



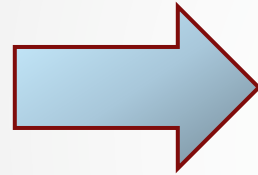
# Plenary Stock-Take: Progress on Carbon Pricing in the Americas

IETA'S NORTH AMERICA CLIMATE SUMMIT 2021

***MEXICAN ETS STATUS***

# Mexican ETS Pilot Program

**First ETS  
program  
in LA**



≈ 270 facilities from the industrial and energy sector participate in this Pilot Program

≈ 40% of the country's GHG emissions are covered by the ETS

Only energy and industrial sectors

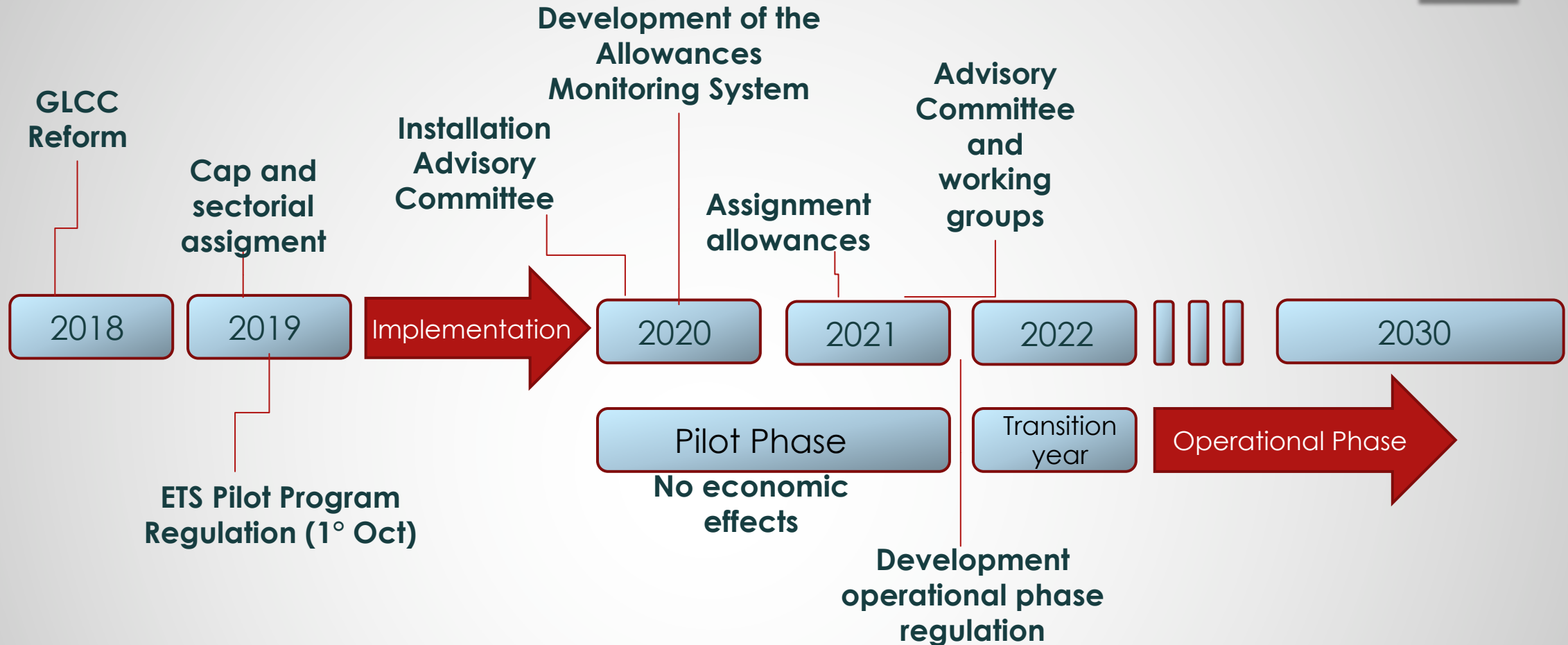
Threshold: 100,000 tCO<sub>2</sub>

90% of CO<sub>2</sub> emissions reported by the industrial and energy sectors in the National Emissions Register

10% of the obligation may be covered by offsets

GHG considered: CO<sub>2</sub>  
(direct emissions of combustion and industrial processes)

# Mexican ETS Pilot Program



# Advisory Committee Working Groups



## **Group 1: Cap and Assignment**

Objective: Propose the necessary elements to strengthen the goals, limits and assignments of the allowances during the Pilot Phase and the bases for the operational phase of the ETS

## **Group 2: Offsets**

Objective: Analyze and propose alternatives of the sectors and activities that can be considered to develop offsets in the ETS, and the protocols that support the reduction or removal of CO<sub>2</sub>e, focused on emissions / unregulated activities but recognizing early actions

## **Group 3: Energy**

Objective: Propose the related actions for the fulfillment and follow-up of the obligations of the power facilities that participate in the ETS

## **Grupo 4: Legal and accounting issues**

Objective: Analyze the legal, accounting and tax nature of allowances and compare against the best international practices

# Next steps

- Define the legal nature of the allowances
- Recalculation of mitigation potential and MRV review
- Publication of the cap 2022
- Support in the development of capacities of the certification bodies in mitigation projects
- Continue with the strengthening and development of capacities
- identify the economic and regulatory impacts of the pilot program
- Define the interaction with other carbon pricing instruments
- Supports institutional strengthening for management