

Ontario Energy Network Luncheon Address - February 17th, 2010

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Intro

Thank you for that kind introduction. First I would like to thank David Reid, Gord McBrien and the OEN Board members for providing me with the opportunity to speak to you today about the Electrical Safety Authority (ESA), and secondly I would like to thank them and the Board for the excellent work that they do.

Before I begin, I would like to acknowledge (ESA) Board members who are present in the audience today. Firstly, our Chair, and no stranger to the entire energy sector in Ontario, Mr. John Wiersma. He is joined by Oskar Sigvaldason, Al Merlo, Alison Knight, Deborah Trouten, Erv Krause and last but not least, Frank Denton, Assistant Deputy Minister. I really appreciate your ongoing support for being here today, and the support we receive from the Ministry of Consumer Services.

ESA's Mission

Now, many of you have been to Disney at some point. And you probably know that Disney's mission is "to make people happy" ...in essence to be the **happiest place on earth**. And it may well just be that. For those of you that have been there, it is just about impossible to carry a bad attitude around with you.

Well at ESA, we aren't Disney and our mission is understandably, a bit different. Ours is... "to improve the electrical safety for the well being of the people of Ontario". With our vision being... "an Ontario free of electrical fatalities and serious injury, damage or loss". But if we had hired Disney's marketing people, I am sure they might have phrased it a little differently. Maybe something like "to be the **most electrically safe place on earth**". I guess that is what resonates most with me.

My talk today is built around two of the most basic questions that I could think of:

Who is ESA, and what do we do? and

Where is ESA going?

Introducing the ESA

So to get started, let me first introduce you to the Electrical Safety Authority (ESA). Now that may seem rather strange because many of you would assume you know the ESA. And in fairness, this is what I thought when I first joined ESA as a member of the Board of Directors a few years ago. However, over that time I have come to realize that very few people are familiar with what ESA does.

What is typically **not** surprising is that as an Ontario Hydro successor company ESA maintained the responsibility for inspection of electrical wiring installations under the *Ontario Electrical Safety Code* - and this remains a fundamental part of our safety mandate. We have hundreds of employees across the province, supported by a centralized Customer Service Centre that work to ensure that a staggering 500,000 inspections of electrical installations are completed a year. And we are extremely proud of the skilled people in our organization that provide this vital service.

But what you **might** be surprised to know is that ESA has teams of dedicated professionals that are also responsible for many other aspects of electrical safety, including: contractor licensing, areas of worker safety (including education), local distribution utility oversight and most recently a major new responsibility for electrical product safety.

Today, ESA is a multi-faceted electrical safety organization – responsible for a number of regulations that did not exist a decade ago.

This past fall, our Board and management team refocused our 5 year plan – on being an INNOVATIVE SAFETY REGULATOR. We believe that the best way to

respond to electrical harms and to get to our goal of “0” electrical incidents is to be guided by three overarching themes:

1. being efficient by considering other regulatory bodies and their regulations to reduce areas of potential overlap. (for example we have already reached out to the OEB to seek areas of coordinated activity)
2. seeking stakeholdered cross-sectional industry solutions. (although it sounds counter intuitive coming from a regulator – but seeking solutions that do not require regulation at all!)
3. leveraging partnerships across the broader electrical safety system to have the greatest impact – because we know we won’t get to zero on our own.

ESA Operates as a Delegated Administrative Authority

Now, you will know that academics have long pondered the potential existence of parallel universes. I in fact can tell you that at least two exist when it comes to ESA. We exist in the obvious universe which is the electrical sector. But there is another universe we exist in as well. When ESA was born it was established as a Delegated Administrative Authority responsible to the Ministry of Consumer Services, rather than falling under the Ministry of Energy. We operate within a universe of safety and consumer protection organizations like the Ministry of Labour and the Office of the Fire Marshal, just to name a few. And we have some very interesting sister organizations within our Ministry, including; TICO (travel industry), Tarion (home warrantee) for example: and the very popular, Vintners Quality Alliance – VQA.

I raise this because, besides being an interesting fact, to me this reinforces the key message that ESA is responsible to the broader public for electrical safety not just the industry itself, and we can best achieve this through the counsel and support of multi-faceted stakeholders. And you can see this first hand as reflected in the composition of our Board of Directors – which is a stakeholder represented Board with members from Local Distribution Companies, electrical contractors and manufacturers, and balanced with consumer and other non-industry

representation as well. This allows decisions to be made through the view of a 360 degree lens.

Now something else that I did not initially appreciate was the elaborate nature of ESA's stakeholder advisory process. ESA has 5 standing advisory councils and several other special councils – with literally over 100 representatives among them - many are in fact here in this room. As such, I would be remiss if I didn't pause for a moment and publicly thank them for all their diligence and the informed views that they provide us.

Despite this extensive process, ESA felt they needed to engage stakeholders at a higher level. And so over a year ago, the Board of Directors commissioned a 3rd party study to conduct a detailed review of our processes to identify opportunities to enhance stakeholder participation in the business. And with the final report in hand, we are taking the recommendations to heart and are dedicating both time and resources to take our stakeholder engagement process to the highest standard.

Ontario - *The Science of Safety*

Recently someone said to me, somewhat facetiously I believe, that being the CEO of ESA must be any easy job. When I asked them why they thought that they said, "Well come on, who could argue against safety or the cost of safety...it's all emotional...it's like arguing against motherhood and apple pie".

But I have to reject that notion. Safety is not safety at all cost. Safety has to compete for resources like anything else. It has to be a disciplined science, the "Science of Safety". And it starts by detailed data collection, supported by root cause investigations of incidents, enhanced by industry and stakeholder input and partnering to come up with solutions that are well constructed and targeted specifically toward an electrical harm – not that raw emotions aren't understandable – but the solutions need to be both scientific and economic.

So what about Ontario? How safe are we? What does the science say?

Well our science, the “Ontario Electrical Safety Report” says that when you compare electrical incidents in Ontario to any other jurisdiction in the world, you could only conclude that our public is very well served.

And that didn’t happen by chance. It came about by a combination of the entire electricity sector adopting as part of their DNA a culture of safety. It also came in partnership with a strong consumer and worker protection regulations. So I applaud the sector ...

But as good as it is the safety system is not perfect. Although the rigor of the analysis is complex, the conclusions are rather simple – there are three areas where there continues to be a significant number of incidents and fatalities:

1. Electrical workers (electricians or commercial or industrial workers doing, electrical maintenance work).
2. Electrically caused fires, and
3. Contact with powerlines (principally the public or other non- utility workers).

Electrical Contractor Licensing

Allow me to say a few brief words about electrical contractor licensing.

When I think back...about 15 years ago – I personally recall spending a number of evenings at Ontario Electrical League local chapter meetings where the conversation would invariably turn to a common theme – the weak and fragmented nature of the electrical contractor licensing system.

In contrast, today in Ontario we have a consistent province-wide requirement for the licensing of electrical contractor businesses. Since 2005 ESA, in support with the Electrical Contractors Registration Agency, has licensed over 7,000 electrical contractors to a common and transparent standard – incidentally and **vitaly important to safety and consumer protection** – almost 3,000 more than anyone would have anticipated. This effort has been supported by active enforcement of unqualified individuals offering services in the underground economy and an

aggressive *Plug in Safely hire a licensed electrical contractor* public awareness campaign.

The change from a fragmented municipal licensing system to a province-wide system in Ontario is one that culminated from the efforts and perseverance of the electrical contractor associations (and their representatives who supported this effort who are with us here today), consumer advocates and the Electrical Safety Authority. Working together we have established a higher-level of safety, consumer protection oversight, and a level playing field for those in the trades.

Electrical Distribution Safety Regulation

Now turning to the electricity distribution sector, I am pleased to report that ESA is seeing very high compliance levels under the audit approach used for the objective-based Distribution Safety Regulation introduced five years ago – a tribute to the sector and its leaders.

And we are learning too. We want to work to further refine the process and make sure that our efforts are truly focused on the highest-risk areas and are adding value to the system. ESA's relationship with Utilities has grown to respond to emerging safety issues as well. The Utility Advisory Council has recently established a special working group to better understand the emerging risks represented principally with older utility assets and how these can best be addressed – most efficiently, and without the need for additional regulation.

The Need for an Electrical Public Campaign

When I look at the challenge of reducing and ultimately eliminating power line contacts among non-electrical workers and the public, I **first** think about the outstanding accomplishment of the electrical distribution sector with respect to ensuring the safety of its Utility workers. A transformation took place in the sector as people began to understand that hazards and fatalities were not an acceptable “risk of the job” – and that in fact all accidents could be prevented.

This change in attitude formed the foundation that resulted in a tremendous reduction in serious injuries and fatalities amongst Utility workers. This is an accomplishment that the sector should be proud of. There are three other observations I would make regarding this transformation.

Firstly, that it did not happen in isolation. The Utilities partnered with the former EUSA to “commit to a path to zero”. EUSA provided the information required, and facilitated the sharing of knowledge that was necessary to create change.

Secondly, all Utility CEOs across the province personally committed themselves and their organizations to the path to zero.

And **finally**, and equally important, is that it took many related partners – suppliers, contractors, unions – all working in partnership toward a common vision.

And now, we need to create that same vision again. But with a focus on a different targeted group – **workers in other professions and the public that come in contact with power lines**

But ESA certainly cannot do it alone – in fact we don’t even have the regulatory authority in this area. But what we do know is that this is the only way to move further along the path to zero. A cynic might say, as they did for Utility workers a decade or more ago, “that is next to impossible” ...but I am not a cynic, and that is why today I am publicly asking for the support of the CEO’s of the Local Distribution Companies and other energy sector partners to join in an “Electrically Safe Communities” initiative. We need to create the same sense of accountability for others coming in contact with Utility infrastructure as the sector did for its own workers. And thankfully, we don’t have to start from scratch.

From our safety engagement with Utilities we know that many of the Local Distribution Companies are already running some excellent public awareness programs, encompassing in-school education, construction site signage, high-risk worker information sessions and public awareness campaigns. But these are not consistent, and they are fragmented across the province. By joining forces we can

leverage best practices, and adopt consistent messaging and programs that can be shared.

We have already started in this direction with the Utility Advisory Council, and the creation of a Powerline Safety Strategy and campaigns. In addition, a number of Local Distribution Companies have already taken on further accountability for power line contacts and started hosting in conjunction with ESA, the MOL and other partners a series of Powerline Safety Seminars.

This, like the Utility Worker Strategy, will require executive leadership - and not because they are legally required to - but because they know it is the right thing to do. In this regard, I have already had early, but supportive, discussions with Laura Formusa of Hydro One, Anthony Haines of Toronto Hydro, and the current and incoming Electricity Distributors Association (EDA) Chairs, John Loukes and Brian Bentz of Brantford Power and Power Stream respectfully. Similarly, I addressed the entire EDA Board of Directors just last week about this direction.

To enhance our provincial efforts ESA is exploring opportunities to move towards a **Broader Safety Partnership**.

On a related topic, I have to tell you that I was quite intrigued by a conversation I had with the Milos Jancik, CEO of the Electro-Federation, incidentally at an OEN luncheon. Milos began telling me about an electrical safety organization that was comprised and funded by a group of like-minded parties that were focused on high-risk electrical safety areas. This group sponsored awareness programs for: not just powerline safety, but also the safe use of electrical products in the home, the hazards of older wiring, the importance of using qualified electrical contractors, and how to be aware of counterfeit or non-certified products, just to name a few. He told me that the members were from manufacturing (such as his members), retail like Home Depot, product Certification Bodies, like CSA, UL, distribution utilities, safety organizations like ESA, insurance companies, electrical contractor associations, government and fire authorities. Unfortunately, however, I also learned from Milos that this organization – called the Electrical Safety Foundation International does not exist in Canada – only in the US and Mexico.

Milos has agreed to take a lead role with ESA's full support to work to extend the concept of an Electrical Safety Foundation International, not just in Ontario but across Canada. I am calling upon you and your organizations now and in the near future as we get this initiative off the ground, to support this partnership as an opportunity to further influence safety to get to zero.

Recognizing Excellence

We also know that we can play a central role in identifying and shining a spot light on excellence in safety achievements. To this end, I am pleased to announce that starting in the fall 2010 ESA will introduce the first Electrical Public Safety Awards that recognize personal and corporate dedication to electrical safety. And we are seeking likeminded organizations to join us in this initiative.

Smart Grid and Green Energy Act

As one of my final topics today, I would like to turn your attention to the Green Energy and Green Economy Act. When I think of the GEA – its bold direction, I also think back to the mass introduction of compact florescent lighting. Because I was present at a news conference when then energy Minister Dwight Duncan announced the introduction of legislation to ban inefficient lighting (aka – incandescent lighting) in favour of compact fluorescents.

Subsequent to this announcement, consumer and Fire Marshal concerns arose associated with the alarming way CFLs lights fail. ESA was directly involved in the analysis of these failures. As a result of this work our product safety engineers proposed a series of changes to the international standard for compact fluorescent lights and presented these proposals at an international standards meeting in Chicago. These changes were accepted and have been incorporated into the North American standard. There are two points here:

1. Firstly, a major provincial initiative was nearly derailed by a product safety concern, and
2. Secondly, that ESA needs to get involved in major electrical policy issues upfront.

And so ESA has been proactively engaged at all levels from policy to technical to procedural in the introduction of the Green energy Act. Our staff is involved in field product approval of green technologies, inspection of new installations of renewable energy systems, and monitoring and responding to specific product safety issues. Similarly, we have stayed actively involved in the development of Ontario's Smart Grid— and in particular when very large infrastructure and technology investments are made in the distribution system. It is vital to the success of programs like the FIT and MicroFIT systems, that safety is built in – no one wants to see the efforts set back by public safety concerns or product issues. And perhaps the most challenging may be the introduction of Plug-In Hybrid Electric Vehicles. Manufacturers are racing ahead to bring electric cars to market but our homes, central refilling locations and even our distribution systems will all be challenged to be ready – safely ready.

As Ontario works to introduce the Smart Grid initiative under the Green Energy Act, I am personally pleased that with industry support, that the Ministry of Energy and Infrastructure (MEI) is proposing to embed a principle to ensure that Ontario have an electrical system that will maintain the high level of safety, and wherever practical even enhance it. I would like to thank the MEI for their support, because unfortunately we could all imagine a system driven by other short term interests that could deteriorate safety.

Sunnybrook

By now any regular attendee of OEN luncheons and events would have heard a number of references to the excellent work on electrical injuries that is being done at the Ross Tilley Burn Unit at Sunnybrook Hospital and the St. John's Rehabilitation Hospital. In fact the OEN has been a regular supporter.

Now I see that Kevin Goldthorp and Amy Lau from the Sunnybrook foundation are here with us today, as is Dr. Joel Fish from St. John's Rehabilitation Hospital. I

hope none of you take this personally when I say that we would like to put the electrical burn unit out of business.

But sadly, when the broader integrated electrical safety system fails, we need your excellent work – and we all need to support your efforts. That is why, at our last Annual General Meeting, I was pleased to announce on behalf the ESA's Board a five year contribution to electrical injury research totalling \$125,000. When we made this announcement we also challenged the sector to support this effort. And I am pleased to announce that the Electrical Contractors Registration Agency, through their licensing fees, has supported this effort with a further \$125,000 contribution bringing the total to \$250,000 over the next five years. I would like to thank some of the contractor leaders who have made this a reality...Glen Carr, Rick Charron and Erik Glahs. These contribution join the **major** contribution that Hydro One has made in establishing the Research Chair. So the next challenge is over to you.

Conclusion

So in closing, let me go back to the beginning. We have a refreshed mission and strategy for the next decade on how we can get to zero.

It is built upon three overarching principles in innovative regulation:

Efficiency - working with other regulators like the OEB, and MOL, to minimize areas of overlap.

Stakeholdering - Secondly, to be innovative – to seek solutions that are in fact not regulatory at all but are industry and stakeholder driven.

And finally, *Leveraged partnerships* - to continue to build upon the recognition that we are just one player in a broader integrated safety system that includes all of you.

We just can't do it alone.

And I know that I have made some "big asks" of you today:

- supporting us in an electrically safe communities initiative,
- supporting us in the establishment of a multi-partner group like the Electrical Safety Foundation International, and
- supporting us in the creation of an awards recognition program.

But I feel comfortable in doing so because we are making some “big asks” of our self as a Board and management team at ESA since we know that we need to get better at what we do.

But what will help me in my role – what will help ESA, will be to religiously focus on our mission, and then perhaps we will be – kind of “Disney like” – **the most electrically safe place on earth.**