

Policy Title	Policy Number
Non-Regulatory Business Venture Policy	CO04
Issuing Department	Last Revision Date
Communications, Strategy & Innovation	January 8 <sup>th</sup> 2025

## **Non-Regulatory Business Venture Policy**

### **1.0 Purpose**

- 1.1 The purpose of this policy is to set out the principles and parameters used by the Electrical Safety Authority (ESA) when engaging in Non-Regulatory Business Ventures in order to meet its obligations and compliance reporting requirements as established under the Administrative Agreement, 2022 (“AA”).
- 1.2 To promote external awareness and understanding of obligations as established under ESA’s mandate and compliance with the AA.

### **2.0 Scope**

- 2.1 The provisions of this policy and associated procedures apply to all:
  - Existing, proposed and new non-regulatory business ventures.
  - ESA employees, and anyone with the authority to act on behalf of the ESA who is in any way involved in existing, proposed and/or new non-regulatory business ventures.

### **3.0 Objective**

The objectives of this Policy are to:

- 3.1 ensure ESA is compliant with its obligations as set under the provisions of the AA.
- 3.2 guide actions undertaken by ESA through a set of principles to be followed when engaging in activities related to non-regulatory business ventures.
- 3.3 provide requirements by which ESA engages in non-regulatory business ventures to ensure proper compliance with the AA, this Policy and any associated procedures.
- 3.4 provide clarity and transparency to Stakeholders with respect to this Policy in order to support a broad base of understanding, as required under the AA.
- 3.5 establish clear accountability for execution and monitoring of this Policy.

### **4.0 Policy Content**

- 4.1 ESA will only enter into non-regulatory business arrangements that promote and enhance electrical safety and are consistent with its objects, vision and mission. It

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will operate in compliance with the principles outlined in this policy. The ESA will ensure that all of its employees are aware of and act in accordance with this policy. The ESA will also communicate this policy to its stakeholders and licensees to ensure a broad based of understanding.

## 4.2 ***Non-Regulatory Business Principles***

The following principles are applicable in the development of, and engaging in, all Non-Regulatory Business Ventures:

1. **Commitment to Core Responsibilities and Regulatory Integrity:**  
The ESA will at all times conduct itself in a manner that maintains its ability to deliver its Statutory Mandate, with high standards of integrity and in a non-conflicted manner.
2. **Fair Business Practices:**  
The ESA will not use its authority as a regulator to create an unfair business advantage.
3. **Fair Competition:**  
The ESA shall ensure that all contracts, agreements, or understandings are consistent with competition law.
4. **Financial Independence:**  
The ESA will only deliver non-regulatory business services that enhance electrical safety and generate revenues generally to the benefit - and never to the detriment - of its regulatory responsibilities. The ESA will ensure independent financial reporting of non-regulatory business services.

## 4.3 ***Requirements for Engaging in Non-Regulatory Business Ventures***

### 4.3.1 **General Requirements**

In accordance with the *Safety and Consumer Statutes Administration Act, 1996*, ESA will not engage in commercial activity through an individual, corporation or other entity that is related to the Administrative Authority.

Prior to entering into any proposed New Non-Regulatory Business Venture, ESA will submit to the Minister a statement consistent with the requirements of the AA, and the timelines therein.

### 4.3.2 **Requirements Relating to the Management of Non-Regulatory Business Conflicts of Interest**

ESA and its employees are responsible for avoiding, mitigating and/or eliminating any non-regulatory business conflicts of interest that result, or would result if not

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appropriately addressed, in a breach of the Non-Regulatory Business Principles as set out in section 4.2 herein (each an “NRB Conflict of Interest”). ESA will manage any NRB Conflict of Interest in accordance with the established internal procedure.

External Stakeholders may report an NRB Conflict of Interest to ESA through the process provided on the Non-Regulatory Business section of ESA’s external website. Management of reported NRB Conflict of Interest from external Stakeholders will be addressed in accordance with the established internal procedure.

#### 4.4 Accountability Relationships

**Management:** Execution of this Policy is primarily the responsibility of the Executive Management Team, Supervisors, Managers, Directors and General Managers.

**Vice President of Communications, Strategy & Innovation:** Overall accountability to ensure integrity of this Policy and related procedures.

**Chief Ethics Officer:** Responsible for the assessment and determination of reported potential or actual NRB Conflict of Interest in accordance with this Policy, AA, SCSAA and other related documents.

In the event that the Chief Ethics Officer is the subject of the NRB Conflict of Interest investigation, the Vice President of People and Culture or their designate shall assume the role of the Chief Ethics Officer.

## 5.0 Legislative Authority

- *Safety and Consumer Statutes Administration Act, 1996, S.O., c.19*
- *ESA’s Articles of Amendment, 2024 Patent, 1999;*
- *The Administrative Agreement, 2022, Schedule “I” Non-Regulatory Business Policy*
- *Electricity Act, 1998, S.O. 1998, c.15, Sched. A;*
- *Electrical Safety Code (Ontario Regulation 164/99);*
- *Licensing of Electrical Contractors and Master Electricians (Ontario Regulation 570/05);*
- *Electricity Distribution Safety (Ontario Regulation 22/04);*
- *Product Safety (Ontario Regulation 438/07)*
- *Ontario Regulation (187/09)*

## 6.0 Evaluation, Monitoring and Review

- 6.1 ESA will monitor its business development activities to ensure that this Policy is being consistently applied in accordance with the AA.

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6.2 Upon request of the Minister, ESA will engage a third party to conduct a review of compliance with this policy. In addition, the ESA will also make the findings of the review available to the public, including by posting on the ESA's website.

## 7.0 Interpretations

For the purposes of this policy, unless otherwise stated, the following definitions apply:

Term	Definition
<b>AA, 2022</b>	Administrative Agreement, March 2022.
<b>Conflict of Interest</b>	A Conflict of Interest refers to a situation in which the regulator has other competing financial obligations or interests that could interfere, or be perceived to interfere, with its ability to adequately perform required obligations, accountabilities, responsibilities, duties in a fair and objective manner.
<b>Existing Non-Regulatory Business Venture</b>	Existing non-regulatory business ventures that ESA is or was engaged in prior to the signing of the AA, 2022
<b>New Non-Regulatory Business Venture (New NRB)</b>	New non-regulatory business venture ESA is engaged in or considering engaging in after the signing of the AA, 2022. This includes proposed changes to existing NRBs that ESA considers a material deviation from the nature of their services offered previously.
<b>Non-Regulatory Business Venture</b>	ESA is authorized to undertake non-regulatory business, that is, business in addition to its Regulatory Activities but within ESA's objects. This includes activities that ESA undertakes that generates costs and revenues or incurred costs for the purpose of generating future revenue; these activities are outside the delegated Act or corresponding Regulations.
<b>Non-Regulatory Activities</b>	Activities that ESA undertakes that generates costs and revenues or incurred costs for the purpose of generating future revenue; these activities are outside the delegated Act or corresponding Regulations.

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<b>Regulatory Activities</b>	Discretionary and non-discretionary activities that ESA undertakes that incur costs, which are offset by fees that support or are explicitly required for the Authority's proper administration of the Act or corresponding Regulations.
<b>Stakeholders</b>	Stakeholders include the public, the regulated community, competitors, market participants, safety partners, and other regulatory bodies.

## 8.0 Associated Policies and Procedures

- New Non-Regulatory Business Venture Procedure (CO04.GR.PR.10)
- Non-Regulatory Business Conflict of Interest Procedure (CO04.GR.PR.15)
- Existing Non-Regulatory Business Venture – Operational Procedure (CO04.GR.PR.08)
- Monitoring Non-Regulatory Business Venture Procedure (CO04.GR.PR.12)

## 9.0 Associated References

- The Administrative Agreement, 2022, Schedule "I" Non-Regulatory Business Policy
- ESA's Articles of Amendment, 2024

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## Appendix: Framework for Engaging in Non-Regulatory Business Ventures

### ***General***

ESA is responsible for meeting its statutory mandate and the authority delegated to it pursuant to the *Safety and Consumer Statutes Administration Act, 1996* (SCSAA). However, nothing within the SCSAA, limits the ability of ESA to engage in other activities in accordance with its Objects of its Letters Patent.

Consequently, ESA has the ability to engage in non-regulatory business ventures in addition to its statutory mandate.

### ***ESA's Letters Patent***

The Objects as set out in ESA's Letters Patent are as follows:

- a) to promote and undertake activities which enhance public electric safety including training, authorization, registration, audit, quality assurance, inspection, investigation, enforcement and other public electric safety services;
- b) to act in any capacity under all legislation and regulations designated and delegated to the Corporation under the *Safety and Consumer Statutes Administration Act, 1996*, S.O. 1996, C. 19 as amended from time to time and any other legislation or regulations under which responsibilities are delegated to the Corporation in the future;
- c) to inform, educate and work with industry, government and the public;
- d) to promote and undertake activities that enhance the competitiveness of the Ontario and the Canadian economy;
- e) to promote and undertake activities that encourage the harmonization of electric safety standards and compliance practices; and
- f) to encourage industry to responsibly enhance electric safety.