Mexico's Congress is currently debating a proposed amendment to the constitution to allow the state to increase control over the country’s energy market.

**If approved, the bill will**

- Grant the state electricity company – Comisión Federal de Electricidad (CFE) – 54% of the power output market and control over the terms and conditions of private energy companies.
- Eliminate independent regulators like the National Hydrocarbons Commission (CNH) and the Energy Regulatory Commission (CRE) in favor of regulators under the control of the Energy Ministry.
- Prioritize the use of CFE’s traditional fossil fuel-based energy plants over private renewable energy.
- Reduce space for foreign direct investment in Mexico’s energy sector.

**Detractor’s Arguments**

- Slows Mexico’s clean energy pledge (35% by 2024) and hinders global and US-Mexico clean energy efforts.
- Contradicts USMCA’s requirement of national or equal treatment by favoring state-owned companies.
- Increases energy costs for Mexico’s manufacturing center due to preference for higher cost hydrocarbon-based energy generation.
- Compromises $44 billion-worth of private energy generation, $26 billion of which is renewable energy.

**Supporter’s Arguments**

- Ends preferential treatment for private energy firms.
- Grants the government ability to regulate electricity prices.
- Limits limit energy sales from projects funded by foreign private finance.

**Approval requires 2/3 congressional support**

<table>
<thead>
<tr>
<th>Upper Chamber</th>
<th>Lower Chamber</th>
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<tbody>
<tr>
<td>128 Members</td>
<td>500 Members</td>
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<tr>
<td>89 Total Members</td>
<td>330 Total Members</td>
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<tr>
<td>76 Votes needed for approval</td>
<td>274 Votes needed for approval</td>
</tr>
<tr>
<td>62 Expected votes in favor (MORENA + allies)</td>
<td>202 Expected votes in favor (MORENA + allies)</td>
</tr>
</tbody>
</table>

**MORENA congress members**

MORENA, the ruling party, does not have the supermajority in the upper or lower house needed to get the bill approved.

**Sources:**
- [https://www.senado.gob.mx/54senadores/integracion/](https://www.senado.gob.mx/54senadores/integracion/)
- [https://www.reuters.com/world/americas/mexico-president-says-electricity-reform-has-been-sent-to-congress-2021-11-01/](https://www.reuters.com/world/americas/mexico-president-says-electricity-reform-has-been-sent-to-congress-2021-11-01/)