Global Sustainable Buildings Guide - Mexico

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# Authors

# Green Certification

## Is there a nationally adopted and recognized form of certification for buildings? What is it and is it mandatory for all new buildings and refurbished buildings?

Even though Mexico has some platforms and programs that promote environmental awareness, there is still a lot more to be done. The national legislation could introduce additional requirements that would benefit both the environment and the population.

Cooperation is an important factor in this matter. Organizations like Building Research Establishment Environmental Assessment Methodology (BREEAM), Leadership in Energy and Environmental Design (LEED) and the World Green Building Council, among others, are working side by side with many countries to promote environmental awareness and the benefits that often follow.

According to the US Green Building Council, Mexico ranks 10th in the world on its annual list of “Top 10 Countries and Regions for LEED in 2023” with 86 certified new projects, and a total of around 729 registered projects under LEED across the country. Of this figure, six projects in Mexico City are certified under the International Living Future Institute’s Living Building Challenge, and 12 projects are certified under the Certification Program for Sustainable Buildings in Mexico City, also known as Programa de Certificacion de Edificaciones Sustentables (PCES). All of these programs are voluntary and nonmandatory.

In Mexico, legislative activity has played an important role in promoting environmental measures through the issuance of the General Law of Climate Change (Ley General de Cambio Climático), the Environmental Liability Law (Ley de Responsabilidad Ambiental) and the Energy Transition Law, published on 24 December 2015 in the Official Journal of the Federation (Ley de Transición Energética). The Energy Transition Law abrogated the Law for Sustainable Use of Energy (Ley para Aprovechamiento Sustentable de la Energía) and the Law for the Use of Renewable Energy and Financing of Energy Transition (Ley para el Aprovechamiento de Energías Renovables y el Financiamiento de la Transición Energética). Among its other objectives, the General Law of Climate Change promotes the practice of energy efficiency, the development and use of renewable energy, and the development of technology for low-carbon emissions. The Environmental Liability Law regulates liability borne out of harm to the environment and stipulates repair and compensation. The Energy Transition Law aims to regulate (i) the sustainable use of energy, (ii) the obligations of clean energy, (iii) the reduction of pollutant emissions from the electricity industry, thereby maintaining the competitiveness of the productive sectors, and (iv) some nonmandatory frameworks to promote sustainability for buildings.

Most of the environmental and energy transition regulations that deal with sustainability issues in Mexico are called the Mexican Official Standards (Normas Oficiales Mexicanas). As these standards continue to be created and applied at a national level, regularization is gradually growing, and more people within the private and public sectors are realizing their importance.

In 2008, the government of Mexico City created a program known as the Certification Program for Sustainable Buildings (Programa de Certificacion de Edificaciones Sustentables). Its goal is to promote eco-friendly building construction, refurbishments, and remodeling by establishing a standard by which commercial and residential buildings can be graded according to their sustainability level. It offers several tax incentives, such as discounts on water supply, payroll tax, property taxes and construction licenses, financing at preferable rates, and expediting of government paperwork.

Twelve buildings have been certified under this program, and 49 buildings are in the process of being certified — an indication of the certification’s growing popularity.

Mexican authorities constantly update the Mexican Official Standard that regularizes and categorizes the requirements for sustainable buildings, and the technical specifications for equipment and products to be used in such buildings.[1] In particular, the standard for sustainable buildings, which today is called NMX-AA-164-SCFI-2013 “Sustainable Building – Criteria and Minimal Environmental Requirements” (NMX), was created in 2013. It is to be applied voluntarily at a national level to all new and refurbished buildings within Mexican territory, whether public or private.

It applies to various phases of development, such as design, construction, operation, maintenance, and demolition, including remodeling and renovation projects.

This NMX has been operative for more than a year. Due to its voluntary nature, it remains to be seen how many buildings will comply and how much of an effect it will have across the country in the near future.

[1] NOM-003-ENER-2011 Thermal efficiency of water heaters for domestic and commercial use; NOM-007-ENER-2014 Energy efficiency for lighting systems in non-residential buildings; NOM-008-ENER-2001 Energy efficiency for non-residential building envelope; NOM-009-ENER-2014 Energy efficiency in industrial thermal insulation systems; NOM-011-ENER-2006 Energy efficiency in air conditioners central operation type; NOM-017-ENER/SCFI-2012 Energy efficiency and security requirements for ballasted compact fluorescent lamps; NOM-018-ENER-2011 Thermal insulation for buildings; NOM-020-ENER-2011 Energy efficiency for envelope in residential use buildings; NOM-021-ENER/SCFI-2008 Energy efficiency and safety requirements for air conditioners room type; NOM-023-ENER-2010 Energy efficiency in air conditioners split type; NOM-024-ENER-2012 Thermal and optical characteristics for glass and glazing systems for buildings; NOM-030-ENER-2012 Energy efficiency for light emitting diodes (LED), residential and non-residential use; NOM-031-ENER-2012 Energy efficiency for LED for roads and public outdoors areas; NOM-032-ENER-2013 Energy efficiency in standby power products.

# Energy Performance Certificates and Minimum Energy Standards

## Is there a mandatory form of energy performance certification? When does it apply and are there any prescribed minimum standards?

There are no mandatory forms of energy performance certification in Mexico. However, the NMX contemplates the issuance of a certificate for buildings that comply with its technical specifications.

A party has the option to request a verification unit (in terms prescribed by the Federal Law of Metrology and Standardization) to verify the building’s level of compliance with the standards. The verification unit performs the evaluation in accordance with the requirements and criteria stated by the NMX.

With the aim of further promoting energy efficiency and renewable energy, the Energy Transition Law was developed. This law also regulates the use of renewable energy sources and establishes a national strategy to apply this type of regulation to each Mexican state. In addition, it indicates the instruments that can be used to finance the energy transition (prior to the publication of this law, this regulation was mandated through the Law for the Use of Renewable Energy and Financing of Energy Transition).

However, the Energy Transition Law does not require a specific mandatory process with which buildings or any other type of dwelling must comply, even when it (i) promotes and structures procedures to regulate energy transition and renewable energy and (ii) includes a program called “Recognition for Excellence in Energy Efficiency.” This program is a voluntary certification and recognition process to identify and promote products, equipment and buildings designed and equipped to promote the sustainable use of energy through a voluntary labeling scheme for products and buildings to identify the highest standards of energy efficiency in Mexico. Hence, the Energy Transition Law is more of a matter of promoting and planning improvements in energy performance rather than being forcefully applicable.

# Incentives for Green Retrofit

## Are there any government-funded or sponsored schemes for improving the energy efficiency of existing buildings and, broadly, how do they work?

The government of Mexico City created a program that offers incentives to those who build, transform or adapt existing and/or future buildings to sustainable and energy-efficiency schemes.

Sustainable energy use in Mexico is also promoted through legal standards that focus on energy efficiency, and by the implementation of energy transition programs that finance efficient technology.

There are programs that focus on improving energy efficiency in Mexico and, although they do not necessarily target buildings, the Ministry of Energy (Secretaría de Energía) in Mexico has taken its first step in this issue by sponsoring the following two programs:

The National Project for Energy Efficiency in Municipal Public Lighting (Proyecto Nacional de Eficiencia Energética en Alumbrado Público Municipal), which is operated by the National Commission for the Efficient Use of Energy (Comisión Nacional para el Uso Eficiente de la Energía), targets the public sector in municipalities and is mostly urban-oriented.

The Program for Funds and Company Energy Efficiency, also known as Company Eco-Credit (Programa de Ahorro y Eficiencia Energética Empresarial), is operated by the Trust Fund for Electric Energy Savings (Fideicomiso para el Ahorro de Energía Eléctrica) with resources coming from the Fund for Energy Transition and the Sustainable Use of Energy (Fondo para la Transición Energética y el Aprovechamiento Sustentable de la Energía). This program provides financing to consumers that have rates of two and three (commercial rates of low energy consumption) and that are small and medium companies with between one to 199 employees. This financing is focused on substituting inefficient electric equipment for energy-efficient equipment, such as commercial refrigeration, electric motors, air-conditioning, efficient lighting, and electrical substations.

The Mexican government is also involved in other programs that help promote energy efficiency. Among these is the program called “This is your home” (Esta es tu casa) in which the government financially aids people with a low income to buy, build or remodel homes on the condition that their residences are equipped with eco-technologies.

Recently, the federal government also approved two “special programs” in terms of the Planning Law (Ley de Planeación). These are (i) the National Program for Sustainable Use of Energy (Programa Nacional para el Aprovechamiento Sustentable de Energía) and (ii) the Special Program for the Development of Renewable Energy (Programa Especial para el Aprovechamiento de Energías Renovables), which is in accordance with the regime prior to the energy reform. These special programs are still mandatory for the federal government. Under the Energy Transition Law, these special programs have the same mandatory treatment and must be coordinated with a new planning document called the Transition Strategy to Promote the Use of Technologies and Cleaner Fuels.

These programs consist of targets, strategies and action lines that allow optimum use of energy in all processes and activities for its exploitation, production, transformation, distribution, and consumption. These programs also address important topics that promote and encourage energy efficiency, renewable energy, and energy transition in the country, such as the following:

Energy-efficiency programs

Regulation of energy efficiency

Cooperation mechanisms

Institutional capacitation

Culture in energy savings

Investigation and technological research

National targets for renewable energy, energy transition and energy efficiency

Clean technologies to satisfy the power consumption requirements

Although the promotion of energy efficiency, renewable energy and energy transition is beginning to make waves throughout Mexico, an implementation strategy is still needed. For instance, the Certification Program for Sustainable Buildings in Mexico City was created to motivate and encourage people to build or refurbish, but professionals and entrepreneurs have complained that (i) only entities established by the program may advise during each stage of the construction process and (ii) the cost of implementation is high. As a result, potential investors have steered clear of using the program for their construction projects.

# CO2 and Energy Targets

## Are there any national targets for CO2 reduction and/or energy use reduction from buildings? If there are, are there any exclusions?

Concerning specific energy use, a building’s compliance with the NMX, as referred to in previous sections, requires that heating be reduced by at least 10% with respect to the entire building. The reduction must be calculated by methods established by other applicable Mexican Official Standards, which mainly address energy for residential and nonresidential building cooling systems.

As of today, the only Mexican Official Standard that regulates CO2 reduction and energy efficiency is targeted at automotive vehicle companies as an aggregated value in the weighted value for CO2 reduction and energy performance goals in vehicle sales each year.

There are also other laws and regulations that deal with CO2 more generally, although they are not targeted specifically at buildings. They include the General Law of Ecologic Equilibrium and Environmental Protection (Ley General de Equilibrio Ecológico y la Protección al Ambiente) and the Regulation in Prevention and Atmosphere Pollution Control Matters (Reglamento en Materia de Prevención y Control de la Contaminación Atmosférica). In addition, the Energy Transition Law gives specific power to the Ministry of Environment and Natural Resources (Secretaría de Medio Ambiente y Recursos Naturales) to regulate the power industry’s CO2 emissions through several mechanisms.

On 13 July 2018, the General Law of Climate Change was amended to reflect Mexico’s most recent international commitments under the Paris Agreement. One of the most significant results stemming from these amendments was the establishment of the country’s first legal grounds for a carbon credit market. According to the General Law of Climate Change, the Federal Ministry of Environment and Natural Resources, the Climate Change Commission (Comisión Intersecretarial de Cambio Climático) and the Climate Change Board (Consejo de Cambio Climático) must establish the Emissions Trading System (ETS) to develop, at the lowest cost and on a measurable and reportable basis, the carbon credit market, following competitiveness principles of the participating sectors vis-à-vis international markets. An accord establishing the pilot program for the ETS was published on 1 October 2019, and said program was successfully implemented between 1 January 2020 and 31 December 2022. It is expected that the definitive guidelines for Mexico’s carbon credit market will be released in the near future, through the issuance of new regulations and/or an amendment to the existing General Law of Climate Change.

# Renewable Energy

## Are there any regulations requiring a percentage of energy consumption to come from renewable sources?

Mexico has no regulations requiring a percentage of energy consumption to come from renewable resources in buildings. However, the NMX requires every sustainable building to satisfy at least 10% of its total building energy demand with renewable sources, whether it is generated inside or outside the building.

Even though there are currently no regulations that mandate a percentage of energy to come from renewable resources, there are several other Mexican Official Standards that apply nationally and establish requirements and guidelines for efficient energy use for various appliances and buildings. These include energy efficiency for lamps of general use, energy efficiency for residential buildings and energy efficiency for domestic electric refrigerators and coolers.

According to the energy reform implementation process, the Energy Transition Law, which the legislative chambers recently approved, aims to abrogate the Law for the Use of Renewable Energy and the Financing for Energy Transition and the Law for the Sustainable Use of Energy. This new law, which was published in the Official Journal of the Federation on 24 December 2015, establishes a national strategy for finding and implementing different approaches to an improved use of clean energy, sustainable use of energy and energy transition. Among its mandatory targets, this new law sets the following percentages for clean energy in the power generation national portfolio: 25% in 2018 and 35% in 2024 requiring energy from clean sources.

There are currently several NMX projects regarding energy efficiency that are waiting to be reviewed and are expected to come out in the next few years.

# Regulation

## What other national regulatory measures are there, such as taxes on energy consumption and/or tax reliefs on energy-saving measures, that can encourage more efficient use of energy in buildings?

As of today, the government of Mexico City, through its Certification Program for Sustainable Buildings, is the only administration in the country that offers tax incentives. They include discounts on property taxes and construction licenses, financing at preferable rates, and expediting the execution of government paperwork.

If complied with, the Official Mexican Standard (NOM) (which applies at a national level but is not mandatory) offers benefits regarding energy use, such as energy-saving measures and the use and production of clean energy from the same building, all of which are further detailed along with other requirements with which they must also comply.

As both the private and public sectors are beginning to implement the measures, it remains to be seen how many other jurisdictions across the country will follow and how the legislation might implement more incentives.

# Financing

## Are there any public or private “green” financing initiatives for sustainable real estate projects?

In 2007, the Institute of the National Fund for Workers’ Housing (Instituto del Fondo Nacional de la Vivienda para los Trabajadores, commonly known as INFONAVIT), the country’s largest mortgage lender, created a program called “Hipoteca Verde” (Green Mortgage) in which consumers could get an additional credit of up to MXN 38,000 (about USD 2,800) and minimum monthly savings of up to MXN 400 (about USD 30).

The program offered credits for housing that is bought, built, extended, or remodeled and equipped with energy-saving accessories for water, gas and electricity, such as faucets, light bulbs, and solar heaters.

INFONAVIT credit is also offered to those who want to build on their own property, and an additional amount of credit is granted specifically to cover the costs that installations generate to comply with the minimum energy, water and gas saving standards stated by the program. The installations must be purchased by suppliers authorized by the program. Loan amounts will form part of the mortgage owed to INFONAVIT, which, in turn, will pay the suppliers.

Private sector companies have also participated in “green” financing initiatives, exemplified by the alliance between the International Finance Corporation and Santander that commenced in May 2023. This collaboration aims to support and provide financing to sustainable construction projects in Mexico. Others, like CEMEX, have embarked on significant investments to reduce CO2 emissions in processes associated with construction products, such as cement.

# Planning

## Is the national or local/state government able to mandate green initiatives via the planning/zoning regime (e.g., district heating systems on large developments)?

At present, the Mexican government has yet to mandate any sort of green initiatives. Nevertheless, it has developed certain environmental requirements by imposing restrictions on actions involving the transportation, use, handling or disposal of hazardous waste and by implementing requirements that local and national governments must consider when making decisions that involve policies relating to the environment.

The government has taken the first step in implementing other initiatives and programs to protect the environment. There is a form of voluntary application for sustainable buildings. As more standards and laws are gradually created, there will be significant changes that will help achieve green goals.

# Green Leases

## Are green leases or green lease provisions mandatory or optional? If mandatory, to whom do they apply? If optional, is there significant take up?

The term “green lease” is relatively new in Mexico. Rather than green leases, contracts include green clauses. They are most common in regard to buildings that require every office or residency to comply with specific regulations.

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