

## ESA'S REGULATORY ROLE

The Electrical Safety Authority (ESA) is an administrative authority designated by the provincial government, in accordance with the *Safety and Consumer Statutes Administration Act, 1996* (SCSAA) and an Administrative Agreement, for the purposes of administering and enforcing provincial Electrical Safety provisions established by Part VIII of the *Electricity Act, 1998* ("the Act"), and five regulations made under the Act:

- **Ontario Electrical Safety Code** (Regulation 164/99), which defines how electrical work will be done;
- **Electrical Distribution Safety** (Regulation 22/04), which defines safety accountabilities for Ontario's Licensed Distribution Companies (LDCs);
- **Licensing of Electrical Contractors and Master Electricians** (Regulation 570/05), which sets requirements for businesses performing electrical work;
- **Electrical Product Safety** (Regulation 438/07), which addresses approval requirements of electrical products and response to unsafe industrial and commercial products in the marketplace, and;
- **Administrative Penalties** (Regulation 12/23), which sets out when and how ESA may issue an administrative penalty.

ESA is accountable for carrying out its delegated responsibilities in such a manner as to protect, enhance and improve electrical safety, and consistent with the principles of:

- Maintaining a fair, safe and informed marketplace that supports a competitive economy, and;
- Promoting the protection of the public interest.

## REGULATORY GOVERNANCE PRINCIPLES

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 with stakeholders.

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

- Monitoring the development and use of policies, procedures and guidance documents to promote consistency and alignment with ESA's *Regulatory Governance Principles* and harm reduction objectives to effectively implement our regulatory responsibilities, which includes; communication of rules, monitoring, enforcement, adjudication, sanctions and evaluating the effectiveness of programs in meeting public safety objectives.

- 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:

## **Public Interest and Management of Burden**

*Enhance electrical safety in a manner that protects the public interest and considers the economic effects of regulation.*

We are committed to the protection of Ontarians from electrical safety harms. We are also committed to our obligation under the Administrative Agreement and our corporate objects to exercise our electrical safety mandate in a manner consistent with the objectives of a fair, safe and informed marketplace.

We will work within our regulatory framework to support a competitive economy for the public and those we regulate. We will strive to provide the greatest public benefit, without imposing unnecessary or unreasonable burden on consumers and compliant stakeholders.

## **Data and Outcomes Focused**

*Focus on data and outcomes to assess and measure our regulatory impact on electrical safety, to support risk management principles and to address electrical safety harms, informed by a robust data analytical approach.*

We are committed to incorporating a data and outcomes-focused approach in how we administer our mandate and areas of regulatory oversight, and how we assess and measure our regulatory impact. We will develop a data governance framework and use risk management principles to create systems and programs under our harm life cycle methodology. Using this approach allows us to develop and refine our practices in addressing electrical safety harms, evaluating public electrical safety risks, and when developing strategies and proposing regulation.

We are dedicated to achieving the best outcomes for public electrical safety, while making the most beneficial use of available resources, by applying risk-informed and data-driven approaches to administering our regulatory oversight responsibilities. This will enable us to gauge and report on the effectiveness of the regulatory system, and the safety impact of chosen initiatives and compliance programs.

## **Transparent and Accessible**

*Be transparent and communicate with stakeholders to keep them apprised of the regulatory process. Provide accessible support and a range of materials to help stakeholders understand and comply with regulation.*

We will strive to effectively communicate the intended objectives and outcomes of regulations in an effort to build a common understanding of what is expected, and why it is important. We are committed to providing simple and straightforward ways to engage with those we regulate and a range of plain language complimentary materials (brochures, bulletins, guidelines, and websites) to assist with educating stakeholders. We are committed to being accountable and transparent about our regulatory approaches, strategies, standards, processes and decisions on how we administer and enforce regulation.

## **Engagement and Collaboration**

*Engage with diverse stakeholders on a continuous basis to help inform our approach to regulation. Collaborate with other regulators to coordinate efforts and minimize regulatory duplication.*

We are committed to engaging with individuals who have a range of views and experiences that reflect the diversity of stakeholders in Ontario to obtain a balanced perspective that will help guide the consideration, development and implementation of regulation. We will accomplish this by fostering an environment where diverse stakeholder input is actively sought out and heard.

We are committed to actively identifying opportunities to work with other regulators with common interests and objectives. We will seek to establish formal mechanisms for collaborative partnerships, sharing of information, interagency coordination of compliance activities, and clear accountability for decision making in areas of overlap.

## **Capability and Sustainability**

*Maintain the capacity and capability to fulfill our regulatory responsibilities today and in a sustainable manner going forward.*

Our Board is committed to ensuring that we have the capacity and capability to fulfill our regulatory responsibilities and that we have the budget, facilities and people needed to perform evidence-based and risk-informed regulatory decision-making. We will strive to continuously build needed organizational capabilities while being fiscally responsible to facilitate short and long-term safety initiatives.

## **Ethical and Accountable**

*Hold ourselves accountable to the highest ethical standards in the fulfillment of our regulatory duties.*

We are committed to a regulatory culture based on a strong ethical foundation that is mindful of the importance of both knowledge and judgment in the regulatory process. We will execute a formal system (including codes of conduct that apply to our Board, management and staff) to maintain the highest standards of ethics in the fulfillment of our regulatory duties.

We will strive to balance organizational risks and public electrical safety harms, erring on the side of protecting the public interest and maintaining the highest ethical standards.

## **Independent Statutory Decision-Making**

*Support those appointed by statute to exercise their duties and responsibilities as independent decision-makers.*

Our Statutory Directors and Inspectors have been appointed by legislation to exercise statutory duties that require independent decision-making. They will be guided by applicable legislation, administrative law, policy, professional ethics and their duties as an employee. They are expected to make decisions and exercise their discretion based on expertise, the relevant law and the mandate for which the laws were established, in an environment free from other influences.

## **Procedural Fairness**

*Provide fairness in respect of our statutory decisions and processes.*

The underlying principles of procedural fairness are being transparent in actions, providing fair processes, providing an opportunity to be heard, and being impartial in decision-making. We are committed to treating those we regulate equitably, with fairness and dignity.

## **Consistent and Proportionality**

*Implement procedures, practices and decisions that are consistent and proportionate to improve and promote compliance.*

We are committed to ensuring that our regulatory procedures and administrative practices are consistently applied so those we regulate will know what to expect. We will strive for proportionality in compliance matters so that escalations are clear and predictable. We will seek to develop and implement regulatory compliance approaches that are proportionate to the level of associated risk, and apply compliance tools in a

manner that is proportionate to the circumstances and based on a compliance continuum.

Where flexibility is needed due to new situations that are not specifically addressed by regulation (outlier information, new technology), we will strive for consistency in the application of the values and spirit of the underlying policies.

## **Innovation in Policy and Practice**

*Support innovation in safety management and regulatory practice to help us remain at the forefront of improving electrical safety and fulfill our role as a valued advisor to our Ministry counterparts.*

We are committed to continuous learning in our implementation of regulation and strive to identify opportunities for improvements to, or gaps in, electrical safety policy.

We recognize the role of government in establishing the provincial electrical safety policy that is reflected in legislation and regulations, and the benefit of maintaining a strong and collaborative relationship with the Minister of Public and Business Service Delivery. As conditions in the industry change over time due to new technologies, reforms in operational practices and evolving codes and standards we will aim to anticipate the electrical safety impact and respond effectively.

To support this approach we endeavor to:

- Provide government with information and advice on measures to strengthen electrical safety policy;
- Promote a regulatory system that uses evidence and is nationally and internationally informed;
- Support innovation in safety management and regulatory practice to help us remain at the forefront of improving electrical safety, and;
- Adopt a continuous improvement approach to regulation.

We will aim to ensure that our administration of our regulatory authority and our recommendations to the Ministry reflect the priorities established by these Regulatory Governance Principles.