



Technical Standards and Safety Authority

Minutes of the Propane Advisory Council

October 4, 2018

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 4th day of October 2018.

Present: Dave Karn (Chair), Dowler-Karn Ltd.; Joe Adams, EDPRO; Russel Cardott, Parkland Fuel Corporation; Ian D'Cruz, Superior Propane; Doug Fines, Huronia/Med-E-Ox Ltd.; Jay Jackson, Consumers Advisory Council; Hando Kang, Canadian Propane Association; Melanie Levac, Canadian Propane Association (by Skype); John Lastoria, Canadian Tire Petroleum Network Development.

Bonnie Rose, President and CEO; Tom Ayres, Legal Counsel (item 7); David Scriven, Vice President, Safety and Strategy; Peter Wong, Vice President, Operations; Nancy Webb, Vice President, Communications and Stakeholders; Dan Brazier, Interim Chief Financial Officer (item 13); John Marshall, Director, Fuels Program; Zenon Fraczkowski, Engineering Manager; Solomon Ko, Senior Engineer; Robert Wiersma, Manager, Public Safety Risk Management (item 8); James Ban, Policy Advisor, Stakeholder Relations; Consuelo Esquivel, Council Coordinator.

Guests: Shranna Jaggernath, Ministry of Government and Consumer Services (by Skype); Ryan MacLachan, Alternate of Joe Adams; Bruce Thornhill, TSSA's Process Improvement Advisor (by Skype).

Regrets: Sue Hardy, National Energy Equipment

1. Constitution of Meeting

D. Karn, Chair, called the meeting to order at 9:30 a.m. He welcomed everyone, and introduced new Council members, Russel Cardott and Jay Jackson.

For the Safety Moment, Council was shown a video about the dangers of texting while driving. Council would like to have access to the video. (Following today's meeting, the video was shared with Council members.)

2. Approval of the October 4, 2018 agenda

Council approved the meeting agenda for October 4, 2018 as presented.

3. Approval of March 8, 2018 minutes

Council approved the minutes of March 8, 2018 as presented.

4. Review action items from last meeting

J. Marshall summarized the pending action items, four of which will be discussed in today's meeting. Regarding the pending action on RSMPs, he said that L1 and L2 RSMPs have not been posted. As to the nomination from HRAI, the individual declined from joining Council; we have posted a Call for Nominations on the website.



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With regard to item 1, D. Scriven said that concerns identified by the Canadian Propane Association were raised at the National Public Safety Advisory Council (NPSAC). More information will be provided under agenda item 11 today.

Action: C. Esquivel to keep items 1 and 2 of April 6, 2017 on the list of pending items.

5. Chair's report

The Chair referred to his report to the President and CEO at the end of FY18. This had been shared with Council beforehand and was considered read. There were no questions from Council.

6. TSSA President and CEO's Report

The President treated her Q1 FY19 Report, distributed with the advance materials, as read. She referenced feedback received from her Listening Tour; that TSSA could improve its approach to engagement, by bringing issues to Council and other stakeholders while they are still in a formative stage and ensure additional engagements, as appropriate. As an example of this approach, which TSSA is committed to apply, the next agenda item on TSSA's plans to become a Modern Regulator is being shared with you today.

7. TSSA's Regulatory Modernization Initiative – Plan and Roadmap

T. Ayres spoke to the item, referring to the slide presentation which had been shared with Council in advance of the meeting. TSSA would like to transition to a modern regulatory model that is less adversarial, more collaborative-focused and partnership-oriented. It represents a significant culture change. The plan is in its infancy. This is the first step in communicating to stakeholders.

Council found the concept interesting. There was extensive discussion. Council proffered comments to which responses were given. A summary follows:

- A Council member commented that innovation is welcomed by Council; however, the Regulation inhibits innovation. MGCS recognizes current barriers posed by the regulation which they are keen on improving. T. Ayres added that while it is important to modernize regulations, it is equally important to enhance TSSA's regulatory model without the need for regulatory change. We will explore different approaches in public safety in order to benefit industry without preventing the loss of potential innovation.
- In response to a Council member's comments, T. Ayres said that there are existing compliance mechanisms, like RSMPs which are not being maximized. TSSA will design new compliance assistance tools.
- TSSA acknowledged that one motivating factor for this new approach is the disconnect in some sectors between compliance rates and safety.
- Constituents will want to hear about the new model. T. Ayres looks forward to speaking to associations.



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- To address the long-standing goal of a level playing field in fuels, the new model will look to apply mechanisms such as the RSMP across all types of fuels.

8. Safety and Compliance Report – The Annual State of Public Safety Report (ASPR)

R. Wiersma elaborated on the slide presentation which had been shared with Council prior to the meeting. It was a summary of the ASPR, the full report of which will be available at the time of the Annual General Meeting in October. There were a couple of comments which TSSA addressed.

- One of the safety priorities identified was fuel risks in schools. TSSA clarified that the reference to "boilers" as a source of the risk mainly refers to failures of gas valves and vents, as opposed to missing CRNs.
- Fatalities have been observed not just from CO-incidents, but also from fires and explosions.

Action: R. Wiersma to provide a breakdown of fuels state of safety for propane.

9. Incidents and Issues Report

J. Marshall reported that there were four incidents since the last meeting. These were explosions due to user behavior. For instance, without proper training an individual had attempted to relight a vaporizer. Another was an explosion of a water heater in a mobile wash truck, the installation of which had not been approved. The third was a build-up of gas in the basement. The fourth was due to an explosion of the glass fireplace where the relief mechanism failed to work.

The latter case has raised concerns with the Fire Marshal who would like an early resolution. TSSA, in cooperation with a committee in the United States, is looking for a solution. The manufacturer for this kind of fireplace is no longer in business.

There were no questions from Council.

10. TSSA's Priorities Setting

D. Scriven spoke to the item and referred to the slide presentation. In line with a desire to meet and exceed stakeholder expectations, TSSA's leadership has identified a need to prioritize a growing list of initiatives as a means of ensuring delivery of its commitments to stakeholders. In particular, he noted that while many priorities stemming from Advisory Councils, ASPR, Operations, and regulatory renewal have been prioritized, this has happened in isolation which has led to competing priorities. With the limited resources, the effect was an over-commitment and under-delivery of the various priorities. As a result, TSSA has conducted a process to assess priorities against a weighted rubric methodology with the goal of identifying three main priorities for each program.

For Fuels, D. Scriven presented four top priorities. While the four priorities have been confirmed, more detailed work in planning is in progress. There was discussion on how to harmonize industry's priorities as compared to TSSA's priorities.



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There were a number of comments to which TSSA responded. A summary of the discussion follows:

- With respect to the priority item to address cellphone usage at fuel outlets, it was noted that currently the usage of sources of ignition in close proximity to the fueling equipment is prohibited. The industry has asked TSSA to revisit this position noting different positions in other jurisdictions. With the prohibition in place, fuel retailers cannot use new methods of payment that rely on cellphone use. TSSA is conducting a jurisdictional scan and is re-assessing this risk in light of new information.
- Although not related to a priority issue, Council noted that another potential source of ignition for all types of fuels is smart meters. Council members noted that there is confusion in the industry of whether smart meters can continue to be placed in proximity to propane installations. J. Marshall agreed to take steps to clarify this concern. Council suggested that the Electrical Safety Authority be consulted as well to find out who is responsible if the smart meter causes non-compliance.

Action: J. Marshall to provide clarification about smart meters as a potential source of ignition. This was to be in conjunction with ESA as a discussion of who is responsible if the smart meters cause a non-compliance.

- Although not identified as a priority for this fiscal year, in response to Council's request with MGCS to address certain issues related to auto propane, MGCS has offered to give sample questions that would need to be addressed to consider regulatory action. D. Karn once more offered industry's willingness to jumpstart the drafting of responses to these questions to facilitate TSSA's review and advice to the Ministry at a future date.

Action: D. Karn/Council to provide information to TSSA in support of TSSA providing analysis and advice to the Ministry in the future.

11. Current Council Issues

The Chair referred to PAC's current issues. He asked Council to review them. In light of TSSA's Priorities Setting, some of these issues may fall under the category of "Business as Usual."

He inquired about the purpose of the Chief Safety Risk Officer (CSRO)'s report and whether findings are addressed by TSSA.

D. Scriven noted that CSRO reports directly to TSSA's Board of Directors. The CSRO provides independent oversight and reports publicly on TSSA's public safety activities and performance. Primarily, the CSRO reviews the Annual State of Public Safety Report (ASPR). TSSA considers the CSRO's findings and tracks them as action items. TSSA will inform all Councils whenever the CSRO report is posted online.



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Action: C. Esquivel to inform advisory councils whenever the CSRO report is published on the website.

D. Scriven said that NPSAC, on behalf of CPA, took action on the submission on OEM labels. NPSAC communicated the matter to Transport Canada. Transport Canada has not yet responded. As a result, a follow-up to Transport Canada will be made. Another matter passed on by NPSAC to Transport Canada is the issue of rail to truck transloading. A recent response was discussed and it was agreed that next steps would need to include direct engagement with key individuals, rather than using correspondence.

Action: TSSA and CPA to discuss the way forward regarding follow-up on Rail to Truck Transloading and OEM labels.

12. 20/20 Customer Portal Focus Groups

D. Scriven thanked Advisory Councils for responding to a request to participate in focus groups to provide input in TSSA's development of a customer facing portal, as part of the 20/20 business transformation initiative. Recognizing a desire to align the timing of receiving this input and the delivery of the portal and given that the 20/20 initiative has currently been put on pause to re-plan its critical path, the focus groups have been put on hold. We remain committed to working with Advisory Councils and will start the process once the specifics of the TSSA 20/20 Program re-plan is finalized.

13. FY 19 Fee Review

D. Brazier spoke to his slide presentation, which had been distributed to Council prior to today's meeting. As noted in past advisory council meetings, the financial projections for FY20 and beyond indicate a need for fee changes as TSSA will be in a regulatory deficit. TSSA is looking to maintain the current fee structure with percentage increases in the Fuels, Elevating, Amusement, Ski Lifts, and Boilers and Pressure Vessels and Operating Engineers, except in the Upholstered and Stuffed Articles, which TSSA assumes will derive no contribution to the net margin. The effective date for fee increases is July 1, 2019. TSSA considers this a prudent approach as calculations of a new fee structure can only be realized following completion of the 20/20 project and a better idea of the Modern Regulatory Model. The review of the business model and fee structure is planned in FY22.

For the Fuels program, the increase is 3.5% per year over three years. This should reduce the fuels deficit from -11% to -5%.

In response to a Council member's comment regarding incremental increases, D. Brazier said that it is more effective for TSSA to look at the fee structure overall after it has transitioned to the new regulatory model. If fees are analysed and changed on a yearly basis, that would involve a bigger exercise and more consultation. He reiterated that the 3.5% fee increase is not significant, but rather a means to keep up with inflation.



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According to the Memorandum of Understanding, relative to the fee review process, TSSA should engage with the Advisory Councils which we are doing now. It is the Board of Directors that approves fee increases.

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

S. Jaggernath spoke to the bi-annual report of MGCS which had been distributed to Council prior to the meeting and was considered read. The new administration would like to prioritize the reduction of burden on business and the red tape challenge. There were no questions from Council.

15. Auto Propane

a) Original Equipment Manufacturers (OEM) propane labels

Z. Fraczkowski said that an Advisory (FS – 237-18) had been released in May 2018. TSSA does not have authority to oversee the safety of OEM propane vehicles. It would be ill-advised to label the OEM vehicles with TSSA decals.

b) Inspection of Propane Tanks

In the last Propane CAD amendment, the National Board of Boiler and Pressure Vessel Inspectors' inspection code (NBIC) was approved for the inspection of propane tanks to be aligned with the Boilers and Pressure Vessels program. The industry sought to expand the applicable inspection criteria used for tank inspections to include criteria found in training programs developed by the Canadian Propane Association/Propane Institute for an upcoming CAD amendment. Following further analysis, TSSA has determined that alternative approaches need to be explored.

c) Self-filling of Propane Vehicles and Off-site Propane Storage Facilities

This will be deferred until the next opportunity to revise the regulation. It was not discussed.

16. Risk Reduction Group update

S. Ko spoke to the item, referring to the update from the RRG that had been distributed in advance of the meeting. He called Council's attention to two items:

a) Smart meters - Following the discussion in a previous section (section 10 of this meeting), S. Ko outlined discussion at the RRG on this issue.

The Council had a robust discussion on this matter. Consultation with the ESA was suggested. It was noted, however, that the CPA is obtaining a legal opinion on the matter at this time.

b) Harmonization of CAD with CSA codes - TSSA is looking at licensing requirements across the fuels spectrum with the aim of establishing a level playing field for all fuels.



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17. Questions on information items and other business

- a) Mandatory training for certificate holders

This is not a priority for industry. It was not discussed.

- b) Sensitive Public locations

A member sought clarity about sensitive public locations. It was agreed that the member will speak to TSSA offline on the matter.

18. Council administration

The Chair indicated vacancies on the Council: representation from the propane or natural gas associations; insurance sector. There was interest received from a contractor. TSSA will post a Call for Nominations on the website.

Action: C. Esquivel to post a Call for Nominations.

With regard to the Membership Matrix, D. Scriven said that a review is to be carried out on an annual basis to see whether all sectors are represented on Council. It was suggested to revise the Membership Matrix to indicate Contractor (Maintenance) to 0-1, for which a motion was raised and approved.

Action: C. Esquivel to revise the Membership Matrix composition of Contractor (Maintenance) to 0-1, effective October 4, 2018.

19. Adjournment

The meeting adjourned at around 1:00 pm. Council met *in camera* without TSSA staff and guests.