



Technical Standards and Safety Authority

Minutes of the Boilers and Pressure Vessels Advisory Council Meeting on December 6, 2018

Minutes of the Boilers and Pressure Vessels Advisory Council meeting of the Technical Standards and Safety Authority (TSSA) held in the Ontario Boardroom, 345 Carlingview Drive, Toronto, Ontario at 9:30 a.m. on the 6th day of December 2018.

Present: Joe Adams (Chair), ED Pro Capital; Pete Chamberland, Ontario Power Generation; Michele Cheng-Newson, Organization of Canadian Nuclear Industries; Mario Gogic, BWXT Canada Ltd.; Ryan Jones, Royal & Sun Alliance; Fred Oliver, MCA Sarnia c/o Kelgor (on Skype); Hillar Prits, CIMCO Refrigeration; Kavita Ramcharan, CBMUA & BI&I; David Stek, OPIA c/o Suncor Energy; Jamie Webb, MCAO c/o Anderson Webb (on Skype).

Bonnie Rose, President & CEO; David Scriven, Vice President, Safety and Strategy; Dan Brazier, Chief Financial Officer (Item 14); Mike Adams, Director, BPV and OE; Nancy Webb, Vice President, Communications and Stakeholders; Cathy Turylo, Manager, Engineering; Sandra Cooke, Ombudsman (item 7); Robert Wiersma, Manager, Public Safety Risk Management (item 8); Humphrey Kisembe, Policy Advisor, Stakeholder Relations; Consuelo Esquivel, Council Coordinator.

Guests: Ministry of Government and Consumer Services: Erick Morales; David St. Martin, Ontario Power Generation, Bruce Thornhill, Process Improvement Advisor.

Regrets: Ed Narejko, ArcelorMittal Dofasco; Brian Taylor, CBS c/o Waterloo Mfg. Co.

1. Constitution of Meeting

The Chair called the meeting to order at 9:30 a.m. He welcomed everyone including guests and those participating by Skype. The meeting was going to be recorded. TSSA confirmed that the recording would be deleted after the minutes are drafted.

For the Safety Moment, a video on the dangers of driving while texting was shown.

2. Approval of agenda

The addition of a meeting with the Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI) was added to the agenda under item 16. Council members approved the December 6, 2018 agenda as amended, including the extension of meeting time to 3:00 pm. It was also agreed subsequent meeting could continue to this time

3. Approval of the Minutes of May 3, 2018

Council approved the minutes of the May 3, 2018, as being a true and accurate record of the meeting.

4. Review Action Items

C. Turylo summarized the action items (item 04). The pending items will be discussed at today's meeting.

The Chair also discussed the status of the CRN project with the Regulatory Reconciliation and Cooperation Table (RCT). He also informed the Council that the Fuels Department had still not addressed the propane tank inspection.



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Action: TSSA to follow up regarding the response of the Fuels Department to the items raised during the development of the piping advisory FS/BPV involvement with piping systems.

5. Chair's Report

As part of his report, the Chair suggested that Council allot time on all agendas for discussions related to changes and directions within the industry. Members agreed that in future time be allotted on the agenda for this purpose.

Action: BPVAC agendas to include 30 minutes for discussion on industry updates.

6. TSSA President and CEO's report

The President treated her Q1 FY19 Report, distributed with the advance materials, as read. She referenced feedback received from her Listening Tour. TSSA is committed to moving towards meaningful engagement with all stakeholders including the Advisory Councils.

B. Rose also highlighted the recent release of the Auditor General's report. The audit reaffirms that TSSA is on the right path with our transformation strategy.

7. TSSA's Transformation to an Outcomes-Based Regulator

S. Cooke spoke to the item, referring to the slide presentation which had been shared with Council in advance of the meeting. TSSA would like to transition to a modern regulatory model that is less adversarial, more collaborative-focused and partnership-oriented. It represents a significant culture change. TSSA has hired an external consultant to help with the cultural change. The plan is in its infancy but is contemplated to be completed in 5 years. This is the first step in engaging with stakeholders and other Council members.

There was discussion about the culture shift and Ontario Power Generation's and other council member's willingness to assist in developing tools on cultural improvements.

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

R. Wiersma elaborated on the slide presentation which had been shared with Council prior to the meeting. It was a summary of the ASPR, the full report of which was released at the Annual General Meeting in October and is posted online. He responded to questions from Council. Members were interested in the statistical fluctuation, frequency of inspections, and reporting of near misses and occurrences. In summary the trends are non-conclusive. Slide 9 of the ASPR presentation referred to incidents/Issues. The Fernie accident report was distributed and discussed. TSSA is trying to get more information regarding plant status here in Ontario and where they are located.

Comments were provided by Council on Near Misses and Occurrences, and responded to by TSSA:

- D. Scriven spoke about capturing this type of data as a top priority for the BPV and Operating Engineers (OE) programs. The Priorities Setting will touch on this topic under item 10 today.
- M. Adams said that TSSA will be developing an enhanced incident reporting program in order to have clarity of expectations and applicable definitions, especially relating to "near misses."
- TSSA would like to assemble a working group to better define Near Misses. The group will meet in January 2019, with representatives from the BPV and OE Advisory Councils. TSSA is targeting to finalize this initiative before the end of FY19.

Action: Council members to inform the Council Chair of their interest in the Working Group on Defining Near Misses. The Chair will advise TSSA accordingly.



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9. 20/20 Customer Portal Focus Groups

D. Scriven thanked Advisory Councils for responding to a request to participate in focus groups related to the development of a customer facing portal, a part of the 20/20 business transformation initiative. As the 20/20 initiative has currently been put on pause to re-plan the path forward, the focus groups have also been put on hold. TSSA remains committed to working with Advisory Councils and will start the process once the specifics of the TSSA 20/20 Program re-plan is finalized.

10. TSSA's Priorities Setting

D. Scriven spoke to the item and referred to the slide presentation. TSSA's leadership has identified a need to prioritize a growing list of initiatives as a means of ensuring delivery of its commitments to stakeholders. In particular, he noted that the many priorities stemming from Advisory Councils, ASPR, Operations, and regulatory renewal require prioritization to enable the organization to be able to focus and deliver on its commitments. As a result, TSSA has developed a new process to assess priorities against a weighted rubric methodology with the goal of identifying three main priorities for each program. For BPV/OE the result was four priorities including: Labour Mobility for Operating Engineers; CRN Harmonization; BPV/OE Incident Reporting; and OE Regulation Modernization.

D. Scriven provided additional details to address members' questions related to harmonization, deferred issues, and ranking of priorities.

- In November 2018, the National Public Safety Advisory Committee (NPSAC) agreed to participate in funding to deliver a standard on plant ratings. They are looking for a mechanism to enhance harmonization.
- Selection of priorities for enhancement action does not affect ongoing business including enforcement or compliance activities. For one of the deferred issues, unlicensed repair organizations, TSSA will need more concrete evidence.
- With regard to having more fulsome input on priorities from Councils in the future, TSSA commits to providing opportunities for members to provide advice in the future.

D. Scriven will update Councils on the priorities for FY20. There is an ongoing need to reconcile the industry issues with the TSSA issues.

Action: D. Scriven to provide an update on the BPV priorities for FY20 at the next meeting.

11. Update from the National Public Safety Advisory Committee (NPSAC)

D. Scriven spoke about CRN harmonization, selected to be among the first issues to be addressed by the RCT (Regulatory Reconciliation and Cooperation Table) under the Canadian Free Trade Agreement (CFTA – Canadian interprovincial trade agreement). An agreement to be signed by the premiers of Canada is being drafted by the Provincial Territorial Advisory Committee (PTAC), a formal committee of the Standards Council of Canada, in consultation with NPSAC. D. Scriven laid out the basic principles of the draft agreement, i.e. jurisdictions will mutually recognize CRN design reviews and commit towards a harmonization process. It is expected that the agreement will be signed by the premiers and announced in a communique before the end of 2018.

D. Scriven confirmed that all provincial and territorial governments are expected to be party to the agreement. The agreement does not include custom-designed equipment for a specific province.

Council welcomed the progress on CRN harmonization.

12. COI and Insurer Audit Updates



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M. Adams responded to questions from Council regarding:

a) Inspection status – conditional pass

Given that the definition of “Conditional Pass”, following implementation of the new regulation on COI needs to be better defined, TSSA will form a Risk Reduction Group (RRG) to delve into the matter in more detail. A suggestion was put forward to place timelines against the ROI activity, as well as discuss compliance durations for relief valves at the RRG. R. Jones and K. Ramcharan volunteered to be part of the RRG.

b) Repairs/additional inspections and COI fees

M. Adams stated that repairs do not require COIs. Insurers should instruct their inspectors to answer “No” on all repair reports, as repairs do not generate a COI. Insurers should not submit an ROI for a second inspection within an inspection cycle, otherwise the owner will receive and be invoiced for a second COI.

c) Non-compliance with COI (ROI issued)

M. Adams said that there is a problem of issuing periodic COIs because of incorrect mapping of customer data. Of the roughly 60,000 devices in the TSSA system, less than 5,000 ROIs have been submitted. They have either not been inspected or have not submitted their ROIs.

Citing data from insurers, 14,441 devices are operating without a COI or expired COI (equivalent to 24% of the devices in the database). There are also ROIs that have been submitted where the COI has not been requested by the owner. TSSA is requesting insurers to review their inspection backlog to ensure their inspections are up-to-date. TSSA also has a workplan in place to manually follow up with owners. TSSA expects to complete the work by March 2019.

TSSA has introduced a manual method to process the submitted ROIs and correspondingly issue COIs upon successful validation and payment by owners. TSSA expects to reach steady state by April. For the existing pending ROIs in the system, Passed ROIs will be treated as “pseudo” COIs until the official COIs are issued.

Action: TSSA to provide an update at the next BPVAC meeting.

d) Update regarding insurer audit process

M. Adams said that TSSA is updating its audit process to focus on data and address the conditional pass problem. We should be able to commence the audit process before end of FY19.

e) Update on the timeline for addressing known issues

M. Adams noted that the manual processing of COIs is under way. The backlog is expected to be finished by March 2019. The customer portal for BPV is under refinement and is expected to be completed by Fall 2019.

With respect to clarity of devices falling under BPV or fuels, TSSA asks that insurers contact BPV’s Director.

13. FY19 Fee Review



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D. Brazier spoke to his slide presentation, which had been distributed to Council prior to today's meeting. As noted in past advisory council meetings, the financial projections for FY20 and beyond indicate a need for fee changes as TSSA will be in a regulatory deficit. TSSA is looking to maintain the current fee structure with percentage increases in the Fuels, Elevating, Amusement, Ski Lifts, and Boilers and Pressure Vessels and Operating Engineers, except in the Upholstered and Stuffed Articles, which TSSA assumes will derive no contribution to the net margin. The effective date for fee increases is July 1, 2019. TSSA considers this a prudent approach as calculations of a new fee structure can only be realized following completion of the 20/20 project and a better idea of the Modern Regulatory Model. The review of the business model and fee structure is planned in FY20 and FY21.

The increased fees which will come into effect July 1, 2019 are required to ensure TSSA does not move to a regulatory deficit. While the 20/20 program has drawn against much of the Board-approved allocation, TSSA has not entirely maximized it. TSSA deems it prudent to restabilize reserves to a more acceptable level. He also noted that the 20/20 program is working against a Board approved budget. He noted that as part of the new regulatory model (as discussed under item 7 above), TSSA will be developing a new business model.

D Brazier addressed questions on the budget related to the 20/20 program, the reserve balance and plan to rebuild it to acceptable levels, and the deficit in the fuels program.

14. Task Group Updates

C. Turylo spoke to the Task Group updates:

- a) Joint BPV and Fuels Safety Advisory – C. Turylo had provided an update under item 4 above. There were no questions from Council.
- b) Testing of Piping Systems – C. Turylo presented her slides which had been shared with Council before the meeting. The conclusion derived by the Task Group was that the issue is specific to Sarnia. She laid out the next step, which will be a meeting on February 5, 2019. There were no questions from Council.

15. Ministry of Government and Consumer Services update

E. Morales spoke to the bi-annual report of MGCS which had been distributed to Council prior to the meeting and was considered read. Since the release of the report, there have been some updates, including the appointment of the Honourable Bill Walker as Minister for the Government and Consumer Services. With regard to Agriculture Exemption, the MGCS has solicited legal support, conducted an evaluation of data in support of exemption, and began seeking stakeholder feedback from the agriculture sector. On the subject of the Agriculture Exemption being a part of the recent Auditor General's report, the government will be expanding the scope of agricultural issues beyond boilers and pressure vessels and considering other regulations in its review. The MGCS may request information from TSSA, particularly from the white paper on the subject.

There were no questions from Council.

16. Issues raised by Council Members

- a) New National Board requirements for inspectors to obtain an R endorsement

M. Adams spoke to the item. The National Board has changed the requirements for new inspectors to obtain an R endorsement, which is now extremely difficult for inspectors to achieve. Insurers are at risk in the future of not having a sufficient number of inspectors with the R endorsement to continue with repair inspections. The discussion revealed many layers to this problem. Council felt



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that a full discussion was needed such as through an RRG. It was decided to include the topic on the RRG agenda for COIs, with the problem of COIs as priority no. 1.

Action: M. Adams to include the new National Board requirements for the R endorsement on the agenda of the RRG.

b) Clarity in CAD for frequency of internal inspections

D. Stek introduced the topic. The current language on frequency of internal and external inspections is a bit vague. Discretion varies from inspectors' and operational standpoints. He suggested that instructions be clearly defined.

There was some discussion. It was noted that a previous RRG had reviewed specifically the frequency of internal inspections for boilers and had made recommendations. At that time, it was decided not to publish those recommendations; however, the recommendations were shared with the Canadian Boiler and Machinery Underwriters' Association (CB&MUA). It was decided to discuss the issue at a future RRG.

Action: C. Turylo to launch a new RRG to address frequency of internal inspections sometime in the new year.

c) Corrections for a registered design

Council inquired about what to do when an equipment is found to have a design mistake. C. Turylo emphasized safe operation is paramount. There are actions to be taken to ensure safe operation; however, there are no punitive measures. She confirmed that equipment will have to be addressed and actions approved by TSSA. If code compliance cannot be achieved, under the variance process, equivalent safety measures can be demonstrated to receive approval for continued operation.

It was suggested that some messaging be posted on the TSSA website to reinforce this position.

Action: C. Turylo to write instructions on the corrections for a registered pressure equipment and post them on the website.

d) Legal authorization for inspections

A Council member had inquired why other parties like insurers are unable to carry out part of the TSSA mandate with respect to shop inspection. Council further asked why does the government of Ontario allow sole authorized authority?

TSSA responded that it is the sole authorized inspection agency as that is what is set out in regulation. Changing it would require a regulatory change. The representative from MGCS had left the meeting and was therefore unable to respond. The Ministry will be requested to brief Council on this issue at the next meeting.

M. Adams cited sections 9 and 10 of the Regulation. Council asked about the historical context of the mandate, which everyone felt should be addressed by MGCS. It was decided to include an educational session on TSSA's history and powers at the next meeting.

Action: C. Esquivel to include the subject of TSSA's mandate in a future BPVAC meeting agenda. TSSA will invite MGCS to provide clarification.



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- e) Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI) discussion regarding A-1 Refrigerants

C. Turylo mentioned that the HRAI, through Martin Luymes, had contacted her and H. Prits about creating a specific exemption for A-1 refrigerants. The HRAI membership felt that requirements for Certificate of Authorizations presented some burden.

C. Turylo inquired whether other Council members would be interested in joining her and H. Prits in a subsequent meeting with HRAI.

Action: C. Turylo and H. Prits to form an RRG with members from HRAI. Council members to advise if they wish to participate.

17. Advisory Council administration – review of Matrix

The Chair brought up the topic of the BPVAC membership matrix. It was decided that Council would recommend the following changes:

Owners/Users – increase to 4-5
Manufacturers – decrease to 5-8

Action: The Chair to discuss the recommendations with TSSA.

18. Adjournment

Agenda item 18, Discussion of strategic direction of the industry and agenda item 19, Emerging safety or priority issues were deferred to a future meeting due to lack of time.

The meeting adjourned at around 2:30 p.m. Council met in camera without TSSA staff and guests.