

There have been a number of false starts to the privatization program. For example, the proposed coal-fired *Carbón II* plant that was to be built in the state of Coahuila was scrapped because the investor-operators demanded the right to set rates for electricity generated at the plant in order to pay for costly anti-pollution equipment. *Grupo Acerero del Norte* and the Texas-based Mission Energy were the principal investors involved.

Another proposed private electricity plant, *Mérida III*, has attracted bidders from Japan, the United States, Germany, Spain and Brazil, as well as Gutsa from Canada. Several Mexican engineering firms are also on the bidder's list. Concessions were due to be announced in early 1995, but the project has reportedly been delayed. This gas-fired plant, to be located in the Yucatán, has been in the planning stages since 1992.

In August 1995, the *CFE* announced that it would issue tenders for the construction of six generation plants by the end of the year. The announcement added these were the first of 13 plants, worth about US \$8.5 billion, that would be needed by the year 2000. These plants are expected to be financed under the BLT option, which has already been used by the *CFE* for seven previous projects.

The six plants included four thermoelectric facilities including one in Campeche, one in Sonora and two in Baja California. The other two tenders will be for hydroelectric projects in El Cajón in the state of Nayarit and La Parota in the state of Guerrero.

MEXICO CITY CENTRAL LIGHT AND POWER

Until recently, the *Compañía de Luz y Fuerza del Centro (LyF)*, Central Light and Power Company, was operated as a subsidiary of the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, and it was responsible only for distribution in the Mexico City metropolitan area. In February 1994, *LyF* became an independent utility and it will now be responsible for generation as well as distribution. Initially, the company is looking for consultants to train its staff. Several tenders for projects to upgrade existing facilities are expected over the next two years. Included are an increase from 45 megawatts to 75 megawatts for both the Tepexic and Patla plants. Several new build-operate-transfer (BOT) power generation projects are expected over the period 1996 to 1998.