



# Technical Standards and Safety Authority

## Minutes of the Propane Advisory Council

### February 28, 2019

Minutes of the Propane Advisory Council meeting of the Technical Standards and Safety Authority (TSSA) held in the Ontario Boardroom, 345 Carlingview Drive, Toronto, Ontario at 9:30 a.m. on the 28<sup>th</sup> day of February 2019.

**Present:** Dave Karn (Chair), Dowler-Karn Ltd.; Joe Adams, EDPRO; Russel Cardott, Parkland Fuel Corporation; Ian D'Cruz, Superior Propane; Jay Jackson, Consumers Advisory Council; John Latoria, Canadian Tire Petroleum Network Development; Ryan MacLachan, EDPRO; George Olah, Canadian Propane Association; Sue Hardy, National Energy Equipment.

Bonnie Rose, President and CEO (items 1-6); Tom Ayres, Legal Counsel (item 7); John Marshall, Director, Fuels Program; Nancy Webb, Vice President, Communications and Stakeholders; Dan Brazier, Chief Financial Officer (item 11); Zenon Fraczkowski, Engineering Manager; Sandra Cooke, Ombudsman (item 8); Solomon Ko, Senior Engineer; Robert Wiersma, Manager, Public Safety Risk Management (item 9); James Ban, Policy Advisor, Stakeholder Relations; Consuelo Esquivel, Council Coordinator.

**Guests:** Ministry of Government and Consumer Services (by Skype): Nathan Fahey, Sarah Jeffrey-Hampton; Diana Bosnjak; Electrical Safety Authority: Ted Olechna, Carita Edwards (item 13a).

**Regrets:** Doug Fines, Huronia/Med-E-Ox Ltd.

#### 1. Constitution of Meeting

D. Karn, Chair, called the meeting to order at 9:30 a.m. He welcomed everyone and introduced George Olah from the Canadian Propane Association.

For the Safety Moment, Council was shown a video about the safety risks of confined spaces.

#### 2. Approval of the February 28, 2019 agenda

Council approved the meeting agenda for February 28, 2019 as presented.

#### 3. Approval of October 4, 2018 minutes

Council approved the minutes of October 4, 2018 as presented.

#### 4. Review action items from last meeting

Referring to the material shared in advance of the meeting, J. Marshall provided a status of the completed and pending action items, five of which will be discussed today.

He noted that the National Public Safety Advisory Committee (NPSAC) has yet to hear back from Transport Canada regarding rail-to-truck transloading. J. Adams volunteered to follow up on this matter with Transport Canada.

**Note:** Subsequent to the meeting John Marshall contacted the Chair of NPSAC to request moving this issue forward and initiate a face to face meeting with Transport Canada, NPSAC and the Inter-provincial Gas Advisory Committee (IGAC).

The action item on Level 2 Risk and Safety Management Plans (RSMPs) is on pause. An outside vendor will be posting the RSMPs soon.

#### 5. Chair's Update

The Chair took part in the external advisory group meeting on the Outcome-based Regulator project on January 21. Council will hear S. Cooke's update today.



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### 6. TSSA President & CEO's Report

The President treated her report to Advisory Councils, distributed with the advance materials, as read. There were no questions from Council.

### 7. Action Plan in response to the Auditor General's Report

T. Ayres spoke to the item. He provided a general description of the Auditor General's (AG) report and TSSA's response to the findings. Consistent throughout the report is the risk-based approach that TSSA is encouraged to continue to implement and accelerate. He made note that there are common themes in the report that are addressed in TSSA's Outcome-based Regulator model which will be highlighted for Council today in the next agenda item.

There are 19 recommendations, 17 for TSSA and two for MGCS. Forty-two action items were incorporated in the 19 recommendations, 38 of which are for TSSA to carry out. TSSA has already partially addressed 25 of them through the Outcome-based Regulator project.

T. Ayres spoke about the general recommendations in the AG's report as well as those areas that may have a peripheral impact on the propane sector. The AG recommended several actions that relate to the propane industry. T. Ayres addressed comments from Council members on the items below.

- a) Separation of fuels-specific reporting and amending the approach to performance reporting.
- b) Continuing education for propane certificate-holders.
- c) Audit of fuels contractors – a risk-based audit regime which examines the work of every technician over the life cycle of the audit.
- d) Inspector consistency – quality control process and continuing education for TSSA inspectors. This will entail the use of checklists and compliance standards which are embroiled in the Outcome-based Regulator model.
- e) Identifying the number and type of sensitive receptors in the RSMP so that risk-based inspections can be recalibrated accordingly. Public sensitivity is something that should be taken into account. More information on enhancements to risk-based scheduling will be given by R. Wiersma under item 9 today.
- f) Inspection of offsite propane storage facilities.
- g) Safety assessment and analysis of propane cylinder exchanges.
- h) Enhanced risk-based inspections for fuel transporters related to propane (transporters of bulk fuels and fuel distributors).



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### 8. TSSA's Transformation to an Outcome-based Regulator

S. Cooke spoke to this item, referring to the slide presentation which had been shared with Council in advance of the meeting. Since October 2018 when the new model was introduced to PAC, an external advisory group has been organized. The group held its first meeting on January 21, 2019 to provide input. The Board has been supportive of the direction TSSA is taking on this transformation.

There were comments from Council which S. Cooke addressed as follows:

- If TSSA is going to implement any change, information prior to license renewal will be provided in advance so that companies can prepare. TSSA will also ask propane associations to assist in any communications.
- As TSSA moves towards compliance support programs, the funding model will need to be altered as TSSA does not receive funding from the tax base. TSSA will re-evaluate the business and fee models going forward.
- TSSA was asked about a permit system. It was noted that there is likely a lack of support for a permit system at the level of government due to regulatory burden concerns.

### 9. Safety and Compliance

- a) R. Wiersma elaborated on the slides on safety and compliance shared with Council in advance of the meeting. He provided a breakdown of occurrences by fuel type.

In comparing occurrences for propane, R. Wiersma said that the list of occurrences is calculated based on the number of installed locations. Since TSSA does not have a regulatory requirement to license the propane devices in private dwellings the data set for the number of houses which are heated by propane is incomplete.

- b) R. Wiersma elaborated on the second slide presentation which outlined proposed changes to the Risk Based Inspection Scheduling (RBS) in light of the Auditor General's recommendations.

Facilities in residential areas or close to sensitive institutions will have a lower risk threshold. Compliant sites will see no change in inspection frequency.

Comments from Council were addressed by R. Wiersma as follows:

- "11 or more residential buildings" is a somewhat arbitrary definition of a residential area, but probably an acceptable starting point.
- As part of TSSA's outcome-based regulator strategic plan, it intends to apply the RBS to all fuel types by 2021.

### 10. Incidents and Issues report

J. Marshall reported four incidents since the last PAC meeting. There were two fires and two explosions resulting in seven injuries but no fatalities. The fire at home was caused by a clothes dryer. The other fire in Chesley happened during the fill-up of propane. The investigation is ongoing. One explosion occurred in Guelph but propane was not the cause. The other explosion in the north was due to a broken section of pipelines – the Ontario Fire Marshal continues to investigate.



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### 11. Fee Review

D. Brazier spoke to the item, referring to the slides which had been distributed to Council in advance of the meeting. Since the last report to Council in October 2018, the government decided to revoke the Upholstered and Stuffed Articles Regulation. The revocation of USA, in addition to the deferral of the 20/20 program, has caused TSSA to revise the baseline financial projections. He noted that the same costs in the 20/20 program have been spread out in the present fiscal year and over a longer period in the next fiscal years.

D. Brazier responded to questions from Council. He clarified that the fee increase is across the board for all programs. The fuels deficit may still be present through FY22 although TSSA is taking steps to reduce the deficit now. The Board-approved business case has been submitted to MGCS. Once comments are received, the fee increases will be communicated to stakeholders. In the next fiscal years, TSSA will be re-evaluating the fee structure to align with the Outcome-based Regulator model.

### 12. Ministry of Government and Consumers Services' (MGCS) update

S. Jeffrey-Hampton provided an overall update from MGCS.

- The Honourable Bill Walker is the new Minister of Government and Consumer Services.
- Following the release of Auditor General's report, the Ministry assembled a team of advisors focused on the AG's recommendations. The Ministry is working with TSSA to address the recommendations.
- With respect to the Boilers and Pressure Vessels, a Reconciliation Agreement for the Canadian Registration Number (CRN) is nearing approval across jurisdictions in Canada.
- In December 2018, Bill 66, Restoring Ontario's Competitiveness Act, 2018, was introduced in the Legislative Assembly. If passed, the Bill would amend the Technical Standards and Safety Act, 2000 to authorize the Minister to approve alternate rules for compliance relating to operating engineers.
- In December 2018, the government revoked the Upholstered and Stuffed Articles Regulation to remove burden to business and trade and to reduce duplication with federal regulations.

### 13. Council Issues

#### a) Smart Meters

The Chair provided some background on the Canadian Propane Association's (CPA) query to the Electrical Safety Authority (ESA). It pertains to accountability for non-compliance where smart meters are installed near propane outlets, which poses a safety risk. The Chair referred to the legal opinion provided to CPA, a copy of which had been shared with Council. He noted the problem of identifying the type of smart meter as propane drivers may be hesitant to deliver propane not knowing whether the smart meter is the switchable type that causes a hazard risk.

T. Olechna spoke to the item. He said that the meters on the market are not the type that pose risks. To address the confusion within industry, the ESA will do the following: a) Recommend that users refer to the model number (available on the ESA website); b) formulate ESA standards with a picture of the model typeusing standards that are currently under development; and c) prepare a general code distribution bulletin. Work with the CPA to explore options on improving compliance awareness. The outcomes will be communicated to the gas and propane industries.



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In the past there was a working group comprising gas, utility, TSSA, and code representatives. The working group had arrived at the decision that smart meters are not sources of ignition. T. Olechna suggests convening the working group to revisit the subject. He will keep TSSA posted on the matter.

J. Marshall reminded Council that the Ontario Electrical Safety Code Bulletin issued on October 2018 is available on the Advisory Council Portal for reference.

**Action:** TSSA to follow up with ESA regarding the meeting of the Working Group on smart meters.

### a) Cell Phones

J. Marshall spoke to the item. He provided a backgrounder on the request from the Liquid Fuels industry to review the ban on using a “pay app” at gas stations. TSSA’s initial stance was based on cell phone manufacturers’ declaration that cell phones could be a source of ignition while refueling. Following a risk analysis assessment by BakerRisk, it was concluded that the risk is negligible. Following the assessment, TSSA had prepared an advisory, but at the last minute prior to its release, a major liquid fuels stakeholder did not agree with the advisory. J. Marshall will assemble the stakeholders and figure the steps forward. He will keep Council informed.

Following today’s meeting, TSSA issued an advisory on March 8, 2019 permitting cell phones to be used for payment at dispensers at licensed gasoline facilities in Ontario.

### b) Industry perspective towards strategy

Council recognized the importance of discussing strategic priorities and emerging developments in industry. It was decided to include the subject on the next meeting of PAC.

**Action:** C. Esquivel to include Strategic Priorities on the agenda of the next PAC meeting.

### c) There were two topics for this agenda item.

#### Original Equipment Manufacturers (OEM) propane labels

J. Adams noted that this matter is now with the Transportation Steering Committee. A letter to NPSAC is forthcoming. TSSA is a member of the steering committee.

#### Rail to Truck Transloading

As noted in the early part of this meeting, J. Adams has volunteered to follow up on the matter with Transport Canada. The suggestion at the last meeting was to have a face-to-face dialogue between TSSA, industry, NPSAC, and Transport Canada.

**Action:** J. Adams to update Council on the progress of rail to truck transloading. Also see item #4

### d) Inspection of Propane Tanks

Z. Fraczkowski was pleased to inform that a draft advisory on training for inspection of propane tanks has been prepared and is making its way through the approval process. A Council member inquired about expectations from the CPA and duration of implementation. Z. Fraczkowski said that the content on training has been completed and that it takes time to obtain approvals. The advisory may be released in the summer. J. Adams asked that TSSA apprise him on the progress as it relates to a standing item at the Boilers and Pressure Vessels Advisory Council (BPVAC).



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**Action:** Z. Fraczkowski to update Council on the advisory as early as possible.

### e) Mandatory Training of Certificate Holders

Z. Fraczkowski said that at the recent RRG meeting, the group was supportive of mandatory training of certificate holders. They will need to determine the best method (whether in-class or online) and the duration for training.

G. Olah inquired about the rationale for mandatory training of trainers, such as for himself. He has had to get re-trained every three years before training others, which costs time and money. TSSA will speak to the certification department and revisit the matter.

**Action:** TSSA to discuss the need for training of trainers with the Certification Department and report back to Council at the next PAC meeting.

## 14. Risk Reduction Group update

S. Ko referred to the update from the RRG which had been shared with Council in advance of the meeting. Unfortunately, due to time constraints, information about the most recent meeting on February 14<sup>th</sup> had not been included. He provided further updates as follows:

- a) Review of RSMP and license process – the Risk Group introduced the plan to draft new RSMP guidelines based on the new CSA Z767-17 standard, Process Safety Management Standard. The new guidelines can be applied to other fuel sectors. A task group was set up with operators to review the process from their perspective. The group queried about responsibility for declaring no changes to the RSMP upon submission of renewal.
- b) Review of certification of components for propane plants including the need for CRN for fittings attached to the tank – With new applications, TSSA will begin collecting a bill of materials for piping and components, including those attached to the tank.
- c) Refilling of 100 lb. cylinders outside the filling plant – A task group was set up to address the issue if this kind of operation is acceptable.

S. Ko responded to questions.

## 15. Questions on information items and other business

- a) Piping system issues identified by BPVAC

J. Adams spoke to the item, providing a summary on the subject. There is a TSSA advisory with respect to differentiation on how pipelines are handled within divisions in TSSA, such as boilers and pressure vessels, propane, natural gas. At a review that took place, it was identified that when pressure vessels had propane removed, the CRN requirements on fittings were removed from the boilers and pressure vessels purview, but the requirement was not the same for propane standards. He inquired on the status of the differentiation as he would like to discuss it with BPVAC in May.

Z. Fraczkowski acknowledged that the subject had not been included at the recent RRG in February. S. Ko had some discussions with his counterpart at the boilers and pressure vessels department. He was told that if the CRN requirement on fittings for propane is not included, that it would not be a concern with boilers and pressure vessels. The “gap” in the requirements was recognized.



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Z. Fraczkowski said that he will take up the item at the next RRG and inform J. Adams on the recommendation.

**Action:** Z. Fraczkowski to raise the issue of gaps in piping system at the next RRG and inform Council, and J. Adams in particular on the group's recommendation.

### b) Sensitive Public – update

Z. Fraczkowski spoke to the item. J. Adams had brought up a concern on how to define sensitive institutions such as hospitals and daycares. He made a proposal to reference specific regulations that deal with sensitive institutions and suggested that locations other than “sensitive” be exempt and not be part of the RSMP as they are not licensed under specific regulations. The subject was discussed at the RRG which had commented about defining sensitive institutions as licensed under specific regulations.

Z. Fraczkowski referred to the proposed document that had been shared with Council in advance of the meeting. He suggested that there needs to be a balance as the RRG thinks consideration should be given to licensed as opposed to regulated institutions.

There was some discussion. J. Adams raised a motion which was seconded by G. Olah. The motion passed as follows:

“That the concept of considering these facilities with the suggested language go forward to the working group that is reviewing TSSA’s guidelines on the advisory for RSMP Level 2. That Council endorses the inclusion of this suggested language.”

**Action:** TSSA to provide the working group reviewing TSSA’s guidelines on the Advisory for RSMP Level 2 with the proposed language on sensitive institutions.

### c) Cardlock/keylock Training

The Chair opened up discussions on this topic. The goal has been to simplify the process for propane refuelers, similar to the training practised by the liquid fuels industry. He thinks there is no need for complex requirements as they pose burdens to industry. In the past, J. Adams’ company, Slegers Engineered Products, was asked to submit a variance which it had completed. The last communication from MGCS indicated that the decision is pending with TSSA.

Discussion ensued. J. Marshall said that TSSA does not agree that it is within the Director’s purview to change the scope of the certificate as it would equate to a change in regulation. Council was of the opinion that training does not need to be complex. It was clarified that the focus is training for restricted cardlock/keylock private refuelers, and in all likelihood a variance may not be warranted. Council urged TSSA and MGCS to work on a plan and arrive at a resolution.

**Action:** TSSA to discuss with MGCS the subject of cardlock/keylock training requirements for propane refuelers.

### d) Review of the RSMP process

The item was discussed under agenda item no. 14 RRG update.



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### e) Refilling One-Pound Non-Refillable Propane Tanks

J. Jackson spoke to the item citing YouTube videos on the unsafe practice of refilling one-pound non-refillable propane tanks. TSSA's advisory of November 2013 and SaskPower's Public Safety Notice had been shared with Council in advance of the meeting. He wondered whether more can be done by TSSA to advocate for safety in this regard.

Council believes that public education is key, including communicating with YouTube, Facebook, Amazon and other online sites about it. J. Marshall appreciated the reminder. He will look into the past advisory and see whether a reminder would be the way forward.

**Action:** TSSA to review the past Advisory on Refilling of Propane Cylinders and update Council on further action.

### 16. Council Administration

The Chair acknowledged that all members' terms are up-to-date. C. Esquivel reminded Council of two vacancies: propane contractor or maintenance representative and an insurer. A call for nominations is on the website.

### 17. In Camera

Council met in camera without TSSA staff and guests.

### 18. Adjournment

Council adjourned at around 2:30 pm.