

THE REGULATORY ENVIRONMENT

The new Secretariat of Energy has broad responsibilities on paper, but it is too soon to judge whether it will wield any real clout in the policy arena.

On December 28, 1994, the Mexican government dismantled the old *Secretaría de Energía, Minas e Industrias Paraestatal (SEMIP)*, Secretariat of Energy, Mines, and State-owned Industries, and created a much slimmed-down *Secretaría de Energía (SE)*, Secretariat of Energy. Mining policy responsibilities were shifted to the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development. Observers are doubtful that the new energy secretariat will have a great deal of influence, because the directors of both *Petróleos Mexicanos (PEMEX)*, the national oil company, and the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, will continue to have independent access to the President of Mexico.

Article 33 of the executive decree that created the new energy secretariat defines its functions.

- Conduct Mexico's energy policy.
- Exercise the public jurisdiction over hydrocarbons, nuclear energy, and all assets and resources required to generate, transmit and supply electricity as a public service.
- Manage public activities in the exploitation of hydrocarbons and the generation of electricity, with due respect for the ecological laws.
- Participate in international consultations and advise the *Secretaría de Relaciones Exteriores (SRE)*, Secretariat of Foreign Affairs, concerning international agreements and treaties.
- Promote the participation of the private sector in the generation and efficient use of energy.
- Carry out medium- and long-term energy planning, including defining the role of state-owned enterprises.
- Grant energy concessions, authorizations and permits.
- Conduct and promote studies and research on a variety of energy issues, including efficiency, infrastructure, marketing, prices and tariffs.
- Regulate and issue official norms relevant to the energy sector.
- Regulate and issue *Normas Oficiales Mexicanas (NOMs)*, official standards, with respect to radioactive materials and nuclear power.
- Conduct the national petroleum inventory.
- Carry out other tasks required by laws and regulations.