

ENERGY  
INDUSTRY  
GROUP





## Energy Industry Group

Our Energy Industry Group is comprised of a multidisciplinary group of lawyers, who for more than 20 years have provided their clients practical and effective assistance in the key legal areas for the energy sector.

As a multidisciplinary group, we are in a unique position to provide to the different players in the energy industry a legal and comprehensive analysis, which is sensitive to the particularities of their businesses, current trends and energy policies, including any prospective legal changes to Mexico's

energy sector and landscape, as well as the implications and opportunities such changes may represent.

We offer specialized advice on Energy Regulatory Compliance, Public Procurement Procedures, Contracts, Corporate and M&A, Labor, Project Finance, Foreign Trade & Customs, Real Estate, Administrative, Commercial, Civil & Tax Litigation, Dispute Resolution and Investment Protection matters.



## Industries We Serve

Our legal assistance includes all activities within the hydrocarbons and power sectors, including clean energies.





## Hydrocarbons Sector

Advise in regulatory matters, as well as in contractual, corporate, transactional, arbitration, litigation and administrative procedures, public procurement, management and private procurement matters and projects for the Upstream, Midstream and Downstream sectors.

Our expertise in the Upstream sector includes advice on public procurement procedures carried out with the National Hydrocarbons Commission ("CNH"), with Petroleos Mexicanos ("PEMEX") and other private industry players within the energy sector. Our track record in the Midstream sector includes legal assistance in importation, exportation, storage, distribution and transportation activities of hydrocarbons, oil-refined products and petrochemicals. In the Downstream sector, we have participated in the strategy structuring and implementation of trading schemes and development of service station networks for the retail of oil-refined products, lubricants, natural gas and petrochemicals, as well as for the provision of goods and services required to perform such activities, including the supply chain of fuels in general, and particularly those required for the aerospace industry.

Our representative experience includes, among others, the following activities:

- » Implementation of business models for the importation, exportation, commercialization, distribution and supply of hydrocarbons, oil-refined products and petrochemicals; including the corporate, customs, regulatory and tax structuring of such business models; securing the permits required to perform such activities before different authorities, such as the Energy Regulatory Commission ("CRE"), the Ministry of Energy ("SENER"), and others.



- » Structuring of business models required for the commencement of operations and expansion of oil-refined products service stations in Mexico, including the preparation and negotiation of all kinds of contracts required for such purposes, as well as legal advice with regard to different logistics activities, such as the importation, storage, transportation, and commercialization of the aforementioned oil-refined products, including the coordination of the defense of client commercial interests.
- » Implementation of business models necessary for hydrocarbons exploration, as well as the preparation of the necessary contracts and management of the administrative procedures before the CNH for such purposes.
- » Mergers & acquisitions of companies in the energy sector, relevant projects and assets, joint ventures, consortiums and partnerships.
- » Legal representation in public procurement and contracting procedures regarding all kinds of services with PEMEX and the Federal Electricity Commission ("CFE").
- » Legal representation in public procurement procedures regarding natural gas distribution and transportation. Development of activities for natural gas commercialization and retail.





- » Temporary importation of submersible and semi-submersible vessels required for hydrocarbons exploration and extraction.
- » Identification of customs regimes for the purchase and sale of tankers used in hydrocarbons exploration and extraction-related activities.
- » Advice on regulatory matters for the importation/exportation of hydrocarbons, oil-refined products, petrochemicals and biofuels produced in the USMCA region, as well the development of preferential tax frameworks.
- » Participation in public procurement procedures related to the development and operation of maritime terminals for the storage of hydrocarbons and oil-refined products, including securing the corresponding authorization before the Federal Antitrust Commission.
- » Dispute resolution with Productive State Companies ("EPEs"), arising out of contracts executed with such EPEs, including legal defense in international arbitration procedures.
- » Advice in the development and operation of private infrastructure projects in the Midstream sector.







## Power Sector



We have advised our clients in all activities within the power sector, including clean energy projects, within the legacy regime or pursuant to the conditions set forth in the applicable legislation of the new Wholesale Electricity Market ("MEM").

Our advice covers transactional, corporate and tax structuring matters, consulting on regulatory matters (including the possible impact of the recent reforms on those matters), audits, mergers and acquisitions, co-investments, joint ventures, agrarian and real estate matters, public and private procurement procedures, compliance with clean energy obligations, importation of goods and equipment (including those required for the maintenance of such equipment), management, project finance, financial, administrative and operational contracts preparation and negotiation, development of infrastructure, and matters related to the interconnection and connection to the National Power Grid ("SEN"), Network Code, and in general, the negotiation of all kinds of contracts required for the development of such activities.

In the last 24 months, we have advised our clients in the acquisition, sale or development of a variety of renewable and conventional source projects. Likewise, we have provided assistance in power supply contracting and renegotiation with power suppliers and the most important generators of the market in any modality (legacy or as a MEM participant), ensuring power supply capacity of above 1000 MW, as well as huge investments for the energy sector and benefits for our clients.

We offer advice on commercial and administrative litigation matters, as well as in arbitration procedures against private parties and/or authorities, and in the execution and negotiation of collective bargaining agreements with key labor unions.

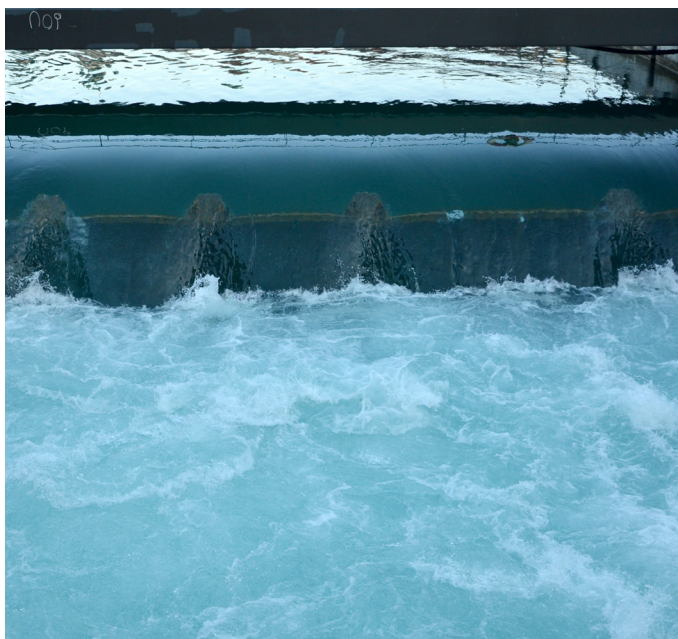
In general terms, our representative expertise in this sector includes advice to our clients with regards to the following:

- » Representation of a variety of clients in the acquisition and sale of solar photovoltaic and wind power project portfolios, as well as advice in the participation in power bids called by the National Centre for Energy Control ("CENACE").
- » Identification of the regulatory aspects required for the establishment of power generation, co-generation and supply, whether through legacy schemes, or through MEM representation.
- » Representation and defense of the commercial interests of our clients in disputes with power suppliers and assistance regarding regulatory and technical aspects related to power supply, including the analysis and structuring of frameworks to ensure the required power and natural gas supply.
- » Securing of permits and successful conclusion of the required registries before the CRE for the purchase of power through the MEM.
- » Advice on the preparation and negotiation of all kinds of contracts for the supply of power, output and other products and services, providing legal assistance to power generators, developers, supplier and consumers.





- » Restructuring of power supply frameworks, as well as all regulatory aspects required for the operation of power plants and supply to load centers.
- » Development and accompaniment in private procurement procedures for the contracting of power supplies by qualified users (large consumers).
- » Representation of the commercial interests of our clients for the development of wind power plants, including the negotiation of all contracts required for the commencement of operations of such projects.
- » Participation in public bids called by the CFE for the design, financing, construction, installation and operation of power generation plants in Mexico.
- » Representation in legal audit procedures and the initial planning of the acquisition of power project portfolios, including the review of all required corporate, real estate and contractual aspects, as well as the negotiation and closing of such transactions.
- » Importation of the necessary equipment for power generation from renewable energy sources, such as wind and solar photovoltaic power, for installation in Mexico, as well as the review and preparation of the necessary contracts for such purposes.
- » Tariff classification of power generation equipment and parts, as well as compliance with tariff and non-tariff regulations and restrictions, and the customs structuring for their importation and/or exportation.
- » Negotiation and implementation of joint ventures for the acquisition of renewable power plants.
- » Registry and cancellation of such registry for operation in the MEM.
- » Establishment of client operations as generators, qualified suppliers, traders or qualified users to ensure their operations in the MEM.



- » Participation in interconnection and connection processes to the SEN regarding power plants and load facilities.
- » Procedure for the contribution of assets for compliance with the obligations set forth in the Contributions Regime for the development of infrastructure of the transmission and distribution power grids, as well in aspects related to the assignment of kVAs power capacity for the connection of load centers.
- » Development and implementation of power generation projects sourcing from geothermal energy.
- » Desarrollo e implementación de proyectos de generación de electricidad a partir de fuentes de energía geotérmica.

Likewise, we have broad experience from a constitutional and administrative litigation perspective in: **i)** imposition of sanctions by authorities, **ii)** assistance regarding administrative investigation and sanctioning procedures, **iii)** amendments to the guidelines for the issuance of Clean Energy Certificates, **iv)** Accord whereby the CENACE impeded pre-operative testing for clean energy power plants ("intermittent power plants") and conventional power plants, **v)** SENER's Power Reliability Policy, **vi)** Resolutions No. RES/893/2020 and RES/894/2020 whereby the CRE ordered an increase in power transmission rates from clean power plants (porteo verde) and conventional power plants, **vii)** Resolution number RES/1094/2020 whereby the CRE impeded the admission of new self-supplied members to legacy permits **viii)** reform to the Power Industry Law, **ix)** administrative silences by the authorities in the energy sector, among others. The above, in addition to the implementation of legal strategies to nullify or minimize the risks derived from possible infringements to the applicable legislation in the matter.





# Our Team

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Our Energy Industry team is made up of attorneys with extensive experience in the sector, having represented many clients in the development of their projects and their operations, as well as representing them before the governmental offices and public agencies related to energy matters.

## ***Alfonso López-Lajud***

Alfonso heads the Civil and Commercial Litigation and Alternative Dispute Resolution practice group, representing clients before courts and arbitration tribunals. Alfonso is also part of the Energy Industry Group with regards to dispute resolution procedures. He has extensive experience in constitutional remedy procedures (amparo) and has participated in several commercial arbitrations, as well as in other international legal procedures. He has more than 18 years of experience in this sector. His practice includes participation in insolvency and bankruptcy proceedings before federal courts, as well as out-of-court restructuring transactions. He is member of the Mexican Bar Associations (INCAM and BMA, for their acronyms in Spanish), the AIPN and the Mexican-Lebanese Law Association "Al Muhami".

## ***Guillermo Villaseñor-Tadeo***

Co-heads the Energy Industry Group of the Firm and is member of our tax practice group based in our Mexico City office. His expertise focuses on corporate tax planning, mergers & acquisitions, and transfer pricing legal analyses. Guillermo has represented and assisted multinational companies in complex cross-border tax litigation procedures related to transfer pricing adjustments, shared-costs arrangements, multinational restructuring procedures, and potential re-characterization of intercompany payments. He has also represented companies involved in complex tax investigations in the oil and gas industry, Midstream, as well as in a variety of projects related to the taxation regime of the power sector in Mexico. Guillermo is Chair of the Tax and Legal Committee of the Canadian Chamber, and Vice-Chair of the Tax Committee of the American Chamber of Commerce in Mexico. Additionally, he is member of the International Tax Association and Officer of the International Tax Committee of the American Bar Association, International Law Section.

## ***José Alberto Campos-Vargas***

Co-heads the Foreign Trade & Customs practice group. He has advised clients regarding the importation of all kinds of machinery and equipment for exploration, extraction and other related activities for the oil and gas industry, including sensitive goods, such as pipelines, valves, aircrafts, marine devices, ships, specialized vehicles, textile products and steel products, among others. He has also advised clients in connection with temporary importation procedures and the importation of a variety of goods under preferential customs regimes; he provides legal advice regarding the disposal and changes in the customs regimes of goods. He has also advised clients in the power industry regarding the importation of goods, machinery and equipment for the construction of power generation plants and related equipment, from solar panels, wind turbines, control equipment and other goods required for these energy projects.

He has advised a variety of clients with regard to specific contracting equipment for turnkey projects that involve the importation of goods and their transfer through operations different than those considered "traditional" under foreign trade and customs legislation. Likewise, he has participated in power, fuels and oil-refined products importation and exportation procedures, whether for domestic use or consumption, or for its use by manufacturing companies that carry out the exportation of finished goods made in Mexico or in importation procedures for a variety of goods under available promotion programs such as IMMEX, PROSEC, 8th Rule and other similar procedures, as well as the importation of goods under tariff preferences.

## ***Gerardo Prado-Hernández***

Co-heads the Energy Industry Group of the Firm. He is a member of our Corporate and Transactional practice group and is based in the Monterrey office. He acted as Managing Partner of the Firm from 2012 to 2014. Gerardo is active in the Bajío region participating in energy-related projects, particularly in those involving renewable energy sources (wind power, solar and cogeneration projects). He is a member of the Energy Cluster in Nuevo Leon and actively participates in its Renewable Energy Task Force. Gerardo has led multiple energy and infrastructure related projects in the North part of Mexico, including solar photovoltaic projects, cogeneration power plants, self-supply projects and has represented foreign and domestic companies in multiple bidding processes with the CFE and PEMEX.

## ***José Antonio Postigo-Uribe***

Co-heads the Firm's Energy Industry Group. He has advised clients investing in the areas historically open to private participation, especially in natural gas distribution, development of wind farms, solar photovoltaic projects, cogeneration plants, self-supply schemes, biddings with the CFE and independent producer schemes. He also advises clients entering the MEM as generators, suppliers, traders and final users. In addition, he has represented clients in a variety of acquisition operations, sales and joint ventures regarding energy industry projects portfolios.

José Antonio also advises clients in oil and gas matters, including the establishment of businesses in Mexico, investments structuring, bidding and other procedures with PEMEX and natural gas and other fuel supply and sale procedures. He also represents active companies in the Midstream and Downstream sectors. José Antonio has led the creation of a multidisciplinary industry group within the Firm to help clients take advantage of the new opportunities that arose out of these reforms.



## Who we are

Sánchez Devanny is a leading Mexican law firm that provides full-service legal advice both to Mexican and international clients.

## More than attorney-client services

We build enduring client relationships that go beyond individual service contracts because we make every effort to understand our clients' businesses and expectations, to serve as an ally, and to provide complete, accessible and personalized advice. As a testament to these efforts, we continue to advise clients today who have trusted us with their legal matters since the firm was founded in 1996.

## Experience and creativity

Throughout the firm, we take pride in serving our clients with a combined approach of experience and creativity because we recognize that when you know how things are done it is easier to think outside the box. Our partners offer a wealth of experience, including in prior roles as in-house counsels at global companies and government agencies, and key roles within international law firms.

With offices in Mexico City, Monterrey, and Querétaro, as well as several strategic alliances worldwide, the firm is well-positioned to quickly and efficiently represent and respond to clients' needs, shortening the distance between us and our clients. Our services are delivered in an efficient, professional, cost effective and timely manner, keeping always in mind that, as lawyers, we are business facilitators for our clients and must maintain a proactive and preventive approach.

## Team

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Sánchez Devanny refers to Sánchez-Devanny Eseverri, S.C., a leading Mexican law firm that provides full-service legal advice both to Mexican and international clients.

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Sánchez Devanny provides legal services in the areas of Corporate and M&A; Corporate and Project Finance; International Trade and Customs; Real Estate, Infrastructure and Hospitality; Tax; Labor, Social Security and Immigration; Corporate Governance and Regulatory Compliance; Energy, Natural Resources and Environmental; Life Sciences; Intellectual Property, Entertainment and Sports Law; Litigation and Alternative Dispute Resolution; Antitrust; Financial Institutions and Services; Private Wealth Management and Estate Planning and Data Privacy and Information Technology to both public and private clients, especially in the automotive, retail, pharmaceutical, manufacturing, real estate and energy industries.