EP Secretariat accompanied and supported the Mexican delegation led by high-ranking government officials to the Hannover Messe 2018 in Germany, where Mexico was "Partner Country". During the event, Mexican representatives attended seminars, workshops, conferences and took part in two important forums: "Life Needs Power" and "Integrated Energy Plaza". At this occasion "Mexico's New Energy Era" publication was launched.

#### **Energy Partnership B2G and HLSG meetings**

On Monday, April 23rd, 2018, the inaugural meeting of the B2G Energy Council took place. High-level German and Mexican representatives of the government and industry discussed on how to enhance collaboration between the two energy ministries and industries, pointing out the importance of bilateral cooperation and the challenges and opportunities in the energy sector.



That same day, the third meeting of the HLSG of the German–Mexican EP took place. Officials from both the German and the Mexican government reflected on the status quo of the implementation of the EP, as well as its pathway and necessities for the year ahead.

#### June

#### **Transparency in Extrative Industries**

To exchange experiences and best-practices regarding the implementation of the requirements of the global EITI and to participate at the 40th EITI Board meeting in Berlin, a delegation of Mexico's Multi-Stakeholder-Group (MSG) went to Germany from 25th to 29th June 2018. Before participating at the meeting, the EP Secretariat organized various meetings between the Mexican MSG and German government, industry and civil society representatives.

#### August

#### International meeting on Energy Efficiency Networks and Energy Management Systems in Mexico

Together with GIZ, the National Commission for the Efficient Use of Energy (CONUEE) and SENER, the German-Mexican EP organized the 1st International Meeting in Mexico on Energy Efficiency Networks (EEN) and Energy Management Systems (EMS). During the meeting, the attendees discussed about efficiency networks: how they operate, success stories and benefits.



#### September

#### **German Energy Business Committee**

The BMWi and the Embassy of the Federal Republic of Germany in Mexico welcomed to the second meeting of the "German Energy Business Committee" on September 3rd, 2018. The meeting encouraged the exchange about common energy sector challenges and opportunities in Mexico. It also served as an opportunity to present and discuss the progress made on matters raised at the first meeting of the Committee in February 2018.

#### **Energy Partnership Summer Reception**

To celebrate the second anniversary of the German-Mexican EP with friends and supporters of the bilateral partnership this summer reception was organized. It furthermore served to strengthen the bonds between relevant representatives of both countries, ranging from industry to civil society to government officials.

#### GreenExpo 2018

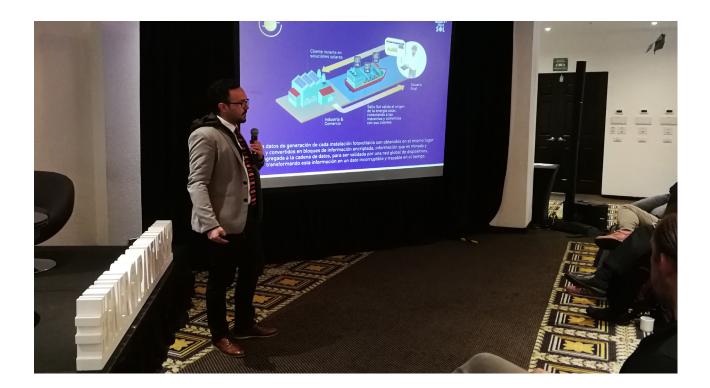
Upon invitation by BMWi and the Embassy of the Federal Republic of Germany in Mexico, representatives of both countries participated at an Evening Reception at the German pavilion at the GreenExpo Mexico on September 5th, 2018. The reception was opened by high-ranking government officials from the BMWi and the German Embassy.

#### October

#### **Mexican Energy Business Committee**

SENER hosted the second meeting of the "Mexican Energy Business Committee" of the EP on October 4th, 2018. The meeting brought together government representatives from SENER and participants from the Mexican industry to exchange about policy developments, common energy sector challenges and interests of both Germany and Mexico.





#### November

#### Leveraging digitalization

In November 2018, the Mexican Energy Regulatory Commission (CRE), the Mexican System Operator (CENACE) and the EP jointly organized a "Cybersecurity in the Power Sector" discussion forum. Attendees had the opportunity to acquire and exchange knowledge, experiences, common challenges, the policies and regulations associated with the protection of critical infrastructure that underlie digitalization, and cybersecurity in the electricity sector in particular. Also, jointly organized by CRE and the EP in alliance with DKTI Solar and the GIZ Blockchain Lab, the event "Blockchain meets Energy" shed light on possible and already implemented blockchain applications. Real life examples from Chile, Estonia, Germany, Australia and Mexico were presented. Attendees agreed that blockchains might add a new level of digital integrity, security and allow the grid to advance to a highly automated system based on smart contracts.

#### 2019

#### January

#### **Improving Electricity Subsidies**

The EP, in alliance with the program "Connecting Energy and Climate Change, CONECC" (GIZ Mexico) launched a publication on improving and refocusing electricity subsidies, thus with the objective of helping those who need them the most.

**February** 

#### **Meeting between SENER and BMWi**

SENER and BMWi representatives met on February 21st, 2019 in Paris to discuss the next phase of the German-Mexican Energy Partnership. They exchanged on the current developments and policies in the energy sector in their respective countries and the several cooperation fields that can be concretized during the next High Level Steering Group (HLSG) meeting.





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