

An Update on Energy Reform in Mexico
(A Discussion of Regulatory and Policy Challenges)

Mexican Cultural Institute
2829 16th St., NW
Washington, D.C. 20009

September 23, 2016

Agenda

- 8:15am – 9:00am** **Registration and Reception (continental breakfast will be served)**
- 9:00am - 9:10am** **Welcoming Remarks**
HE Carlos Manuel Sada Solana, Mexican Ambassador to the United States
(Confirmed)
- 9:10am – 10:00am** **Keynote Presentation (followed by Q & A)**
Update of the implementation of the new energy model in Mexico
Hon. Cesar Emiliano Hernandez Ochoa, Undersecretary for Electricity, Secretariat of Energy of Mexico (SENER) *(Confirmed)*
- 10:00am-10:45am** **A Conversation with the Commissioner President of CRE**
Hon. Guillermo Garcia Alcocer, Commissioner President, Energy Regulatory Commission (CRE) *(Confirmed)*
- Moderator
Hector Castro Vizcarra *(Confirmed)*
Representative of SENER
Embassy of Mexico
- 10:45am-11:00 am** **Coffee Break**
- 11:00am – 12:00 pm** **Regulatory and Policy Challenges in the Oil and Gas Sector**
- Panel Chairman, Lucian Pugliaresi, President, Energy Policy Research Foundation (Confirmed)*
Moderator: Adam Sieminski, Director, US Energy Information Administration (Confirmed)
- Panelists
David Goldwyn, former State Dept special envoy; President, GGS *(Confirmed)*
Edgar Jones, Commercial BD and Strategy VP, Sierra Oil & Gas *(Confirmed)*
Alberto Galvis, CEO, Citla *(Confirmed)*
Fausto Alvarez Hernandez, Head of Leases and Contracts Technical Administration Unit at National Commission for Hydrocarbons (CNH) *(Confirmed)*
- 12:00 – 12:10 pm** **Concluding Remarks and Adjournment**

About Today's Venue



The Mexican Cultural Institute is affectionately called The Mansion, one of the most spectacular on 16th street. It is historically significant for both countries. It was designed in 1910 by the prestigious architects Nathan Wyeth and George A. Fuller, who earned their reputation by designing the West Wing of The White House. It was built on request by Mrs. Emily MacVeagh, wife of the Secretary of the Treasury during the Taft Administration. The Mansion was the family's residence in the 1910s, becoming the site where some of the most outstanding celebrities of that time were entertained. In 1916, and for a period of five years, the U.S. government rented the Mansion converting it into the official guest house for visiting dignitaries. It was during this time that the magnificent facilities of the mansion housed King Albert and Queen Elizabeth of Belgium during their visit to Washington, D.C.

In 1921, the post-revolutionary government of President Alvaro Obregón purchased the Mansion to house the Embassy of Mexico, while establishing it as the official residence of its representative in Washington, D.C. Mexico's diplomatic relations with the United States would be conducted from this location over the next 69 years, making it a symbol of the bridges of understanding and friendship between the two neighboring countries.

The Mexican government, in a successful attempt to enhance the Mansion's splendor, added a portico to the Italian-style façade. The interior of this magnificent Mansion has aesthetically integrated and combined different styles and shapes, reflecting the dynamics of Mexican culture. Thus, the main hall, inspired by late 15th century Italian architecture, is a majestic setting for the mahogany English banister and 18th century Mexican altarpiece. The three-story mural by Roberto Cueva del Río, depicting some of Mexico's more colorful traditions, provides a breathtaking backdrop to this grand entrance hall.

About Today's Event

In December 2013 Mexico's Congress approved an historic constitutional reform that has transformed the nation's hydrocarbon and power sectors. Energy reform's key principles are to ensure free market access and direct competition amongst state owned enterprises and private companies on the one hand and to create a strong regulatory oversight over a liberalized market on the other. PEMEX, Mexico's national oil company, remains the dominant player within country's energy sector, but large segments of the energy sector are now open to the private both in Mexico and for investors from abroad.

As of September 2016, Mexico has implemented three rounds of bidding with forth "deepwater blocks" expected to be held in December 2016. Energy Reform launched a long term process of establishing of a new oil exploration and production regime under free market rules, institutions, players, patterns of engagement and policies, as well as the development of a centralized wholesale electricity market.

Today's event will explore the status of the reform and explore next steps.

Biographies

HE Carlos Manual Sada Solana, *Ambassador of Mexico to the United States*

Mr. Sada Solana was appointed the Ambassador of Mexico to the United States in April 2016. Prior to assuming his current position, he served as Consul General of Mexico in Los Angeles, CA (June 2013- April 2016); Consul General of Mexico in New York, NY (2011-2013), Minister at the Embassy of Mexico in the United States (2007-2011); Consul General of Mexico in Chicago, IL (2000-2007); Consul General of Mexico in San Antonio, TX (1995-2000) and Consul General of Mexico in Toronto, Canada (1989-1992).

As part of the public administration, he has served as advisor to the undersecretary of education and technological research at the Secretariat of Public Education. At this position he was in charge of Master's Degree Programs and providing equipment to Technology Institutes in Mexico (1980-1981). From 1982-1983 Mr. Sada Solana served as executive member-at-large of the public investment planning and control commission of the government of the state of Oaxaca, where he coordinated federal and state budgets, as well as planning, assignment and monitoring of resources. From 1983-1986 Mr. Sada Solana was a Secretary of State programs of the Government of the State of Oaxaca, where he was responsible for the following sectors: industrial, trade, tourism, agriculture, urban development, fisheries, education, and culture. After that position Mr. Sada Solana served as a secretary of Economic and Social Development of the government of the State of Oaxaca (1986-1989). Mr. Sada Solana served as municipal president of Oaxaca De Juárez, Oaxaca (1993-1995)

Mr. Sada Solana has a degree in industrial engineering from Ibero-American University. He also has postgraduate studies in production system development in University of Newcastle, England; in economic development from University of Delft, Netherlands; and in industrial development at the Institute of Public Administration in the Hague, Netherlands.

Cesar Emiliano Hernandez Ochoa, *Undersecretary of Electricity of the Ministry of Energy*

Dr. César Emiliano Hernández Ochoa was appointed as Undersecretary of Electricity of the Ministry of Energy by President Enrique Peña Nieto on February 5th, 2014. Prior to this designation, on February 16th of 2013, and up until his appointment as Undersecretary, he served as Head of Legal Affairs Unit of Ministry of Energy; and currently he is member of the Governing Board of CFE. Within the Federal Public Administration, he has occupied several important roles: Director-General of Foreign Trade in the Ministry of Economy, Director-General of Legal Counsel of the Federal Government and Director General of Long Distance within the Federal Telecommunications Commission. Furthermore, he was a researcher within the Center for Development and Research (CIDAC), and is author of several books, such as: (The politics of foreign trade: regulation and impact), and (The Captive Reform: Investment, Work and Entrepreneurship in the Mexican Electric Sector). Dr. César Emiliano Hernández Ochoa holds a Bachelor's Degree from the Faculty of Law of the National Autonomous University of Mexico (UNAM), and is a Fulbright and Ford-MacArthur scholarship grantee. He finished his graduate studies in Fletcher School of Law and Diplomacy, and holds a PhD from UNAM, obtained in 2007.

Guillermo Ignacio García Alcocer, *President Commissioner of the Energy Regulator Commission (CRE)*

García Alcocer was appointed President Commissioner of the Energy Regulator Commission (CRE) by the Senate on April 28, 2016. Prior to his appointment, he served as Head of the Policy Unit for Exploration and Extraction of Hydrocarbons at the Secretariat of Energy.

Mr. García Alcocer covers a wide range of areas in the hydrocarbon industry from the public sector, including technical and economic regulation, public policy design, evaluation, and business development.

In April 2014, he was one of three nominated by President Enrique Peña Nieto at the Senate to head the National Hydrocarbons Commission (CNH).

As General Director of Exploration and Exploitation of Hydrocarbons from July 2012 to May 2014, he led the technical group of the Secretariat of Energy which drafted the Energy Reform in the hydrocarbon sector. He was also Director General of Hydrocarbons Industrial Development at the Secretariat of Energy, where he led the design and approval of associations with refining, petrochemical, and logistics companies. In 2012, Lic. García Alcocer was appointed Member of the Board of Petroleos Mexicanos (Pemex), Pemex Exploration and Production, and the Mexican Company of Exploration.

He earned his bachelor in Economics from the Autonomous Technological Institute of Mexico (ITAM). He also made various postgraduate courses at the universities of Oxford, Harvard and George Washington. He was distinguished by the Bank of Mexico with the National Economics Prize and was also awarded the Research Award by the ITAM in 2001.

Fausto Alvarez Hernandez, *Head of the Leases and Contracts Technical Administration Unit of the National Hydrocarbons Commission of Mexico*

In August 2016 Mr. Hernandez was appointed Head of the Leases and Contracts Technical Administration Unit of the National Hydrocarbons Commission - CNH (For its Spanish acronym) where he is currently responsible of the administration of all the awarded Contracts and assigned Exploration and Extraction Leases. Prior to his current position, Mr. Hernandez has worked for Schlumberger and the National Hydrocarbons Commission. During his tenure at Schlumberger, Fausto's responsibilities included: development of B2B content strategy and marketing plans at HQ level-Houston; business development activities and planning of Exploration & Production (E&P) projects in East Asia; and designing and implementing E&P projects in Mexico. At the National Hydrocarbons Commission, he was the Managing Director of the Statistics and Economic Evaluation area where he was in charge of the development of methodologies and economic models, and conduct economic evaluations for the contractual areas and E&P projects.

Fausto Alvarez Hernandez holds a BOE in Industrial Engineering from the Universidad Tecnologica de Mexico, a Master's degree in Business Administration from the Instituto Tecnologico de Estudios Superiores de Monterrey (ITESM), a Diploma in Evaluation of Investment Projects from the Instituto Tecnologico Autonomo de Mexico (ITAM), and also attended to the Universidad Nacional Autonoma de Mexico (UNAM) where he studied for a BOE in Geophysics.

Hector Alberto Castro Vizcarra, *Representative of SENER in the United States*

Mr. Hector Castro Vizcarra was appointed Representative of Mexico's Ministry of Energy at the Embassy of Mexico to the United States in 2014. Prior to assuming his current position, Mr. Castro Vizcarra worked at the Electoral Court of the Federal District in Mexico City, the Ministry of Health's Directorate General of Legal Affairs, the National Council for Education Promotion, and in bilateral bodies such as the US/Mexico Border Health Commission.

Besides the public sector, Mr. Castro Vizcarra has held positions in the private sector at several prestigious Mexican law firms. He also published several academic papers and taught at the Escuela Libre de Derecho in

Mexico City and the Autonomous University of Baja California. He was also a political analyst for a Mexican newspaper. Mr. Castro obtained a law degree from Escuela Libre de Derecho in Mexico City and studied Strategic Political Analysis at CIDE, as well as Political Communication at the London School of Economics and Political Science. Currently, he is a PhD Candidate in Government and Political Administration at Complutense University of Madrid. Mr. Castro Vizcarra has participated in several forums explaining the new Mexican energy model such as the Council of the Americas, Wilson Center, MIT, The Minnesota International Center; and other entities. As well he is involved in the bilateral agenda with the United States Government on energy policies.

Adam Sieminski, *Administrator of the U.S. Energy Information Agency*

Adam Sieminski, Administrator of the U.S. Energy Information Agency (EIA), will provide an update on the latest EIA analysis regarding North American energy markets, as well as the recent establishment of a North American framework to share energy information. This continental information collaboration was initiated in a December 2014 Memorandum of Understanding among Mexico, the United States and Canada to create an institutional framework for consultation and sharing publicly available materials to improve energy information and energy outlooks for North America. This work intends to: improve respective energy import and export data; share publicly available geospatial information related to energy infrastructure; exchange views and projections on energy flows; and develop a cross reference for terminology, concepts, and definitions

Edgar Jones, *Commercial BD and Strategy VP, Sierra Oil*

Prior to assuming his current position at Sierra Oil, Mr. Jones has served at various key roles in Statoil, which included commercial manager for the Marcellus shale gas asset and head of market intelligence at the upstream strategy group at Statoil. Prior to that, Mr. Jones served as Commercial Crude Oil Manager for Europe and Asia at Petroleos Mexicanos Internacional (PMI). Mr. Jones received an MBA from the London School of Economics, University of Vienna and Mexico's ITAM. He was a visiting research fellow at the University of Oxford Energy Studies Institute. Mr. Jones has over fifteen years of commercial and exploration experience in Mexico and internationally.

Lucian Pugliaresi, *President of Energy Policy Research Foundation, Inc. (EPRINC)*

Prior to his appointment as President of EPRINC, Mr. Pugliaresi served in a wide range of government posts, including the National Security Council at the White House (Reagan Administration), Departments of State, Energy, and Interior, as well as the EPA. He has written extensively on energy and frequently testifies before various committees of the U.S. Congress. His career in the federal government included central policy roles in the development of the Strategic Petroleum Reserve, decontrol of domestic crude oil and gasoline prices, nuclear nonproliferation, offshore oil and gas leasing on federal lands, U.S. trade policy, environmental regulations, energy security, and U.S./Soviet relations. Mr. Pugliaresi is a frequent contributor to the Wall Street Journal.

David Goldwyn, *President, Goldwyn Global Strategies*

David Goldwyn is president of Goldwyn Global Strategies, LLC (GGS), an international energy advisory consulting agency. He is Chairman of the Atlantic Council Energy Advisory Board, a Nonresident Senior Fellow at the Brookings Institution and at the Atlantic Council, and is also a Senior Associate with the Africa Program at the Center for Strategic and International Studies. Mr. Goldwyn is a member of the U.S. National Petroleum Council, and an alternate member of the US Extractive Industries Transparency Initiative.

Mr. Goldwyn served as US State Department's special envoy and coordinator for international energy affairs from 2009 to 2011, reporting directly to Secretary of State Hillary Clinton, where he conceived and developed the Global Shale Gas Initiative and the Energy Governance and Capacity Initiative, led ministerial level energy dialogues with the developing world, and co-chaired a regional biofuels initiative with Brazil. He had previously served as assistant secretary of energy for international affairs (1999-2001); counselor to the secretary of energy (1998-99); national security deputy to US Ambassador to the United Nations Bill

Richardson (1997-98); chief of staff to the undersecretary of state for political affairs (1993-97); and an attorney-adviser in the Office of the Legal Adviser at the State Department (1991-92).

Mr. Goldwyn has been published extensively on topics related to energy security and transparency. Mr. Goldwyn is the author of *Drilling Down: The Civil Society Guide to Extractive Industry Revenues* and the EITI (Revenue Watch Institute 2008). He has authored and co-authored numerous reports on regional energy issues, including: "Africa's New Energy Producers: Making the Most of Emerging Opportunities" (CSIS, January 2015), "Mexico's Energy Reform: Ready to Launch" (Atlantic Council, August 2014), "Uncertain Energy: The Caribbean's Gamble with Venezuela" (Atlantic Council, July 2014), and "Mexico Rising: Comprehensive Energy Reform at Last?" (Atlantic Council December 2013). He is the co-editor of *Energy & Security: Strategies for a World in Transition* (Wilson Center Press/Johns Hopkins University Press 2013).

Alberto Galvis, CEO Citla Energy

Alberto Galvis joined Citla in 2016. Prior to his current position Mr. Galvis served at various commercial and management roles in BP. He has had broad international experience with number of prominent projects North Sea, Algeria, US (Gulf of Mexico), Colombia, Venezuela, Bolivia, Argentina and Mexico. Mr. Galvis has a significant experience in Latin America as Regional President for BP Andean (BP Colombia and Venezuela), Regional President for BP Southern Cone (Argentina, Bolivia and Chile), and Vice-president BP Exploration & Production Mexico. Mr. Galvis has law degree and completed executive education in MIT, Cambridge, Wharton and Darden School of Business.

About CRE

The Comisión Reguladora de Energía (CRE) is the regulating agency in charge of electricity and hydrocarbon markets in Mexico. Among its responsibilities is ensuring quality and security of gas supply, adequate coverage and competitive electricity prices for the consumers. CRE is responsible to regulate gas industry refining industry and electricity market in a transparent, impartial and efficient way.

About CNH

The Comisión Nacional de Hidrocarburos (CNH) was established in November 2008 as an organization with technical autonomy to regulate, oversee, and evaluate all hydrocarbon exploration and production activities in the country, including production, transportation and storage. It also manages tendering processes for contracts for the exploration and extraction of hydrocarbons in Mexico.

About Energy & Diplomacy

Energy & Diplomacy is an initiative by the Ministry of Energy of Mexico (SENER) that congregates government officials responsible for energy affairs from different Embassies. As of August 2016, the Initiative is formed by more than 30 countries. The objective is to discuss best international practices on energy affairs, regulations and outlook in the sector, as well as to foster cooperation opportunities in diverse topics among countries.

Throughout the year, there have been five events. Every reunion features a keynote speaker from the US Government that briefs the Ministers on Energy Affairs on such issues as fracking, energy markets in North America, data sharing & mapping, Mission Innovation and other topics aimed to understand and discuss US energy policies.

Currently, the countries that are part of this initiative are: Argentina, Azerbaijan, Belgium, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Denmark, Dominican Republic, Ecuador, El Salvador, Finland, France, Georgia, Germany, Guatemala, Honduras, Iceland, Japan, Mexico, Netherlands, United Kingdom, New Zealand, Nicaragua, Norway, Panama, Russia, Singapore, Switzerland, Sweden, Ukraine and ten other countries have also been invited to join the group.

About EPRINC

The Energy Policy Research Foundation, Inc. (EPRINC) was founded in 1944 and is not-for-profit, non-partisan research institute that studies energy economics and policy issues with special emphasis on oil, natural gas, and petroleum product markets. It is known internationally for providing objective and technical analysis on a wide range of energy issues. EPRINC is funded by a variety of donors including foundations, the private sector, and the U.S. government. EPRINC publications on developments in U.S. and international petroleum markets and public policies regulating energy markets are made available on our website: www.eprinc.org. The EPRINC Embassy Series seeks to present a wide range of perspectives on the future of U.S. energy policy through engagement of experts, policy makers, and the Washington diplomatic community.