



# **Earning Release**

# **Second Quarter 2021**

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Dear Investors,

It is an honor for me to address you on behalf of the CFECapital team (CFECapital, S. de R.L. de C.V.) in our character as Trustee and Administrator, duly constituted and validly existing in accordance with the laws of Mexico, to present the second quarterly report of 2021 of CFE FIBRA E (Irrevocable Trust Number CIB/2919). The most relevant events for the Federal Electricity Commission (CFE) and the electricity industry during the months of April, May and June 2021 are presented below

On **April 29<sup>th</sup>, 2021**, CFE reported audited annual Financial Statements as of December 31<sup>st</sup>, 2020 and the results corresponding to the first quarter 2021. In the first outcome, the accumulated income presented was \$502.859 billion pesos and a reduction in costs of energy and fuels were reported for \$80.680 billion pesos. In addition, there was an Operating Result of \$18.849 billion pesos, despite the global economic crisis caused by SARS-CoV2. For its part, in the Financial Statements of the first quarter of 2021, it was detailed that the accumulated income was for \$152.578 billion pesos, which represents an increase of 22% compared to the same period of the previous year.

On **April 30<sup>th</sup>, 2021**, the CFE General Director gave his annual report to the Corporate Board of Directors at the 43<sup>rd</sup> Ordinary Session, and stated that the company is in a new stage of continuous strengthening.

On **May 25<sup>th</sup>, 2021**, CFE carried out a successful placement of stock certificated for 10 billion pesos, with a total demand of 1.82 times the maximum expected amount, which reflects the confidence of national investors in the State Productive Company. The use of the resources obtained is for the refinancing of previously contracted obligations, so the financial operation does not represent a greater debt for CFE. The placement of stock was rated “AAA” in a local scale by Fitch Ratings, Moody’s and Standard & Poor’s.

On **May 26<sup>th</sup>, 2021**, Noé Peña, CFE Transmission CEO, presented his results report to CFE Transmission Board of Directors, in which he reported new projects of expansion and modernization to ensure the reliability and stability of the National Transmission Grid. The projects that will be carried out are 199 priority projects in the period of 2020-2024.

On other news, during the period from April 1<sup>st</sup> to June 30<sup>th</sup>, 2021, the price ranged from \$27.91 to \$29.02 pesos per certificate, with a weighted average price being \$28.18 pesos.

The second quarter distribution corresponded to a total of 13 weeks of operation, where the Technical Committee of the Issuer Trust approved a total amount to be distributed among the holders of \$881,622,460 Mexican pesos. Resulting in a distribution of \$0.7725 MXN/CBFE for Series “A” (FCFE18) and of \$0.7824 MXN/CBFE for Series “B” (FCFE18-2). For Series “A”, \$0.5021 MXN corresponded to fiscal profit and \$0.2704 MXN to capital reimbursement. For Series “B”, \$0.5085 corresponded to fiscal profit and \$0.2739 MXN to

capital reimbursement. The purpose of the composition is to ensure compliance with the CFE FIBRA E regime, maintaining its tax benefits. It is important to note that the second quarter distribution of 2021 has been the highest of the second quarter distributions of previous years.

This report includes the criteria for compliance with the tax regulations of the investment regime, the tax treatment of distributions, information on account statements, investment indicators and reimbursements for the maintenance and operation of the National Transmission Grid.

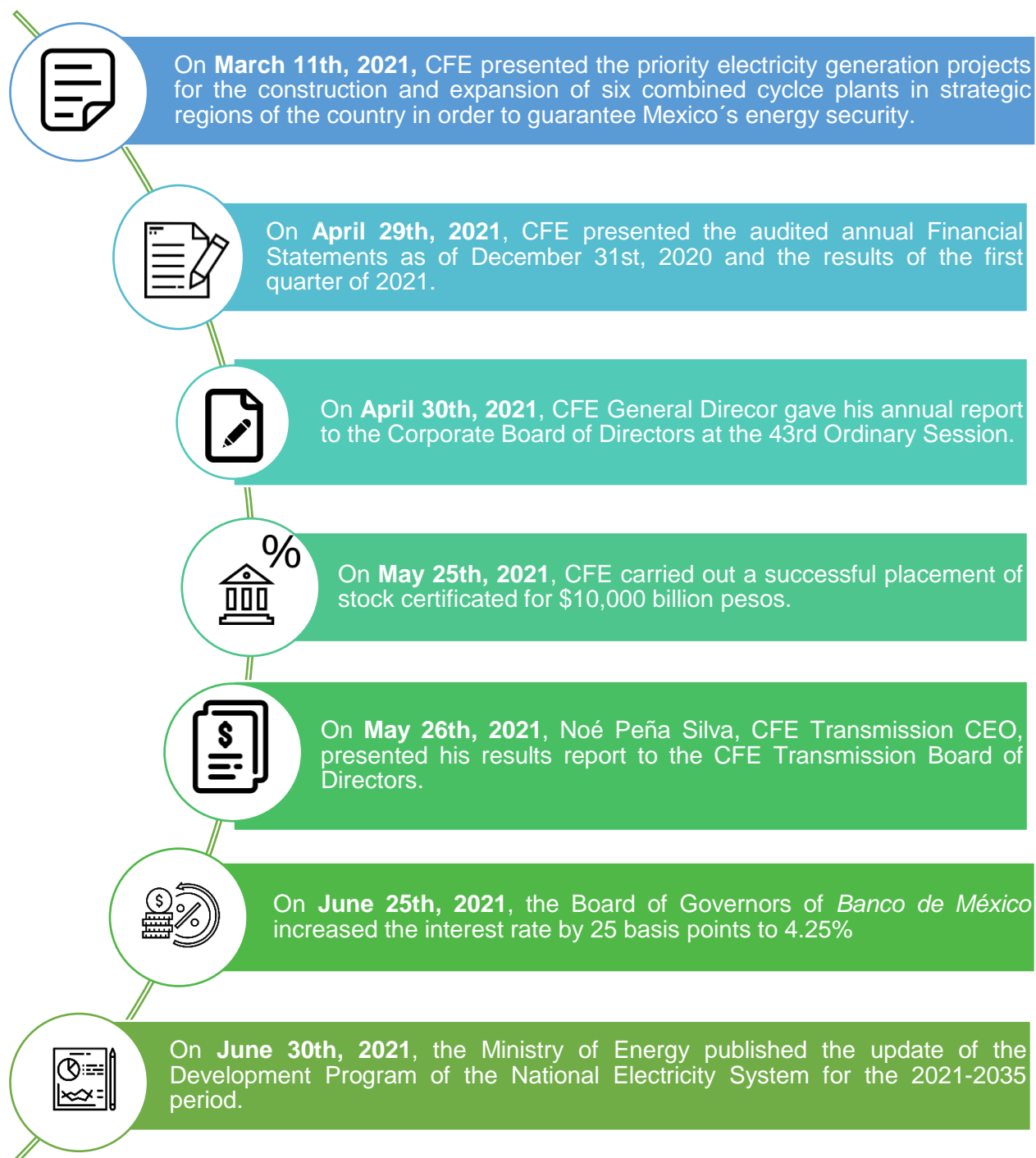
To conclude, I would like to highlight that the electricity demand during this quarter showed an accelerated recovery, with levels observed above the equivalent months of 2020 and even 2019<sup>1</sup>. Market expectations were exceeded. The defensive nature of the sector made possible to overcome the effects of the pandemic.

**José Arturo Cerón Vargas**  
**CFE Capital CEO**

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<sup>1</sup> According to CENACE, the volumes of electric energy for this quarter would be similar to the ones in 2019.

## II. Relevant Events for CFE FIBRA E during 2Q2021



Source: CFE press bulletins from March to June 2021, information from *Banco de México* and SENER.

### III. CFE FIBRA E performance 2Q2021

**Graph 1. FCFE 18 Price and Volume for 2Q2021 and until June 30<sup>th</sup>, 2021.**

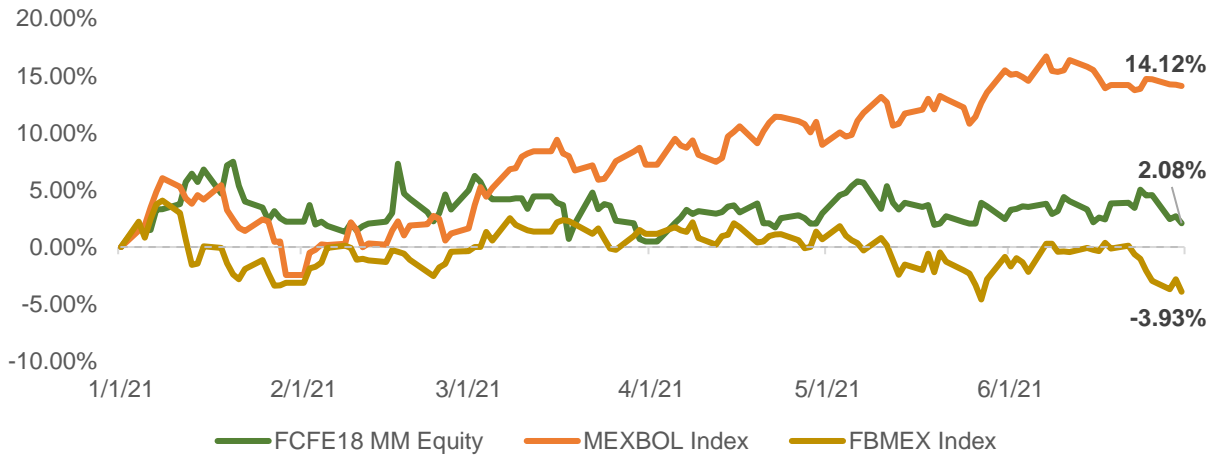


Source: CFECapital with information from Bloomberg (January 1<sup>st</sup> to June 30<sup>th</sup>, 2021).

Graph 1 shows the price and volume of the Infrastructure and Energy Stock Certificates (CBFE) from January 1<sup>st</sup> to June 30<sup>th</sup>, 2021. During the second distribution period, the weighted average price of the instrument was \$28.20 Mexican pesos. During the first semester the price behaved within a range between \$27.44 and \$28.01 pesos. The performance of CFE FIBRA E has been consistent with the current situation in the country, nevertheless, the progress of the vaccination campaign and the economic reactivation in various productive sectors stand out.

It is important to mention that, during 2021, the price has not decreased below 27.00 MXN/CBFE.

**Graph 2. FCFE18 and comparable Indexes**  
January 1<sup>st</sup> to June 30<sup>th</sup>, 2021

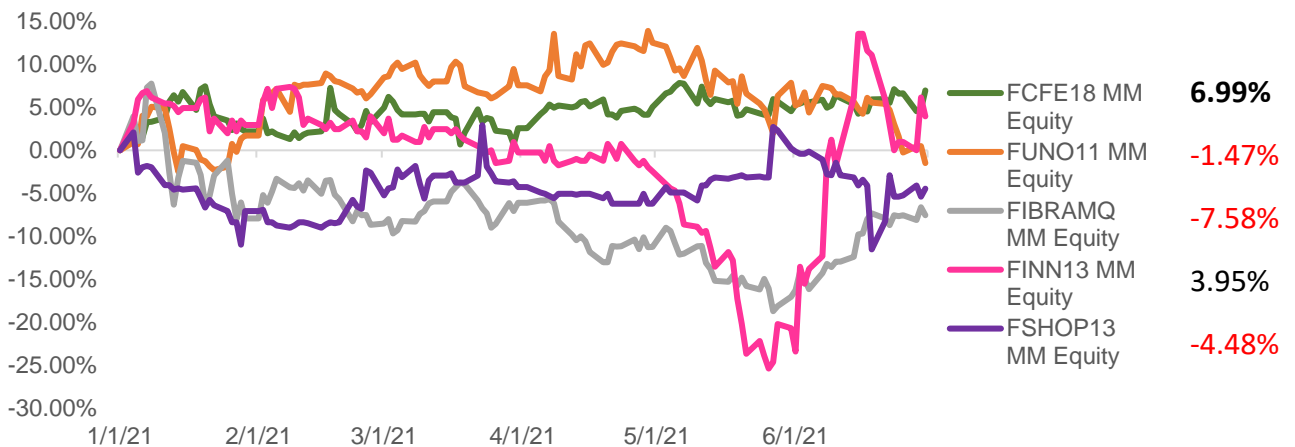


Source: CFECapital with information from Bloomberg. Last update June 30th, 2021.

Graph 2 shows the comparable performance of CFE FIBRA E (FCFE18 MM Equity) with other indexes such as the MEXBOL Index (includes the 35 most liquid companies on the Mexican Stock Exchange) and the FBMEIX Index (reflects the performance of the 10 main Real Estate Investment Trusts in Mexico).

During the second distribution period of 2021 (from March 1<sup>st</sup> to May 31<sup>st</sup>, 2021), the price of CFE FIBRA E certificates showed a positive return of 2.08%, reflecting its resilience, the solidity of the instrument and its fundamentals.

**Graph 3. Total return\* FCFE18 and FIBRAs comparable as to June 30<sup>th</sup>, 2021.**



Source: CFECapital with information from Bloomberg as of June 30<sup>th</sup>, 2021.

Note: \*The total return considers the performance of the price and dividends provided by CFE FIBRA E

Graph 3 shows the total performance of CFE FIBRA E (FCFE18 MM Equity) with the main FIBRAs in Mexico such as: FIBRA Uno, FIBRA Macquarie, FIBRA Prologis, FIBRA Inn and FIBRA Shop.

The total return presented by CFE FIBRA E during the first half of the year has been the highest compared to other FIBRAs, having a total return of 7%.

FIBRAs are one of the instruments with great stability on the market and have been resistant in comparison with other productive sectors, even though the result of the pandemic has had adverse effects along all sectors in Mexico. This is mainly because of:

1. The structure and advantages of financial instruments such as FIBRAS and
2. the resilient behavior of the electricity transmission sector

It is important to mention that FCFE18 between all the comparable REITs, is one of the most stable and it has shown a gradual growth, despite the decrease at the end of the year.

**Table 1. CFE FIBRA E Analyst coverage**

Analyst	Target Price MXN	Rating	Last Update
	\$31.00	Hold	07/12/21
	\$32.20	Outperform	07/12/21
	\$32.50	Buy	07/12/21
	\$32.50	Buy	06/18/21
	\$27.00	Underweight	05/07/21
Morgan Stanley	\$25.00	Hold	07/06/21
	\$30.51	Hold	05/04/21

Source: CFECapital with information from Bloomberg. July 13th, 2021.

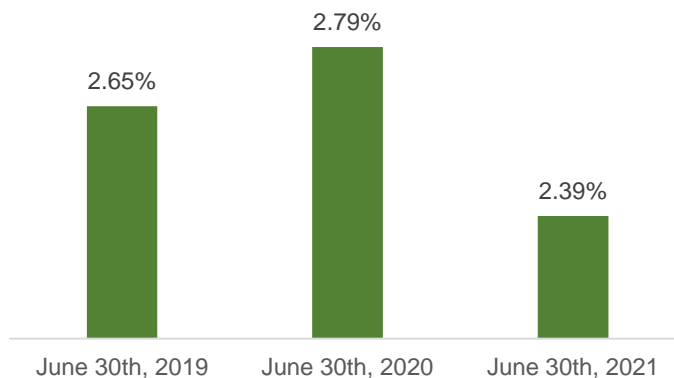
Table 1 shows the recommendations made by the analysts who provide coverage to the instrument, on average the target price was \$30.10 MXN, that is, 0.80% higher compared to the Earnings Release of the previous quarter. According to their analysis, the resilience of the instrument is recognized despite the complex context generated by the pandemic, the soundness of the distributions and the historical high performance compared to other comparable instruments. They are positive about CFE FIBRA E's future and are in constant communication with the Investor Relations Team of CFECapital.



#### IV. Operating results of the transmission sector

We now present some indicators on the performance of the National Transmission Grid.

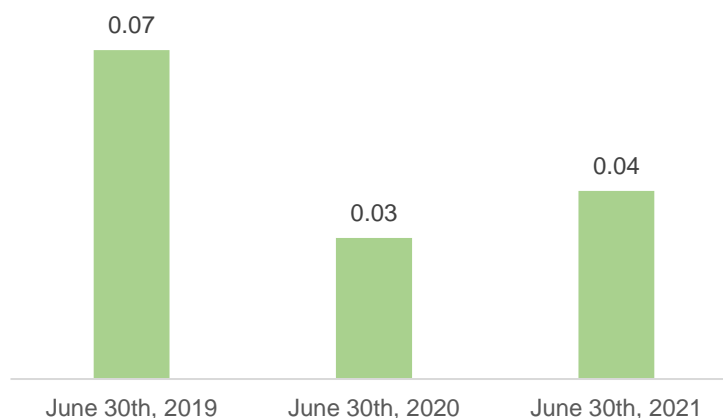
**Graph. 4 Transmission Losses<sup>2</sup>**  
(Percentage)



Source: CFE Transmission up to June 30<sup>th</sup>, 2021.

Graph 4 shows the transmission losses, which refers to the percentage of energy that is lost in the RNT. It can be seen that as of June 30<sup>th</sup>, 2021, there was a decrease of 0.4% compared to the previous year and 0.26% compared to 2019.

**Graph 5. System Average Interruption Duration Index.**  
(Minutes)

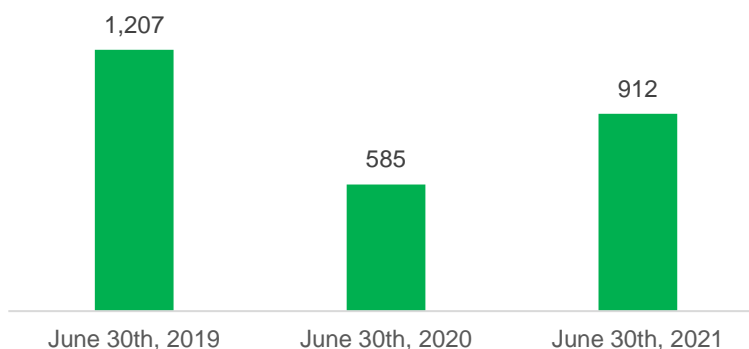


Source: CFE Transmission up to June 30<sup>th</sup>, 2021.

<sup>2</sup> Percentage of technical energy losses in the National Transmission Network (RNT).

Graph 5. Shows the average duration of the interruption of the electricity supply to an end user in minutes.

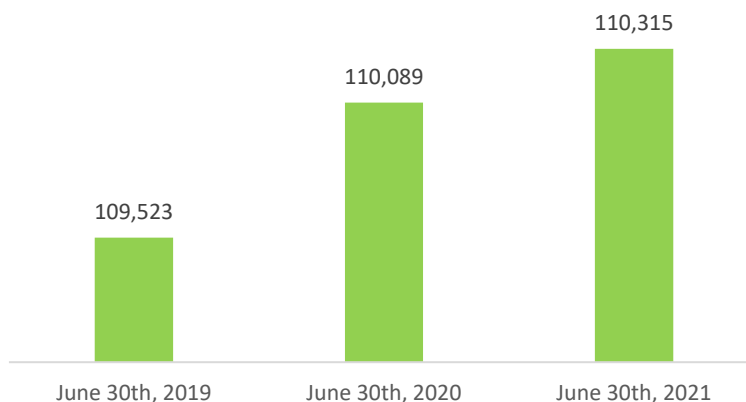
**Graph 6. Energy not delivered**  
(MwH)



Source: CFE Transmission up to June 30<sup>th</sup>, 2021.

Graph 6 shows the energy not delivered to final users due to interruptions for periods greater than five minutes that occurred because of the failures in the National Transmission Grid.

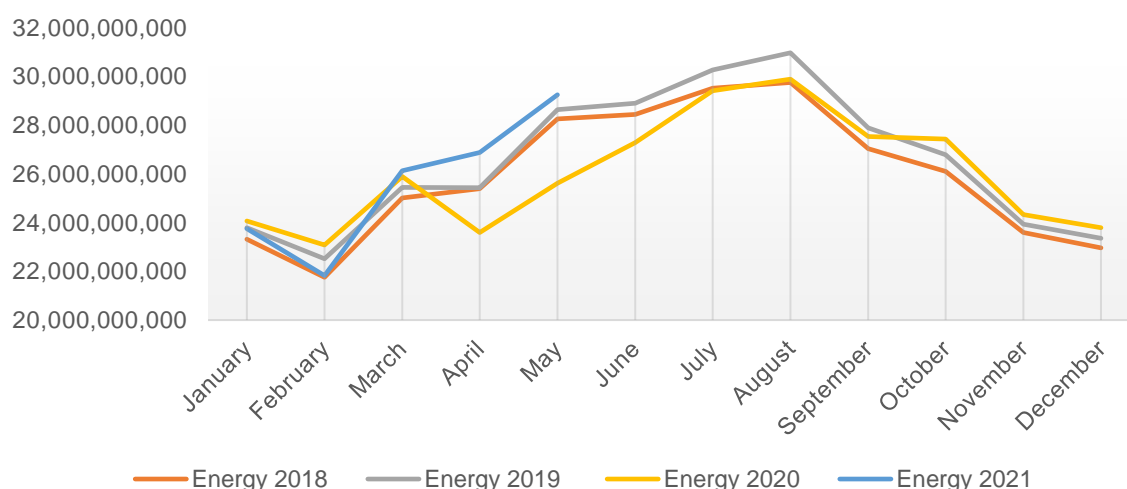
**Graph 7. National Transmission Grid**  
(Kilometers)



Source: CFE Transmission up to June 30<sup>th</sup>, 2021.

Graph 7 shows the number of kilometers of the National Transmission Grid and what has been an increase in relation to equivalent quarters of previous years. As of June 30<sup>th</sup>, 2021, the conformation of the asset had a length of 110,315 km.

**Graph 8. Electric Energy Received in the RNT  
(MwH)**



Source: CFE Transmission with information by May 31st, 2021.

Graph 8 explains the volume of electrical energy received in the National Transmission Grid from January 2018 to May 2021. Since March of the current year, the volumes have shown a sustained increase, exceeding the expectations made by CENACE, where they estimated that the volumes from March to December will show similar levels to those seen in 2019. The accumulated and transmitted energy -until May- has shown a growth of 4.56% considering the same months of the previous year and an increase of 1.59% in relation to 2019. This rapid recovery is due to, in recent months, all the productive sectors of the Mexican economy have returned to normality, so there is a greater increase in demand for electricity than expected.

**Table 2. Reimbursements made up to the end of 2Q2021 vs. Approved budget 2021**

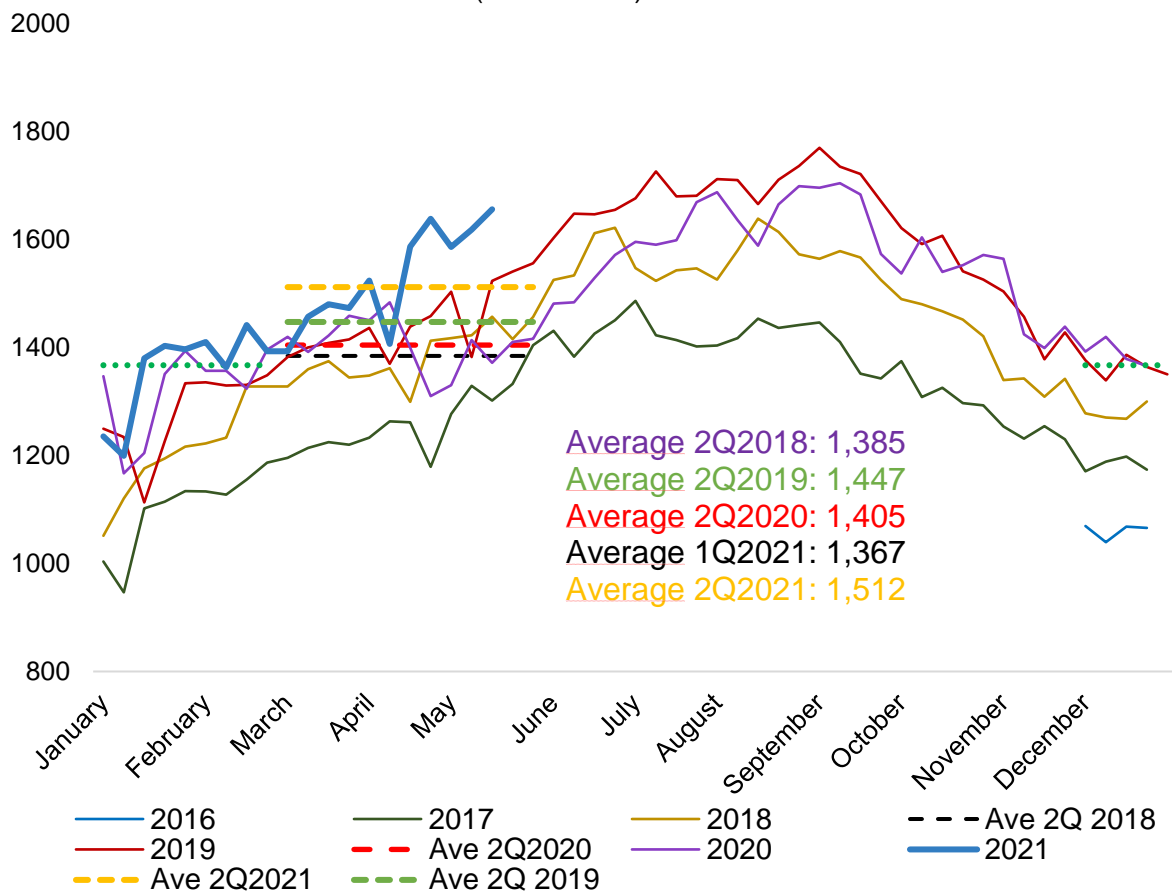
Category	Budget 2021	Exercised 2Q2021	%
Intercompany expenses	8,331,012,247	1,435,013,529	17%
Operation and maintenance	7,574,550,788	2,788,211,595	37%
Obligations expenses	3,786,815,105	1,596,065,748	42%
Major maintenance	1,583,072,360	739,619,787	47%
Trust expenses	17,885,586	7,591,093	42%
Financin costs	0	0	0%
<b>Total</b>	<b>21,293,336,086</b>	<b>6,566,501,752</b>	<b>31%</b>

Source: Preliminary Financial Statements of the Promoted Trust as of June 30<sup>th</sup>, 2021.

Note: Rounded figures.

Table 2 shows the reimbursements made at the end of the second quarter of 2021 against the approved budget that was \$21,293,336,086 Mexican pesos, of which 31% of the total has been exercised. It should be noted that the operation and maintenance expenses continue to be the most significant amount of the exercised budget during the first half of the year.

**Graph 9. Weekly revenues of the Promoted Trust (December 2017- May 2021)**  
(Billion MXN)



Source: Account Balance of the Promoted Trust (Up to May 31st, 2021).

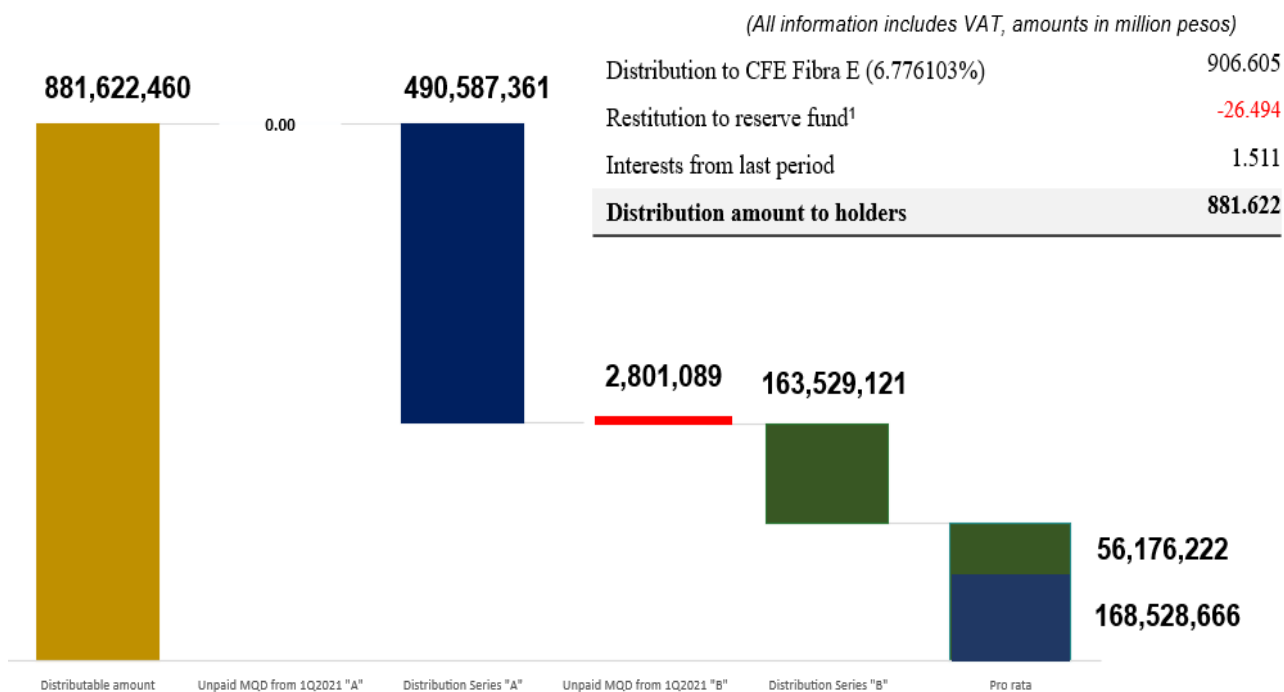
Note: Distribution 1Q21: December 1st, 2020 to February 28th, 2021; Distribution 2Q21: March 1st to May 31st. Comparatives for 2Q18, 2Q19, 2Q20 consider equivalent periods.

Graph 9 shows the performance of the collection rights. During the second distribution period of the current year, electricity consumption in Mexico shows an increase compared to the last quarter due to the seasonality of the transmission sector (it increases the temperature on average), however, it is not considered the period with the highest consumption, since the third quarter -June, July and August- reflects the highest electricity demand, attributable to the high temperatures in the north of the country.

In the second quarter, collection rights had an increase of 7.65% compared to the equivalent period of 2020 and of 4.46% vs. 2Q2019, which shows the normalization -as stated before- of the electricity transmission sector in Mexico.

## V. CFE FIBRA E Distribution 2Q2021

**Diagram 1. Amount Distributed 2Q2021**



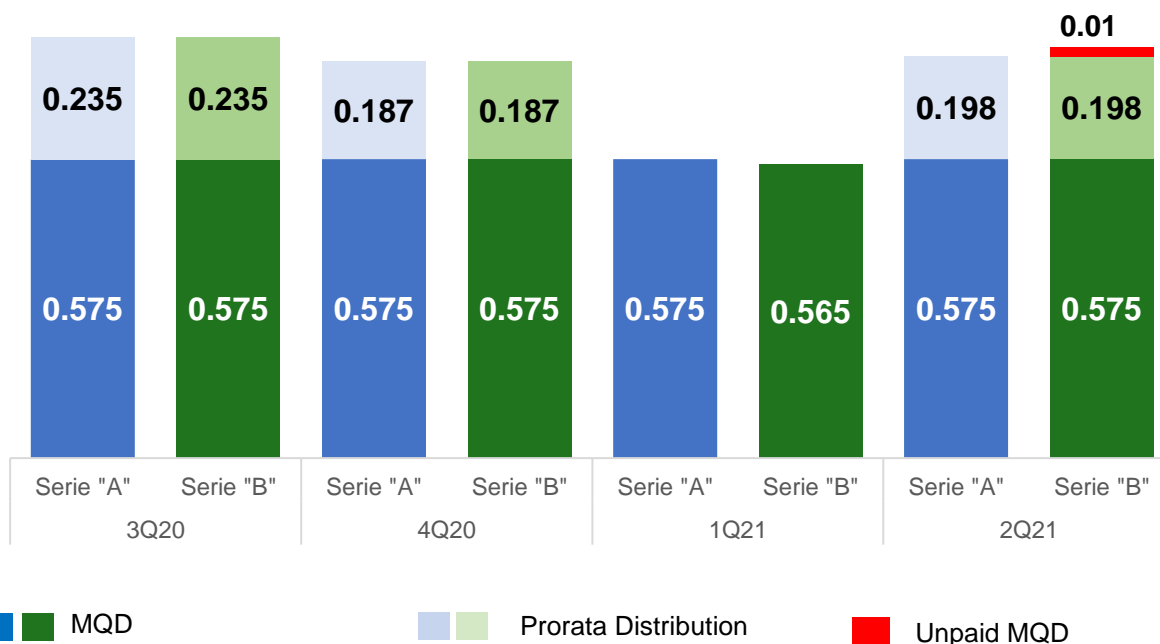
Source: Presentation from the 19<sup>th</sup> Session of the Technical Committee of the Issuer Trust (2021).

Note:<sup>1</sup>As issuer's trust agreement establishes, it must maintain an estimated MXN 45 million expenses reserve fund. Thus, the Trust Technical Committee of the Issuer Trust approved its replenishment. <sup>2</sup>*Certificados Bursátiles Fiduciarios de Inversión en Energía e Infraestructura*, CBFÉ. Rounded figures. The distribution ratio of 1 / 1.1 provided for in the contract is used to distribute the period and is not kept in cash in the General Account.

The amount distributed in 2Q2021 comprises a total of 13 weeks of operation from March 1<sup>st</sup> to May 31<sup>st</sup>, 2021.

The distribution of the Promoted Trust was for \$906,605,130 Mexican pesos, which after subtracting the Restitution of the Expense Reserve Fund to maintain an estimate of \$45 million pesos, and adding the interests generated by the previous distribution, resulted in a distributable amount to CFE FIBRA E holders of \$881,622,460 Mexican pesos. This amount includes the pending Minimum Quarterly Distribution of the First Quarter of 2021 of Series "B" certificates, which was \$2,801,089.29 Mexican pesos. As stated, it became effective in the distribution of 2Q2021 held on June 30<sup>th</sup>.

**Graph 10. CFE FIBRA E last 12 months distributions**  
(MXN per CBFE)

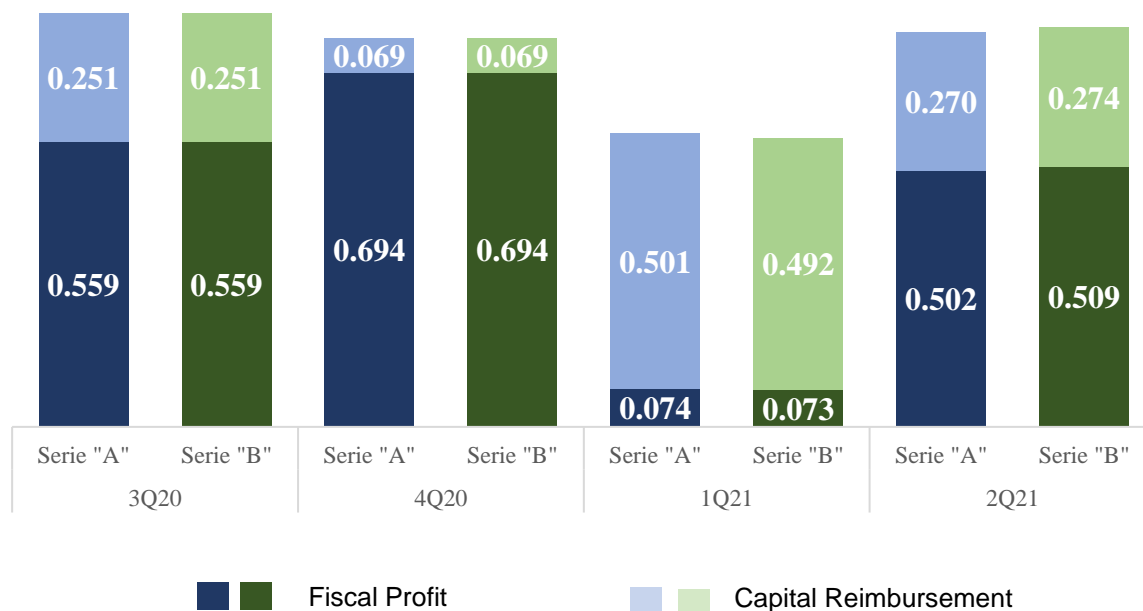


Source: Presentation from the 15<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup> Session of the Technical Committee of the Issuer Trust (2020 and 2021).

Note: CFECapital gives the reimbursement instruction to the Trustee, who makes the deposit to INDEVAL, the central securities depository for the Mexican Securities Market. The custodian acts as the tax withholding agent. In 1Q21 there was an unpaid MQD for Series "B" for \$ 2,801,089.29 pesos which was made effective in the 2Q21 distribution. **Rounded figures.**

Graph 10 shows the distribution composition for the last four distributions of CFE FIBRA E as established in the offer Memorandum, which defines the subordination of Series "B" with respect Series "A", which means that Series "A" has a priority payment for the Minimum Quarterly Distribution of \$0.575 Mexican pesos per CBFE. Having covered the pending Minimum Quarterly Distribution of the first quarter of the year for an amount of \$0.01 MXN/CBFE -rounded-, and distributing the surplus generated, the result was a distribution of \$0.7725 MXN/CBFE for Series "A" and 0.7824 MXN/CBFE for Series "B".

**Graph 11. Fiscal Composition of CFE FIBRA distributions E for both Series (MXN/CBFE)**



Source: Presentation from the 15<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> session of the Technical Committee of the Issuer Trust (2020 and 2021).

Note: CFE FIBRA E distribution strategy is approved by its Technical Committee and it is determined based on the fiscal requirements for Mexico Income Tax Law. **Rounded figures.**

Graph 11 shows the fiscal composition of the distribution. The amount corresponding to fiscal profit was \$0.502 MXN/CBFE for Series "A" and \$0.509 MXN/CBFE for Series "B". The corresponding part for capital reimbursement was \$0.270 MXN/CBFE for Series "A" and \$0.274 MXN/CBFE for Series "B". It is important to mention that the distribution strategy is approved by the Technical Committee of the Promoted Trust and is determined based in the fiscal requirements of the Income Tax Law in force.

## VI. Quarterly Financial Statements

### VI.I. Promoted Trust

**Table 3. Account Balance of the Promoted Trust as June 30<sup>th</sup>, 2021**

	April	May	June	2Q2021
<b>Initial Balance</b>	<b>5,475,855,969</b> <sup>(1)</sup>	<b>9,149,982,485</b>	<b>13,644,912,792</b>	
+ Collection Rights	5,991,053,383	6,499,543,357	8,519,571,103	21,010,167,843 <sup>(2)</sup>
- Withdrawals	2,334,460,075	2,034,868,763	1,856,373,358	6,225,702,196 <sup>(3)</sup>
- Distribution to holders	-	-	13,379,447,298	13,379,447,298 <sup>(4)</sup>
<b>Gross Balance</b>	<b>9,132,449,276</b>	<b>13,614,657,079</b>	<b>6,928,663,239</b>	
+ Interest	23,049,522	39,796,362	32,830,416	95,676,301 <sup>(5)</sup>
- Interest tax	5,516,304	9,540,660	7,912,065	22,969,029 <sup>(6)</sup>
<b>Final Balance</b>	<b>9,149,982,495</b>	<b>13,644,912,781</b>	<b>6,953,581,591</b>	
Accrued interest	9	-11	5	
<b>Portfolio Value</b>	<b>9,149,982,485</b>	<b>13,644,912,792</b>	<b>6,953,581,586</b>	

Source: CFECapital, with information from Account Balance of Promoted Trust (F/80758).

Note: Rounded figures in MXN pesos.

Table 3 shows that the second quarter began with a balance of \$ 5,475,855,969 pesos <sup>(1)</sup>, to which was added \$ 21,010,167,843 pesos <sup>(2)</sup> for the collection rights for the period received from CENACE (VAT included), withdrawals for the period amounted to \$6,225,702,196 pesos <sup>(3)</sup>. In June was carried out the Quarterly Distribution for \$13,379,447,298 pesos <sup>(4)</sup>. During the period interests were generated for \$95,676,301 pesos <sup>(5)</sup> and whose income tax amounted to \$22,969,029 pesos <sup>(6)</sup>.

### VI.II. Issuer Trust

**Table 4. Account balance Issuer Trust as June 30<sup>th</sup>, 2021**

	April	May	June	2Q2021
<b>Initial Balance</b>	<b>42,617,288</b> <sup>(1)</sup>	<b>22,425,978</b>	<b>21,167,893</b>	
+ Promoted trust distribution	-	-	906,605,130	906,605,130 <sup>(2)</sup>
- Distribution to holders	-	-	881,622,460	881,622,460 <sup>(3)</sup>
- Trust Expenses	20,277,778	1,323,032	1,369,997	22,970,806 <sup>(4)</sup>
<b>Gross Balance</b>	<b>22,339,510</b>	<b>21,102,946</b>	<b>44,780,566</b>	
+ Interest	86,469	64,947	1,373,432	1,524,848 <sup>(5)</sup>
<b>Final balance</b>	<b>22,425,978</b>	<b>21,167,893</b>	<b>46,153,998</b> <sup>(6)</sup>	

Source: CFECapital, with information from Account Balance of Issuer Trust up to June 30th, 2021.

Note: Rounded figures.



Table 4. shows that the second quarter began with a balance of \$ 42,617,288 pesos <sup>(1)</sup>, to which was added \$ 906,605,130 pesos<sup>(2)</sup> corresponding to the thirteenth distribution received on June 15th from the Promoted Trust F / 80758. As of June 30th, disbursements amount to \$22,970,806 pesos<sup>(4)</sup>. On the other hand, the amount distributed was for \$881,622,460 pesos<sup>(3)</sup>, which was made on June 30th.

Distributions in 2021 total \$1,532,987,853 (Tax Income and Capital Reimbursement) that correspond to \$ 651,315,393 and \$881,622,460 in the first and second quarters respectively.

The \$ 22,970,806 pesos <sup>(4)</sup> of disbursements correspond to expenses of the Issuing Trust, with a final balance in the quarter of \$ 46,153,998 pesos<sup>(6)</sup>. During the second quarter, interest was generated for \$ 1,524,848 pesos<sup>(5)</sup>.

## VII. Issuer Trust Administration and Expenses

**Table 5. Maintenance Expenses  
(MXN)**

	April	May	June	2Q2021	Accumulated
Administration fee <sup>i</sup>	13,961,862	450,000	-	14,411,862 <sup>(1)</sup>	37,224,794
Fiduciary and common representation fees	5,800	-	5,800	11,600	835,027
Independent members fees	43,334	43,334	213,634	300,301	787,492
Expenditures of maintenance and registration of CBFES	-	-	-	-	1,657,527
External audit fees, accounting services, fiscal advisers and any other professional services	611,030	806,365	1,127,230	2,544,625	9,054,866
Insurance	5,439,071	-	-	5,439,071	5,439,071
External Audit fees tax	192,333	23,333	23,333	238,999	567,719
Other expenses	24,348	-	-	24,348	38,268
<b>Total</b>	<b>20,277,778</b>	<b>1,323,032</b>	<b>1,369,997</b>	<b>22,970,806 <sup>(2)</sup></b>	<b>55,604,764</b>

Source: Finance and Administration Management, CFECapital.

Notes: i) Includes the payment of advances to CFECapital and the 7% administration commission. The amount of administration commission corresponds to \$946,467 pesos. Rounded Figures in MXN pesos.

Table 5 shows that in the second quarter, expenses amounted to \$ 22,970,806 pesos <sup>(2)</sup>, in this amount are included the Administrator Expenses amounting to \$ 14,411,862 pesos <sup>(1)</sup>, and the rest of maintenance expenses for \$ 8,558,944 pesos.

## **VIII. Development Program of the National Electricity System (PRODESEN 2021-2035)**

On June 30<sup>th</sup>, the Ministry of Energy published the update to the National Electricity System Development Program (PRODESEN) for the 2021-2035 period. This document details the annual planning of the National Electric System with a horizon of 15 years and specifies the national energy strategy regarding electricity. In addition, it presents the proposals for new projects to expand the National Transmission Grid (RNT) and the General Distribution Networks (RGD) of the Wholesale Electricity Market (MEM).

On the other hand, it describes some indicators that are relevant for the transmission sector, as well as some economic indicators, which are detailed below:

### **VIII.I Gross consumption 2020**

In the last 10 years (2011-2020) the gross consumption of the National Electric System has an annual growth of 2.2%. Nevertheless, in 2020 the gross national consumption in the SEN had a decrease of 2.76% compared to 2019. This decrease was due to the health contingency caused by COVID-19, which caused the suspension of diverse activities across all productive sectors throughout the country.

### **VIII.II Final consumption and end users 2020**

For the final consumption estimates, the information is grouped in 6 consumption sectors, from which the sector that presented the highest growth in 2020 was Agricultural with 10.8% followed by Residential with 6.4%. The final consumption of the National Electric System (SEN) had a decrease of 0.3% compared to 2019.

Derived from the strategies to contain the spread of COVID-19, the closure of non-essential activities such as shops and industries stand out, causing sectors like the commercials, medium companies and large industries be affected by 10.8%, 8.1% and 5.6%, respectively.

The number of end users who had electricity in 2020 increased by 2.5% compared to 2019. The highest growth was by large industries with 3.2%, followed by residential sector by 2.7%.

### **VIII.III Maximum Demand 2020**

In 2020, the maximum integrated demand of the National Interconnected System (SIN) registered a decrease of 5.8% compared to 2019. The seasonal behavior is a special treat of the northern region of the country, being the center of the country this behavior the less marked.

#### VIII.IV. Economic environment 2020

The consumption of electrical energy is highly correlated with the Gross Domestic Product (GDP), since electricity is an important input to carry out a large part of the productive activities. GDP in 2020 presented an annual variation of -8.2%. This contraction was a consequence of the strategies that were implemented to mitigate the pandemic. The electric industry in its gross consumption registered a decrease of 2.8%, a lower rate registered in 2019 of 2.1%. This performance has a direct correlation of decrease between GDP, gross consumption and maximum demand. In the following graph the historical evolution between these three indicators can be seen:

**Graph 12. Evolution of National GDP, Gross Consumption and Maximum Demand of the SIN 2011-2020**



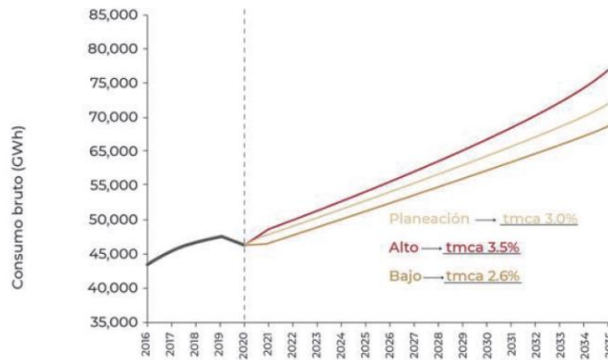
Source: PRODESEN 2021-2035. Produced by the Ministry of Energy with information of CENACE.

Graph 12 shows the evolution of the national GDP, Gross Consumption and Maximum Demand of the SIN during the last 10 years. As it can be seen, the Gross Consumption has been higher than the increase of the GDP over the studying period.

#### VIII.V Forecast of Macroeconomic Scenario 2021

The global GDP contemplates a growth of 2.7% in a planning scenario and 3.5% and 2.2% for a high and low scenario. These projections are like those estimated in conditions prior to the health contingency. In the period 2021-2035, it is estimated that the GDP of the Agricultural sector will grow an average of 2.5%, the industrial sector 2.7% and the services sector by 2.8%.

**Graph 14. Forecast of the Maximum Integrated Demand of the SEN (2021-2035)**



Source: PRODESEN 2021-2035. Produced by the Ministry of Energy with information of CENACE.

**VIII.VI. Program for the Expansion and modernization of the National Transmission Grid (PAMRNT)**

In the period 2015 to 2021, the Ministry of energy has instructed CFE Transmission to build 144 projects for the expansion and modernization of the RNT. Of the 144 projects, 5 of them have been cancelled and 4 projects are on hold. Of the total projects, 35 of them, the main work consists of Transmission Lines in 43 transformation banks, 37 reactive power compensation equipment and 29 modernization projects of different characteristics.

**VIII.VI.I Projects instructed by SENER from 2015 to 2021**

To date, CFE Transmission has completed the construction of four RNT expansion projects, which are shown below

**Table 5. Projects instructed by SENER to CFE Transmission -in operation-**

Project	Regional Control Management	State	Date of Enry into operation
El Habal Banco 1 (traslado)	Northeast	Sinaloa	Dec-19
Ascensión Banco 2	North	Chihuahua	Feb-20
Mezquital MVar (traslado)	Mulegé	Baja California Sur	Feb-21
Santa Rosalía Banco 2	Mulegé	Baja California Sur	Jun-21

Source: PRODESEN 2021-2035. Elaborated by SENER.

**VIII.VI.II Projects instructed by SENER that will start operation from 2021 to 2026**

It is expected that in the period of the second semester from 2021 to 2026, 131 projects instructed by SENER to CFE Transmission will start operation. The RNT expansion projects instructed by SENER constitute a total of 3,349 km of transmission lines, of which the largest contribution will come from Baja California, Hidalgo, Guanajuato, State of Mexico and Quintana Roo.

The following table describes the projects that have been identified in the planning exercise of the Expansion and Modernization Program of the National Transmission Grid. CENACE has identified 19 RNT expansion projects and 14 RNT modernization projects by CFE Transmission and agreed with CENACE, which are presented on table 6.

**Table 6. RNT Expansion projects identified in PRODESEN 2021-2035**

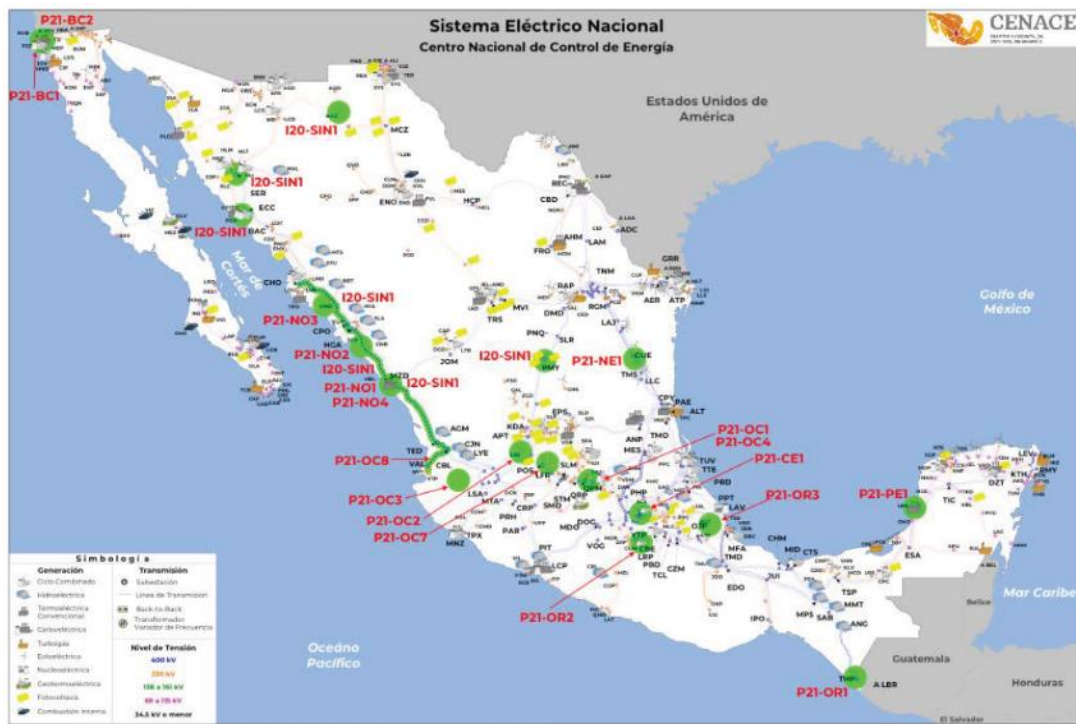
<b>Regional Control Management</b>	<b>Project</b>	<b>Year identified</b>	<b>State</b>
Northwest, North and Occidental	Solution to the problem of congestion of the internal transmission links in the Northwest GCR and Western and North GCR	2020	Sonora, Sinaloa, Chihuahua, Nayarit, Zacatecas, and Aguascalientes.
Central	Increase in transmission capacity in the Teotihuacán- Texcoco Corridor	2021	Valley of Mexico North and Center/ Mexico City and State of Mexico
Oriental	Energy Supply in Tapachula and San Cristobal	2021	San Cristóbal and Tapachula.
	Energy supply in Morelos	2021	Cuautla and Morelos/ Morelos.
	Transmission reinforcement in Xalapa	2021	Xalapa/Veracruz.
	Increase in transmission capacity in the 115 KV network in Querétaro	2021	Querétaro/Querétaro.
Occidental	Increase in transformation capacity in Los Altos area	2021	Los Altos/Jalisco.
	Tension support for the Minas area	2021	Minas/Jalisco.
	Increase in transformation capacity in Querétaro	2021	Querétaro/Querétaro.
	Increase in transmission capacity in the 115 KV network in León and Irapuato	2021	León and Irapuato/ Guanajuato.
Northwest	Increase in transformation and transmission capacity between Tepic and Vallarta	2021	Tepic y Vallarta / Nayarit and Jalisco
	Capacitive compensation in the northwest of Mazatlán	2021	Mazatlán / Sinaloa
	Capacitive compensation in the northwest of Culiacán	2021	Culiacán/ Sinaloa
	Eliminate transmission capacity restrictions in underground cables in 115 KV of Ruíz Cortines SE.	2021	Guasave/ Sinaloa
	Eliminate transmission capacity restrictions in underground cables in 115 KV of Mazatlán Tecnológico SE	2021	Mazatlán/Sinaloa

Northeast	Increase in transformation capacity in Victoria zone	2021	Victoria/Tamaulipas
Peninsular	Increase in reliability of the electricity supply in Campeche	2021	Campeche/Campeche
Baja California	Increase in transformation capacity with a transformation ratio of 230/115/69 KV in Tijuana	2021	Tijuana/Baja California
	Capacitive compensation in Tecate zone	2021	Tecate/ Baja California

Source: PRODESEN 2021-2035.

The following figure shows the area of influence of each of the RNT expansion projects, where the green circles refer to the expansion works. The texts in red indicate the Minimum Elementary Project defined for each one in the previous table.

**Figure 1. Geographic location of RNT Expansion projects identified in PRODESEN 2021-2035**



Source: PRODESEN 2021-2035.

Table 7. RNT modernization projects identified in PRODESEN 2021-2035

Regional Control Management of CFE Transmission	Project	Necessary date
Central	Partial Modernization of CEV Nopala	dic-21
	Adaptation of hidalgo and Cubitos Electrical substations	dic-21
	Replacement of equipment in the Central GCR that has been exceeded in its short circuit capacity	feb-21
	Modernization of the Transmission Line of Tecamachalco-Tlacotepec	feb-20
Oriental	Comprehensive modernization of the Juile electrical Substation and partition of 400 kV bars	dic-23
	Modernization of blades, PC y M and SCADA equipment of Tres Estrellas Electrical Substation	jun-23
Northwest	Modernization of the SE Sahuaro for the addition of a new 115 KV bay	apr-22
	Standardize the derivations in the Bácum-Maniobras Transmission	apr-22
	Standardize the derivation in the Culiacán Poniente Transmission Line	apr-22
North	Repowering of the Cuauhtémoc-Maniobras Transmission Line	apr-22
Northeast	Change of arrangements in the Villa de García Electrical Substation and modernization of protection, and measurements panels	apr-21
Baja California	Modernization of switches in the scope of Baja California Regional Control Management	apr-21, apr-23, apr-24
	Increase in capacitive composition of Los Cabos area	apr-22
	Modernization of the Busbar arrangement in Santa Rosalía	apr-22

Source: PRODESEN 2021-2035.