

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Suo motu Petition No.70/ 2011

Coram: **Dr. Pramod Deo, Chairperson
Shri S. Jayraman, Member
Shri V.S.Verma, Member
Shri M. Deena Dayalan, Member**

Date of Order: 15.9.2011

In the matter of:

Audit of Trading Software Algorithm Used for Price Discovery by Power Exchanges

And

In the matter of:

Indian Energy Exchange, New Delhi
Power Exchange of India Limited, Mumbai

... **Respondents**

ORDER

The Commission in order dated 11.3.2011 in Suo Motu Petition No.70/2011 had decided to get the "Trading Software Algorithm used for Price Discovery" audited by a competent Audit Firm in compliance with clause (v) of Regulation 31 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2010 (hereinafter called "Power Market Regulations"). The Secretary of the Commission was directed to complete the process of selecting a competent Audit firm for the auditing of 'Trading Software Algorithm used for Price Discovery' within a period of two months from the date of issue of the said order.

2. The Competent Authority has appointed M/s Poyry Management Consulting, Norway for undertaking the audit of "Trading Software Algorithm

used for Price Discovery” by Power Exchanges Registered with the Commission and currently in operation.

3. The scope of work of the audit has been delineated in para 4 of the order dated 11.3.2011 *ibid.* Senior Advisor (Power Market) of the Commission is authorized to correspond and coordinate with the nodal officers nominated by the Power Exchanges in connection with the audit. The auditor shall submit a mid-term report for review and at the end of audit, the final report alongwith a presentation to the Commission.

4. In order to ensure auditing of software algorithm system in a smooth and well coordinated manner, the power exchanges shall extend cooperation to the auditor strictly in accordance with our directions in para 5 of the order dated 11.3.2011 *ibid.*

sd/-
(M. Deena Dayalan)
Member

sd/-
(V.S. Verma)
Member

sd/-
(S.Jayaraman)
Member

sd/-
(Dr. Pramod Deo)
Chairperson