ASEA

- Legal Mandate
  - Regulate
  - Authorize
  - Supervise

- Scope
  - Industrial Safety
  - Operational Safety
  - Environmental Protection

August 11th 2014: ASEA Law
March 2nd 2015: Start of operations
ASEA’s Scope

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<tr>
<th>ASEA</th>
<th>BSEE (USA)</th>
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<th>AER (CAN)</th>
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# Table

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ASEA’s Approach

Promote safety and environmental culture in the Oil and Gas operations through:

• Objective based regulation
• Risk based management
• Incorporation of international best practices
• Safety and Environmental Management Systems
• Favoring preventive and corrective actions over fines and sanctions
• Performance evaluation
• Interoperability and promptness in internal and external processes
Construction of ASEA’s Vision

Priority Issues
ASEA Vision

- Production responsible with the environment
- Linking the Hydrocarbon Sector to Biodiversity
- Contributing to the SDGs
- Close regulatory breaches in environmental protection and safety
- Efficient Management of the Sector
- Planning, Management and Supervision with territory vision

National Development Plan

Sustainable management of resources for social wellness

Climate Change

Water and Environmental Degradation

ASEA Strategic Program

PROMARNAT

Construction with ASEA consumables
Policy Actions

Financial Instruments (Civil Responsibility and Environmental Damage)
Regulation, Laws, Rules, NOM, DACG
Safety and Environmental Management Systems
Management based on the prevention and mitigation of environmental impacts
Evaluation of Compliance (Third Parties and Audits)
Qualitative Program for Supervision and Vigilance
Inspections with a preventive and corrective vision
Fines and Sanctions

Impact

Environmental Protection
I. Fostering culture and capacity for risk and environmental impact prevention through the implementation of SASISOPA by the Regulated.

II. Requiring financial instruments so that the Regulated respond for the damages they can cause.

III. Technical regulation based on the risk involved in every stage of the value chain and privileging objective based over prescriptive measures. It goes hand in hand with the interested parties and is based on industry best practices and standards.

IV. Management and authorization based on risk through a digital and automatized platform for filings and with the support of technical evaluations by third parties.

V. Compliance evaluation, supervision, vigilance and inspection based on risk with support from third parties, which privileges the closing of risk gaps over fines and sanctions.
Risk Management

Reducing the probability and/or impact of an event with a considerable risk (SASISOPA)

A Third Party accepting the risk in exchange for a compensation (Insurance).

Establishing the necessary and sufficient controls that prevent the event from occurring.

Transferring Risk

Reducing Risk

Controlling Risk
Online Services Office

Improves accessibility to filings and their tracking to provide a better service to the Regulated.

We seek to have a 100% digital platform
Regulatory Coordination Group

System of Energy Sector Regulators

- Facilitate the Sector’s development
- Provide long term regulatory certainty
- Systematic operation to attend the sector’s needs
- Have vanguard technical capacity
- Creation of the Energy Sector Coordinated Assistance Office
  - Guide and provide information regarding the applications for filing linked to areas in which more than one Regulator is involved
Third Party Model

Through a continuous improvement model Third Parties will enhance their performance in supervising, verifying, evaluating, investigating and/or auditing in aid of the Agency.
Third Parties

- Approval
  - Certification Organisms
  - Verifying Units
  - Test Laboratories
- Authorization
  - Authorized Third Parties
- Performance Evaluation

- 17 calls for approvals
  - 379 approvals
- 9 calls for authorizations
  - 213 authorizations
Inspection and verification are critical for the Sector’s optimal performance; their results are used to determine corrective actions which are favored over sanctions.

To maximize inspection efficiency, the criteria must be homologated and pertinent to the operations of each Regulated
Criteria for supervision and inspection

- Parameters for the performance of the Regulated:
  - Criticality of the Process (Incidents)
  - Complaints and Reports
  - Technical Infringements
  - Administrative Infringements
  - Organizational Culture
  - Results from the previous inspection

- Selection of Regulated for inspection visits
  - Inspection Visit (Not acceptable risk)
  - Supervision (Tolerable risk)
  - Monitoring (Acceptable)

- Parameters for the supervision (verification) of Third Parties
  - Observations
  - Corrective Actions
  - Resolutions
  - Follow-up program
Current and in progress regulation
Thank you!

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