

ESA's Regulatory Role

The Electrical Safety Authority (ESA) operates as a delegated authority on behalf of the provincial government in accordance with Part VIII, section 113 of the *Electricity Act, 1998*, S.O. 1998, c.15, Sched. A, and the *Safety and Consumer Statutes Administration Act, 1996*, S.O. 1996, c.19. Within its mandate the ESA is responsible for electrical safety in Ontario as designated by Ontario Regulation 89/99, 570/05 and Regulation 22/04. The matters arising from these regulations include administration, inspection and enforcement in regard to electrical installations, electricity distribution systems and the licensing of Electrical Contractors and Master Electricians within the province. In 2007 the Government of Ontario established *Ontario Regulation 438/07 Electrical Product Safety* and ESA is the delegated authority for the administration of this regulation.

Specifically ESA is charged with carrying out its delegation with the law, the Administrative Agreement, the Electricity Act and the Safety and Consumer Statutes Administration Act with the purpose of protecting public safety, and the environment and advancing the principle of ensuring a fair, safe and informed marketplace that supports a competitive economy.

Simply put

ESA has a **duty to the public** electrical safety interest
Is **accountable to the Ministry** of Government and Consumer Services,
And is **informed by stakeholders'** advice, knowledge and experience.

Adhering to good practices in Regulatory Governance is a precondition to establishing and maintaining credibility and the moral authority to inspire and instill excellent electrical safety practices within ESA's regulated community and stakeholders.

The Board of Directors of ESA is committed to continuous improvement in meeting best practices in Regulatory Governance which includes:

- Board oversight of the Electrical Safety Authority's regulatory policies, practices, programs and procedures to ensure that we effectively implement our regulatory responsibilities which includes, communication of rules, monitoring, enforcement adjudication, sanctions and evaluation.
- Best practices in regulation development, strategies, assessment and the formulation of policy advice to the province

In fulfillment of this commitment we aspire towards the following principles. Each of the principles is described more fully below.

Approach to Regulation

- Regulatory Policy and Advice
- Innovation
- Internationally Informed
- Continuous Improvement

Framework for Regulation

- Outcome Based Regulatory Impact
- Minimize Duplication
- Proportionality
- Risk Management Approaches
- Supporting electrical safety within a fair and competitive market

Stakeholder Engagement in Regulation

- Stakeholder Engagement
- Clarity and Accessibility
- Transparency and Communication

Approach to Administering Regulation

- Capacity and Capability
- Fairness
- Independence
- Administrative justice and accountability

Approach to Regulation

Regulatory Policy and Advice

ESA recognizes the role of the Province in establishing the electrical safety policy that is reflected in legislation and regulations established by the provincial government.

The Board is committed to its obligation under the Safety and Consumer Statutes Administration Act to suggest to the Minister amendments to Acts and regulations and to inform and advise the Minister with respect to matters that are of an urgent or critical nature.

As subject matter experts in Electrical Safety, ESA will maintain awareness of best practices in electrical safety management, technology, codes and standards, education and awareness, research, safety and regulatory approaches within Canada, North

America and internationally assimilating this information to provide relevant policy advice to the Government.

We will strive to create conditions where ESA's Board and Executives have the capacity to listen, understand and communicate: to see, hear and speak the risk.

We will seek a relationship with government, our employees and stakeholders that foster the ability and willingness to inform senior decision-makers of anticipated electrical safety harms which require engagement at the executive, bureaucratic or political levels ("speak truth to power").

We will also strive to be informed about broader government policy and to be reflective of this policy.

Innovation

ESA is committed to innovation in safety management and regulatory practice. Regulation will be recommended as the policy instrument of choice when it is demonstrated that government intervention is warranted and other options fail to demonstrate an ability to address the issue.

We will strive to explore the use of alternatives to direct regulation to address safety harms, through non-regulatory options, market-based approaches or "partnerships" or stakeholder cooperation. When regulation is recommended, it will be designed to produce maximum effectiveness while minimizing to the extent possible negative impacts on stakeholders.

Internationally Informed

We seek a regulatory system that is nationally and internationally informed, forward looking and as anticipatory as possible. Our recommendations and decisions will reflect a broader national and international perspective.

We also believe in contributing to electrical safety improvement beyond Ontario through sharing and participation at the national and international level.

Continuous Improvement

We recognize that needs and conditions change over time. We are committed to establishing review processes to ensure that regulation and ESA's implementation are meeting the intended harm reduction objectives, and ensure they remain in the public interest.

Framework for Regulation

Outcome Based Regulatory Impact

ESA is committed to outcome based assessment and measurement of its regulatory impact. When developing and proposing new regulation we are committed to applying best practices in Regulatory Impact Analysis to ensure the most efficient and effective regulatory options are chosen. We recognize that design of regulations needs to focus on the outcomes, making them results based and this should be reflected in the performance measures chosen.

Minimize Duplication

Duplication or overlap of regulatory programs can cause excessive burden on people and organizations and ESA is committed to minimizing duplication.

Where there are complimentary regulations or roles ESA is committed to working with other regulators to establish formal mechanisms for collaborative partnerships, interagency coordination among regulatory bodies, and clear accountability for decision making in areas of overlap.

Proportionality

ESA is committed to ensuring that the regulatory system is performance-oriented, efficient and effective, and strives for timely decision-making and implementation. We strive for proportionality between benefits and costs of regulating.

The proportionality principle will also guide the implementation regulation. We believe that most people and organizations within the regulated community are committed to ensuring electrical safety and acting or trying to act in accordance with the requirements. In these situations our approach as a regulator can include partnerships to promote and share best practices, activities to facilitate and ease the administrative aspects of compliance and fostering training, education and awareness to help those who want to comply. We also recognize that a smaller segment within the regulated community will choose not comply. In these cases ESA is committed to a proportional response that includes the use of appropriate compliance and enforcement tools and authorities.

Risk Management Approaches

ESA is committed to adopting best practice risk management principles when developing strategies and regulations to address electrical safety harms and implementation of our current regulatory responsibilities. Risk management approaches have been designed with the importance of scope and timing horizons in mind and strive to be comprehensive by incorporating a systems perspective and life cycle analysis.

Supporting Electrical Safety Within a Fair and Competitive Market

ESA is committed first and foremost to ensuring the protection of Ontarians from electrical safety harms. However we recognize that there are numerous choices available when recommending and administering regulations and we will strive to do so in a way that provides the greatest public benefit, but does not impose unnecessary or unreasonable burden on a fair and competitive market within the province, nationally and internationally.

Stakeholder Engagement in Regulation

Stakeholder Engagement

ESA is committed to a regulatory process that is transparent and engages stakeholders appropriately and is informed by stakeholder views. We are committed to seeking and listening to the views of all stakeholders to obtain a balanced perspective that helps guide the consideration, development and implementation of regulation.

Transparency and Communication

Those subject to regulation must be aware of the regulation and understand what is required of them. ESA is committed to being accountable and transparent about its standards, processes and decisions and will strive to communicate this information to the regulated community and other stakeholders.

Clarity and Accessibility

Regulation is most effective if the regulated community understand its purpose and how they can comply. We will strive towards a regulatory function that is clear in its role, objectives and its legal and policy authorities.

ESA will provide a range of plain language complimentary materials (brochures, bulletins, guidelines, websites) and make these accessible to the public, the regulated community and anyone else who is interested.

Approach to Administering Regulation

Capacity and Capability

ESA's Board is committed to ensuring that ESA has the capacity and capability to fulfill its regulatory responsibilities and that it has the budget, facilities and people needed to do the job of evidence-based regulatory decision-making.

Fairness

We are committed to ensuring that regulatory standards and processes are reasonably consistent and predictable. Flexibility may be needed when new situations arise which are not specifically addressed by regulation (outlier information, new technology). In these cases, we will strive for consistency in the application of the values and spirit of the underlying policies.

Ethics

ESA is committed to a regulatory culture based on a strong ethical foundation and mindful of the importance of both knowledge and judgment in the regulatory process. We will ensure that a formal system (including code of conduct that applies to the ESA Board, management and staff) exists to maintain the highest standards of ethics in the fulfillment of our regulatory duties. This system will be transparent to the regulated community.

We will strive to ensure that our leaders foster fair and competent decision-making and the maintenance of the diverse required capacities (including scientific and technical knowledge, science literacy, analytic capacity, communication, shared values, cooperation, openness, foresight, international perspective and other desirable elements of a regulatory body).

Adequate regulatory disclosure exists of information on the governance structure of the ESA and its policies, performance, regulatory objectives, and disclosure of internal policies relating to internal audit and control mechanisms through which frauds and conflict of interest situations are avoided.

We strive to do a good job of balancing organizational risks and public electrical safety harms, erring on the side of protecting the public interest and maintaining the highest ethical standards.

Independence

ESA's Board is committed to ensuring the independence of its statutorily appointed Directors and Inspectors in the exercise of their statutory roles. We will support these statutorily appointed Directors and Inspectors by ensuring:

- they understand Government and ESA policies that apply to them; they understand the law, codes and standards; and have the training, tools and information required to administer and enforce the regulations; and
- mechanisms are in place to provide protection from industry capture and other interference in statutory decision making.

Administrative Justice and Accountability

Just as we seek to hold the regulated community accountable for maintaining high standards and performance related to electrical safety, ESA itself must be accountable.

ESA is committed to treating the regulatory community with fairness, dignity, consistency and with access to due process. To achieve this, the regulated community should have access to clear open and effective appeals procedures. We are committed to ensuring that mechanisms are in place for the regulated community and consumers to seek redress in cases where they feel their rights have been violated