



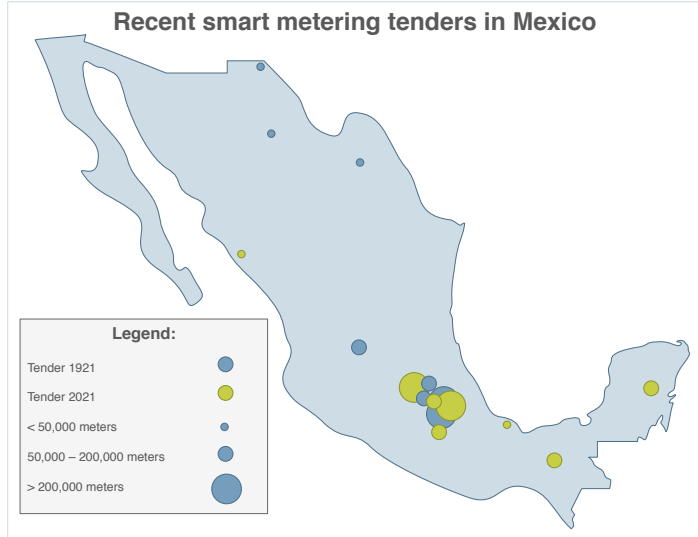
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Mexico Smart Grid:
Market Forecast (2015 – 2025)

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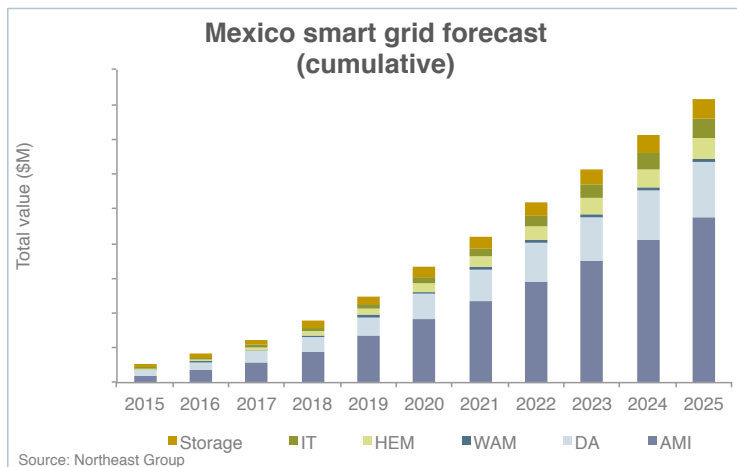
Mexico Smart Grid: Market Forecast (2015 – 2025)

Mexico is steadily progressing in developing one of the largest smart grid markets in both Latin America and among all emerging market countries. Since the second volume of this study was published back in 2013, Mexico has begun developing a smart grid regulatory framework and announced tenders for over 2 million AMI meters. Large-scale smart grid investment is now expected in the near-to-medium term. This will provide American, international and domestic Mexican smart grid vendors with numerous opportunities to expand in the country.



Mexico’s smart grid development is driven by both regulatory incentives and business case benefits. Overall transmission and distribution (T&D) losses and electricity consumption rates are average for emerging markets. However, in some cities theft rates are among the highest in the world and in other areas average electricity consumption rivals levels seen in developed countries. Meanwhile, slumping energy supplies and high carbon emissions have vaulted energy reform to the top of the political agenda. Recent reforms enacted by President Peña Nieto will expand the number of small-scale generators in the electricity market, meaning that Mexico will need a more flexible and resilient grid.

The transmission and distribution segments remain entirely controlled by a single state-owned utility (CFE), and ultimately CFE will dictate the pace and scale of smart grid deployments in Mexico. CFE has set deployment targets, and the regulator CRE is nearing completion of a



regulatory framework. CFE’s monopoly may lead to some inefficiencies, and the pace of rollouts could vary. But ultimately, the single-utility structure should ensure that once deployments begin, they will be streamlined and spread quickly throughout the country. By 2025, Mexico will have deployed smart meters to 74% of its customers and added large-scale

investments in distribution automation, wide area measurement, home energy management, information technology, and battery storage.

Key questions answered in this study:

- What smart grid tenders have been announced and who has won the most recent tenders?
- Which regulations and incentives are being considered for a smart grid roadmap?
- How do recent energy sector reforms affect smart grid?
- Which local vendors are active and who are they likely to partner with?

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