



Technical Standards and Safety Authority

Minutes of the Natural Gas Advisory Council

Meeting on September 26, 2019

Present: Michelle George, Enbridge Gas; Tammer Gabber (on Skype) for Greg St. Louis, Kitchener Utilities; David Hammond (on Skype), A.O. Smith; Martin Luymes (Chair), HRAI; Elizabeth Nielsen (on Skype), TSSA's Consumer Advisory Council; Alper Ozdemir, Reliance Home Comfort; Ron Vanhevel, Rheem Canada Ltd.; Andy Vella, Canadian Standards Association; Neil Waugh, NPL Canada Inc.

Suba Ariyaretnam, Manager, General Accounting & Financial Reporting (Item 13); Tom Ayres, Vice President and General Council (Item 1-9); Alexandra Campbell, Vice President, Communication and Stakeholder Relations; Andrew Chin, Finance Specialist, Special Projects (Item 13); Sandra Cooke, TSSA Ombudsman (Item 1-9); Viola Dessanti, Director, Strategic Analytics (Item 1-12); Danielle Fernandes, Advisory Council Coordinator; Zenon Fraczkowski, Engineering Manager, Fuels Safety Program; Kristian Kennedy, Manager, Government Relations; Marek Kulik, Engineer, Fuels Safety Program; John Marshall, Director, Fuels Safety Program; Bonnie Rose, President & CEO (Item 1-9); Phil Simeon, Director, Regulatory Policy; Robert Wiersma, Manager, Public Safety Risk Management (Item 12).

Guests: Dorothy McCabe, HRAI; Eric Morales, Senior Policy & Program Analyst, Technical Safety Unit, Ministry of Government and Consumer Services (MGCS); Mitch Thibault, Policy Development Intern, Technical Safety Unit, MGCS.

Regrets: Alan Reitzel, Reitzel Heating and Sheet Metal Ltd.

1. Constitution of Meeting

The Chair called the meeting to order at 9:05 a.m. He welcomed everyone and introduced Neil Waugh as the newest Council member and Dorothy McCabe as his colleague from HRAI.

For the safety moment, K. Kennedy provided some context and Council was shown a short video from the International Organization for Standardization (ISO) on the importance of safety symbols in promoting safety and helping to avoid injury.

2. Approval of the September 26th, 2019 Agenda

The Chair advised Council that an update on Code Adoption would be provided after the Outcome-based regulator update.

Council approved the agenda of September 26th, 2019 as amended.

3. Approval of February 6th, 2019 minutes

Council approved the approved the minutes of February 6th, 2019 as presented.

4. Review of Action items from last meeting

J. Marshall provided an overview of the action items circulated to Council prior to the meeting. He advised that all action items will be address under the agenda today.

There were no comments or questions from Council.

5. Chair's Update

M. Luymes treated his report to the President & CEO, circulated prior to the meeting, as read. There were no questions or comments from Council.

September 26th, 2019

Page 1



Technical Standards and Safety Authority

Minutes of the Natural Gas Advisory Council

Meeting on September 26, 2019

6. TSSA President & CEO's Report

B. Rose treated her report to Council as read. She highlighted some strategic initiatives for TSSA, particularly the business model consultation, the initiatives underpinning the move to becoming an outcome-based regulator, and the current work being done to improve inspector consistency.

There were no comments or questions from Council.

7. Auditor General (AG) Action Plan - Update

T. Ayres spoke to this item and provided an overview of the three AG recommendation of interest to the Natural Gas Advisory Council. He advised, regarding recommendation 6 (proposing a continuing education requirement as a condition for recertification), that TSSA recognizes the importance of continuing education and already does have continuing education requirements where appropriate. He noted that TSSA will continue this policy in all regulated sectors. As it relates to recommendation 13, which calls for greater oversight over pipeline operators, T. Ayres advised that TSSA has already conducted a Canadian jurisdictional scan, and that work is currently being done on a plan for greater oversight. He advised that there will be consultation with stakeholders, and the plan will be shared when appropriate. In terms of recommendation 14, which relates to the oversight of fuels contractors, he advised that TSSA is working on a plan for greater oversight through an enhanced authorization process.

In response to a question from Council regarding how consumer concerns will be factored into the oversight process of contractors, T. Ayres advised that the contractor audit process is in a state of development. He noted that the goal of the audit process is to ensure that contractors have the appropriate tools and processes in place to have appropriate oversight over employees. He added that there will be a mechanism for dealing with non-compliant contractors through complaints at the installation level.

8. Ombudsman's Report

S. Cooke spoke to this item, referring to the report distributed to the Council prior to the meeting. She provided an overview of the role and function of the Office of the Ombudsman. She reminded Council that a third party operated whistle blower service (for those who wish to remain anonymous) in addition to the Office of the Ombudsman is available to stakeholders.

In response to a question from Council regarding whether TSSA has a process for dealing with a lack of information from the whistle blower services, S. Cooke advised that since this service is third-party operated, TSSA will pose follow-up questions/requests for information, however the complainant must log back into the service in order to know more information has been requested/ is required, and they frequently fail to do so. She added that a lack of information does make investigation very difficult.

9. Outcome-based Regulator - Update

P. Simeon spoke to this item and provided Council with an update on the progress being made on TSSA's transformation to becoming an outcome-based regulator. He advised that the principles of consistency, evidence-based decision-making, and stakeholder outreach underpin this initiative. He noted some examples of initiatives that are currently underway, including the compliance checklist developed for tanker trucks, and the work being done on pipelines and fuel oil distributors. Additionally, he advised Council of TSSA's compliance support program, which is scheduled to launch in the upcoming weeks. He advised that this service seeks to provide assistance to higher risk customers who may not know how to comply with the regulations. He advised that this program is compliance focused as opposed to enforcement focused, adding that involvement in the program is completely voluntary and that it operates independently from TSSA inspections. J. Marshall added that TSSA is working to roll out a mobile application for standard orders, in an effort to standardize, bundle, and provide oversight on the orders being issued by inspectors. He added that this initiative is consistent with TSSA's priority of increasing inspector consistency in the field.

September 26th, 2019

Page 2



Technical Standards and Safety Authority

Minutes of the Natural Gas Advisory Council

Meeting on September 26, 2019

In response to a question from Council regarding how 'high-risk' is defined, V. Dessanti advised that the risk score is based on past performance. In response to a question from Council regarding the consequences of not participating in the compliance support program, P. Simeon advised that participation is completely voluntary and separate from inspections. He noted that those operators considered to be high-risk would already be on an increased inspection frequency. B. Rose added that the compliance support program is a pathway to compliance, noting that enrollment is free of charge, which should encourage participation.

10. Code Adoption Document (CAD)

P. Simeon spoke to this item and advised Council that TSSA will be triaging and prioritizing all Code Adoption Documents (CADs) organization-wide, which aligns with the outcome-based regulator model. He noted that TSSA wants to demonstrate a consistent approach on how these are reviewed and implemented. He advised that four considerations underpin the analysis. First, does the code address a safety gap? What is the gap? What is the improvement, and what evidence supports that improvement? Second, what is the cost to business? Third, how does this align with the outcome-based regulator model and/or an AG recommendation? And fourth, has there been adequate stakeholder engagement? He stressed that TSSA wants to be consistent in the approach to CAD assessments and implementation.

In response to a question from Council regarding how important a factor national harmonization is to the CAD assessment process, P. Simeon advised that the interest of national harmonization plays a significant role in the assessment and is a key consideration in the process.

11. Update from Strategic Analytics

V. Dessanti spoke to this item and provided a historical framework for Risk-Informed Decision Making (RIDM) at TSSA. She explained that TSSA is in a period of transformation, which requires a review of the current model to capitalize on opportunities for improvement and consistency, adding further that the model needs to be pressure tested and vetted given TSSA's new strategic direction and in consideration of the Auditor-General (AG) recommendations. As a result, she advised the Council that TSSA is embarking on a peer review of its RIDM framework, adding that TSSA is looking for insights, input, and feedback on the improved risk model in order to prepare and validate a plan for implementing changes in the Spring/Summer of 2020. She added that TSSA is looking for suggestions of individuals best suited to be a part of the peer review panel.

There were no comments or questions from Council.

12. Safety & Compliance Report

V. Dessanti spoke to this item and referenced the summary material sent to Council prior to the meeting. She advised that overall there were no fatalities in FY19. She highlighted a few key finds in the Annual State of Public Safety Report (ASPR) including an increased trend in the number of occurrences, noting that this is largely driven by increased reporting in both the amusement devices and elevating devices sectors. She advised that there has been an increase in the number of permanent and non-permanent injuries overall, however the number of high-risk devices is going down. She added that FY19 saw a decrease in the observed injury burden, noting that this is also relevant in the fuels sector.

As it relates to the fuels sector the actionable areas remain carbon monoxide (CO) in apartments and condominiums, fuel risks in private dwellings, and fuel risks in schools. She explained that a significant difference in the report this year, is the tracking of pipeline occurrences. Additionally, she noted that in FY19, fuel risks in retirement and long-term care homes and fuel-related fire risks in food service locations are no longer areas of concern for 'enhanced monitoring'. V. Dessanti presented data on compliance by fuel type. She reported that, for natural gas specifically, the compliance rate is 50.6%, and noted that the level of high-risk orders is approximately 16.8% overall.

In response to a question regarding whether TSSA knows the root cause for the removal of fuel risks in retirement and long-term care homes and fuel-related fire risks in food service locations from 'enhanced



Technical Standards and Safety Authority

Minutes of the Natural Gas Advisory Council

Meeting on September 26, 2019

monitoring', V. Dessanti advised that this is something that TSSA is reviewing, adding that we want to be able to ascertain what is driving the change. J. Marshall added that TSSA has a number of multi-year programs targeted at these addressing these sources of risk, since these programs have been multi-year making the statistical link between TSSA activity and the reduction of risk is challenging.

13. Incidents/ Issues Report

J. Marshall spoke to this item and provided an update on the incidents and issues specific to the natural gas sector. He advised that there was a total of 14 incidents, specifically four fires and 10 incidents involving carbon monoxide (CO). He provided Council with an overview of the incidents and status of investigation.

In response to a question from Council as to whether any trends can be ascertained through the data, J. Marshall advised that, as it relates to the CO incidents, many can be attributed to faulty equipment and lack of maintenance, noting that overall CO continues to be a significant safety concern. Additionally, in response to a question as to whether TSSA tracks geographical trends, since most incidents appear to be outside the Greater Toronto Area, R. Wiersma advised that location is tracked for incidents, however there is no conclusive geographical trend.

14. Business Model

D. Brazier spoke to this item, referring to the presentation shared with Council prior to the meeting. He advised that TSSA's existing fee model is outdated and complex, and that a new model is required to support TSSA's transition to becoming an outcome-based regulator, adding that its scope will cover all programs and all activities. He explained that the guiding principles for the new business model are 1) simplicity; 2) equitability; 3) encouragement of compliance; 4) efficiency; 5) dispute reduction; 6) cost recoverability; and 7) accessibility. He confirmed that TSSA is moving away from a fee-for-service model towards a model where the license fee is inclusive of regulatory inspection activities, adding that the new model would be revenue neutral. He proposed the following options for consideration within the framework: 1) flat fee regardless of category; 2) flat fee based on category; or 3) flat fee based on risk and category. He advised Council that this change is intended to be revenue neutral. Moreover, he advised that online consultation would be utilized after each council meeting, adding that TSSA would be requesting feedback from various industry groups in addition to the advisory councils. D. Brazier explained that once we have consensus on the option, further detail will be provided, with the final rollout to depend on the complexity of the option chosen. Council was presented with some examples specific to the Natural Gas sector for discussion.

There was significant discussion on this topic. Several Council members raised concerns that the details really matter, specifically that the viability of the model depends on the associated costs. D. Brazier advised that this initiative is intended to be revenue neutral, meaning the average costs would remain the same. He also explained that this consultation specifically, was about getting the model right, noting that once consensus is reached on the option, the costs would be shared. Additionally, some Council members noted that option #3, though sound in principle, could pose significant challenges if not premised on a strong data and analytical framework. In response to a question from Council regarding the methods for regenerating revenue lost from other programs (i.e. upholstered and stuffed articles), D. Brazier advised that the goal has always been to have each program fund itself. He added that that fee increase initiated in August would over time eliminate cross-subsidization, adding that the mandate of reviewing the fee model is cost recovery.

K. Kennedy advised, in response to a question from Council as to whether TSSA has considered fines or penalties, that TSSA does not have the legislative mandate to levy administrative monetary penalties (AMPs). He explained this ability is envisioned under the elevating devices regulations, but not for other TSSA safety programs. The Chair cautioned that input on business model options should be taken with some hesitancy, adding that generally industry will be supportive of the concept, but the details, once provided, may change industry perspective. D. Brazier acknowledged the comments and encouraged Council to provide their feedback through the online consultation platform. He advised Council that a link to the online consultation platform would be shared with them shortly after the meeting and would remain open until December 31st, 2019.



Technical Standards and Safety Authority

Minutes of the Natural Gas Advisory Council

Meeting on September 26, 2019

15. Ministry of Government and Consumer Services (MGCS) Report

E. Morales spoke to this item and provided an overview of the report distributed to the Council prior to the meeting. He advised that the Honourable Lisa Thompson was appointed Minister of Government and Consumer Services. He spoke to various burden reduction initiatives undertaken by MGCS, noting that in July the Minister held a burden reduction roundtable with TSSA and various stakeholders. Among other items, he provided an update on the agricultural exemption consultation, Ministerial Exemption for 'first-fill' activities, the approval of amendments to the Fuel Industry Certificates regulation, and alternate rules being applied to the Operating Engineers program.

There were no questions or comments from Council.

16. Emerging trends

a) Climate Change

M. Luymes spoke to this item and noted that the issue of climate change has been the source of a major policy thrust across all political parties. He added that this will have a significant impact on the natural gas sector and to TSSA more generally. He advised Council that HRAI has engaged all major political parties to discuss the issue and its implications on the industry, adding that all have a commitment to carrying through the Paris Climate Accord. He encouraged dialogue about the implications of this to the sector and the relevance this will have on TSSA's regulatory and safety mandate.

There were no questions or comments from Council.

b) Use of Alternate Fuels

M. Luymes spoke to this item and advised council that the Ministry of Environment, Conservation and Parks is strongly committed to a program of renewable natural gas and questioned whether this trend has any safety implications relevant for consideration and discussion. M. George advised that Enbridge has introduced renewable natural gas into its system, adding that Enbridge has conducted both engineering and risk assessments for hydrogen blending, for both design and injection. Z. Fraczkowski advised that the issue has been discussed at the code/standards level at both the Canadian Standard Association (CSA) and the American National Standards Institute (ANSI), noting that this did not raise any safety concerns due to the trace levels being introduced.

17. Risk Reduction Group (RRG) Update

M. Kulik spoke to this item and advised that the last meeting of the Natural Gas RRG was in April 2019. He explained that some of the items discussed were issues related to missing pressure tags, time setting for compliance, training upgrades, and construction heaters. As it relates specifically to issue of construction heaters, M. Kulik explained that previously there was some consensus among manufacturers to not use the residential furnaces during construction. He advised that more recently some manufacturers are now permitting this and so there is confusion within the industry. E. Nielson advised that from a consumer perspective this issue is very concerning, she added that since some stakeholders do not see this as a safety issue, consumers have nowhere to turn when the appliance stops working well before its projected lifespan. She noted that the issue is not covered under the Tarion warranty nor can it be dealt with by Consumer Protection Ontario. The Chair suggested that a meeting with different members within the industry to discuss the finishing heat protocol, in order to reinvigorate a consistent approach to this issue across industry.

18. Council Administration

a) Matrix Review

The membership matrix was affirmed by Council as presented. There was some discussion regarding exploring other types of emergency/first responder services such as medical professionals and paramedics associations to be part of the Council.

September 26th, 2019

Page 5



Technical Standards and Safety Authority

Minutes of the Natural Gas Advisory Council

Meeting on September 26, 2019

Action: K. Kennedy to reach out to other emergency/first responder services regarding vacancy on Council.

Action: D. Fernandes to update the affirmation date of the membership matrix.

b) Membership Renewals

The Chair confirmed the membership renewal of M. George and D. Hammond (with an alternate). It was also decided that M. George will be the representative for the Enbridge/Union Gas amalgamation and that I. Ross is to be removed from the matrix.

Action: D. Fernandes to update the renewal of M. George and D. Hammond and remove I. Ross from Council matrix.

Action: D. Fernandes to confirm D. Hammond's alternate.

c) Changes to Council Administration

K. Kennedy spoke to this item and advised the Council that D. Fernandes is now the new Council Coordinator. He advised that meetings will no longer be scheduled two or three years in advance, but rather on a per annum basis in order to better leverage the Council more strategically for matters that require consultation. Additionally, he advised that, moving forward, any action items identified during council meetings would need to be phrased as a Council deliverable as opposed to referencing corporate projects more broadly. He also advised Council that TSSA would be leveraging 'Bang the Table/ Engage TSSA' for online consultation to complement Council meetings during times when Council is not scheduled to meet, or the matter is lengthier than the Council meeting would allow. There was a comment from Council regarding the timeframe for minutes, K. Kennedy advised that we aim to have the minutes distributed four weeks from the meeting date.

There were no comments or questions from Council.

d) Advisory Council Survey

K. Kennedy provided an overview of the Advisory Council Survey results, he advised that 'Bang the table/Engage TSSA' was utilized to conduct the survey, adding that the number of respondents were lower than in past years. The survey found a slight increase in the overall impression of the relationship between TSSA and the councils, but he cautioned that these results are based on a relatively narrow dataset.

19. Questions and Other Business

There were no additional comments or questions from Council.

20. Adjournment

The meeting adjourned at approximately 1:15 p.m. Council held an in-camera session with B. Rose, followed by a Council-only in-camera session without TSSA staff or guests.