

**PRINCIPLES TO PROMOTE THE RELIABILITY AND SECURITY
OF THE INTERCONNECTED POWER SYSTEMS OF THE UNITED STATES OF AMERICA AND THE UNITED
MEXICAN STATES**

In view of the established and growing cross-border electricity-related operations between the United States and Mexico, and recognizing the benefits of maintaining reliable operation and the security of both interconnected electric power systems (referred to in the United States of America as the “Bulk-Power System”), the Department of Energy (DOE) and the Federal Energy Regulatory Commission (FERC) of the United States of America, on the one hand, and the Ministry of Energy (SENER), the Energy Regulatory Commission (CRE) and the National Center for Energy Control (CENACE) of the United Mexican States, on the other hand (hereinafter collectively referred to as the “Signatories”), endorse the following Principles to promote the reliability and security of the interconnected electric power system in North America:

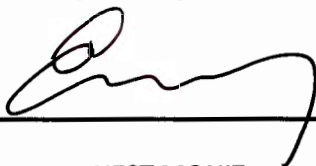
Principles

1. The Signatories intend to address events and identifiable risks affecting the power grid, thereby improving the reliability of the interconnected electric power system in the United States of America and the United Mexican States.
2. The Signatories intend to promote the reliable performance of the interconnected electric power Systems of the United States of America and the United Mexican States, without leading to undue preferences or discrimination.
3. The Signatories intend to apply current knowledge and available resources to promote continuous improvement of reliable operations for the interconnected electric power systems of the United States of America and the United Mexican States.
4. The Signatories intend to address emerging issues, as they are identified, that have the potential to impact the reliable operation of the interconnected electric power system in the United States of America and the United Mexican States.
5. The Signatories intend to cooperate if a cross-border reliability event occurs, to ensure that the causes of the event are fully understood and mitigated.
6. The Signatories intend to coordinate to ensure consistency as necessary to support reliable operation, while observing sovereign jurisdictions with individual policy and regulatory mandates.
7. These Principles may be modified at any time by mutual written consent of all the Signatories.
8. The Signatories intend to implement these Principles in good faith.
9. These Principles may be implemented through the North American Electric Reliability Corporation (NERC), an Electric Reliability Organization (ERO) that can function on an international basis.
10. These Principles do not create any legally binding obligations according to domestic or international law.

11. Activities of the Signatories under these Principles are subject to the availability of appropriated funds, personnel, and other resources, and to applicable laws, regulations, and policies to which they are subject. Nothing contained in these Principles requires any Signatory or regulatory authority to adopt any action that would be inconsistent with the sovereign jurisdictions or with the laws, regulations, and policy directives, existing or future, that are applicable.

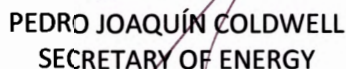
Signed at Mexico City this 7th day of January 2017, in five originals, in the English and Spanish languages.

FOR THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA:

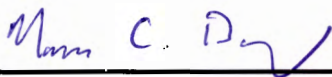


ERNEST MONIZ
SECRETARY OF ENERGY

FOR THE MINISTRY OF ENERGY OF THE UNITED MEXICAN STATES:



FOR THE FEDERAL ENERGY REGULATORY COMMISSION OF THE UNITED STATES OF AMERICA:



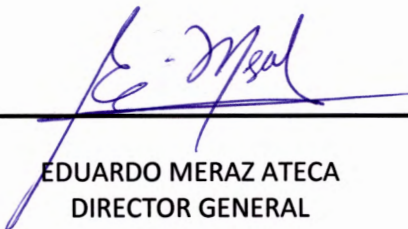
NORMAN C. BAY
CHAIRMAN

FOR THE ENERGY REGULATORY COMMISSION OF THE UNITED MEXICAN STATES:



GUILLERMO IGNACIO GARCÍA ALCOCER
CHAIR COMMISSIONER

FOR THE NATIONAL CENTER OF ENERGY CONTROL OF THE UNITED MEXICAN STATES:



EDUARDO MERAZ ATECA
DIRECTOR GENERAL