

Electrical Safety Authority Public Consultation

2020 RBO & WIRING FEES UPDATE



Introduction:

ESA is inviting comment on wiring fees under Risk-based Oversight (RBO) and other planned updates to fees charged for notifications to do work under the Ontario Electrical Safety Code. **ESA is not increasing existing fees as published in its fee guide.**

Feedback received during the consultation will be considered by ESA in making a final decision regarding these fees.

Background and information on how to participate in this consultation are included in this document.

ESA will hold contractor meetings in Fall 2019 to provide information on the final changes to the fee guide.

Key Dates:

Consultation opened for comment:	June 3, 2019
Consultation closed:	<u>5 p.m. July 5, 2019</u>
Posting of results of consultation:	July 2019
Contractor Meetings:	Fall 2019
Proposed effective date of fee adjustments:	Upon implementation of Risk-based Oversight (early 2020)

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About Wiring Fees

In Ontario, a notification of work needs to be taken out before or within 48 hours of starting electrical installation, repair and replacement work covered under the Ontario Electrical Safety Code.

Notifications are priced based on the nature of the work being done. A Fee Guide details those wiring fees.

ESA regularly reviews these fees, proposes clarifications and updates and provides stakeholders with an opportunity to submit feedback.

Electrical Safety Authority Public Consultation



Participating in this Consultation

This public consultation is open to any interested party.

To participate:

1. Review the proposed updates detailed in this document
2. Submit comments on any or all of the proposals (based on their relevance to you)
3. Refer to the questions on page 23 of this document when preparing your response
4. In your response, clearly indicate on which proposal(s) you are commenting
5. You must include the following information:
 - name of the responding individual or organization
 - phone and/or email contact information
 - to what stakeholder group you belong:
 - electrical contracting business - individual electrician
 - local distribution company - the general public
 - safety organization - regulator
 - industry or trade association - other
6. Submit comments in writing in one of the following formats:
 - using the response form provided (do not PDF), or
 - a Word document (do not PDF), or
 - in the text of an email
7. Email your comments to esa.stakeholder@electricalsafety.on.ca by no later than **5 p.m. on Friday, July 5, 2019.**

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Summary of Proposed Updates:

ESA is considering the following updates to the wiring fee guide:

1. Updates specific to the implementation of Risk-based Oversight (see pages 6-12)
2. Addition of a new fee code for “Building Demolition” (page 14)
3. Addition of the fee code for a “Access and Privacy Code Review” associated with a Request for Access to Information (RFI) (page 15)
4. Addition of a new fee code for “Final Inspection only on a New Residence” (page 16)
5. Addition of a new section and new fee code related to Energy Storage Systems (ESS) (pages 17-18)
6. Move reference of “annunciator” from Section 5.5 Distribution Equipment to the list of outlets under Section 5.7 Outlets and Devices – Non-classified and Classified Areas (page 19)
7. Important Modifications to Definitions (page 20)
8. Fee consolidation for homes >7,000 ft² up to 400A and a reference to a flat fee for new residential dwellings >7,000 ft² and 401A+ (page 21)
9. Minor changes throughout the fee guide related to clarity, modernization and updated language (page 22)

More information on each proposed update is provided in the following pages.

Risk-based Oversight (RBO) Wiring Fee Updates

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2020 Wiring Fees - RBO



Proposed Update 1 – Removal of References to Authorized Contractor Program (ACP)

Removal of references to the Authorized Contractor Program throughout the fee guide due to discontinuation of the program.

ACP-related membership fees and discounts will no longer be applicable.

All ACP fee discounts have been redistributed to ensure all contractors pay the same fee, as found in the ESA fee guide. ESA refers to this as a blended rate fee model. This proposed redistribution is being made with the intent to remain revenue neutral.

Rationale:

ACP will be discontinued when Risk-based oversight (RBO) goes live in early 2020.

ACP was developed by ESA as a voluntary program. For a yearly fee, members could enjoy several benefits. ACP was not intended to be a competitive advantage for bidding on electrical work. Participation in the program does not mean one LEC is more Code compliant than another.

By discontinuing ACP, ESA can eliminate this misperception in the marketplace, and create equal opportunities and a level playing field for all contractors. The end of ACP includes eliminating ACP-related discounts and the yearly membership fee. Under RBO, all contractors will pay the same fees found in the fee guide.

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2020 Wiring Fees - RBO



Proposed Update 2 – Notification Renewal Fees

Under Section 2.12, Inspection Notifications:

- Reference to renewal fees for ACP contractors is removed.
- Addition of “Apartments” to the subtitle under 2.12.1.
- Reduction to existing renewal fees for contractors [MI22] from \$83 to \$50.

DRAFT Section 2.12.1 Residential and Apartment

The notification is renewed if a minimum of one inspection occurs during the first year. A renewal fee will be applied as follows:

- \$50 [MI22] For contractors
- \$122 [MI24] For non-contractors

Rationale:

With the Authorized Contractor Program being discontinued a unified renewal fee is being proposed for all contractors.

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2020 Wiring Fees - RBO



Proposed Update 3 – Renovation of Residential Units

Under Section 4.2.1 Renovation of Residential Units, new scaling and fee reductions:

DRAFT Section 4.2.1 Renovation of Residential Units

# Outlets	Contractor			
	Current	Proposed	Current	Proposed
	No Service [R026]	No Service [R026]	With Service [R027]	With Service [R027]
1-10	\$79	\$40	\$125	\$90
11-30	\$124	\$79	\$174	\$129
31-40	\$124	\$124	\$174	\$174
41+	\$174	\$174	\$222	\$222

Rationale:

ESA has heard contractor feedback that the price for a notification is disproportionate to the amount a contractor charges for less complex electrical installations. Reducing the price is also meant to increase compliance. Adjusting the fees for the rest of the scale is meant to ensure the scale up from 1-10 outlets/devices is not so high that it becomes a barrier to compliance.

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2020 Wiring Fees - RBO



Proposed Update 4 – Commercial Renovations

Under Section 5.7 Outlets and Devices – Non-Classified and Classified Areas, new scaling and fee reductions:

DRAFT Section 5.7 Outlets and Devices – Non-Classified and Classified Areas

	Contractor	
	Current	Proposed
# of Devices	Non-Classified [C017]	Non-Classified [C017]
1-10	\$74	\$40
11-20	\$81	
21-30	\$88	\$88
Each additional group of 10	\$7	\$7

Rationale:

ESA has heard contractor feedback that the price for a notification is disproportionate to the amount a contractor charges for less complex electrical installations. Reducing the price is also meant to increase compliance.

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2020 Wiring Fees - RBO



Proposed Update 5 – Mechanical, HVAC and Related Equipment

Under Section 4.4.1, Mechanical, HVAC and related equipment, the equipment that qualifies under the HVAC program is highlighted and shown in bullet format. There is also a note with information about the RBO HVAC program. There is a proposed fee for HVAC eligible equipment of \$35.

DRAFT Section 4.4.1 Mechanical, HVAC and related equipment

This section covers equipment such as:

- Furnaces¹
- Water heaters¹
- Air conditioners¹
- Heat recovery ventilators¹
- Heat pumps¹
- Air Handlers¹
- Boilers¹
- Gas fireplaces¹
- Dishwasher (unlic)
- Rangehood (unlic)
- Battery chargers
- In-floor heating
- Heat trace cable
- Jacuzzi bathtubs
- Steam showers
- Saunas
- Submersible pumps
- Elevators
- Power optimizers

Note¹: The fee is \$35 for contractors when the installation is limited to furnaces, water heaters, air conditioners, heat recovery ventilators, heat pumps, air handlers, boilers and gas fireplaces only.

Rationale:

The Authorized Contractor Program - HVAC will be discontinued and the RBO HVAC fee needs to be defined. Under RBO, the HVAC program does not require an annual membership fee and the equipment that qualifies is clear. In order to ensure cost recovery the notification fee is set to \$35.

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2020 Wiring Fees - RBO



Proposed Update 6 – Poleline Maintenance

Create a new subsection under Section 5.4 Secondary Lines – Temp & Perm, called Poleline Maintenance.

DRAFT 5.4.3 Poleline Maintenance

The fee is \$83 [C089] and applies to poleline maintenance work <50kV on both temporary and permanent polelines. Allowable maintenance work includes cable terminators, fuse cut outs, guy and anchor replacement, lightning arrestors, pole replacement, pole top extension, repair to grounding and bonding conductors, cross arm replacement, pole-mounted transformer replacement, secondary and HV cable/conductor repairs, and/or single phase ground operated switch.

Note: New work, shortening spans, relocating poles and 3-phase ground operated switches do not meet the definition of maintenance (see Section 5.4.1).

Rationale:

The Authorized Contractor Program – Poleline Maintenance will be discontinued and the RBO poleline fee needs to be defined. Under RBO, the program does not require an annual membership fee. In order to ensure cost recovery the notification fee is set to \$83.

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2020 Wiring Fees - RBO



Proposed Update 7 – Stacked-Type Housing

Under Section 4.1.2 Stacked-Type Housing, a fee reduction on [R055] from \$175/unit to \$160/unit. The existing scale will be removed and a flat fee per unit will apply.

DRAFT Section 4.1.2 Stacked-Type Housing

# Units	Contractor	Non-Contractor
Per Unit [R055]	\$160	\$358

Rationale:

In order to accommodate the risk rating process and corresponding response under RBO, the existing scaled fee for New Residential Stacked-Type Housing had to be discontinued. As a result, a lower per unit fee can be proposed to accommodate the new process.

Fee Guide Wiring Fee Updates

Electrical Safety Authority Public Consultation



Proposed Update 8 – Building Demolition

Under Section 2.8 Miscellaneous Fees, addition of new fee code [C093]: Building Demolition - \$153 per hour.

Demolition to be defined as: dismantling, disconnecting or removing equipment or portions of the wiring system in an existing building.

Rationale:

A new fee code will more accurately describe the electrical work captured in the demolition process. This will also provide greater clarity, as many contractors inquire about fees for demolition. Presently, ESA charges \$153 per hour under a cost recovery fee. The price will not change, and the addition of a new fee code will provide clear direction for the industry.

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Proposed Update 9 – Record Search and Requests for Information

Under Section 2.9 Record Search and Requests for Information, reference of the existing fee to conduct an “Access and Privacy Code Review” of \$146 per hour.

Rationale:

The existing fee to conduct an “Access and Privacy Code Review” associated with a Request for Access to Information (RFI) is referenced on the RFI application form, but is not referenced in the current Fee Guide. The addition of this existing fee for this service incorporates it into the fee guide, for improved transparency.

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Proposed Update 10 – Final Inspection on a New Residence

For other installation scenarios following Sections 4.1.1 Single Family Dwelling and Section 4.1.2 Stacked-Type Housing, clarifying the description of this activity through the addition of a new fee code [R096] for a “Final Inspection only on a New Residence” for the existing flat fee of \$153.

Rationale:

A new fee code for a Final Inspection on a New Residence will more accurately describe the stage of construction on the dwelling. Presently, ESA charges a \$153 cost recovery fee. The price will not change, and the addition of a new fee code brings clarity and increases transparency to the New Residential inspection process.

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Proposed Update 11 – Energy Storage Systems

Revise fee guide language and add a section to reflect increasing use of Energy Storage Systems (ESS).

Energy Storage System (self-contained) to be defined as: an approved energy storage system where the components such as cells, batteries, or modules and any necessary controls, ventilation, illumination, fire suppression, or alarm systems are assembled, installed, and packaged into a singular energy storage container or unit.

ESA is proposing:

- a. Addition of new Section 4.4.5 Energy Storage Systems (**self-contained**) - A fee of \$148 [R097] for contractors and \$160 for non contractors for the first piece of equipment plus \$25 for contractors and \$28 for non contractors for each additional related piece of equipment or device installed by the same contractor at the same time.
- b. Changing Section 5.1.6 Renewable Energy to Section 5.1.6 Renewable Energy and Energy Storage Systems (**non self contained**). Under that section, ESA is also proposing to increase the voltage of qualifying installations from >1,000 DC circuit voltages to >1,500 circuit voltages.
- c. Changing Section 8 Renewable Energy to Section 8 Renewable Energy and Energy Storage Systems (ESS) non self-contained. ESA is also proposing the addition of a sub-section 8.3 Energy Storage Systems (non self contained). The fee will be the sum of the following:
 - Inverters, rectifiers, combiners and disconnect switches
 - Transformers and generators
 - Batteries and other devices
 - Self-contained Energy Storage Systems

Energy Storage Systems (ESS) Continued

d. Exclusion of ESS fees from Section 4.1 New (Residential) Structures, and 4.2.2 Renovation of Apartment

Rationale:

ESA must clarify this existing fee in response to the increased use of new and emerging technologies, and the inclusion of Energy Storage Systems in the 2018 Ontario Electrical Safety Code. These new sections in the fee guide provide clarity and increase transparency for the industry on the application of existing fees for these types of installations.

Currently, ESA charges an existing fee for self contained ESS through the application of existing fee codes. The price will not change, and the introduction of the new fee code will provide clear direction and transparency for the industry on how to price these installations.

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Proposed Update 12 – Annunciator Panels

Move reference to “annunciator” from Section 5.5 Distribution Equipment to the list of outlets under Section 5.7 Outlets and Devices – Non-classified and Classified Areas.

Rationale:

ESA has heard contractor feedback that the existing fee charged for annunciator panels as a panel board was excessive. Including an annunciator panel as an outlet and device will address this concern and clarify the application of existing fees from a technical perspective.

Proposed Update 13 – Important Modifications to Definitions

a. Modify the existing definition of “New Installation” - the installation of a new wiring system in a new building or structure, or in an existing building or structure where the existing electrical system, including all branch circuits and service panel has been completely removed.

Rationale:

ESA has heard contractor feedback about fees charged for a residential teardown or complete re-wire. ESA has heard that the “renovation” fee charged for a teardown was excessive and pricing it as a “new” installation will address this concern.

b. Modify the existing definition of “Renovation” – any change or addition to the original wiring including repair and replacement of the devices

Rationale:

The modification of the definition of Renovation will bring clear direction to the industry for when an installation is considered new or a renovation.

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2020 Wiring Fees



Proposed Update 14 – New Residential Dwelling >7000 ft²

Under Section 4.1.1 Single Family Dwelling, the existing fees for homes >7,000 ft² up to 400A will be consolidated and a reference to a flat fee for new residential dwellings >7,000 ft² and 401A+ will be added.

ESA is proposing:

The per unit fee for dwellings with more than 7,000 square feet is:

	Contractor	Non-Contractor
with service size up to 400A [R034]	\$452	\$849
with service size 401A+ [R095]	\$765	\$1,437

Rationale:

Dwellings > 7,000 ft² up to 200A and 201-400A are the same price and consolidating the fee on the same line will clear up any confusion. Currently, the fee for 401A+ is priced using commercial fee codes and the fee varies depending on the number of outlets, devices, equipment etc. The proposed pricing represents an overall reduction and by using a flat rate, it should clear up any confusion. All contractors will pay the same price.

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Proposed Update 15: Minor Updates to Fee Guide

ESA is proposing minor updates to fee guide language that don't affect pricing or work processes.

Rationale:

These changes relate to:

- Clarity – update fee description to make the fee code easier to understand
- Modernization - remove of out of date concepts, fees or references
- Language – update of language to align with legislation or regulation

A proposed draft of the 2020 fee guide is available here as part of this consultation on ESA's website. This draft fee guide clearly identifies all areas of proposed changes. Red font indicates updates. Here are three examples of minor updates found in the draft fee guide:

EXAMPLE 1:

2.78 Miscellaneous Fees

~~The fee for additional site visits is \$153 [MI04] per hour or fraction thereof.~~ Additional site visits may be charged as deemed necessary by the inspector ~~should it be deemed that a reasonable number of visits has already been provided.~~ The fee for additional site visits is \$153 [MI04] per hour or fraction thereof.

EXAMPLE 2:

3.1 Fire Marshal / Electrical Inspection Orders

These are orders issued by the Fire Marshal ~~or other authority having jurisdiction~~ to inspect premises when suspected life and/or property hazards have been identified.

EXAMPLE 3:

4.2.2.1 Apartment Building Upgrade [R070]

Notes:

- (1) The fee is based multiple units inspected at the same time. Visits to individual units may result in additional inspection fees, refer to Section 2.7.
- (2) This fee does not include the inspection of work done in common areas at the same time as the unit upgrade; refer to Section 5.

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See the instruction on page 3 about how to participate in the consultation.

Questions for Feedback:

1. What impact would you expect these changes to have on you or your organization?
2. Do you have any comments specific to the RBO portion (slides 6-12) of the fee consultation?
3. What actions would you or your business need to take if this change(s) were implemented?
4. Do you anticipate any significant negative or positive consequences from this change? If so what? (please be as specific as possible)
5. Do you have any other comments?

Reminder: ESA will hold contractor meetings in Fall 2019 to provide information on the final changes to the fee guide.