



Technical Standards and Safety Authority Minutes of the Liquid Fuels Advisory Council Meeting on May 16, 2018

Minutes of the Liquid Fuels Advisory Council meeting of the Technical Standards and Safety Authority (TSSA) held in the Ontario Boardroom, 345 Carlingview Drive, Toronto, Ontario at 9:00 a.m. on the 16th day of May 2018.

Present: Brent Francis (Chair), Francis Fuels Ltd.; Terry Ablett, Ontario Petroleum Contractors Association; Rae Dulmage, Consumers Advisory Council; Marc Gagnon, Canadian Fuels Association; John Lastoria, Canadian Tire Corporation; Laurie Marcil, Nature & Outdoor Tourism in Ontario (by Skype); Marcel Pouliot, Trimac Transportation; Jennifer Stewart, Canadian Independent Petroleum Marketers Association (by Skype); Jim Wood, Canadian Oil Heat Association.

Bonnie Rose, President and CEO; Peter Wong, Vice President, Operations; Georgina Kossivas, Chief Financial Officer; John Marshall, Director of Fuels, Zenon Fraczkowski, Manager, Fuels; Ann-Marie Barker, Engineer, Fuels; Steve Robinson, Manager, Communications and Advocacy; Denis Caza, Public Safety Risk Analyst; Kristian Kennedy, Sr. Policy Advisor, Stakeholder Relations; Consuelo Esquivel, Council Coordinator.

Guests: Sarah Jeffrey-Hampton, Ministry of Government and Consumer Services (by Skype); Kevin Melo, Director, Finance; Bruce Thornhill, Process Improvement Advisor; Jessica Myrie, Safety Awards Committee; Joelle Harfouche, Finance Specialist.

Regrets: Rick Hineman, Durham Fuels; Derek Northcote, North Waterloo Farmers Mutual Insurance; David Scriven, Vice President, Safety and Strategy.

1. Constitution of Meeting

B. Francis, Chair, called the meeting to order at 9:00 a.m.

For the Safety Moment, in response to safety hazards identified by the Fuels program, two videos were shown on the dangers of grease fires in the kitchen.

J. Myrie spoke about the upcoming Safety Awards and directed Council to information and nomination forms available on the website. She urged Council to nominate individuals from the liquid fuels industry.

2. Approval of Agenda

Council approved the agenda for May 16, 2018.

3. Approval of the Minutes

Council approved the minutes of the LFAC meeting of November 22, 2017, as drafted, as being a true and correct record of the meeting.

4. Review Action Items from Last Meeting

J. Marshall indicated that the second pending action will be discussed under item 13 today. Reference was made to the On-Demand Mobile Fueling report which had been circulated to Council for information in advance of the meeting. There were no comments on the report from Council.

5. Council Chair's Report

The Chair referred to his report to the CEO, which was shared with Council beforehand. It was treated as read.

6. TSSA President and CEO's Report



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As part of the advanced materials for this meeting, members received the President and CEO's report regarding TSSA's key activities over the last quarter, which was treated as read. There were no questions from Council.

7. **FY 19 Fee Review**

The Chief Financial Officer (CFO) elaborated on the presentation slides on the Fee Review which were shared with Council in advance of the meeting. The goal is to gradually move away from cross-subsidization of other programs. There were a number of questions which she responded to.

Fees of all the programs will be reviewed in FY19, with a targeted implementation date of May 1, 2019. Prior to implementation, the fee review will entail consultation with various stakeholders, approval by the Board, and submission of a business case to MGCS. Fees have already been reviewed for the Boilers and Pressure Vessels COI and Insurer Audit Fees with an in force date of July 1, 2018, and the Upholstered and Stuffed Articles fees which are pending Cabinet approval.

In the overall state of TSSA program deficits, the combined fuels program has the largest deficit amounting to \$3.5 M. The reason is attributable to costs, and not to revenue, as fuels have a significant amount of non-billable activities. For example, TSSA's advocacy and education on Carbon Monoxide, support to First Responders, are mandated safety activities that drive up costs. At the same time, Licensing, Registration, Certification (LRC) has not kept up with cost recovery of inspection and engineering. There being limited organic growth in the industry, TSSA has reduced growth expectations for fuels.

8. **Issues and Incidents Report**

The Director was pleased to report that there were no issues or incidents.

Regarding jammed or failing gas station/dispenser nozzles, a Council member noted that this has been resolved. There have been no incidents other than normal wear and tear in the past year.

9. **Liquid Fuels Safety Compliance**

The presentation slides on Safety and Compliance were shared in advance of the meeting. Council was provided with a detailed explanation by D. Caza. There were no questions from Council.

10. **Ministry of Government and Consumer Services' update**

S. Jeffrey-Hampton provided updates to the MGCS report, reminding Council that the government has entered the writ period culminating in the June 7 provincial elections.

A Council member raised concern about variances not being posted on the Environmental Registry during the writ period. He commented that this decision prevents businesses from continuing with daily work. S. Jeffrey-Hampton said that any posting of variances under the Ministry's name during the writ period can be perceived as ongoing ministerial consultations with stakeholders, which is prohibited. MGCS would like to discuss it further with the Council member offline.

11. **Priority Issue: update on promotional education campaign**

S. Robinson provided an update on the education campaign. In FY19, the strategy is to continue with the two promotional campaigns, The Silent Killer and the CO Safety House Tour. More TSSA and Fire Department personnel will be on site during the house tour to answer questions and improve consumer experience. Following these, TSSA will review the effectiveness of the mass advertising campaigns, adjust the strategy and redirect the focus on compliance.



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12. Setting Priority Issues

A Standing Item on the agenda, the Chair suggested that members consider opportunities that should be worked on right now. The examples of hydrogen, CNG, LNG were cited, including more details on standard descriptions for the 20/20 project. There were no other comments from Council.

Action: Council to discuss priority issues at the next Council meeting.

13. Private Fuel Outlets update

TSSA provided an update on the audit of private fuel outlets (PFOs). The plan is to launch an educational campaign in preparation for the audit. A sample brochure was shared at the meeting. The brochure will be released in tandem with a dedicated webpage and social media blitz. TSSA's database of 4000 PFOs is quite outdated. We will endeavour to gradually clean up the database going forward. A-M. Barker inquired whether fueling distributors would be willing to distribute the brochures to their clients.

Council members and MGCS were in favor of the proactive stance of educating users as the majority of them may have no idea of Liquid Fuels Handling Code requirements. This removes the element of surprise and gives clarity to TSSA's mandate. Inspection of PFOs was set aside for lack of a licensing regime. There were attempts to include them in draft legislation in 2001 but anti-regulation lobbying efforts succeeded. TSSA has rekindled the importance of inspecting PFOs.

Members suggested improving the outreach strategy, selecting target size when mining data, and promoting a strong enforcement message, in preparation for the audit.

A member would welcome the brochures at NOTO as there are many PFOs among clients in northern Ontario.

Action: A-M. Barker to send brochures to Council members for distribution to their networks.

14. Trends OBT and PM

The Chair elaborated on the slides that were provided in advance of the meeting. There is concern over the lack of new licence holders in several key areas. T. Ablett pointed out that unlike the OBT certificates, there is a lot of overlap in the PM certificates. Many people have several PM certificates.

15. Risk Reduction Group update

A-M. Barker provided an update on recent RRG meetings in advance of today's meeting. There were no questions from Council.

16. Code Adoption Document – Amendment Process

K. Kennedy gave a detailed explanation of the presentation slides that had been distributed to Council prior to the meeting. The objective is to inject greater transparency in the process and enhance stakeholder, government, and inter-provincial regulatory relations.

A Council member inquired about the latitude of selecting which standards are applicable. This has been on industry's wish list. J. Marshall provided clarification. The Director has the discretion to adopt other standards if he deems it appropriate

17. Associations' updates

- B. Francis, who sits on the board of the Canadian General Standards Board (CGSB), informed Council that talks have centered on a number of topics. Diesel fuels containing biodiesel content that may be more susceptible to premature degradation when not properly maintained because of the



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chemical properties of biodiesel – nationally. Canada will adopt lubricity additives. There is a trend of moving away from bio-diesel towards a larger percentage of renewable diesel in the diesel blends. Trace amounts of ethanol can be found in diesel. The ethanol can be changed into an acid which can have detrimental effects on the top of tanks and equipment located at that level. It was found that the biocides used to reduce Microbiologically Induced Corrosion (MIC) in diesel tanks form a sludge in the bottom of tanks, which is hazardous waste and difficult to dispose of.

TSSA added that the Office of the Fire Marshal had released a communique on biodiesels regarding the need for regular inspections under the Fire Code.

A Council member commented that it was difficult to communicate with Standards Development Organizations (SDOs) regarding the problem of standards for tanks and piping in biodiesel and ethanol. B. Francis will raise the matter at the CGSB.

Action: B. Francis to update Council on standards for tanks and piping following the next CGSB Board meeting.

- J. Wood spoke about COHA training for OBT licensing.
- L. Marcil is welcoming the tourism season in northern Ontario with safety messages. She asked TSSA to provide PFO information for NOTO's newsletters and online platforms.
- M. Gagnon raised concerns regarding the inability to use mobile/smart phones at fueling stations. New payment apps are flooding the market in the United States and Europe. He asked for TSSA's opinion. It opened up a discussion since Ontario is reportedly the only jurisdiction that forbids payment by mobile device because it is an ignition hazard. A Council member stated that it is incumbent on TSSA to carry out a hazard analysis and to compare the approach adopted by other jurisdictions, e.g. United Kingdom.

The RRG has been made aware of the trends in a rapidly digitized environment. The Statutory Director has considered the options and dangers. Not until he receives full disclosure from mobile phone manufacturers would he feel comfortable about changing the requirements. He welcomed the suggestion of Council to consider how other jurisdictions are addressing mobile phone usage in fueling stations.

Action: J. Marshall to inform Council about other jurisdictions' approach on the dangers of smart phones at fueling stations at the next meeting.

- T. Ablett spoke about the contractor audit process. In some cases, audits have resulted in unintended consequences, such as double audits of contractors with multiple licenses. T. Ablett will discuss the matter with the Director offline.

18. Questions on information items and other business

Council members Terry Ablett, Brent Francis, John Lastoria, and Laurie Marcil have agreed to renew their term on LFAC.

19. Adjournment

The meeting adjourned at around 1:30 p.m. Council met *in camera* with TSSA's President and CEO.