

Business Plan

April 2015 – March 2016

Vision:

An Ontario where people can live, work and play safe from electrical harm.

Mission:

To improve electrical safety for the well-being of the people of Ontario.

Mandate:

To promote and undertake activities which enhance public electrical safety including training, inspection, authorization, investigation, registration, enforcement, audit, and other regulatory and non-regulatory public electric safety quality assurance services.

- ESA Objects of Corporation, 1999

Values:

SAFETY

We can and will make Ontario a safer place for all citizens.

ACCOUNTABILITY

We hold ourselves to the highest standards of responsibility and ethical behaviour.

LEADERSHIP

We will always strive to do better, challenge assumptions, and welcome new ideas.

COLLABORATION

We work best when we work together.

INTEGRITY AND TRUST

We will take the high road.

TABLE OF CONTENTS

INTRODUCTION

Role	6
Relationship to Government	6
Scope of Powers & Responsibilities.....	6
Strategic Plan, Business Plan, Operating Plan & Annual Report.....	7

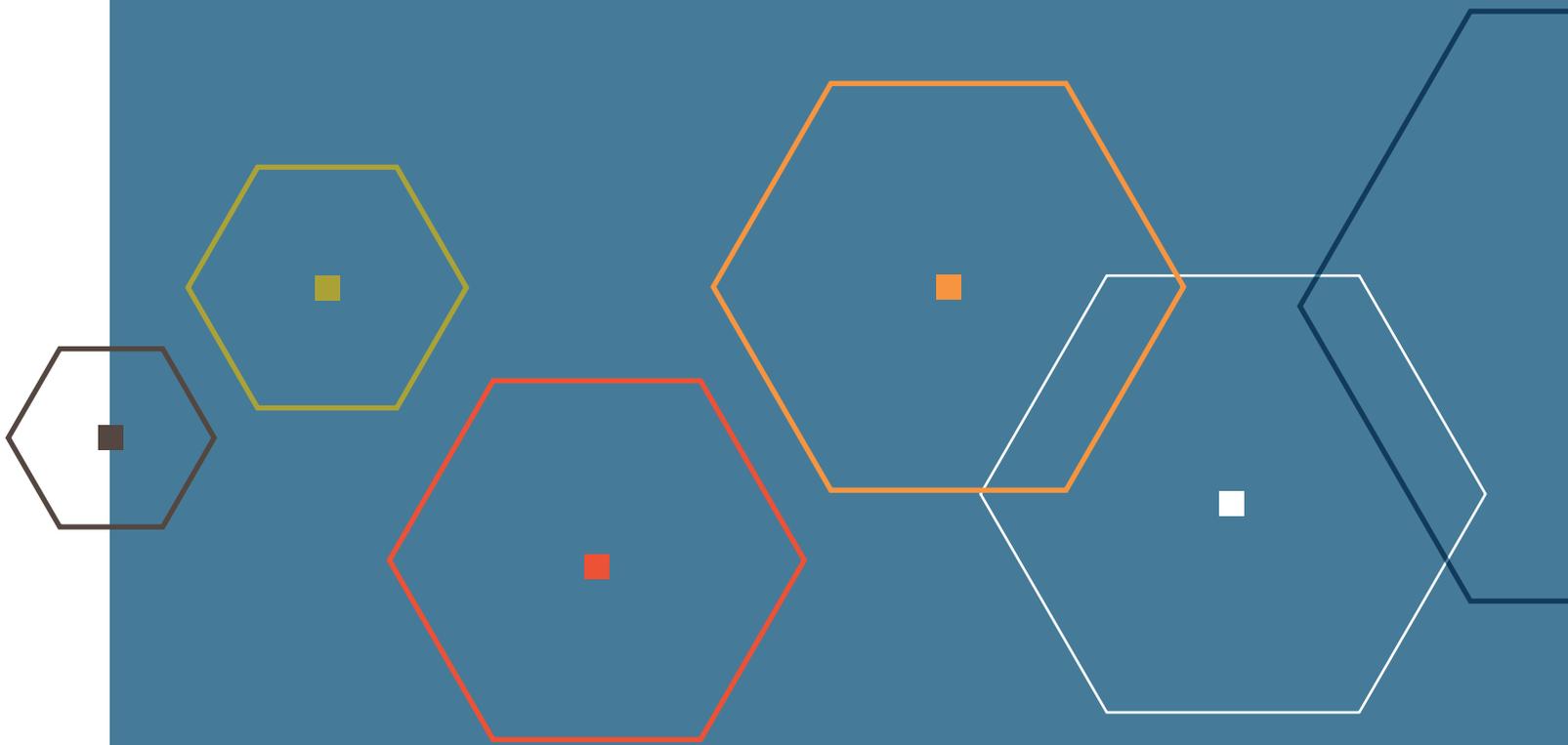
BUSINESS PLAN APRIL 2015 – MARCH 2016

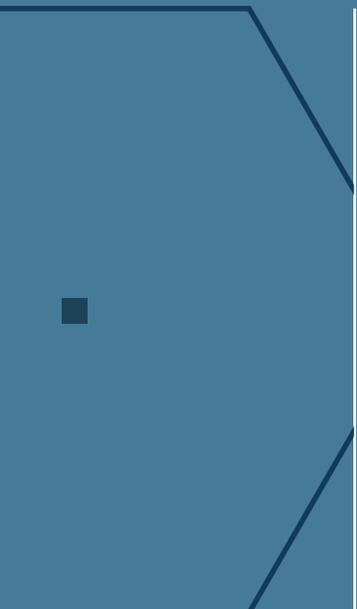
Strategic Goals	10
Goal: SAFETY.....	11
Strategy	12
Major Activities 2015-2020.....	12
Year One (FY16) Priorities	13
Goal: COMPLIANCE.....	16
Major Activities 2015-2020.....	17
Year One (FY16) Priorities	17
Goal: PUBLIC ACCOUNTABILITY.....	20
Strategy	20
Major Activities 2015-2020.....	20
Year One (FY16) Priorities	21

Supporting Plans.....	22
Financial Plan.....	22
People and Capacity Plan	25
Business Process Plan.....	26
Communications and Stakeholder Relations Plan	28
Information Technology Plan.....	31
Management of Non-Regulatory Business.....	33
Key Corporate Policies.....	34
Privacy	34
Complaints	34
French Language Service.....	34
Appeals.....	34

APPENDICES

Appendix 1: Organizational Structure	36
Appendix 2: Five Year Financial Outlook	38





INTRODUCTION

INTRODUCTION

Role

The Electrical Safety Authority (ESA) is mandated by the Government of Ontario to enhance public electrical safety in the province. We are both a safety regulator and advocate.

Our powers and duties derive from The Electricity Act and The Safety and Consumer Statutes Administration Act including responsibility for four regulations:

- The Ontario Electrical Safety Code (Regulation 164/99) which defines how electrical work will be done;
- Licensing of Electrical Contractors and Master Electricians (Regulation 570/05) which sets requirements for those doing electrical work;
- Electrical Distribution Safety (Regulation 22/04) which defines safety accountabilities for Ontario's Licensed Distribution Companies (LDCs); and
- Electrical Product Safety (Regulation 438/07) which addresses approval of electrical products before their sale, and response to unsafe industrial and commercial products in the marketplace.

ESA's primary activities are: identifying and targeting leading causes of electrical safety risk; ensuring compliance with regulations; promoting awareness, education and training; and collaborating with stakeholders to improve the state of electrical safety in Ontario.

ESA is a private, not-for-profit corporation headquartered in Mississauga, Ontario with staff deployed across the province.

Relationship to Government

ESA is an administrative authority of the Government of Ontario. We are mandated to administer its designated legislation and regulation with the purpose of public safety, consumer protection, and advancing the principle of a fair, safe and informed marketplace which supports a competitive economy.

The Ministry of Government and Consumer Services retains responsibility for legislation and regulations. ESA is responsible for ensuring legislation and regulations are implemented and enforced.

The roles and obligations of ESA and the Ministry are detailed in an Administrative Agreement.

Scope of Powers & Responsibilities

ESA's mandate is detailed in the corporation's Letters Patent. Those objects or purposes are stated as:

- to promote and undertake activities which enhance public electrical safety including:
 - » training;
 - » inspection;
 - » authorization;
 - » investigation;
 - » registration;
 - » enforcement;
 - » audit;
 - » and other public electrical safety quality assurance services;

INTRODUCTION

- to act in any capacity under all legislation and regulations designated and delegated to the Corporation under the Safety and Consumers Statutes Administration Act, 1996, S.O. 1996, C.19 as amended from time to time and any other legislation or regulations under which responsibilities are delegated to the Corporation in the future;
- to inform, educate and work with industry, government and the public;
- to promote and undertake activities which enhance the competitiveness of the Ontario and the Canadian economy;
- to promote and undertake activities that encourage the harmonization of electric safety standards and compliance practices;
- to encourage industry to responsibly enhance electric safety.

The objects establish a broad scope of tools which can be applied to enhance electrical safety, ranging from inspection to training and registration and others. Plus, ESA has the ability to use “other...safety quality assurance services...” which gives the organization significant flexibility.

At the same time, the Letters Patent also oblige ESA to:

- work collaboratively with industry, government and the public;
- support competitiveness;
- support harmonized standards and practices;
- and ultimately encourage industry to take accountability for the improvement of electrical safety.

Strategic Plan, Business Plan & Annual Report

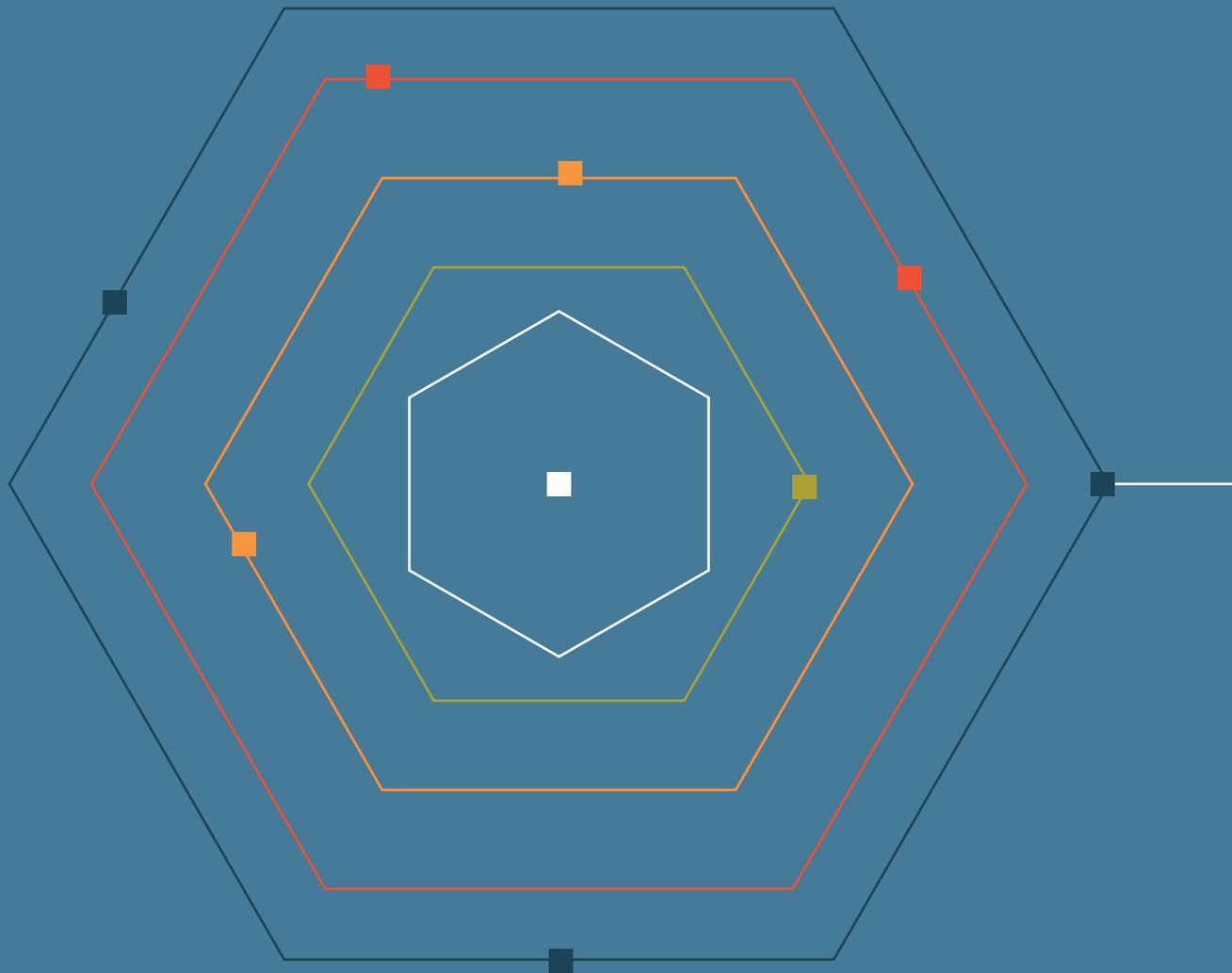
ESA's Strategic Plan, Business Plan and Annual Report are its three major public reporting documents.

The Strategic Plan (The Harm Reduction Strategy 2.0) defines the major corporate goals for five years and the leading strategies which will be used to address them. It also includes the measures that ESA will use across the period to track progress.

The Strategic Plan is supported by this Business Plan which defines the various activities which will be implemented to support each goal.

The Business Plan also addresses the essential corporate capabilities that are needed to fulfill everyday business needs as well as the goals of the strategic plan. It includes a five-year final plan and forecast for the year ahead. The Business Plan is up-dated annually as required to reflect progress made and new insights generated.

ESA's Annual Report describes progress made against the commitments of the Strategic Plan and Business Plan.



BUSINESS PLAN

APRIL 2015 – MARCH 2016

BUSINESS PLAN APRIL 2015 – MARCH 2016

ESA's approach, goals, measures of success, strategies and key activities are captured in the Harm Reduction Strategy 2.0. This Business Plan supports that strategic plan with greater detail on how ESA will achieve its goals and fulfill its mandate.

Strategic Goals

The Harm Reduction Strategy 2.0 features three strategic goals:

SAFETY

ESA will seek to improve the state of electrical safety in Ontario by accelerating the reduction in the combined rate of electrical fatalities and critical injuries over the next five years.

COMPLIANCE

ESA will seek to increase the rate of compliance with electrical safety regulations where required.

PUBLIC ACCOUNTABILITY

ESA will ensure stakeholders recognize us as an effective, publicly accountable organization.

Successfully executing against these goals will mean that by 2020 Ontario is a significantly safer place to live and work, more individuals and companies will operate inside the electrical safety compliance system – including many that had not done so before, and ESA will be seen as an effective, responsive and accountable steward of its mandate which delivers excellent value to the people of the province.

GOAL: SAFETY

ESA will seek to improve the state of electrical safety in Ontario by accelerating the reduction in the combined rate of electrical fatalities and critical injuries over the next five years.

ESA's ultimate vision is the elimination of all deaths, injuries, fires and loss from electricity. Getting there requires achieving milestones along the way.

For the first Harm Reduction Strategy (2010-2015), ESA set a five-year milestone goal of a 30 per cent reduction in electrical fatalities in Ontario, measured by the rolling five-year average of electrical fatalities per million population. This was the first time ESA had set a corporate outcome goal directly linked to a rate of safety events. It provided a clarity of purpose and a compelling benchmark by which to assess progress.

For the Harm Reduction Strategy 2.0, we want to have an equally compelling and ambitious safety goal. We also want to build on progress already made and seek a further significant improvement in the state of electrical safety in Ontario. Therefore, the new safety goal adds the measure of critical injuries to that of fatalities.

Our goal is to achieve a 20 per cent decrease in the combined rate of electrical fatalities and critical injuries (based on the five-year rolling average.)

For every electrical death in Ontario, there are multiple critical injuries, injuries and near misses. As the number of fatalities falls, it is logical to extend our efforts and also seek to reduce the rates of these other events; particularly, the next most serious type of incidents: critical injuries.

A 20 per cent reduction in the combined rate of fatalities and critical injuries is greater than the current 13 per cent rate of reduction and therefore sets an ambitious target for ESA and stakeholders.

The 20 per cent reduction will be based on the baseline of the 2014 fatality and critical injury data, which will be available in 2015.

Critical injuries will be tracked based on those injuries classified on Levels I-III on the Canadian Triage and Acuity Scale (CTAS.) This is a standard recording system used by emergency departments (ERs.) Levels I-III cover urgent, emergent and resuscitation conditions. The CTAS is a reliable and consistent source of critical injury data. As the CTAS information is captured in ERs, it will include both occupational and non-occupational injuries.

Electrical fatalities will continue to be tracked using ESA's current data sources: the Coroner's Office, and the Office of the Fire Marshal and Emergency Management.

While ESA will use the combined fatality and critical injuries rate as its top line key measure, we will continue to review and report fatality, critical injury, injury, fire rates and other safety data individually so as to ensure we monitor the nuances of change. ESA compiles and reports key findings annually in the *Ontario Electrical Safety Report*.

GOAL: SAFETY

To achieve the safety goal ESA has defined a strategy to apply and major activities to execute across the scope of the five year plan.

Strategy:

ESA will operate from a position of knowledge and insight about electrical safety. We will use that knowledge to identify the areas of greatest risk and prioritize efforts on them. We will anticipate emerging risks and act to reduce them.

Major Activities 2015-2020:

UNDERSTAND

We will continually improve ESA's understanding of what electrical safety events are happening and their causes, and our ability to anticipate and intercept emerging risks.

This requires collecting, analyzing and reporting safety incident data, and reviewing events to understand how they could have been prevented.

It also means staying abreast of new technologies and other developments in the marketplace and other jurisdictions that may have implications for Ontario.

PRIORITIZE

To best serve the cause of safety, ESA needs to focus its efforts and that of stakeholders where the safety need is greatest.

To do so, ESA will use risk-based management to define priorities. ESA has invested in systems and processes to assess relative risk and assist with this decision-making.

Based on analysis of where electrical safety incidents most frequently occur, ESA has identified the current three areas of priority electrical safety harm on which to put particular focus:

1. Members of the public and construction trades making contact with powerlines,
2. Electrical workers working live while doing repair and maintenance, and
3. Electrical fires in homes.

As ESA monitors electrical fatalities and critical injuries, we will continue to assess the areas of priority and introduce or change priorities if required based on new patterns of events.

COLLABORATE

ESA will share our insights and learnings internally and externally. We will work with stakeholders and collaborate to address safety risks.

ESA will continue to produce its annual Ontario Electrical Safety Report, share information and insights, and participate in forums throughout the safety system and energy sector.

GOAL: SAFETY

Year One

ESA will execute a number of activities to support the goal of improving safety but the following are key priorities for the first year of the new five year strategy.

1

ESTABLISH THE NEW SAFETY MEASURE AND BENCHMARK

ESA's has set the target of a 20 per cent reduction in the combined rate of electrical-related fatalities and critical injuries over five years based on five year rolling average.

This measure will be based on a combination of the electrical-related fatality data ESA collects from the Coroner's Office and the Office of the Fire Marshal and Emergency Management, and critical electrical injuries as reported through the National Ambulatory Care Reporting System, Canadian Institutes of Health Information, Intellihealth and Ministry of Health and Long-term Care. Critical injuries are defined as those injuries classified on Levels I-III on the Canadian Triage and Acuity Scale (CTAS.)

The data will be measured based on the combined rate of electrical-related fatalities and critical injuries per million population to account for the impact of changes in the population base in the province. Five year rolling averages are used to account for year-over-year fluctuations in a relative small set of numbers. The rolling average gives a much clearer picture of the overall trend.

There is a lag time until official fatality and injury data is available from the sources cited above. The most recently available data finds that electrical-related fatalities and critical injuries were 90 per million population in Ontario

(based on five year rolling average.) Based on projections, a 20 per cent reduction over five years would result in a reduction to 71 electrical-related fatalities and critical injuries per million population in 2020.

However when 2014 data is available in 2015, we will set the official baseline number and up-date the five-year 20 per cent reduction target.

2

IMPLEMENT MULTI-YEAR ELECTRICAL WORKER SAFETY PROGRAM

One of the three areas of safety priority for this strategy is electrical workers working live while doing repair and maintenance activities. This continues ESA's focus on electrical worker safety from the first Harm Reduction Strategy.

Occupational electrical-related fatalities and critical injuries are a significant and ongoing problem and a particular hazard to those who routinely work near electrical sources. Since 2008, the rates of overall occupational safety have declined, but the occupation safety rate of electrical workers has not. At least one electrical worker is killed each year while working on a live electrical system.

In the last five years ESA has identified with more nuance the events and contexts which result in the most injuries and deaths for electrical workers. One third of all workplace electrocutions occur during repair and maintenance activity.

Since 2010, ESA has undertaken a number of initiatives to address worker safety; however, we recognize ESA needs to work in closer collaboration with other safety partners and key stakeholders (such as educators, employers, associations, etc.)

GOAL: SAFETY

Under the direction of the Chief Public Safety Officer, a cross-functional working group at ESA has developed the tenets of a multi-year program designed to reduce the rate of electrical workers being injured or killed. The program takes a lifecycle view of the electrical worker from training and apprenticeship through on-the-job dynamics and will focus on activities including:

- engagement between ESA and the occupational safety system in Ontario including the Ministry of Labour and others;
- engagement with colleges on safety training;
- working with electrical industry associations to extend the impact of safety awareness and training;
- leveraging ESA programs including Authorized Contractor Program (ACP), Continuous Safety Services (CSS), and the electrical contractor licensing system to ensure robust health and safety engagement among contractors;
- engaging municipalities regarding their requirements for sub-contractors doing electrical work;
- developing a better understanding of the behavioural dynamics which may contribute to risk-taking by electrical workers and how best to prevent such behaviour.

Many of these themes build on efforts already underway at ESA and will be continued over the next five year plan period.

3

IMPLEMENT MULTI-YEAR POWERLINE SAFETY PROGRAM

While the rate of powerline electrocutions has declined significantly – down 71 per cent over ten years to 2012 (based on five year rolling averages) – contact with overhead and underground powerlines remain the number one and number two sources of electrical incidents in Ontario.

Over the past 10 years there were 28 fatalities, 52 critical injuries, and 76 non-critical injuries due to overhead powerline contacts. In the last ten years, 71 per cent of powerline contacts took place on construction sites, compared with 15 per cent for the general public and 9 per cent for utility-related contacts.

To ensure continued improvement in the rate of powerline-related fatalities and critical injuries, ESA formed a cross-functional working group under the direction of the Chief Public Safety Officer to develop a refreshed powerline safety strategy for the years ahead.

The working group recommended a multi-pronged and coordinated approach to powerline safety; one which focuses on eliminating or minimizing the effects of the hazard as well as behaviour change:

- Continued collaborative efforts with the Local Distribution Companies (LDCs) to improve powerline safety via the Community Powerline Safety Alliance;
- Working with and supporting colleges and health and safety associations to emphasize powerline safety in training for drivers and operators of dump trucks, haulage trucks, cranes and excavators;

GOAL: SAFETY

- Engagement of employers/site supervisors about their responsibility and accountability for employee safety related to powerline safety through industry associations, and health and safety associations;
- Leveraging ESA Inspectors' Stop and Talk Program to target high risk sites;
- Engaging municipalities on powerline safety training of sub contractors and development of regional plans to ensure sufficient clearance between powerlines and new or renovated buildings;
- Influencing, sponsoring and supporting a variety of engineered solution initiatives relative to construction equipment, ladders, and visual aids.
- Engaging private owners of electricity distribution equipment to ensure understanding of potential hazards and their obligations to protect others from contact.

Many of these themes build on efforts already underway at ESA and will be continued over the next five year plan period.

4

IMPLEMENT KEY ACTIVITIES TO REDUCE RATES OF ELECTRICAL FIRES IN HOMES.

While the occurrence of electrical fires in homes continues to decline, it remains an area where improvement must be made. Strikingly, 97 per cent of fires in Ontario where electricity was the ignition source were considered unintentional or preventable. In fact, these electrical fires have a greater percentage classified as unintentional or preventable than fires from other ignition sources.

ESA's major areas of focus here will be:

- Implementing a new General Inspection process for ESA which can more thoroughly identify fire risk issues in existing homes, and can be a model for other home inspection providers. Preparatory work for this new approach has been underway in 2014 and will roll-out in the first year of the new strategic plan;
- Continuing to contribute to improvements in electric stovetop element technology which will reduce the risk of fires. This includes engagement in the review of the stovetop standard, and supporting related research efforts;
- Promoting the wider adoption of arc fault technology (e.g. AFCIs) in existing homes;
- Building on ESA's understanding of the dynamics of fires in existing homes through root cause analysis and investigation.

GOAL: COMPLIANCE

ESA will seek to improve the rate of compliance with electrical safety regulations over the next five years where required.

ESA is the regulatory authority for four electrical safety regulations:

- The Ontario Electrical Safety Code (OESC) (Regulation 164/99) which defines how electrical work will be done;
- Licensing of Electrical Contractors and Master Electricians (Regulation 570/05) which sets requirements for those doing electrical work;
- Electrical Distribution Safety (Regulation 22/04) which defines safety accountabilities for Ontario's Licensed Distribution Companies (LDCs); and
- Electrical Product Safety (Regulation 438/07) which addresses approval of electrical products before their sale, and response to unsafe industrial and commercial products in the marketplace.

ESA's regulatory compliance and enforcement activities comprise the largest portion of our activities. For example, in FY2014 ESA:

- executed more than 425,000 wiring inspections;
- handled more than 490,000 customer service calls;
- licensed more than 19,000 organizations and people;
- and undertook hundreds of investigations, laid charges and undertook other disciplinary action.

ESA will pursue strong rates of compliance in our four areas of our regulatory responsibility. However we have set the five-year target focused on our top priority which is compliance to the Ontario Electrical Safety Code Ontario Electrical Safety Code and contractor licensing regulations for residential, commercial and industrial renovations.

Industry sources estimate as much as 50 per cent of residential renovations and 13 per cent of commercial/ industrial renovations are done in the underground economy.

Our goal is to **increase the amount of renovation wiring work being captured by ESA's compliance processes by 7.5 per cent over five years**, which will be a significant shift in work coming into the compliance system.

The improvement will be measured via individual wiring work items as captured within renovation-related notifications/ permits being processed by ESA. This will include residential, commercial and industrial renovation work, standard and Authorized Contractor Program notifications, and Continuous Safety Services-covered renovation work.

Our analysis of patterns in these work items finds a 7.5 per cent increase would mark a significant improvement in non-compliant work coming into compliance.

ESA is moving into new territory in creating a measure of this nature and will monitor the data and environmental factors closely to ensure we are seeing the desired improvements in compliance.

GOAL: COMPLIANCE

ESA must achieve this higher rate of compliance without creating a proportional increase in resourcing or burdening those already in compliance. This will require ESA to use improvements in efficiency, and apply risk-based management.

Strategy:

ESA recognizes sometimes the compliance system itself can be a deterrent to participation. We will remove barriers to compliance by increasing awareness of regulatory obligations where it is lacking, and improving our own processes and requirements where needed.

We will also improve compliance through effective enforcement and fostering increased acceptance by stakeholders of their accountability for regulatory obligations.

Major Activities 2015-2020:

TARGET

For each regulation, ESA will target the highest priority areas of non-compliance within its regulatory responsibilities and generate measurable improvements where needed.

KNOW

We will measure rates of awareness of regulatory obligations among our key stakeholders and execute targeted programs to improve awareness and understanding where needed to improve compliance.

IMPROVE

ESA will assess our most frequently used compliance processes and execute programs to make them clearer and easier for stakeholders to use.

MOTIVATE

We will use a range of tools including incentives to encourage compliance and disincentives to discourage non-compliance.

Year One

ESA will execute a number of activities to support the goal of increased compliance but the following are key priorities for the first year of the new five year strategy.

1 ESTABLISH BASELINE AWARENESS DATA FOR TWO REGULATORY AREAS: ONTARIO ELECTRIC SAFETY CODE (OESC), AND CONTRACTOR LICENSING.

As we have identified awareness of regulatory obligations as a key element of improving rates of compliance, we will in FY16 establish robust baseline awareness measures to track improvements over the span of the next five years.

Residential, commercial and industrial renovation work has been identified as the top priority area for reducing non-compliance. Therefore in FY16, we will execute research which defines current awareness among relevant stakeholder groups of their regulatory obligations in these areas. The outcomes of the research will be used to drive improvement efforts, set targets, and track progress in future years.

GOAL: COMPLIANCE

2 BEGIN COMPLEXITY ASSESSMENT FOR OESC AND LICENSING COMPLIANCE, AND IDENTIFY PRIORITIES FOR IMPROVEMENT.

We recognize the compliance system itself can be a deterrent to participation if it is complex, obscure or difficult to understand. To address this barrier, in Year One we will begin reviews of the compliance systems for the OESC and Contractor Licensing to identify the processes or requirements which most impede or discourage stakeholders from being able to meet their regulatory obligations. Based on the outcomes of the reviews, we will set priorities for subsequent years to address the most significant challenges and measures to confirm progress.

3 BEGIN EFFORTS TO IMPROVE OESC AND CONTRACTOR LICENSING COMPLIANCE IN RENOVATION ACTIVITY INCLUDING TARGETING THE UNDERGROUND ECONOMY.

As noted above, ESA's top priority for compliance improvement is in the renovation context where it is estimated the greatest amount of non-compliant electrical work occurs. In FY16 ESA will co-ordinate enforcement and awareness efforts emphasizing the OESC (how the work is done) and Contractor Licensing (who can do the work) requirements. Progress will be measured by changes in the rates of work coming into ESA systems as per the overall compliance goal.

4 INTRODUCE ALTERNATIVE COMPLIANCE OPTIONS FOR LOWER RISK WIRING WORK DONE BY HIGHLY COMPLIANT CONTRACTORS.

ESA is committed to risk-based management which means focusing greater effort on areas of greater potential safety risk. To do so, we must have systems and processes for allocating resources and activities according to assessments of potential safety impact. The majority of ESA's executional activity is focused on fulfilling our responsibility for regulatory compliance. Therefore we must allocate our compliance efforts on a risk-based basis.

ESA has already instituted a number of initiatives in this area including:

- Establishment of ratios for inspection by type of wiring work;
- Creation of the Authorized Contractors Program (ACP), a voluntary program for which contractors must qualify, which reduces frequency of ESA on-site inspection of work;
- Creation of the Continuous Safety Services (CSS) program for industrial and commercial sites in which compliance of electrical work is tracked and checked via log books, facility reviews, periodic inspections, and ongoing advice and training;
- Creation of a safety risk assessment tool which assesses relative potential risk of various types of wiring work according to a series of variables including location, contractor, project scale and more. The tool is used to assist ESA staff in decision-making about allocation of compliance effort.

GOAL: COMPLIANCE

ESA has been working on the next stages of risk-based compliance: development of alternate OESC compliance options for highly compliant contractors where less direct ESA intervention is required but quality and safety of work is maintained. In FY16 ESA will begin to introduce the program into current compliance efforts so as to reallocate effort to higher risk areas.

5 IDENTIFY OPPORTUNITIES FOR CHANGE IN REGULATIONS, WHERE REQUIRED.

Part of ESA's mandate is to advise government when regulatory change should be made. This typically arises as a result of changes in the marketplace, technology, and/or the nature of safety incidents occurring. ESA will continue to monitor these and other factors and make recommendations when appropriate. For example, we expect to recommend two rounds of updates to the Ontario Electrical Safety Code during this five-year period.

GOAL: PUBLIC ACCOUNTABILITY

The Government of Ontario has delegated significant powers to ESA such as the ability to inspect work, audit activities, collect fees, license trades, order disconnections of power, and more.

ESA must use these powers responsibly and be accountable to the public for the execution of our mandate. We must operate in a responsible, transparent and fair way.

The best way to measure our accountability performance is through the eyes of stakeholders. Therefore our third goal is that **ESA will ensure stakeholders recognize us as an effective, publicly accountable organization.**

To measure performance, ESA will establish a new multi-stakeholder accountability perception measure in FY16. It will measure against multiple dimensions of public accountability including responsibility, transparency, fairness and quality of service delivery. The FY16 research will establish a baseline and allow for cross-audience comparison annually. We will use the research to direct improvement efforts where required.

Strategy:

ESA will ensure we maintain a good understanding of stakeholder perceptions of ESA's accountability and address any gaps.

Based on feedback, we will target areas of real and perceived weakness in accountability and generate improvements in stakeholder perceptions.

Major Activities 2015-2020:

MONITOR

ESA will execute regular stakeholder research to monitor perceptions and identify areas to target improvements.

LEAD

ESA will be at the forefront of regulatory best practices.

CONTROL

As a key element of our accountability requirements, ESA will maintain financial sustainability and deliver public value.

PERFORM

We will have robust internal accountability policies and practices to ensure responsible, transparent and fair behaviour, in keeping with our Regulatory Governance Principles.

ENGAGE

We will effectively communicate with the stakeholder community about our priorities and activities.

GOAL: PUBLIC ACCOUNTABILITY

Year One

1 ESTABLISH NEW BASELINE MULTI-STAKEHOLDER MEASURE OF ESA'S ACCOUNTABILITY PERFORMANCE.

To ensure ESA has a good understanding of how external stakeholders perceive our performance as an accountable organization, we will launch a new annual research tool. It will collect feedback from a representative sample of ESA's external stakeholder community and probe areas including ESA's responsibility, transparency, customer focus, and fairness. The key findings of the research together with ESA's response and any planned corrective actions will be shared publicly each year.

To date, ESA has collected stakeholder feedback through a wide range of channels and will continue to do so. In the past, our formal stakeholder research was done as a series of self-contained studies of specific stakeholder groups. Now we will evolve to a multi-stakeholder approach where results can be compared across stakeholders and contexts.

2 BASED ON RESEARCH FINDING, IDENTIFY AND TARGET AREAS FOR IMPROVEMENT.

Based on the findings of the research, ESA will identify specific areas for improvement, establish plans to address, and set targets for improvement in future surveys.

3 DEVELOPMENT OF POLICIES AND PROCEDURES AS REQUIRED TO ENSURE DELIVERY ON PUBLIC ACCOUNTABILITY REQUIREMENTS.

Part of ensuring effective discharge of our public accountability obligations is ensuring we have the appropriate policies and procedures in place to guide employee decisions and actions. ESA has a robust set of such policies, but we will continue to monitor where we can improve particularly to ensure we are functioning using best practices.

One area of immediate priority is the development and implementation of the next iteration of ESA's conflict of interest guidance. A new policy will be finalized for application across ESA.

SUPPORTING PLANS

To ensure ESA has the organizational capabilities to achieve the strategic goals and fulfill our ongoing mandate and regulatory responsibilities, we have a number of supporting plans which are summarized here:

- Financial Plan
- People & Capacity Plan
- Business Processes Plan
- Communications & Stakeholder Relations Plan
- Information Technology Plan

Financial Plan

ESA is a not-for-profit corporation. Its revenues are generated by licensing fees, fees for safety oversight services in regulated and non-regulated areas, and investment income. ESA receives no tax revenue and is expected to be financially self-sustaining.

In planning for the five years ahead, we take into account ESA's commitments and obligations as defined in our mandate and regulatory responsibilities. We also monitor external economic factors which can impact both revenues and costs.

We fully expect financial circumstances to change over time and thus we will annually up-date the financial outlook as part of the yearly Business Plan review. Therefore, forecasts, particular for the later years of the strategy, will change.

ESA's key financial objectives are to:

1. achieve recovery of direct and indirect costs associated with each line of business;
2. achieve break-even overall; and
3. address long-term future financial obligations.

ESA is projecting to achieve break-even in FY16 and each year to 2020.

In the prior years, the combined impact of falling long-term bond yields and increasing projections of health costs for an aging population sharply drove up ESA's pension and benefit obligations, causing expenses to exceed revenues before investment income. ESA absorbed the impact of those increased costs into its operating budgets. We undertook cost cuts and containment efforts and elected to run deficits while working to recover to break-even.

The organization is expecting to restore to a better financial position for the next five years achieving cost recovery in the first year of the new strategy.

To address future financial obligations, the Board of Directors has restricted specific reserve assets for OPEB (other post-employment benefit) and pension deficit obligations.

SUPPORTING PLANS

ECONOMIC OUTLOOK

ESA monitors major economic indicators to assist in projecting future financial performance.

The outlook for the next five years is based on a set of economic assumptions including:

- Ontario GDP stable at 2.0% to 2.2%;
- Inflation stable at 2%;
- Housing starts, condominium building and home renovation rates beginning to soften in the outlying years.

This relatively soft economic performance outlook means ESA must be prudent in balancing revenues and expenses.

The five year Statement of Operations (see page 35) is based on these assumptions.

REVENUE OUTLOOK

ESA is projecting modest growth in all revenue categories for the next five years with the exception of FIT/MicroFIT installations. There was a significant volume of work in this category over the last few years in response to government programs encouraging installations. As uptake on those programs tails off, this category of revenue is expected to decline year-over-year.

Otherwise ESA is basing its outlook on expectations that residential electrical work demand will remain stable with some softening in condominium builds, housing prices and pace of home renovations.

Commercial activity will mirror economic growth in the province and volume for ESA is expected to be stable over the next five years.

EXPENSE OUTLOOK

ESA experiences ongoing increases in the cost of doing business and also needs to be able to invest in new capabilities, programs or functions required to serve its mandate or strategic plan.

Key expected areas of investment over the next five years include:

- Research and data analysis capacity;
- Information technology including ongoing implementation of a multi-year IT strategy begun in FY14 (see pg. 28);
- Service delivery improvements and innovation;
- Communications and stakeholder engagement; and
- Business continuity planning to mitigate risk from major disruptive events.

In addition, due to the demographics of the ESA staff, we expect to experience significant rates of retirement which will result in investment in hiring and training of new staff.

As a result of all these factors, expense management will require careful planning and ongoing monitoring.

ESA has already executed a number of cost reduction measures including reviewing and changing providers in key corporate services (health benefits, cell phones, insurance, audit, etc.) which have reduced costs, while not impacting service delivery or mandate.

As ESA is a service delivery organization, labour costs dominate its expenses. The organization maintains close control of headcount to manage labour costs; this has included elimination of a number of management roles in 2013.

SUPPORTING PLANS

Another priority financial item for ESA are progressing to full funding of future OPEB obligations, and continuing to manage the funded status of the pension plan and ensuring the ongoing viability of the plan (see below.)

The Board of Directors has established a multi-year financial framework ensure the company's balance sheet can weather the economic ups and downs by building reserves against future liabilities including OPEB obligations and the pension deficit.

Pension Strategy

A sub-set of ESA's financial plan is its strategy for the long-term management of its pension obligations. The goals of the pension strategy are to ensure financial stability for ESA, progress to joint sponsorship and accountability for the pension between employer and employees, third party administration, shared company and union accountability, and exploration of the benefits and practicalities of multi-employer pension plans.

From a strategic planning perspective, key efforts include exploring opportunities for collaboration with other Ontario Hydro successor companies, including working with others in the industry to address energy sector pensions, and communicating and engaging with employees effectively. From a financial management perspective, key elements of the pension strategy include addressing financial realities of the marketplace as they impact ESA (for example, an extended period of record low interest rates), pursuing alternative investment options appropriate to the pension, and doing effective scenario planning and financial analysis to stay ahead of potential future risks.

Implementation of this strategy has begun already and will continue under the new five-year strategy.

SUPPORTING PLANS

People and Capacity Plan

The People and Capacity plan has three pillars which will enable the achievement of goals which are critical in fulfilling ESA's everyday business needs as well as those of the strategic plan:

- **Organizational Capabilities** – Ensure ESA has an optimal structure and corresponding capabilities to execute the strategy;
- **Culture and Alignment** – Ensure ESA is a risk-based, mission-focused safety organization which operates in a transparent manner with accountability to the public; and that our employees are passionate and connect directly with our mission;
- **Cost Management** – Sustain a stable, environment for delivery of ESA's safety services.

Given ESA is a knowledge-based organization with the vast majority of employees directly engaging with customers and stakeholders, the first two pillars of the plan – Organizational Capabilities, and Culture and Alignment – are critical in the effective functioning of ESA and ultimately one of the keys to the success and achievement of the Strategic Plan.

As eighty-five percent of ESA's cost structure can be connected to people, it is imperative the third pillar of Cost Management exists to create and maintain a sustainable, stable environment which will support delivery of the strategy.

ORGANIZATIONAL CAPABILITIES

We will ensure ESA has an optimal structure and corresponding capabilities to execute the strategy. We want to achieve a flexible organizational structure which can respond and adapt more quickly as our strategy evolves, and have a workforce with the capacity and capability to embrace and execute on change.

PRIORITIES:

- Develop change leadership capability beyond the senior management level to include leaders at the frontline;
- Work in collaboration with all areas to develop plans to acquire/develop those skills required by FY2020.

CULTURE AND ALIGNMENT

ESA wants to be a risk-based, mission-focused safety organization which operates in a transparent manner with accountability to the public.

Our employees are passionate and connect directly with our safety mission. We want to achieve a state in which all employee groups actively and visibly support ESA's mission, vision and strategy. One key tool for assessing engagement is ESA's regular biannual employee survey. We want to achieve continual improvement in engagement scores from the baseline to be established in FY2015.

PRIORITIES:

- Continue implementation of a change management plan;
- Expand performance management to incorporate 360 assessments & coaching.

SUPPORTING PLAN

COST MANAGEMENT

ESA needs a stable, sustainable environment for delivery of ESA's safety services. During the last five years the company has moved towards greater sharing of pension plan costs with employees. However, the current framework continues to expose the company to risk as it relates to long term pension plan sustainability.

More detail on the pension strategy is included in the financial section (see page 21). At a high-level, our goal is to achieve a sustainable pension plan where risk and cost are shared equally amongst all employees and the company, and other employee costs, such as benefits and related employee services, are delivered in a cost effective manner. Our goal by 2020 is that ESA's pension plan cost and risk will be shared equally between employees and company.

PRIORITIES:

- Continue to engage all employee groups in addressing the issue of pension sustainability.
- Work in collaboration with our unions and other interested parties to create a framework which enables joint risk and cost sharing.

Business Process Plan

ESA is a complex organization with multiple lines of business and areas of function. Our operations and workforce encompass a wide range of specializations and include a large field staff, a customer service centre, and head office functions. Our activities are designed to both enhance electrical safety in Ontario and fulfill our responsibilities for four distinct regulations. In addition, we must operate in a financially self-sustaining basis. Consequently it is important our business processes are optimized for efficiency and effectiveness.

The business process priorities for this five-year span are:

- Improving the electrical safety impact of our work;
- Improving efficiencies within the business to ensure optimal use of resources and sufficient capacity available to meet our strategic goals; and
- Customer service effectiveness.

IMPROVING ELECTRICAL SAFETY IMPACT

ESA's primary tool for improving the positive safety impact of our efforts is the application of risk-based management. This includes the systematic assessment and identification of areas of key risk and the targeting of efforts.

In addition, within our areas of regulatory responsibility we identify the sectors and industries at higher risk potential and develop targeted approaches to reduce the risk. This approach has proven highly successful to date with industries including mining, carnivals and special events, long-term care facilities, and campgrounds, among others.

SUPPORTING PLANS

IMPROVING OPERATIONAL EFFICIENCIES

ESA's operational staff has high demands on their time and it is important we are able to maximize the time available for them to focus on the activities which generate the greatest safety impact. For example, efforts in recent years have reduced the administrative requirements on Inspectors so more time can be spent on direct safety-impacting work.

ESA's Operations team is establishing a Productivity Dashboard for inspection which will be used to guide improvements over the years ahead. The dashboard will include measures for:

- throughput and utilization, i.e., how much time within days worked is used for safety-related activities;
- cycle time, i.e., the number of technical defects outstanding as a percentage of the total defects written;
- quality, i.e., defects written as a percentage of days worked.

The dashboard will be used to identify areas for improvement and measure progress made.

SERVICE EFFECTIVENESS

All of ESA's regulatory functions involve some service delivery as part of ensuring compliance, e.g., notification issuance, wiring inspections, licensing processing, utility regulation due diligence inspections, etc. Therefore ESA has to fulfill service delivery expectations.

Doing so requires understanding current perceptions of service effectiveness and addressing areas where service does not fulfill compliance needs or perceptions of value delivery.

As part of measuring accountability performance, ESA will capture stakeholder views on service delivery and address areas of concern. In addition, we will pursue opportunities for enhanced effectiveness including offering self-service options, and making processes simpler and more accessible.

SUPPORTING PLANS

Communications and Stakeholder Relations Plan

While communication activity and stakeholder contact occurs within many operating areas of ESA, the corporate function seeks to deliberately plan, monitor and execute or support the execution of key initiatives which critically impact ESA's strategic plan. This function assists ESA by anticipating and planning for communications and stakeholder dimensions which could assist or impede the achievement of strategic goals.

The goals of the 2015-2020 Communications and Stakeholder Relations plan are:

- To improve understanding and favourable views among key stakeholders of ESA's role, strategy, vision, priorities and activities;
- To effectively gather stakeholder perspectives on ESA's activities, plans and performance and ensure those perspectives are understood among management and considered during decision-making;
- To support achievement of specific goals of the Harm Reduction Strategy 2.0 through effective communications and stakeholder engagement, where required;
- To manage ESA's reputation through effective monitoring, anticipation and interception of potential risks;
- To build ESA's corporate communications and stakeholder engagement capacity and effectiveness as required to support the strategic plan;

- To assist in building employee understanding and support for the corporate vision, strategy and activities as noted in the People & Capacity Plan;
- To fulfill ESA's communications and stakeholder engagement obligations in regulations or in the Administrative Agreement with the Government of Ontario.

To achieve these goals, priority efforts over the next five years will be in the following areas:

SAFETY PROMOTION

Communications and stakeholder collaboration will continue to be important elements of promoting improved electrical safety in Ontario.

The focus of the past few years has been on increasing the mass reach of ESA's awareness efforts and excellent progress was made. Now we need to confirm how awareness efforts are translating into changes in attitude and behaviour. To that end, we will introduce more sophisticated impact tracking and target to improve these outcome measures.

While we have grown mass outreach to fulfill our provincial role, we now have to define and target key segments which are at higher-risk so as to support our strategic priorities. We will evolve our communications efforts to target the segments where improvements in awareness, attitude and behaviour can most benefit electrical safety outcomes.

SUPPORTING PLANS

Finally, we will be nimble in using the most effective channels for safety awareness communications. The effort made in recent years to vastly improving ESA's social and digital communications capacities positions us well. But we must also stay abreast of ongoing changes in communications tools and strategies so that we use them to best effect for ESA's goals.

COMPLIANCE AWARENESS

While it is not new for ESA to proactively communicate and engage stakeholders on the requirements of regulation, the Harm Reduction Strategy 2.0 makes compliance awareness a much more explicit priority. Therefore a significant area of effort over the next five years will be to collect regular compliance awareness research, and target important gaps through deliberate awareness efforts. The methods and messages will be defined by the research findings and the nature of the audience segments involved. We expect to use a blend of marketing communications and stakeholder collaborations.

One area we will develop is an ESA content strategy which will support both safety promotion and improved compliance awareness. A content strategy recognizes a company's content (knowledge, news, information, advice, case studies, expertise, research, data analysis, etc.) as a critical corporate asset which should be used to engage target audiences. An ESA content strategy will map an evolution to more accessible content with increased impact.

BRAND & REPUTATION MANAGEMENT

2014 research found ESA's unaided brand awareness is relatively low (7 per cent) but public support for an organization with ESA's mandate was high (80 per cent.) While not surprising for an organization in a specialized area, a low level of general awareness is an impediment to achieving our strategic goals. A higher level of awareness will improve the likelihood that someone will know where to turn for information, will get good information on both safety and compliance issues, and trust the source of the information.

Therefore, we will be implementing a targeted corporate awareness strategy to raise awareness particularly among the segments most likely to be engaged in electrical work or most at risk.

Another element of brand and reputation management is ensuring that our issues and crisis response systems are robust and well-executed. Over the last few years, ESA has strengthened its crisis and issues response protocols and practices and regularly tested them through simulations. We will ensure continual assessment and improvement over the next five years.

SUPPORTING PLANS

STAKEHOLDER ENGAGEMENT

ESA's stakeholder engagement efforts split into two major categories: standing relationships and special initiatives. Standing relationships are with stakeholder groups with whom ESA regularly interacts. Over the past few years, ESA has improved its engagement with these groups following a comprehensive review. Activities include advisory councils, association liaison, public events, reporting, and feedback channels. Perceptions of stakeholders have been regularly measured through research. We will continue to enhance these efforts.

Special stakeholder initiatives support business initiatives such as a new project, proposal or identified safety issue. Stakeholder engagement strategies will be developed in support of these projects as required. This includes identifying the key stakeholder groups that are key to achieving the goals and with whom ESA does not currently have robust and productive relationships. We will build specific strategies to engage them.

INTERNAL COMMUNICATIONS

Effective internal communications is a critical factor for successfully executing this Business Plan. Employees need to understand and support the priorities and goals of the organization, and be able to feed into business management decisions. In recent years, ESA has made some good improvements in focus on internal communications including creating better channels, sharing information, and creating forums for collaboration. Communications will work with Human Resources and other areas of the organization to execute an integrated multi-year internal communications plan.

STAKEHOLDER AND PERCEPTION RESEARCH

Over the past four years, ESA has improved the sophistication of its stakeholder research efforts to yield more reliable findings and more actionable insights. Now we will move to the next phase of evolution including:

- Improved measurement of impact of outreach;
- Improved segmentation of key audiences; and
- The launch of an annual multi-stakeholder research study in support of the strategic plan's public accountability goal.

SUPPORTING PLANS

Information Technology Plan

ESA's Information Technology (IT) function is accountable for effective and efficient use of information and information technology by ESA, its partners and stakeholders. ESA IT is driven by the ESA business strategy and priorities, and works in close partnership with other departments to deliver on ESA's mandate, regulatory obligations and Harm Reduction Strategy 2.0. ESA IT will serve as a thought leader and facilitator to ESA business needs while ensuring reliability and stability of ESA IT systems.

ESA's IT plan addresses the requirements of the Harm Reduction Strategy 2.0 and enables the organization to respond to new strategic challenges now and in the future.

The plan aims to achieve two main outcomes: risk-based decision making and improved efficiency. This is to be facilitated by focusing on three main strategic IT pillars and two foundational elements:

- **Pillar #1** – Significantly improved data and analytics capability;
- **Pillar #2** – Better efficiency due to improved internal and external collaboration;
- **Pillar #3** – Effective governance over IT spending, data and day-to-day operations;
- **Foundation Element #1** – stability of systems and Disaster recovery/Business Continuity capability;
- **Foundation Element #2** – realignment of IT department to support strategy.

Highlights of the plan include:

Expanding the use of risk-based decision making tools to drive operational and strategic decisions.

For example, introducing Safety Risk Assessment Tool (Risk Inspection Model) SRAT (RIM) algorithms as business rules in SAP and other systems; supporting the evolution of SRAT (RIM), Electrical Safety Plan (ESP) and potentially other similar tools with required data and processes.

Building in-house data and analytics capability.

Choosing and implementing a consistent set of data, data repositories, analytics and reporting tools as well as mature data management practices.

Increasing efficiency of the evolving business processes with better tools.

IT will provide thought leadership and best practice advice regarding tools required to enable emerging business needs. For example, enabling self-service capabilities for ESA staff and external stakeholders. Considering introduction of new or expansion of existing tools such as security event management, ESP, lead tracking and others. Supporting field staff with easier to use and more robust devices (swivel tablets, smart phones and other mobile devices)

SUPPORTING PLANS

Improving external and internal collaboration to drive efficiency and effectiveness of ESA.

Establishing a multi-channel communications and collaboration capability covering traditional, web and social media interactions internally, externally and between both. Ensure content and knowledge are effectively managed and available for querying and analysis.

Maximizing existing investment in core ESA systems (SAP, Field Worker, CISCO telephony).

Leveraging or decommissioning SAP modules purchased, but underutilized. Decommissioning duplicate and ad-hoc systems to reduce complexity and the overall cost of the IT environment. Upgrading or outsourcing CISCO telephony equipment to a supportable level while introducing additional functionality to increase employee efficiency (chat, instant messaging, e-mail management). Exploring cloud and hosting options for key IT systems and infrastructure.

Enhancing governance to drive efficiency.

Building and implementing appropriate governance structures to provide ongoing oversight over: Projects, Data, Vendors and day-to-day IT operations (security, infrastructure, change, incident and problem management.)

Improving IT Department Effectiveness

Rebuilding the structure of the IT department to better enable delivery of the strategy while at the same time creating advancement opportunities for the staff.

Disaster Recovery and Back Up

Investing in Disaster Recovery and back-up capabilities of the IT infrastructure and related processes to ensure business continuity based on agreed upon parameters.

MANAGEMENT OF NON-REGULATORY BUSINESS

ESA's Objects of Corporation allow the organization to operate non-regulatory public electric safety quality assurance services as it deems appropriate and necessary to serve its mandate.

ESA's primary non-regulatory activities are:

- Field Evaluation Services, which provides product approval for specialized small quantity products typically in the industrial sector, and certification of equipment in hazardous locations. ESA's Field Evaluation Services is accredited by the Standards Council of Canada;
- Real estate rental income from buildings ESA owns in Mississauga and Cambridge, Ontario;
- Electrical safety services to the mining sector, which as a federally regulated industry does not fall under the scope of provincial legislation but which has engaged with ESA to improve and assure safety in its operations in Ontario;
- Sale of specialized products such as ESA's e-WorkSAFE tool which provides step-by-step electrical safety process prompts on a tablet which industrial workers use at the work face.

ESA's non-regulatory businesses are run distinctly from regulatory operations. Revenue from regulatory lines of business is not applied to non-regulatory businesses, and revenue and expenses for these lines of business are reported separately in ESA's Annual Report.

KEY CORPORATE POLICIES

ESA maintains a number of policies and procedures to guide and direct its work. The following are four key policies. Information on other policies can be obtained by contacting ESA.

Privacy

ESA is committed to maintaining the accuracy, security and privacy of personal information in accordance with the terms of our Administrative Agreement and privacy laws. ESA maintains a customer privacy policy and has a Chief Privacy Officer who oversees policy and activity in this area. ESA collects personal information to support the delivery of services, understand individual needs, manage business operations, develop and enhance services, and meet legal or regulatory requirements.

Due to the importance of information exchange in maintaining public electrical safety, ESA routinely discloses and disseminates records that support our safety mandate. Personal information is not disclosed if such disclosure would violate an individual's right to privacy. Commercial information is not disclosed if it has been provided with the expectation of reasonable commercial protection.

Complaints

ESA responds to complaints received from customers, stakeholders and the public. We provide information and encourage two-way communication at all levels to ensure we are continually improving service quality. Where possible, complaints are dealt with at the source and in a timely manner. Complaints that are not resolved to the satisfaction of the

complainant can be referred to the President and Chief Executive Officer. Information on ESA's complaints policy can be found at esasafe.com.

French Language Service

ESA responds to all requests for French services as they arise throughout the year. The nature and level of services we provide in French are determined on an as-required basis to ensure ESA fulfills its public safety mandate. In FY2014, ESA responded to 2,069 customer service calls in French. ESA monitors requests for service in French to ensure the appropriate level of service is available.

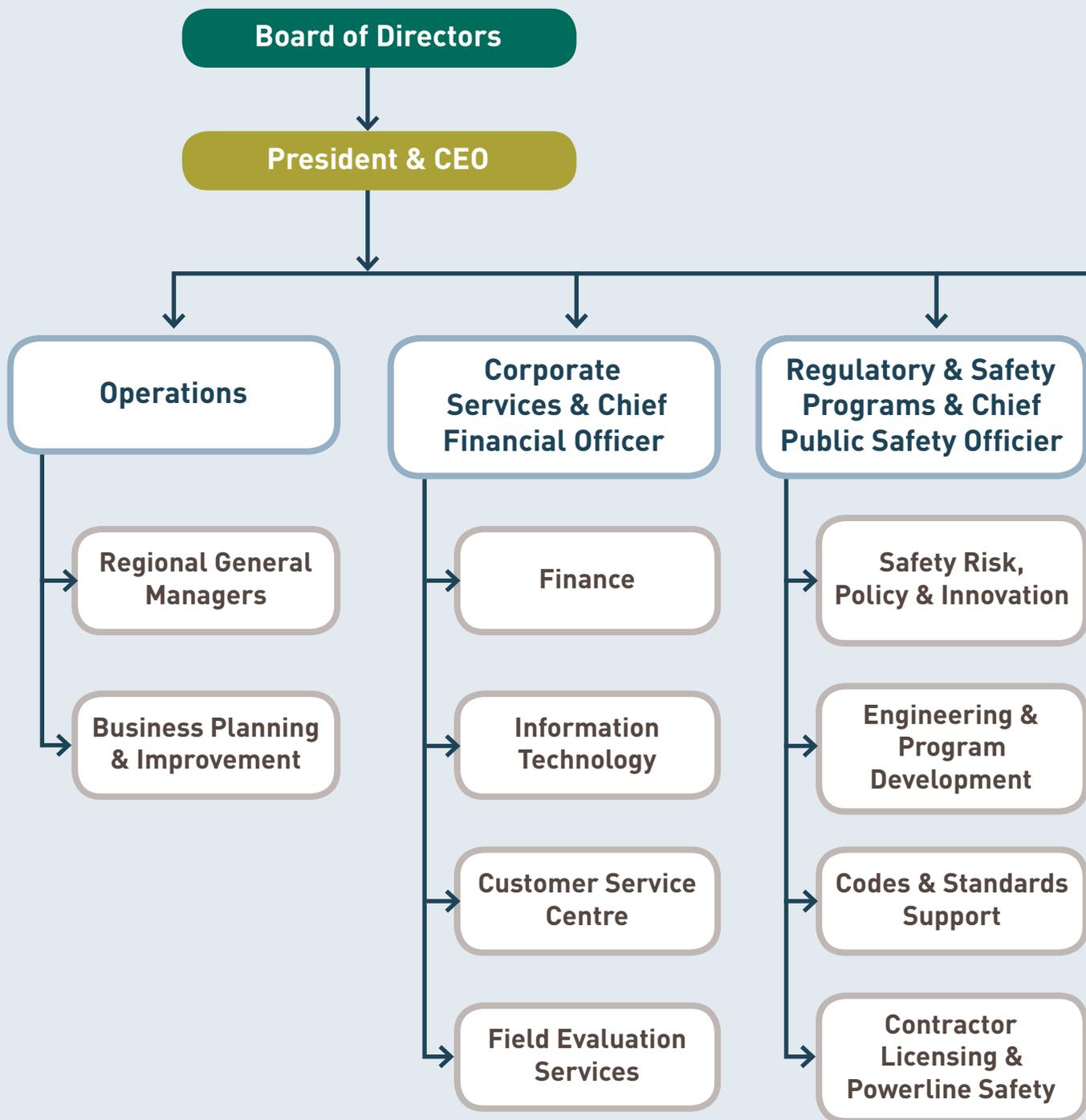
Appeals

ESA is committed to providing individuals with the opportunity to request a review of Orders or licensing decisions as they arise. ESA has established a fair and transparent appeals process to facilitate the right to appeal any decision rendered by ESA. The appeals process, which can be reviewed at esasafe.com, defines specific steps and timelines to respond to an appeal pertaining to the Ontario Electrical Safety Code or the licensing of electrical contractors or Master Electricians.

For the appeal to proceed, it must be supported with required information as outlined in the process. The majority of appeals are addressed through the first stage of review: the Director's Review. However, an appeal can be escalated to an independent cross-sector review panel and ultimately can be taken to Divisional Court.

APPENDICES

APPENDIX 1: ORGANIZATIONAL STRUCTURE





APPENDIX 2: FIVE-YEAR FINANCIAL OUTLOOK

The following is a financial outlook based on current forecasts of performance and external economic factors. This outlook is reviewed annually and up-dated as required. In addition, ESA establishes detailed operating budgets in advance of each fiscal year.

(\$000's)	2016 Projection	2017 Projection	2018 Projection	2019 Projection	2020 Projection
Revenue	102,203	104,884	107,018	111,438	113,863
Expenses	99,495	102,064	104,275	108,701	111,156
Surplus (deficiency) before depreciation	2,708	2,820	2,743	2,737	2,707
Depreciation	3,500	3,600	3,600	3,600	3,600
Surplus (deficiency) from operations	(792)	(780)	(857)	(863)	(893)
Other Income (loss)	2,543	2,765	2,996	3,235	3,485
Surplus/(deficiency) for the year	1,752	1,985	2,139	2,372	2,592



**Electrical
Safety
Authority**

1-877-ESA-SAFE

ESASAFE.COM

Connect with us:

 [@homeandsafety](https://twitter.com/homeandsafety)

 facebook.com/ElectricalSafetyAuthority

 [Electrical Safety Authority](https://www.linkedin.com/company/electrical-safety-authority)