MARTINEZ DE HOZ & RUEDA

NEWSLETTER ENERGY & NATURAL RESOURCES

MAY 2025

The energy world is under enormous transformation. Issues such as energy transition, energy security and climate change are in the global agenda. Thanks to its natural resources endowment, Argentina has a key role to play in the energy and mining sector. This newsletter intends to inform, with an analytical approach and on a monthly basis, the most relevant events, regulations, and case law taking place in our country.

IN THIS ISSUE

P.1. **HYDROCARBONS, POWER AND ELECTRICITY**

New Rules to Access Cold Zone Benefits

New Procedures for Reviewing the Subsidy Level Assigned in RASE

P.2. **HYDROCARBONS**

ENARGAS Announces Public hearing on New NGV Technical Standards

Biofuels: Increase in Mandatory Purchase Prices

FSE Updates Natural Gas Price at PIST Under Plan Gas.Ar

Update on Fuel Taxation in Argentina: New Deferral and Schedule for Increases under Decree 368/2025

P.3. **POWER AND ELECTRICITY**

Binational Operating Agreement for Power Supply Optimization

Tariff Framework for Fourth Line Comahue–Buenos Aires

ENRE Adjustment of Hourly Rates and Monthly Penalties for Electricity Transportation Licensees

CAMMESA Publishes Model Energy Storage Agreement for AlmaGBA Tender

Electricity Generation: Adjustment of Remuneration Scheme and Maximum Spot Price

International Tender for Four Major Hydroelectric Power Plants Launched

FSE Approves New Electricity Pricing Adjustments

P.4. **ENVIRONMENTAL**

Update to the Basic Water Use Fee for Industrial Purposes in Neuquén Province

P.5. **INSIGHTS ON THE ARGENTINE ENERGY INDUSTRY**

Province of Chubut Approves Reconversion of Cerro Dragón Concession with PAE

Río Negro Advances with the Extension of Hydrocarbon Concessions

Neuquén and Energy Companies Upgrade Vaca Muerta's Road Infrastructure

P.6. **GENERAL REGULATORY MATTERS**

ANMaC Establishes New Fees for the Destruction of Special Use Materials

Province of Neuquén: Restructuring of the Ministry of Energy and Natural Resources

New LNG Project under RIGI Framework

Argentina Digitalizes Import and Export Procedures for Controlled Materials through VUCEA

GENERAL DEFINED TERMS

"**ANMaC**" means the National Agency for Controlled Materials (for its acronym in Spanish of *Agencia Nacional de Materiales Controlados*).

"**ARCA**" means Revenue and Customs Control Agency (for its acronym in Spanish of *Agencia de Recaudación y Control Aduanero*).

"**Bases Law**" means Law No. 27,742, named "*Law of Bases and Starting Points for the Freedom of Argentines*" ("*Ley de Bases y Puntos de Partida para la Libertad de los Argentinos*").

"**CAMMESA**" means (for its acronym in Spanish "*Compañía Administradora del Mercado Mayorista Eléctrico S.A.*").

"**CNG**" means Compressed Natural Gas.

"**EDENOR**" means (for its acronym in Spanish "*Empresa Distribuidora y Comercializadora Norte S.A.*")

"**EDESUR**" means (for its acronym in Spanish "*Empresa Distribuidora y Comercializadora Sur S.A*).

"**ENARGAS**" means the National Gas Regulatory Authority (for its acronym in Spanish of *Ente Nacional Regulador de Gas*).

"**ENRE**" means the National Electricity Regulatory Authority (for its acronym in Spanish of *Ente Nacional Regulador de la Electricidad*).

"**FHL**" means the Federal Hydrocarbons Law No. 17,319, as amended by Laws No. 26,197 and 27,007.

"**FSE**" means the Federal Secretariat of Energy.

"**LNG**" means Liquified Natural Gas.

"**MEM**" means the Wholesale Electricity Market (for its acronym in Spanish of *Mercado Eléctrico Mayorista*).

"**MEMSTDF**" means the Wholesale Electricity Market of the Province of Tierra del Fuego (for its acronym in Spanish of *Mercado Eléctrico Mayorista de Tierra del Fuego*).

"**PIST**" means the point of entry into the natural gas transmission system (for its acronym in Spanish of *Punto de Ingreso al Sistema de Transporte*).

"**RIGI**" means the Promotional Regime for Large Investments (for its acronym in Spanish of *Régimen de Incentivo para-Grandes Inversiones*), passed by the Bases Law.

HYDROCARBONS, POWER AND ELECTRICITY

NEW RULES TO ACCESS COLD ZONE BENEFITS

New eligibility rules to be implemented for the so called "Cold Zone" tariff regime, to prevent users with multiple utility meters from receiving duplicate benefits.

By means of Resolution No. 219/2025, published in the Official Gazette on May 23, 2025 ("**Resolution 219**"), the FSE instructed the Undersecretariat of Energy Transition and Planning to implement a revised eligibility criterion for the Unified Registry of Special Beneficiaries under the Cold Zone Regime, as established by Law No. 27,637.

Under Resolution 219, users with more than one registered gas meter are no longer eligible for the 50% discount. Instead, these users will be subject to a 70% rate unless they can demonstrate socio-economic vulnerability.

Resolution 219 became effective on May 24, 2025, following a review of data from ENARGAS, which identified 137,975 users were automatically receiving benefits for two or more meters. This practice was found to be inconsistent with the regime's goal of providing targeted support to those most in need.

Notably, users who can substantiate their vulnerable status may still qualify for the 50% preferential rate by applying through the ANSES website.

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NEW PROCEDURES FOR REVIEWING THE SUBSIDY LEVEL ASSIGNED IN RASE

The FSE approved the procedures for analyzing and evaluating requests for review of the subsidy level assigned in the RASE.

By means of Resolution No. 218/2025, published in the Official Gazette on May 26, 2025, the FSE approved the "Procedure for the Review of the Assigned Categorization in the Registry of Access to Energy Subsidies". This procedure establishes the guidelines and basic methodology for analyzing and evaluating requests for review the subsidy level assigned in the Register for Access to Energy Subsidies (RASE, for its acronym in Spanish). The procedure applies to all users who initiate the review process through the designated online platform.

In addition, the FSE has directed the Undersecretariat for Energy Transition and Planning to develop and provide a consultation tool. This tool will allow users to independently verify, at any time and from any location, the segmentation level under which they have been categorized.

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HYDROCARBONS

ENARGAS ANNOUNCES PUBLIC HEARING ON NEW NGV TECHNICAL STANDARDS

ENARGAS launches a Public Hearing Process on New Technical Standards for NGV Cylinder Valves and Compressed Gas Modules.

By means of Resolution No. 293/2025, published in the Official Gazette on May 9, 2025, the ENARGAS has initiated a public hearing process to consider proposed amendments to the technical and certification standards governing natural gas vehicle ("**NGV**") components.

The public consultation focuses on four key projects:

- Amendment of Table 10.4 "CNG" of Annex I of Resolution 56/2019, to incorporate the MERCOSUR/GMC Resolution No. 34/21 (Technical Regulation for Valves for NGV Storage Cylinders). specifically regarding the electrically operated cylinder shut-off valve.
- Introduction of a new technical standard entitled "*Supplementary Requirements for the Cylinder Shut-Off Valve Certified under MERCOSUR/GMC Resolution No. 34/21 and Its Associated Ventilation System*".
- The draft standard NAG-402, "*Requirements for the Authorization of Compressed Natural Gas (CNG) Container Modules for Road Transportation*," which proposes eliminating the product "Vehicles for CNG transport" and its application document NAG-E-402 from Table 10.4 of Resolution 56/2019.
- The draft standard NAG-406, "*Modular Cylinder Units for Mobile Natural Gas Storage*," which includes the removal of the product "Systems for transport of modular CNG containers" and its application document NAG-E-406 from the same table.

If adopted, these changes would result in the repeal of ENARGAS Resolutions No. 375/2022, 3690/2007, NAG-415, NAG-416, NAG-417, and I-141/2007, which currently regulate the certification of these NGV components.

All relevant documentation is available for public inspection at ENARGAS' central headquarters and regional offices. Additionally, the proposed standards can be accessed through the "Participatory Rulemaking" section of the ENARGAS website.

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BIOFUELS: INCREASE IN MANDATORY PURCHASE PRICES

The FSE updated the minimum purchase prices for bioethanol and biodiesel for mandatory blending with gasoline and diesel oil.

By means of Resolutions No. 195/2025 and No. 196/2025, the FSE updated the minimum purchase prices for bioethanol and biodiesel intended for mandatory blending with gasoline and diesel oil, effective for transactions during May 2025 and until further notice.

Bioethanol Minimum Purchase Prices

- Sugarcane-based bioethanol: The minimum purchase price is set at $788.181 per liter.

- Corn-based bioethanol: The minimum purchase price is set at $722.395 per liter.

- Payment Terms: Purchasers must pay for bioethanol within thirty (30) calendar days from the date of the corresponding invoice.

Biodiesel Minimum Purchase Price

- Biodiesel for blending with diesel: The minimum purchase price is set at $1,251,837 per ton.

- Payment Terms: Payment for biodiesel must be made within seven (7) calendar days from the date of the relevant invoice.

Argentina has an installed bioethanol production capacity of approximately 1.1 million tons, distributed among 18 authorized companies. The main feedstocks used are corn and sugarcane. The sector comprises both cooperative projects and associations of large agricultural producers, as well as major national and international companies.

In 2024, Argentina achieved a historic production record of 1.21 million cubic meters. Its effective installed capacity, as defined by Law No. 27640, is approximately 1.08 million cubic meters per year. However, the physical production capacity of the plants is higher, with current estimates ranging between 1.22 and 1.41 million cubic meters per year, reflecting an operational capacity that is 16-20% above the officially recognized level.

Virtually all bioethanol produced in Argentina is destined for the domestic market. The primary use is for mandatory blending with gasoline, as established by national legislation. The current blending mandate is 12%, with plans to increase this percentage in the coming years. Production is focused on meeting internal demand, and there are no significant exports of bioethanol as a final product. Unlike biodiesel, which has a strong export component, Argentine bioethanol is almost exclusively consumed within the country to supply the fuel market and comply with blending requirements.

The updated pricing and payment terms are part of a broader policy framework aimed at providing stability and predictability for biofuel producers. By ensuring fair and timely compensation, the government seeks to encourage continued investment in the sector, support rural economic development, and advance Argentina's environmental and energy diversification goals.

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FSE UPDATES NATURAL GAS PRICE AT PIST UNDER PLAN GAS.AR

The FSE has approved a new price for natural gas at the PIST.

By means of Resolution No. 228/2025 (the "**Resolution**"), the FSE established a new price for natural gas at the Point of Entry to the Transportation System (PIST, for its acronym in Spanish), to be passed on to final users under existing supply contracts executed under the framework of Plan Gas.Ar (Decree No. 892/2020 and its amendment). The new price becomes effective in June 2025.

The Resolution requires ENARSA, producers, and

distribution and/or subdistribution companies to adjust their contracts accordingly within five calendar days and submit them to the FSE and ENARGAS.

Additionally, the FSE instructed ENARGAS to ensure that gas bills reflect the updated PIST price and include, where applicable, discounts provided under Resolution No. 24/2025.

SERVICE PROVIDER	TARIFF SUBZONE	RESIDENTIAL (N1, N2, N3)	GENERAL SERVICE (IN USD/MMBTU)
NATURGY BAN S.A.	BUENOS AIRES NORTE	3.068	3.068
METROGAS S.A.	CAPITAL FEDERAL	3.026	3.026
	BUENOS AIRES	3.026	3.026
DISTRIBUIDORA GAS CUYANA S.A.	MENDOZA	3.088	3.088
	SAN JUAN	3.088	3.088
	SAN LUIS	3.088	3.088
DISTRIBUIDORA GAS DEL CENTRO S.A.	CÓRDOBA	3.056	3.056
	LA RIOJA Y CATAMARCA	3.056	3.056
LITORAL GAS S.A.	SANTA FE	3.049	3.049
	BUENOS AIRES	3.049	3.049
GASNOR S.A.	ENTRE RÍOS	3.075	3.075
	CORRIENTES	3.075	3.075
NATURGY NOA S.A.	SALTA	3.035	3.035
	LA PUNA	3.035	3.035
	TUCUMÁN	3.035	3.035
CAMUZZI GAS PAMPEANA S.A.	BUENOS AIRES	3.037	3.037
	BAHÍA BLANCA	2.992	2.992
	LA PAMPA SUR	3.082	3.082
	LA PAMPA NORTE	3.038	3.038
CAMUZZI GAS DEL SUR S.A.	BUENOS AIRES SUR	2.967	2.967
	CHUBUT SUR	2.968	2.968
	PROV. DE NEUQUÉN	3.079	3.079
	CORDILLERANO	3.052	3.052
	SANTA CRUZ SUR	2.932	2.932
	TIERRA DEL FUEGO	2.922	2.922
REDENGAS S.A.	PARANÁ	3.080	3.080

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UPDATE ON FUEL TAXATION IN ARGENTINA: NEW DEFERRAL AND SCHEDULE FOR INCREASES UNDER DECREE 368/2025

The Argentine government has revised the schedule for increases to the taxes on liquid fuels and carbon dioxide.

By means of Decree 368/2025, published in the Official Gazette on May 30, 2025 ("**Decree368**"), the National Executive Branch introduced further modifications to the regime for updating the taxes on liquid fuels and carbon dioxide, as established by Law No. 23,966 (as amended) and Decree No. 466/2024.

Decree 368 sets out a new timetable for updating the fixed amounts of these taxes. In particular, it establishes that for taxable events occurring between June 1 and June 30, 2025, the tax amounts will be increased in accordance with the following table:

PRODUCT	LIQUID FUELS TAX	CARBON DIOXIDE TAX
Unleaded gasoline up to 92 RON; unleaded gasoline over 92 RON; and virgin gasoline	$13.088	$0.802
Diesel (gasoil)	$10.575	$1.205
Diesel (differential treatment, art. 7 inc. d)	$5.726	-

The total increase in tax amounts resulting from the remaining update for the first calendar quarter of 2024, as well as the updates for the second, third, and fourth quarters of 2024 and the first quarter of 2025, will take effect for unleaded gasoline, virgin gasoline, and diesel for taxable events occurring from July 1, 2025, onwards.

The Executive Branch has justified this measure as necessary to continue mitigating the impact of tax adjustments on fuel prices, particularly in the context of significant fluctuations in the Consumer Price Index. The partial and total deferral of these increases is intended to prevent abrupt changes in final prices and to support market stability.

Decree 368 constitutes a further extension and rescheduling of the application of increases to taxes on liquid fuels and carbon dioxide, consistent with the policy of managing fuel prices and fiscal burdens. Operators and tax-responsible parties in the sector are advised to carefully review the new provisions and update their tax calculation and invoicing systems to ensure compliance with current regulations.

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POWER AND ELECTRICITY

BINATIONAL OPERATING AGREEMENT FOR POWER SUPPLY OPTIMIZATION

Delegation of powers to the Secretariat of Energy and Mining Coordination for execution of operational agreement with ANDE and EBY.

By means of Decree No. 303/2025 published in the Official Gazette on May 6, 2025 ("**Decree 303**"), the Federal Executive Branch authorized the Secretariat of Energy and Mining Coordination of the Ministry of Economy (the "**Secretariat**") to enter into an "Operational Guidelines Agreement" (the "**Agreement**") with the Yacyretá Binational Entity ("**EBY**"), the National Electricity Administration ("**ANDE**") of the Republic of Paraguay, and the Secretariat itself.

The Agreement aims to ensure a stable, efficient, and coordinated binational power supply. It establishes joint planning of energy dispatches by ANDE and CAMMESA through a quarterly scheduling mechanism. Each country may withdraw up to fifty percent (50%) of the energy generated under normal operating conditions, and up to one hundred percent (100%) in critical situations, subject to technical feasibility and mutual agreement. The Agreement also regulates energy exchanges in accordance with the ANDE-CAMMESA International Operating Regulation.

Additionally, the Agreement sets a tariff of USD twenty-eight (28) per MWh, as part of a zero-deficit policy designed to guarantee EBY's financial sustainability and prevent the accumulation of tariff-related debt.

The Decree further authorizes the Secretariat to enter into additional agreements with EBY and Paraguayan authorities, and to adopt any complementary administrative measures necessary to implement the objectives of the Yacyretá Treaty.

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TARIFF FRAMEWORK FOR FOURTH LINE COMAHUE–BUENOS AIRES

ENRE approved the transport tariff review as part of the ongoing five-year tariff review.

By means of Resolution No. 318/2025 published in the Official Gazette on May 5, 2025 ("**Resolution 318**"), the ENRE approved the tariff mechanism applicable to the Fourth Line Comahue–Buenos Aires.

In late 2023, the Federal Executive Branch declared an emergency in the federal electricity sector, mandating a comprehensive tariff review to ensure the financial viability of electricity services and to align costs with actual service provision. The emergency was later extended by Decree No. 1023/2024, which also reset the deadline for implementing new tariff schemes. Transener S.A. ("**Transener**") submitted a proposal for the Fourth Line as part of this review process and participated in a public hearing in February 2025, where stakeholders emphasized the importance of transparency, predictability, and proportionality in tariff setting.

The remuneration scheme approved for Transener under Resolution 318 includes: (i) hourly values previously adopted by ENRE through Resolution No. 305/2025; (ii) a monthly escalation of 4.31% from June to December 2025; and (iii) the implementation of both an efficiency incentive mechanism and an investment stimulation factor. The new tariff structure will take effect on May 1, 2025, and applies specifically to the infrastructure associated with the Fourth Line Comahue–Buenos Aires.

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ENRE ADJUSTMENT OF HOURLY RATES AND MONTHLY PENALTIES FOR ELECTRICITY TRANSPORTATION LICENSEES

ENRE has updated the hourly rates and penalties for key electricity transport companies.

By means of Resolutions No. 305/2025 to No. 324/2025, published in the Official Gazette on May 5, 2025 (the "**Resolutions**"), ENRE approved the determination of remuneration, new hourly rates for regulated equipment, monthly rate increase percentages, and the mechanism for updating the remuneration of concessionary companies providing public high-voltage electricity transportation and distribution services, as well as independent transportation companies. The companies affected include TRANSENER S.A., EPEN, TRANSCOMAHUE S.A., DISTROCUYO S.A., TRANSPA S.A., TRANSNEA S.A., TRANSNOA S.A., TRANSBA S.A., LIMSA, DPEC, EDERSA S.A., INTERANDES S.A., INTESAR, TRANSACUE S.A., LITSA,

ENECOR S.A., YACYLEC S.A., TRANSPORTEL MINERA 2 S.A., and TRANSBA S.A.

Additionally, the Resolutions established the average value of the Historical Monthly Penalties.[1] The Resolutions also require carriers to submit, within ten business days of notification, an Investment Plan for the five-year period beginning May 1, 2025, specifying the total amount in Argentine pesos for each carrier. This plan must include both a physical and economic execution schedule, which will be subject to ENRE's approval.

#	RESOLUTION	CARRIER	% MTH RATE INCREASES	TOTAL INVESTMENT
1.	305/2025	TRANSENER S.A.	4.31%	$534.009 MM
2.	306/2025	EPEN	0.65%	$ 25.567 MM
3.	307/2025	TRANSCOMAHUE S.A.	8.66%	$ 26.550 MM
4.	308/2025	DISTROCUYO S.A	1.16%	$ 56.695 MM
5.	309/2025	TRANSPA S.A	9.34%	$ 113.556 MM
6.	310/2025	TRANSNEA S.A.	5.16%	$ 62.126 MM
7.	311/2025	TRANSNOA S.A.	1.34%	$ 156.261 MM
8.	312/2025	TRANSBA S.A.	1.21%	$ 189.317 MM
9.	313/2025	LIMSA	1.50%	$ 16.654 MM
10.	314/2025	DPEC	1.26%	$ 1.642 MM
11.	315/2025	EDERSA S.A.	4.59%	$ 6.512 MM
12.	316/2025	INTERANDES S.A.	1.66%	$ 6.965 MM
13.	317/2025	INTESAR	1.48%	$ 9.748 MM
14.	318/2025	TRANSENER S.A. CUARTA LINEA COMAHUE – BS AS	4.31%	-
15.	319/2025	TRANSACUE S.A.	5.38%	$ 5.513 MM
16.	320/2025	LITSA	0.98%	$ 20.008 MM
17.	321/2025	ENECOR S.A.	1.36%	$ 655 MM
18.	322/2025	YACYLEC S.A.	1.01%	$ 10.750 MM
19.	323/2025	TRANSPORTEL MINERA 2 S.A.	-	$1.028 MM
20.	324/2025	TRANSBA S.A.	4.28%	$ 13.455 MM

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CAMMESA PUBLISHES MODEL ENERGY STORAGE AGREEMENT FOR ALMAGBA TENDER

Cammesa published a new agreement template that establishes the commercial and operational framework for the upcoming 500-megawatt battery storage tender in the AMBA region.

As part of the ongoing "AlmaGBA Storage" national and international call for tenders, CAMMESA has released the template energy storage agreement that defines the rights and obligations that will apply to selected bidders. This document was formally incorporated into the bidding terms on May 16, 2025, through Circular No. 3, and now constitutes Annex 4 to the Call for Tenders.

The tender, authorized under Resolution FSE No. 67/2025 dated February 17, 2025, aims to contract 500 MW of storage capacity with EDENOR and EDESUR for deployment in the Metropolitan Area of Buenos Aires (AMBA). With the publication of the contract, bidders now have access to the complete commercial framework under which their projects will operate.[2]

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ELECTRICITY GENERATION: ADJUSTMENT OF REMUNERATION SCHEME AND MAXIMUM SPOT PRICE

The FSE has updated the remuneration scheme for non-contracted electricity generation and established a new maximum Spot Price in the Wholesale Electricity Market.

By means of Resolution No. 227/2025 ("**Resolution 227**"), the FSE approved a new remuneration scheme applicable to non-contracted generation in the MEM and the MEMSTDF. These adjustments are exceptional and transitional, remaining in effect until a definitive mechanism is implemented.

This measure is framed within the energy emergency declared by Decrees No. 55/2023 and 1023/2024, as well as the broader public emergency established by Decree No. 70/2023. Under these regulations, the FSE was instructed to redefine the operation of the MEM and promote cost-efficient mechanisms for generation and remuneration.

The update introduces a 1.5% increase in remuneration values for non-contracted electricity generation, except for

the hydroelectric complexes Alicurá, El Chocón-Arroyito, Cerros Colorados, and Piedra del Águila. For these, the remuneration established under Annex III of Resolution No. 113/2025 remains in force.

Additionally, the Resolution sets the new maximum Spot Price for the MEM at $13,300 per MWh, effective for price-setting purposes as of June 1, 2025.

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INTERNATIONAL TENDER FOR FOUR MAJOR HYDROELECTRIC POWER PLANTS LAUNCHED

The Federal Executive Branch has formally initiated the process of selling controlling stakes in four key hydroelectric companies: Alicurá, El Chocón, Cerros Colorados, and Piedra del Águila.

By means of Joint Resolution No. 2/2025, published in the Official Gazette on May 7, 2025 (the "**Joint Resolution**"), the FSE and the Agency for the Transformation of State-Owned Enterprises (the "**Agency**") have launched the preparatory steps for a National and International Public Tender aimed at selling controlling interests in four strategic hydroelectric generation companies.

The companies—Alicurá Hidroeléctrica Argentina S.A., Chocón Hidroeléctrica S.A., Cerros Colorados Hidroeléctrica Argentina S.A., and Piedra del Águila Hidroeléctrica Argentina S.A.—were established to receive the transfer of assets and operate the hydroelectric complexes on a transitional basis ahead of their privatization.

The Joint Resolution instructs the FSE to draft the tender's Terms and Conditions and its annexes, including the concession agreement, environmental requirements, inventories, water management rules, safety standards, and the remuneration framework for future concessionaires.

CAMMESA has been tasked with developing and managing a Data Room to ensure bidders have secure access to all relevant technical and legal information. In parallel, ENARSA has been instructed to launch a competitive selection process to hire a globally recognized valuation firm to conduct the official appraisal of the assets.

An Evaluation Committee composed of three members will oversee the selection process. The provinces of Río Negro and Neuquén, where the hydroelectric complexes are located, have been invited to appoint observers to ensure transparency and regional involvement.

The Resolution was issued in the context of Decree No. 718/2024, which authorized the government to sell all shares of the hydroelectric companies via a competitive and transparent tender process. Through this initiative, the Federal Government aims to attract new private investment into the country's strategic energy infrastructure.

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FSE APPROVES NEW ELECTRICITY PRICING ADJUSTMENTS

The FSE approved new electricity pricing adjustments for the MEM and MEMSTDF for the upcoming seasonal period.

By means of Resolution No. 226/2025, published in the Official Gazette on May 30, 2025 ("**Resolution 226**"), the FSE established updated electricity prices for the MEM and MEMSTDF for the period from June 1 to October 31, 2025.

Resolution 226 aims to ensure the sustainability of the electricity sector by adjusting prices to better reflect actual costs and to maintain the continuity of service. Resolution 226 is in compliance with Section 36 of the Federal Electricity Law No. 24.065, which requires that seasonal prices represent the real costs incurred in the MEM and MEMSTDF and that these costs are reflected in the tariffs paid by end-users.

Additionally, Resolution 226 sets forth the application of Reference Prices for Power ("**POTREF**"), and the Stabilized Energy Price ("**PEE**"), for both the MEM and MEMSTDF. These reference prices must be incorporated into the tariff schedules of electricity distributors and public service providers.

Furthermore, under Resolution 226, the PEE, together with the POTREF and the Stabilized Transportation Price (PET), must be used by Distribution Agents and other Public Distribution Service Providers for their respective application in tariff schedules, in accordance with the provisions of Resolution FSE No. 137/1992.

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ENVIRONMENTAL

UPDATE TO THE BASIC WATER USE FEE FOR INDUSTRIAL PURPOSES IN NEUQUÉN PROVINCE

The Province of Neuquén has updated the Basic Water Use Fee for industrial purposes under the Water Code, revising the unit price per cubic meter effective May 1, 2025.

By means of Disposition No. 183/2025, issued on April 24, 2025, the Undersecretariat of Water Resources of the Province of Neuquén has updated the unit values of the *Canon Básico* (Basic Water Use Fee) applicable to the extraction or concession of public water resources for industrial purposes.

Effective May 1, 2025, the updated fees are as follows:

Basic Water Use Fee: $137.87 (approximately USD 0.12) per cubic meter of water extracted or granted under concession.

Industrial Use U.3.1 (Final Value): $651.75 (approximately USD 0.56) per cubic meter for public water used in activities classified under this specific industrial category.

This adjustment represents an 8.99% increase, reflecting the change in the price of Grade 3 Diesel in the City of Neuquén between December 2024 and April 2025. The price of Grade 3 Diesel is used as a reference variable in the adjustment formula for these fees.

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INSIGHTS ON THE ARGENTINE ENERGY INDUSTRY

PROVINCE OF CHUBUT APPROVES RECONVERSION OF CERRO DRAGÓN CONCESSION WITH PAE

The Province of Chubut has approved the reconversion of the Cerro Dragón hydrocarbon concession from a conventional to an unconventional concession.

By means of Law XVII No. 160, the Legislature of the Province of Chubut fully ratified the "Agreement on the Cerro Dragón Reconverted Concession" signed with Pan American Energy S.L. Sucursal Argentina ("**PAE**") on April 14, 2025 (the "**Agreement**"). This legislative ratification follows the initial approval by Decree No. 340/2025, the protocolization of the Agreement in the official Register of Public Agreements, and its subsequent enactment through Decree No. 460/2025.

The Agreement represents a major shift in the legal and operational framework governing the Cerro Dragón block, one of the most productive hydrocarbon areas in the San Jorge Gulf Basin. Specifically, it converts the concession from a conventional exploitation regime to a non-conventional (unconventional) hydrocarbon concession, in accordance with the legal mechanisms provided under the FHL. This reconversion grants the concessionaire a new 35-year term and aligns Cerro Dragón with Argentina's regulatory framework for the development of shale and tight resources, similar to the approach adopted in the Vaca Muerta formation.

To further enhance the financial viability of the reconversion, Article 2 of the enacted legislation exempts the Agreement from stamp tax obligations, thereby reducing transaction costs and supporting the economic feasibility of the project.

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RÍO NEGRO ADVANCES WITH THE EXTENSION OF HYDROCARBON CONCESSIONS

The Province of Río Negro has formalized the extension of hydrocarbon concessions through four decrees that implement the requirements established by Law No. 5733.

By means of of Law No. 5733, published in the Official Gazette on July 22, 2024, the Province of Río Negro had established a framework for extending existing hydrocarbon exploitation concessions in the province by ten years. The extension is available exclusively to concessionaires who comply with the requirements of Article 35 of the FHL, including fulfillment of investment and operational obligations, and registration in the Provincial Registry of Concession Extensions (Decree 45/24). The Secretariat of Energy and Environment is responsible for overseeing this process.

The Executive Power of Río Negro has now issued four decrees granting ten-year extensions to various concession titles in the province, in accordance with Law No. 5733 and the provisions of Law Q No. 4296. Below is a summary of the main technical and economic terms of these extensions:

1) Decree No.554/2024 - Block: Estación Fernández Oro ("EFO")

Publication date: 23/12/2024

New expiration date: 16/08/2036
Holders: Quintana E&P Argentina S.R.L. (10%), Quintana Energy Investments S.A. (89%), and Gas Storage and Midstream Services S.A. (1%)

Assumed Key commitments:

- Minimum Investment and Activities Plan: USD 91,880,000
- Additional Oil and Gas Contribution: 3% of monthly computable production
- Extension Bonus: USD 2,500,000
- Contribution to Social Development and Institutional Strengthening: USD 500,000

· Commitment to Training, Research, and Development:

- USD 25,000 (if production ≤ 500 BOE/day)

- USD 50,000 (if production > 500 BOE/day)

- Environmental Liabilities Remediation Plan: USD 100,000
- Royalties: 12% on computable production

2)Decree No. 91/2025 - Blocks: Barranca de los Loros, El Santiagueño, Bajo del Piche, and El Medanito

Publication date: 20/02/2025

Holder: Petróleos Sudamericanos S.A. (100%)

New expiration dates:

- Barranca de los Loros: 14/11/2037
- El Santiagueño: 06/09/2035
- Bajo del Piche: 14/11/2037
- El Medanito: 14/11/2037

Key commitments:

- Minimum Investment and Activities Plan: USD 69,850,000
- Additional Oil and Gas Contribution: 3% of monthly computable production
- Extension Bonus: USD 4,833,333
- Contribution to Social Development and Institutional Strengthening: USD 966,667 (20% of the Extension Bonus)
- Commitment to Training, Research, and Development:

- USD 25,000 (production ≤ 500 BOE/day)

- USD 50,000 (production > 500 BOE/day)

- Environmental Liabilities Remediation Plan: USD 898,476
- Royalties: 12% on computable production

Decree No. 91/2025 also provides for the partial reversion of the areas "El Santiagueño" and "Bajo del Piche."

3)Decree No. 108/2025 - Blocks: Centro Este and Loma Montosa Oeste

Publication date: 20/02/2025

New expiration dates:

- Centro Este: 11/01/2036
- Loma Montosa Oeste: 28/07/2037

Holders: Petróleos Sudamericanos S.A. (70%), JCR S.A. (30%)

Key commitments:

- Minimum Investment and Activity Plan: USD 25,830,000
- Additional Oil and Gas Contribution: 3% of monthly computable production
- Extension Bonus: USD 2,000,000
- Contribution to Social Development and Institutional Strengthening: USD 400,000 (20% of the Extension Bonus)
- Commitment to Training, Research, and Development:

- USD 25,000 (production ≤ 500 BOE/day)

- USD 50,000 (production > 500 BOE/day)

- Environmental Liabilities Remediation Plan: USD 188,417
- Royalties: 12% on computable production

4)Decree No. 396/2025 - Block: Agua Salada

Publication date: 19/05/2025

New expiration date: 06/09/2035

Holders: Tecpetrol S.A. (70%), YPF S.A. (30%)

Key commitments:

- Minimum Investment and Activity Plan: USD 22,500,000
- Additional Oil and Gas Contribution: 3% of monthly computable production
- Extension Bonus: USD 1,250,000

- Contribution to Social Development and Institutional Strengthening: USD 250,000 (20% of the Extension Bonus)

- Commitment to Training, Research, and Development:

- USD 25,000 (production ≤ 500 BOE/day)

- USD 50,000 (production > 500 BOE/day)

- Environmental Liabilities Remediation Plan: USD 6,500

- Royalties: 12% on computable production

All four extension agreements expressly require that concessionaires, contractors, and subcontractors utilize at least 80% local labor, suppliers, and companies in all procurement and hiring processes.

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NEUQUÉN AND ENERGY COMPANIES UPGRADE VACA MUERTA'S ROAD INFRASTRUCTURE

The Province of Neuquén and leading energy operators are enhancing key roads in Argentina's shale heartland.

The Province of Neuquén and major energy operators are working together to improve critical road infrastructure in the Vaca Muerta region.

The recently announced project and associated works include a paving study for Provincial Route No.8, from Provincial Route No.7 to near its junction with Provincial Route No.17, and the paving of Provincial Route No.17—from near its junction with Provincial Route No.8 to the ring road currently under construction by the Province in Añelo.

YPF, Shell, PAE, Tecpetrol, Vista, TotalEnergies, Pampa Energía, Chevron, Pluspetrol, and Phoenix have committed to paving segments of Provincial Routes No. 8 and 17, totaling 50.4 kilometers, through a private trust established specifically for this purpose.

The Province of Neuquén will contribute an additional 12.6 kilometers of paving along Provincial Route No. 17, aiming to complete the road circuit around Añelo, the epicenter of hydrocarbon activity in Neuquén.

The "Oil Ring Road Trust" *(Fideicomiso de Circunvalación Petrolera*) will make a conditional donation to the Province of Neuquén. In exchange, the Province commits to implementing a toll system to finance the maintenance and repayment of the project over a 15-year period, thereby exempting the government from allocating direct budgetary resources for this infrastructure.

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GENERAL REGULATORY MATTERS

ANMAC ESTABLISHES NEW FEES FOR THE DESTRUCTION OF SPECIAL USE MATERIALS

ANMaC has introduced new fees for the registration of facilities and commercial activities related to the destruction of special use materials.

By means of Resolution 55/2025, published in the Official Gazette on May 19, 2025 ("**Resolution55**"), ANMaC established service fees denominated in "ANMaC Units" for the registration and re-registration of facilities and commercial operators involved in the destruction of special use materials. The fee for each procedure is set at 500 ANMaC Units. As of the publication date of Resolution 55, each ANMaC Unit is equivalent to AR$ 1,000 (approximately USD 0.80).

This measure is based on a comprehensive legal framework, including Law No. 27,192; Law No. 23,283; Law No. 23,412; Decree Law No. 20.429 on Firearms and Explosives; and Decrees No. 395/1975 and 302/1983. These laws empower ANMaC to regulate, control, and supervise the acquisition, transport, and destruction of controlled materials throughout Argentina.

Resolution 55 also introduces the ANMaC Unit as a reference for setting and updating fees, streamlining future adjustments and promoting transparency.

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PROVINCE OF NEUQUÉN: RESTRUCTURING OF THE MINISTRY OF ENERGY AND NATURAL RESOURCES

The Province of Neuquén has implemented significant organizational changes within the Ministry of Energy and Natural Resources.

By means of Decree No. 490/2025, published in the Official Gazette of the Province of Neuquén on May 2, 2025 (the "**Decree 490**"), the Provincial Government approved substantial modifications to the organizational structure and responsibilities of the Ministry of Energy and Natural Resources (the "**MERN**").

Decree 490 reorganized the Secretariat of Environment, which now consists of three Undersecretariats: Environment, Natural Resources, and Climate Change. The Undersecretariat of Natural Resources has been assigned oversight of the Provincial Directorate of Mining, the Provincial Directorate of Natural Protected Areas, and the Neuquén Center for Applied Ecology. The Provincial Directorate of Mining is now formally integrated into the Secretariat of Environment and Natural Resources.

Additionally, Decree 490 clarifies that MERN is responsible for supervising the provincial companies Gas y Petróleo del Neuquén S.A. (G&P), Hidrocarburos del Neuquén S.A. (HIDENESA), and Corporación Minera del Neuquén S.E. (Cormine S.E.), with Cormine S.E. now reporting directly to MERN rather than through the Undersecretariat of Energy and Hydrocarbons.

MERN has also been granted expanded responsibilities, including the oversight of projects, programs, and initiatives related to the use and management of both proprietary and shared water resources, with coordination duties involving interjurisdictional authorities.

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NEW LNG PROJECT UNDER RIGI FRAMEWORK

The Ministry of Economy has approved Southern Energy S.A.'s application for adherence to the RIGI, marking the regime's inaugural project in the oil & gas sector.

By means of Resolution No. 559/2025, published in the Official Gazette on May 5, 2025 ("**Resolution 559**"), the Ministry of Economy granted Southern Energy S.A. adherence to the RIGI for the "*Proyecto de Licuefacción de Gas Natural*", a large-scale LNG development located in the San Matías Gulf, province of Río Negro (the "**Project**").

The Project involves the installation and operation of two offshore floating liquefaction units ("**FLNGs**"): (i) "MKII", currently under construction, and (ii) "Hilli Episeyo", which is expected to anchor off the Río Negro coast in early 2027. These FLNGs are designed to process natural gas sourced from the Vaca Muerta formation into LNG for export. The Hilli Episeyo will have a processing capacity of 11.5 million cubic meters per day (m^3/d) of natural gas, while the MKII, scheduled for deployment in 2028, will process up to 16 million m3/d. As a result, the Project's annual LNG production capacity is projected to range between 1.5 and 2.2 million tons, depending on gas transportation availability, which is also included in the project's planning.

Southern Energy S.A. is a consortium comprising Pan American Energy (30%), YPF (25%), Pampa Energía (20%), Harbour Energy (15%), and Golar LNG (10%). The Project will be executed through a wholly owned Special Purpose Vehicle, with Southern Energy remaining responsible for execution and compliance with the RIGI regime. The declared investment in computable assets totals USD 6.878 billion, to be disbursed in two stages: (i) USD 1.603 billion for the first stage, and (ii) USD 1.222 billion for the second, with a significant portion allocated to the deployment of the MKII FLNG. Notably, the project is expected to increase domestic gas production by approximately 5% to 8% annually.

Resolution 559 specifically approves the first phase of the broader "Argentina LNG" initiative, a long-term development plan that envisions the installation of up to six different FLNGs and associated export pipelines.

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ARGENTINA DIGITALIZES IMPORT AND EXPORT PROCEDURES FOR CONTROLLED MATERIALS THROUGH VUCEA

ANMaC now requires the use of the National Single Window for Foreign Trade (VUCEA) for managing import and export authorizations involving firearms, explosives, and other regulated materials.

By means of Resolution No. 51/2025, published in the Official Gazette on May 13, 2025 ("**Resolution 51**"), ANMaC has established a new mandatory framework for processing import, export, and transit operations involving controlled materials such as firearms, ammunition, and explosives, as regulated under Law No. 20,429 and its complementary decrees.

The new regime mandates that all such procedures be conducted exclusively via the VUCEA platform (*Ventanilla Única de Comercio Exterior Argentino*), an integrated digital system managed by the federal government to streamline foreign trade operations and facilitate coordination among regulatory agencies involved in cross-border commerce.

Under Resolution 51, importers and exporters of controlled materials must now submit all relevant applications, licenses, and supporting documentation through the VUCEA web portal, in accordance with the technical specifications outlined in the system's official User Manual. This includes procedures for obtaining authorizations for import, export, international transit, and post-import verification of controlled goods.

The provisions of Resolution 51 will become operative upon the entry into force of complementary regulations to be issued by ARCA. However, Resolution 51 itself became effective on May 10, 2025.

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