Submitter	Helios Energy Limited

Questions	Comment
Q1. Identified issues	
a. Do you agree with the identified issues? If not, why?	Yes, the general issues with the HDD have been adequately covered. As an independent generator trying to enter the market, we stress the importance of reliable long term price discovery that enables fair and reasonable negotiations of adequate risk management contracts. We believe improving transparency will increase competition and liquidity in the electricity market which is necessary if we are to unlock the billions of dollars of investment needed to build new generation assets.
b. Are there other issues with the HDO requirements that we have not identified? Can you please provide specific and quantifiable examples.	We consider the presentation of the HDD very outdated and not intuitive for parties that are new to the system.
c. What types of risk management contracts are not being captured under the current HDO requirements as set out in the Code?	• Internal transfer contracts within generator - retailer businesses. • Swaptions • Shaped or firming products
d. Do you use the published information to elicit a forward price curve and to assess the competitiveness of the contracts market? If not, what do you use it for?	We strongly believe with the right adjustments, the hedge disclosure database has the potential to enable a long-term forward price curve to be derived. However, given the numerous issues identified with the database, it is difficult to accurately derive a forward curve at this time. The data that is currently available requires considerable assumptions to be made to elicit meaningful price insights. Given the high hurdle to participate in the ASX market, and the nascent contracts market that currently exists, we consider a long term forward price curve essential to a well-functioning market. Having greater access to, and confidence in, long term hedge markets will enable a more robust and competitive electricity market.
Q2: Problem definition	

e. Do you agree with the Authority's proposed areas of improvement? If not, why?	Yes, the areas for improvement identified could make significant improvements to the OTC market if implemented correctly.
f. Are there other areas of improvement in the HDO requirements that we have not identified?	
Q3: Improving risk management information collected	
g. What are your views on the relative merits or priority of these five options for improving the risk management information collected? What are the compliance costs?	We support your suggested improvements of information collection as a means of increasing transparency with the regulator. However, we stress the importance of carefully navigating the compliance burden so as not to drive users away from OTC trades, which could make the market less competitive and efficient. Given the increasing complexity of market hedge contracts, we support the submission of the entire contract so the regulator can be fully informed and does not miss crucial nuance. We are very encouraging of the collection of pre-negotiation offers and bids as a way of understanding how competitive and liquid the market truly is. The last two suggestions would already be disclosed to the regulator if the entire contract submission becomes a requirement. Please see below for our thoughts on the publication of this data.
h. Are there any other options to improve risk management information collected that we haven't identified?	We believe all contracts be disclosed regardless of their term i.e. remove the 10 year barrier. Additional information may be required if contracts contain a combination of fixed/index price for part of the period, and a market linked or other price, for the remainder. Disclosure of the nature of the indexation would be preferable to requiring the disclosure to calculate a "weighted average" price for the term
i. If the Authority were to expand the types of risk management contracts collected: a. What types of contracts should be collected (ie, swaptions, PPA)? b. Should the Authority specify the type of contracts that are required to be disclosed (similar to status quo), or simply amend the	The HDO requirements should broaden to cover all hedge products given the complexity of contracts anticipated with an increasingly renewable and intermittent market. If the code is too prescriptive on the type of contract, the market may evolve faster than the regulator can respond to.

Code to capture all existing and any future types of hedge products? Why?	
j. What risk management information on each type of contracts should be collected, in addition to what is already required under the current Code to support risk management strategies ?	● Generation type e.g wind, solar, hydro etc ● Whether BESS is behind the meter, or not (this will affect the assumed shape of the generation profile) ● Intermittent or dispatchable ● Firming or shape contract ● Trading periods or months covered ● Counter parties involved (gentailer, generator, industrial, retailer ect) ● Indexing or inflation adjustments. ● Price reset adjustments
Q4: Improving risk management information published	
k. What are your views on the proposed options? Which one do you think the Authority should adopt when considering what risk management information should be published ?	We believe the regulator should publish a select range of information so long as the definition of "derived by industry needs" pertains to the issues identified in section 3 of this consultation, with particular emphasis placed on "Competition". The approach of publishing a select range of information could have the most impact if it provides enough information on technology-specific transactions that can benefit negotiations and competition. We consider the status quo too broad to derive meaningful forward curves and price discovery, which dampens our negotiating and bargaining power. Publishing all information will require considerable analysis and interpretation by market participants, which may negatively impact smaller participants, further stifling the introduction of more competition to the market. We agree with your point that publishing all information may also result in collusion and anti-competitive behaviour.
l. Based on the risk management information suggested above (paragraph 4. 8 (a - e)) and any additional suggestions, what risk management	● Generation type e.g wind, solar, hydro etc - this is essential to understand GWAPs and therefore long-term technology-specific forward curves.

information do you think should be published on each type of contracts, and why (or why not)?	● Presence of BESS or other forms of energy storage (and rating e.g. x MW / y MWh) ● Firming or shape contract - given the anticipated increasing volatility diurnally and seasonally, this detail is essential to accurately assess pricing. ● Trading periods or months covered - given the anticipated increasing volatility diurnally and seasonally, this detail is essential to accurately assess pricing. ● Counter parties involved (gentailer, generator, industrial, retailer ect) - ● Indexing or inflation adjustments - this has considerable impact on pricing, particularly in our current inflationary market ● Price reset adjustments - longer-term contracts may have market reset mechanisms after 5 - 10 years which again has a considerable impact on pricing.
Q5: Improving the hedge disclosure system	
m. What improvements do you want to see in the current System, and why? Could you provide specific examples where possible?	