

April 2026 – March 2027

BUSINESS PLAN

Empowering Safety, Energizing Tomorrow
Delivering through Digital Transformation





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Vision

An Ontario where people can live, work and play safe from electrical harm, now and into the future.

Mission

To enable a safe, electrified Ontario through expertise, regulatory oversight and collaboration.

Mandate and Scope

To promote and undertake activities which enhance public electrical safety including training, inspection, authorization, investigation, registration, enforcement, audit, and other regulatory and non-regulatory public electric safety quality assurance services.

Purpose

ESA anticipates, understands, and mitigates electrical related harms to improve safety for the well-being of Ontarians.

Values

SAFETY

We put safety at the core of all that we do.

PEOPLE FOCUSED

We put ourselves in others' shoes, understanding the needs of our staff, our stakeholders and the people we serve.

ACCOUNTABLE

We commit to our goals, to each other and deliver results that matter.

INCLUSIVE

We encourage and value differences, recognizing that diverse perspectives strengthen our work.

COURAGE AND INTEGRITY

We engage in honest conversations in the best interest of our safety purpose, treating our staff, regulated communities, stakeholders and partners with respect.

ADAPTIVE

We continuously assess our environment and evolve to meet emerging challenges.

ESA'S 5-YEAR STRATEGIC PLAN

Strategic Framework for 2025-2030 Strategic Plan

To enable a safe, electrified Ontario through expertise, regulatory oversight and collaboration.



Safety • Accountable • People Focused • Inclusive • Courage and Integrity • Adaptive

CORPORATE OVERVIEW

The background features a dark blue field with several large, overlapping geometric shapes in a slightly lighter shade of blue. A prominent yellow shape, resembling a stylized arrow or a wide, curved line, originates from the bottom left and extends towards the right. A white line follows a similar path, slightly below the yellow one. On the right side, a vertical yellow bar is partially visible. The overall aesthetic is modern and corporate.

CORPORATE OVERVIEW

Role

The Electrical Safety Authority (ESA) is mandated by the Government of Ontario to enhance public electrical safety in the province. We are both a regulator and an advocate for electrical safety. Our powers and duties are derived from Part VIII of the *Electricity Act, 1998* and the *Safety and Consumer Statutes Administration Act, 1996* including responsibility for five regulations:

- 1** The Ontario Electrical Safety Code (adopted pursuant to Regulation 164/99) which defines how electrical work will be done;
- 2** Licensing of Electrical Contractors and Master Electricians (Regulation 570/05) which sets requirements for those doing electrical work;
- 3** Electrical Distribution Safety (Regulation 22/04) which defines safety accountabilities for Ontario's Licensed Distribution Companies (LDCs);
- 4** Electrical Product Safety (Regulation 438/07) which addresses approval of electrical products before their sale, and response to unsafe industrial and commercial products in the marketplace; and,
- 5** Administrative Penalties (Regulation 12/23) specifies when the ESA may issue administrative monetary penalties to unlicensed businesses, licensed electrical contractors, master electricians or individuals who are not compliant with certain electrical safety requirements.

ESA's primary activities are identifying and targeting leading causes of electrical safety risk; overseeing compliance with regulations; promoting awareness, education and training; and collaborating with stakeholders to improve the state of electrical safety in Ontario.

ESA is a private, not-for-profit corporation headquartered in Mississauga, Ontario with staff deployed across the province.

Relationship to Government

ESA is an Administrative Authority (AA) of the Government of Ontario. Our mandate is to administer the designated legislation and regulations to enhance public safety, consumer protection, and advance the principle of a fair, safe and informed marketplace, which supports a competitive economy. The Ministry of Public and Business Service Delivery and Procurement (MPBSDP) retains responsibility for developing legislation and regulations. ESA is responsible for implementing and enforcing legislation and regulations. The roles and obligations of ESA and the ministry are detailed in an Administrative Agreement which was updated in 2022 and is a publicly available [document](#).

Scope of Powers & Responsibilities

ESA's mandate is detailed in the corporation's Letters Patent. The objects or purposes are to promote and undertake activities which enhance public electrical safety including:

- training
- inspection
- authorization
- investigation
- registration
- enforcement
- audit
- other public electrical safety quality assurance services
- to act in any capacity under all legislation and regulations designated and delegated to the Corporation under the Safety and Consumers 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
- to inform, educate and work with industry, government and the public
- to promote and undertake activities which enhance the competitiveness of the Ontario and Canadian economy
- to promote and undertake activities that encourage the harmonization of electrical safety standards and compliance practices
- to encourage industry to responsibly enhance electrical safety

The objects establish a broad scope of tools that can be applied to enhance electrical safety. In addition, ESA has the ability to provide other safety quality assurance services which gives the organization significant flexibility. These can include non-regulatory services such as delivery of services to non-regulated entities, product approvals through Electrical Safety Authority – Field Evaluation (eSAFE) and training. These non-regulated lines of business must adhere to certain requirements as outlined in the Administrative Agreement with MPBSDP.

Corporate Structure

ESA's Board of Directors has oversight of corporate governance and guides the organization's strategy. Among its key responsibilities, the Board:

- Approves ESA's strategic plan, business plan and budget.
- Oversees the integrity of ESA's reported financial performance.
- Appoints the CEO and oversees succession planning.
- Monitors the strategic environment and ensures appropriate enterprise risk management.
- Monitors the integrity of the organization's internal controls.

The Board of Directors is comprised of twelve members, three of which are appointed by the Minister of Public and Business Service Delivery and Procurement.

CORPORATE OVERVIEW

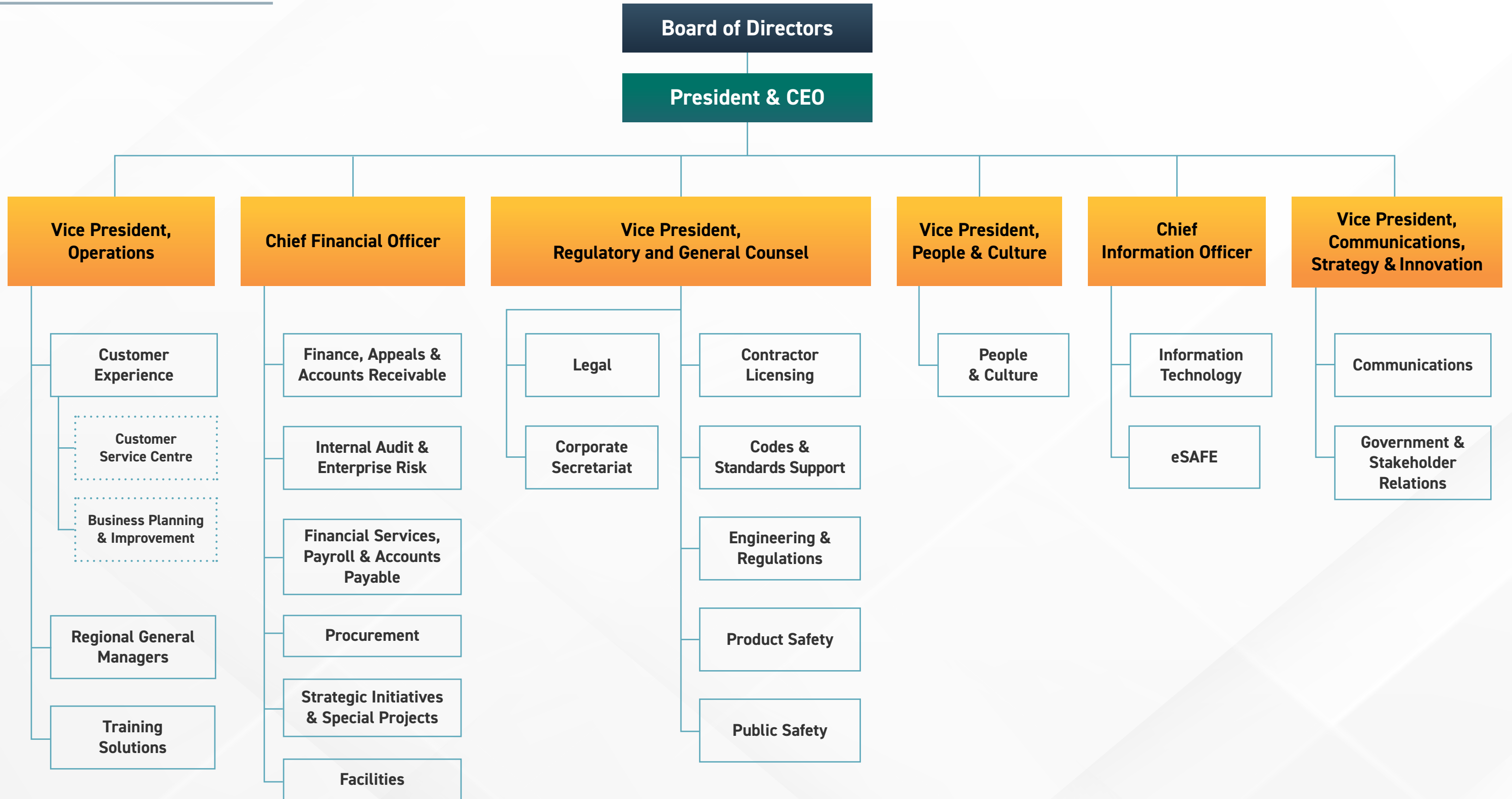
Board members bring an extensive degree of experience, based on a set of established qualifications. Board members reflect the public; electricity distributors; electrical contractors; and engineering, manufacturing and other industries. Board members may serve up to three consecutive terms. Each term is three years. Each Board member has signed and agreed to abide by a Directors Code of Conduct and also takes part in a program to stay current on best governance practices. This covers corporate due diligence reporting, Director responsibilities, governance, conflicts of interest, and investment and pension management.

The Board of Directors includes the following members:

- Arjan Arenja, Chair
- Mary Ann Aldred
- Cara Clairman
- Frank D'Andrea
- Christopher Fluit
- Richard Jackson
- Audrey Kroon-Lowther
- Carla Y. Nell
- Faez Rahim
- Ysni Semsedini
- Jeanette Southwood
- Vivi White

For a current list of Board Members, please visit: esasafe.com/board-officers-executives/.

ESA Organizational Structure



External Engagement

ESA is a strategic partner in the success of the Ontario Government's Energy for Generations plan, released in June 2025. Its regulations and oversight support the electrical safety of the province's bold new investments in nuclear, hydroelectric, renewable generation and transmission infrastructure, as well as the distribution systems that bring electricity to communities across Ontario. This protects people, assets and the integrity of the system.

Rapid energy modernization and innovation can create as much disruption as it does opportunity. ESA's leadership in proactive collaboration and regulatory modernization is critical to this transformation by mitigating risk and facilitating safety. ESA's adaptive service delivery model helps utilities meet growing demand while maintaining public trust and operational excellence, especially in the aftermath of destructive storms. Proactive engagement with Ontarians, Indigenous communities, municipalities and industry embeds safety in the design and deployment of new technologies and partnerships.

ESA's work enables the sector to move forward efficiently without compromising safety or reliability. In a time of rapid change, it provides stability, foresight and assurance. Whether enabling safe electrification in high-growth regions, embedding safety in the design and operation of equipment in cutting-edge manufacturing firms or guiding the integration of new technologies, ESA puts safety at the centre of Ontario's transition to an electrified economy.

To that end, ESA is committed to ongoing and meaningful engagement with many stakeholders across the province including those regulated communities such as Licensed Electrical Contractors and Local Distribution Companies. We also frequently engage with others in the broader electrical sector through working groups and events and developing strategic mutually beneficial partnerships to achieve our safety goals.

ADVISORY COUNCILS

ESA regularly consults with our partners-in-safety. Gaining their insight and advice helps us anticipate and understand electrical-related harm. Their comments make our plans and campaigns better as we work together to reduce serious and fatal injury, damage and loss. Our partners help us deliver a safer Ontario. They include the public, local distribution companies, electrical contractors, engineers, manufacturers and consumers. They provide their valuable insight through five stakeholder advisory councils:

- **Consumer Advisory Council:** Council members advise on emerging electrical-related issues that may affect the Ontario public. The council recommends ways to advance consumer awareness and identifies areas that may need research.
- **Contractor Advisory Council:** This council advises ESA on how to improve contractor-related services. It provides feedback to enhance strategies and policies. It also helps build a collaborative approach that reinforces existing partnerships and builds new relationships within the industry.

CORPORATE OVERVIEW

- **Electrical Contractor Registration Agency (ECRA) Advisory Council:** This council gets feedback from Licensed Electrical Contractors, municipalities and the public. Discussions relate to licensing, Master Electrician exams, registration and certification in Ontario.
- **Ontario Provincial Code Committee:** Members of this council include inspectors, electrical contracting companies and general interest groups. It provides recommendations and comments on new proposals or revisions to the Ontario Electrical Safety Code.
- **Utility Advisory Council:** This council helps identify, monitor and address electrical safety risks related to the Electrical Distribution Safety System. Members also make recommendations on new proposals or revisions to the Electrical Safety Distribution Regulation and guideline.

The councils help advise ESA on electrical safety initiatives and help advance our safety goals and objectives. Minutes from the meetings and composition of the Advisory Councils can be found at: esasafe.com/stakeholder-advisory-councils/.

BROADER ELECTRICAL SECTOR

The ESA is part of a larger energy ecosystem that includes other energy regulators, generators, transmission, distributors and industry partners. We regularly engage to keep abreast of changes to the sector that could have impacts on electrical safety in the province.

INDIGENOUS COMMUNITIES

The ESA is striving to build better and broader relationships with Indigenous people, organizations and nations that will help communities get empowered with knowledge to reduce electrical harms wherever they exist. Through ESA's Truth and Reconciliation Action Plan, ESA will help meet the intent of the Truth and Reconciliation Commission recommendations. This includes a partnership with Indigenous Skills, Employment, Apprenticeship and Development (ISEAD) to launch a Licensing & Training Grant Program aimed at supporting Indigenous journeyman electricians in Ontario in obtaining their Master Electrician licence. For those interested in starting their own electrical contracting business, the program can also assist with achieving an Electrical Contractor licence.

CONSUMER PROTECTION

As Ontario's electrical safety regulator, ESA is focused on the safety and protection of Ontario consumers. We are committed to educating consumers on what they should know before hiring a Licensed Electrical Contractor, communicating the importance of buying approved electrical products and protecting them from the serious risks associated with faulty electrical work.



ESA'S 5-YEAR STRATEGIC PLAN

ESA'S 5-YEAR STRATEGIC PLAN

ESA's five-year Strategy spans from April 2025 to March 2030. It reflects ESA's priorities of safety and value in areas related to increasing electrical safety awareness, fostering compliance, enhancing collaboration and evolving service delivery. This plan positions ESA as an accountable, collaborative and modern regulator that is responding to the fast-paced change taking place in the energy transformation in Ontario.

Our Approach

ESA's strategic approach is guided by a clear Vision and Mission, supported by strong Values and Strategic Pillars that drive continuous improvement, collaboration and a culture of safety.

As Ontario's independent authority for electrical safety, ESA builds partnerships across the spectrum to embed safety into the design and implementation of new energy solutions.

Electrical safety is not just a regulatory obligation; it's a cornerstone of consumer protection and public confidence. Our goal is an Ontario where everyone can live, work and play free from electrical harm, today and for generations to come.

Ontario is well-positioned for the energy transition, with a grid that is clean, reliable, affordable and safe. Safety is essential to this transformation, and ESA plays a critical role in making it happen. By taking a flexible, risk-based approach, we help maintain Ontario's reputation as a secure and stable environment for innovation and investment. Safety must remain a top priority and a measure of success

throughout electrification. With ESA as the independent voice actively promoting safety, the sector can move forward confidently, knowing that consumers and stakeholders are informed, engaged and protected.

ESA has a proven track record of advancing common standards, reducing barriers and delivering regulation grounded in risk-based oversight. A successful energy transition depends on these safeguards. This need was reinforced in Ontario's Integrated Energy Plan, Energy for Generations, which recognized that safety organizations like ESA must be fully engaged in sector planning to ensure decisions reflect the realities of safety, regulation and technology.

These priorities define our strategic approach: making electrical safety a shared achievement across Ontario.

PILLAR 1:

Increase Electrical Safety Awareness



ESA recognizes a critical need to enhance electrical safety awareness across Ontario. As we strive to maintain a strong reputation as a regulatory body focused on safety, it is essential that we actively promote safety among diverse audiences through a myriad of channels. By focusing on awareness, we can impact a culture of safety – a fundamentally proactive approach. By leveraging data-based decision-making and embracing new technologies, we can effectively engage with the diverse communities in our province, including Indigenous communities and newcomers.

For the last several years, ESA has adopted a Harm Life Cycle approach to addressing electrical safety risks. Once a harm is understood and evaluated on a risk basis, ESA works to prioritize resources to mitigate it based on the impact the harm reduction actions are expected to have on Ontarians and the impact we can make in reducing the harm.

In some cases, this may mean that we scale back active efforts when a harm has been mitigated, while continuing to monitor and reassess. In all of these efforts, we have strong working relationships that include data and information sharing with our safety partners.

ESA provides a crucial role in monitoring electrical related fatalities, injuries and incidents in the province. ESA analyzes this data to inform our strategies and works with collaborative partners to help create education and awareness across Ontario.

These critical data points inform ESA's targeted education and awareness campaigns.



**PILLAR 1:
Increase Electrical Safety Awareness**

PILLAR 1: Increasing Electrical Safety Awareness	Activities Planned for FY27	Metrics
<p>Further reducing electrical related harm through education and awareness.</p>	<ul style="list-style-type: none"> » Targeted compliance education about permit-taking » Brand Awareness campaign » Powerline Safety awareness campaign and training » Hire an LEC campaign » Product Safety campaign » EV awareness campaign » Aging Infrastructure – Stakeholder engagement » Continued outreach to key safety partners to monitor emerging harms and provide customized training to workplaces, in particular, the construction sector » Leveraging other organizations to help expand reach to a broader audience 	<p>Increase awareness about ESA's role as a safety regulator by 2% annually from the FY25 baseline, over the strategic plan period of 2025-2030, while positioning ESA as the trusted source for electrical safety.</p>

PILLAR 2:

Foster Compliance



Creating a regulatory environment that prioritizes electrical safety is central to ESA's mission as Ontario's safety regulator. We administer and enforce Part VIII of the Electricity Act, 1998 and its associated regulations, so that that electrical work and products meet the highest standards of safety.

As the sector evolves, so will our approach. ESA is committed to strengthening compliance oversight for licence holders, Licensed Distribution Companies, and electrical products sold in Ontario. At the same time, we will continue to educate, deter and take enforcement action against those operating outside the law — particularly within the underground economy. By applying risk-based prioritization, we aim to raise the already high standard of electrical services Ontarians rely on.

Fostering compliance is essential to protecting consumers and maintaining electrical safety. As a future-ready regulator, ESA is embracing a balanced approach that combines enforcement with education.

Our goal is to create a culture of compliance and innovation that supports the safe integration of emerging technologies into Ontario's electrified economy.

HOW WE'LL ACHIEVE THIS

- **Harness Technology and Data:** Use advanced analytics to detect and address non-compliant activities across the province.
- **Expand Risk-Based Processes:** Focus efforts on high-risk areas where non-compliance poses the greatest threat.
- **Strengthen Partnerships:** Collaborate with industry and regulatory partners to enhance education and awareness initiatives.
- **Stay Ahead of Change:** Monitor emerging technologies and trends to ensure compliance strategies evolve with the sector.

This proactive, adaptable approach will enable ESA to foster a safer, more compliant electrical landscape across Ontario.

PILLAR 2:
Foster Compliance



PILLAR 2: Fostering Compliance	Activities Planned for FY27	Metrics
<p>Creating a regulatory environment that fosters compliance through an escalating series of actions from education through to administrative penalty orders and fines.</p>	<ul style="list-style-type: none"> » Increase awareness internally and externally on the benefits of hiring a Licenced Electrical Contractor. » Leverage data and machine learning to identify those working in the underground economy through information technology tools that streamline the process to identify unlicensed work. » Increased reporting through internal and external leads to identify, report and, where necessary, investigate illegal work including conducting compliance blitzes related to EV charger installations and municipal building permits. » Continue to issue Administrative Penalty Orders to more effectively tackle the underground economy. 	<p>Increase in compliance actions like working without a permit and working without a license by 2% annually, from the FY25 baseline, for a total of 6,050 completed by year end.</p>

PILLAR 3:

Enhance Collaboration



ESA continues to advance our commitment to collaboration as a key driver of electrical safety and consumer protection. Building strong partnerships remains essential to effectively execute our mandate, and our partner-in-safety approach ensures initiatives are well-coordinated, responsive and aligned with our regulatory responsibilities.

ESA is actively strengthening relationships with key players across Ontario's electrical safety and skilled trades landscape. Through ongoing engagement with organizations such as Skilled Trades Ontario, Workplace Safety and Insurance Board, the Office of the Fire Marshal, the Office of the Chief Coroner and Health Canada, we are sharing expertise and working together to reduce harm. Where collaboration can amplify impact, ESA is pursuing joint actions that span organizations and sectors to identify and implement solutions that address potential risks.

For the public and regulated communities, this means greater alignment, clearer guidance and more cohesive safety initiatives. Our collaborative safety framework integrates insights from diverse sectors, creating a stronger, more coordinated approach to electrical safety in Ontario. By broadening the reach of ESA's consumer protection and safety programs, collaboration enhances both effectiveness and impact.

We measure success by assessing the strength and satisfaction of partnerships across Ontario's electrical sector and adjacent sectors. This includes tracking the safety value generated through collaborative efforts and evaluating the quality and effectiveness of these relationships. Regular impact assessments ensure our approach continues to amplify ESA's safety messages, deliver meaningful improvements and foster a more unified safety culture across the province.

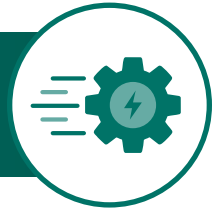


**PILLAR 3:
Enhance Collaboration**

PILLAR 3: Enhancing Collaboration	Activities Planned for FY26	Metrics
<p>Enhance collaboration by focusing on the strength of our partnerships across Ontario's electrical, safety, education/college and labour sectors.</p>	<ul style="list-style-type: none"> » Develop meaningful partnerships to support and leverage safety outcomes. This would include executing or renewing agreements with organizations such as League of Champions or ISEAD, formerly (Aboriginal Apprenticeship Board of Ontario (AABO)). 	<p>In FY27, build on, and measure the strength of, partnerships that support education and training that are critical to the success of safety within the energy transition. ESA will continue to explore mutually beneficial opportunities to further enhance safety outcomes with like-minded organizations such the Canadian Nuclear Safety Commission (CNSC), Landscape Ontario and local distribution companies.</p>

PILLAR 4:

Evolve Service Delivery



ESA is working to continuously improve how we deliver services to maximize harm reduction and meet the evolving needs of Ontario's electrical sector. Our focus is on modernizing operations, strengthening technical capabilities to remain responsive and effective in a rapidly changing environment.

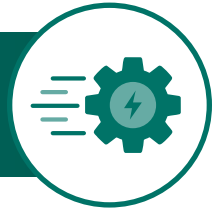
While maintaining our commitment to superior service and efficient cost management, we are accelerating internal improvements to meet the sector's changing needs. This includes strategic investments in organizational talent and culture to ensure a diverse, inclusive and professionally robust workforce that is prepared for future demands.

Another cornerstone of this transformation is the implementation of our new Enterprise Resource Planning (ERP) platform. This major upgrade will drive operational effectiveness by providing single-source, timely data that improves decision-making speed and quality across all departments. The ERP will streamline core business processes, reduce manual effort and eliminate redundancies. This digital shift will enable greater efficiency, stronger accountability and create a more adaptive, customer-focused modern regulatory body.

Simplifying compliance remains a critical priority. ESA is continuing our efforts to modernize customer-facing digital platforms and back-end processes to make interactions easier and deliver greater value. Our service delivery enhancements are guided by measurable improvements in quality and efficiency, balanced with long-term financial sustainability. We continue to track key indicators, such as client satisfaction and performance, to ensure progress is tangible.

With a solid foundation in financial resilience and a commitment to people development, ESA is well-positioned to support Ontario's ambitious electrification agenda and lead the province into the next era of electrical safety.

PILLAR 4:
Evolve Service Delivery



PILLAR 4: Evolving Service Delivery	Activities Planned for FY27	Metrics
<p>Grow and enhance the quality and efficiency of our services while ensuring long-term financial sustainability</p>	<p>» Monitor and ensure attainment of the Customer Service Standard by conducting and analyzing monthly online customer surveys.</p>	<p>Meet or exceed 8/10 target for overall customer satisfaction with ESA.</p>
	<p>» In FY27, the focus for ERP will be on completing the system design and beginning the re-engineering and development phases.</p>	<p>Deliver a comprehensive end-to-end ERP solution design and execution-ready implementation roadmap, proactively mitigating risk and positioning the program for successful delivery.</p>
	<p>» Sustain and advance the ESA's cybersecurity maturity level. We will measure this achievement quarterly against the public sector industry average, aiming for consistent outperformance.</p>	<p>Using the BitSight measurement criteria for cybersecurity maturity, meet or exceed a rating of 760, surpassing public sector industry average of 720.</p>
	<p>» Focus on financial sustainability through the ESA's financial planning and reporting while investing in modernizing systems.</p>	<p>Meet or exceed the annual budgeted operating surplus target +/- 10% before consideration of ERP or depreciation.</p>
	<p>» Support and enhance the ESA's culture of safety and support ESA staff by reporting on the Lost Time Injury Frequency Rate (LTIFR) to drive safety outcomes without our organization.</p>	<p>Maintain the LTIFR within a range of 2.00-3.50.</p>
	<p>» Ensure that ESA's cross-functional team is skilled, supported, and well-prepared to drive Ontario's electrification goals forward by developing a Corporate-level Learning and Development Plan aligned with electrification and workforce planning.</p>	<p>Develop a cross-functional Corporate Learning and Development plan by the end of FY27.</p>

Summary

As ESA enters the second year of our strategic plan, Empowering Safety, Energizing Tomorrow, we know that we are going to be faced with unprecedented times. Our core mission remains clear: to anticipate, understand and act to reduce electrical harms.

Electrification will touch every part of our lives. AI and automation will reshape roles and operations. Demand for electricity will grow dramatically.

Through it all, safety must enable – not slow – progress. ESA is very much aligned with the economic growth that is happening in this province and works in partnership with generators, transmitters, distributors as well as electrical contractors.

We will maintain focus on continuously enhancing and refining how we achieve this while simultaneously undergoing a shift towards modernizing the organization through a new enterprise resource planning platform.

By prioritizing Compliance, Awareness, Collaboration and Service Delivery, ESA will be well-positioned to meet the evolving demands of electrification and contribute positively to the communities we serve.

Regulators cannot be everywhere at once. Using data, incident trends and system intelligence allows us to focus attention where risk is highest and take a lighter touch where risks are well understood.

We regularly review and adapt our objectives to stay aligned with emerging technologies, the regulatory environment and external market dynamics. Safety remains the condition for success. There is no energy transition without safety, and it will not succeed unless safety is integrated from the start. Our role is to ensure that as innovation accelerates, safety keeps pace.

ESA is fully supporting the government's Integrated Energy Plan through participation on the IESO's Strategic Advisory Committee, so the voice of safety is clearly audible in up-front system planning discussions.

In fiscal year 2027, ESA will continue on a path where we invest in our people, strengthen collaboration with our safety partners and support Ontario's economic growth strategy.

PERFORMANCE MEASURES

The background features a dark blue field with several large, overlapping geometric shapes in lighter shades of blue and white. A prominent yellow line starts from the bottom left and curves upwards towards the right. Another white line follows a similar path, slightly below the yellow one. The overall aesthetic is modern and technical.

PERFORMANCE MEASURES

The ESA has additional performance measures, set forth by the ministry, which are reported through the Annual Report.

These measures include:

- Improving electrical safety by reducing the combined critical injuries and electrical fatalities, with a renewed goal for a 5% decrease in the combined rate of electrical fatalities and critical injuries (based on the 5-year rolling average) by 2030.
- Assessing the effectiveness of the risk-based inspections model by targeting the percentage of high- and medium-risk notifications inspected/visited (85% and 50%, respectively).
- Improving organizational excellence and cost effectiveness by increasing ESA's operational efficiencies and measuring a 3% improvement over 5 years.
- Improving accountability by maintaining a stakeholder accountability score of 8.2 out of 10.
- Improving accountability by improving customer and stakeholder satisfaction by measuring and maintaining a customer and stakeholder satisfaction rate of 8.0 out of 10.

CORPORATE RESOURCES

The background features a dark blue field with several large, overlapping geometric shapes in a lighter blue and a vibrant yellow. A prominent white line starts from the bottom left and curves upwards towards the right, intersecting with other lines. The overall aesthetic is modern and corporate.

CORPORATE RESOURCES

Financial Resources

ESA executes a variety of compliance, operational, enforcement, research, education, training and other programs throughout the year. At the same time, ESA must ensure its long-term sustainability so it can continue to meet its mandate in years to come.

The budget is a practical financial plan which reflects changing financial circumstances, strategic priorities and market conditions in support of ESA's strategic goals and financial sustainability.

ESA's revenues come from a variety of sources including fees assigned to regulatory processes such as permits for doing electrical work, licences for Licensed Electrical Contractor's (LECs) and Master Electrician (MEs), and safety oversight fees charged to Local Distribution Companies (LDCs). There is also revenue from programs including electrical plan review and Continuous Safety Services (CSS) contracts.

ESA is also permitted to operate non-regulatory services but only within the conditions of its Administrative Agreement with government and consistent with the objects of the corporation.

ESA receives no funding from the government and financial sustainability is a priority. ESA expenses are primarily people-related costs (salaries, wages, benefits, and pensions); expenses related to operations of the vehicle fleet; safety awareness programs; legal and insurance expenses, and oversight fees paid to government.

Fiscal Year 2027 Budget

The FY27 budget is projecting a deficit of \$12.8 million compared to a budgeted deficit of \$7.6 million in the prior year. A major driver of this year's budget is ESA's investment in its multi-year digital transformation strategy, including the build out of the new Enterprise Resource Planning (ERP) system.

The proposed budget assumptions for labour, digital strategic projects, and inflationary expense increases continue to support prudent financial management and are expected to reduce deficits over time.

ESA's non-regulated business Electrical Safety Authority Field Evaluations (eSAFE) continues to perform well and remains financially and operationally self-sufficient.

Regulated revenue incorporates a 1.9% inflationary adjustment to fees effective April 1, 2026.

CORPORATE RESOURCES

REVENUES

Total operating revenues are budgeted at \$150 million, an increase of 4.5% per cent from the FY2026 budget. This reflects budget increases mainly in residential and commercial wiring, Continuous Safety Services (CSS) program and non-regulated eSAFE.

EXPENSES

Operational expenses before amortization are budgeted at \$160 million, an increase of 8% from the prior year budget. This reflects significant investment in ESA's digital strategy, including modernization of legacy systems that will enhance efficiency of the organization in its interactions with the electricity sector, support burden reduction and streamline processes for customers.

Salaries and benefits increased over the prior year budget. The main cause for the increase was the salary and wage expense increase as defined by the collective agreements.

ESA has worked to reduce and restrain expenses in other expense categories to keep these in line with inflation.

5-YEAR FINANCIAL OUTLOOK

The following is a financial outlook for fiscal years 2027 through 2030, based on current forecasts of performance and external economic factors. This outlook is reviewed annually and updated as required. ESA establishes detailed operating budgets in advance of each fiscal year. ESA prepares detailed operating budgets each year and is using reserve funds to support long-term strategic priorities, including critical digital investments.

Statement of Operations (\$'000's)	2027 Budget	2028 Projection	2029 Projection	2030 Projection
Revenue	150,258	163,191	164,036	169,203
Expenses	160,282	164,442	166,761	165,648
Surplus (deficiency) before depreciation	-10,024	-8,468	-3,570	-3,555
Depreciation	3,800	4,000	4,200	5,786
Surplus (deficiency) from operations	-13,824	-12,468	-7,770	-2,231
Other Income (loss)	6,395	5,740	5,082	4,487
OPEB-Interest Expense	-5,381	-5,590	-5,852	-6,121
Net Interest Expense	1,014	150	-770	-1,634
Surplus/(deficiency) for the year	-12,810	-12,318	-8,540	-3,865

Environmental Context

As ESA continues to work towards fulfilling the priorities laid out in our Strategic Plan, we acknowledge that external developments continue to create opportunities and risks that influence our work. Through ongoing environmental monitoring – supported by enterprise risk management, Board and executive planning sessions, and stakeholder engagement – we have identified the following key factors expected to impact ESA in the coming year and beyond.

ENERGY TRANSITION

- Planning for the 65% increase in electricity demand by 2050 will reshape Ontario's existing energy sector through:
 - Rapid adoption of distributed energy resources (DERs) such as home energy storage, solar generation, electric vehicle charging and microgrid technologies.
 - Installations are increasing behind the customer meter which falls under the Ontario Electrical Safety Code, requiring timely guidance and risk-based inspections.
 - Increased need for collaboration with utilities, manufacturers and installers to facilitate safety and compliance. Intensifying weather patterns threaten electrical infrastructure and access to the safe use of electricity as a result

LEGAL ENVIRONMENT AND DATA GOVERNANCE

- Evolving legislation and public expectations around data sharing, privacy and transparency.
- Requirement to strengthen governance frameworks for data quality, security and accuracy.

DATA ANALYTICS AND ARTIFICIAL INTELLIGENCE

- Growing use of data-driven operations and artificial intelligence (AI)-enabled risk assessment to improve inspection targeting and identify emerging harms.
- Need to address challenges related to data accuracy, cybersecurity and algorithmic transparency while meeting demand for digital services.

EMERGING ENERGY TECHNOLOGIES

- Continuous innovation in technologies such as energy storage, grid modernization solutions, artificial intelligence/data analytics, distributed solar generation, EV infrastructure technologies and advanced control systems.
- ESA must maintain technical expertise, engage with industry and update regulatory approaches to respond quickly and mitigate potential hazards.

Environmental Context

CLIMATE RESILIENCE AND EXTREME WEATHER

- Intensifying weather patterns threaten electrical infrastructure and public safety.
- ESA must prepare for surge inspection demands, enhance emergency response protocols, streamline processes to enable customer reconnection and support resilience measures through education and guidance.

CLIMATE RESILIENCE AND EXTREME WEATHER

- International product designs and evolving standards require vigilance to oversee compliance with Canadian and Ontario safety requirements.
- ESA will monitor global developments, provide clear guidance to importers and installers, and act swiftly on non-compliant products.

GEOPOLITICAL PRESSURES AND TRADE POLICY

- Global trade tensions and tariffs are creating uncertainty. Potential impacts include uncertainty around interest rates and inflation, supply chain issues, product availability, cost fluctuations and increased safety risk of non-compliant or counterfeit products entering the market.
- ESA will continue monitoring these developments so that safety standards are upheld and will provide timely guidance to stakeholders.

AGING INFRASTRUCTURE

- Legacy electrical systems and poorly maintained installations remain a persistent source of fire and shock risk.
- ESA will prioritize risk-based inspections and targeted education campaigns to address these hazards.

Enterprise Risk Management (ERM)

ESA employs a structured ERM approach to monitor and manage risks critical to achieving its strategic and business objectives. This framework, central to ESA's strategy, enables proactive identification, assessment and mitigation of risks, helps ensure that ESA can effectively fulfill its mandate and achieve its strategic objectives. The ESA's risk appetite has been defined to align with its vision and purpose with a focus on its role as a modern regulator, keeping safety as the top priority.

ESA classifies risks and risk events into five broad categories, engaging risk owners and their teams in evaluating the status of inherent and residual risks. The five risk categories include: finance, IT, operations, strategic, and people and culture. This comprehensive assessment aids in understanding potential consequences and formulating mitigation strategies within ESA's defined risk tolerance. Key risk indicators are established for ongoing monitoring.

Mitigation efforts focus on electrical safety, regulatory compliance, changing economic conditions and ensuring the continuity of ESA's critical services. These cost-effective measures aim to limit the impact of risks to acceptable levels. The organization has developed extensive Business Continuity, Disaster Recovery, and Crisis and Emergency Management plans to support these efforts.

Risk owners review risks and the effectiveness of mitigation strategies on a quarterly basis, paying close attention to medium and high-level risks to enhance protective measures as needed.

ESA provides quarterly ERM reports to the Board and its Committees, offering detailed analyses of significant risks and the actions taken or planned to address them.

Aligned with industry best practices, ESA's ERM framework is designed for continuous improvement, with plans for ongoing enhancements through the FY27 period and beyond.



CORPORATE POLICIES, PRACTICES AND PROCEDURES

CORPORATE POLICIES, PRACTICES AND PROCEDURES

ESA continually reviews and renews its internal corporate policies, practices and procedures to comply with all legislative requirements.

Accessibility

ESA developed an Accessibility Plan to ensure our operations prevent and remove barriers to meet *Accessibility for Ontarians with Disabilities Act, 2005* (AODA) guidelines. ESA is fully committed to meeting the obligations under the AODA through the establishment of policies and processes to assist persons with disabilities, including the Integrated Accessibility Standards Policy.

Building on ESA's Integrated Accessibility Standards Policy, ESA is committed to treating all people in a way that allows them to maintain their dignity and independence. ESA believes in integration and equal opportunity. ESA is committed to meeting the accessibility needs of persons with disabilities in a timely manner and will do so by preventing and removing barriers to accessibility and meeting requirements under the AODA and its Regulation including meeting or exceeding the following standards:

- Accessibility standards
- Customer service standard
- Information and communications standard
- Transportation standard
- Employment standard, and
- Design of public spaces standard.

Appeals Process

ESA is committed to providing individuals with the opportunity to request a review of orders or licensing decisions as they arise. In this regard, ESA has established and will continue to execute a fair and transparent appeals process to facilitate the right to appeal orders and specific licensing decisions. The appeals process, which can be reviewed at www.esasafe.com, defines specific steps and timelines to respond to an appeal pertaining to the OESC, licensing matters, electrical utility distribution and product safety.

Code of Conduct

ESA's Code of Conduct (Code), available at www.esasafe.com, provides a framework within which all day-to-day activity takes place in alignment with ESA's mandate and values. The Code also provides ESA's Board of Directors and stakeholders with a concrete statement of standards of conduct against which our actions can be measured.

Complaints

ESA views complaints as valuable opportunities to strengthen customer and stakeholder relationships. We respond to complaints received from customers, stakeholders and the public and also monitor the nature and frequency of complaints to spot potential problem areas in the business. ESA provides information and encourages two-way communication at all levels to ensure it's continually improving service quality.

Where possible, complaints are handled at the source. If a complainant is not satisfied at the initial stage, the complaint can be formalized and processed through two additional stages of resolution, ultimately resulting in a review and final response from the Chief Ethics Officer.

For more information, please visit:
www.esasafe.com/complaints/.

French Language Services

The ESA is committed to providing French Language services upon request. Calls and inquiries to ESA Customer Service can be addressed in French. In addition, the ESA is able to administer a French Language Masters Electrician Exam when requested in advance. ESA's website, www.esasafe.com, also includes French translation on priority content, including a new Homeowner Electrical Safety Handbook Guide that is value add for both Homeowners and Licenced Electrical Contractors.

Non-Regulatory Business

ESA can engage in non-regulatory business activities in accordance with its Administrative Agreement in addition to its statutory mandate. ESA will only engage in non-regulatory business ventures that promote and enhance electrical safety and are consistent with its objects, vision and mission. ESA has internal policies and processes it follows when engaging in non-regulatory business ventures in order to meet its obligations and compliance reporting requirements as established under the Administrative Agreement. More information can be found here: esasafe.com/nonregulatory-business/.

Privacy

ESA is committed to maintaining the accuracy, security and privacy of personal information in accordance with the terms of its Access and Privacy Code required by the Administrative Agreement with the Government of Ontario, its Customer Privacy Policy and applicable privacy laws. ESA has a Chief Privacy Officer who oversees policy and activity in this area. ESA collects personal information to support the delivery of services, understand individual needs, manage corporate operations, develop and enhance services, and meet legal and regulatory requirements. Due to the importance of information exchange in maintaining public electrical safety, ESA discloses and disseminates records in accordance with the request for information processes set out in its Access and Privacy Code. The Access and Privacy Code provides a right of access to records in ESA's custody and control unless one of the specific exemptions identified in the Code applies.



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