

Business Plan

April 2025 to March 2026

**Empowering Safety,
Energizing Tomorrow**





Vision

An Ontario where people can live, work and play safe from electrical harm, now and into the future.

Mission

To enable a safe, electrified Ontario through expertise, regulatory oversight and collaboration.

Mandate and Scope

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.

Purpose

ESA anticipates, understands, and mitigates electrical related harms to improve safety for the well-being of Ontarians.

Values

SAFETY

We put safety at the core of all that we do.

PEOPLE FOCUSED

We put ourselves in others' shoes, understanding the needs of our staff, our stakeholders and the people we serve.

ACCOUNTABILITY

We commit to our goals, to each other and deliver results that matter.

INCLUSIVE

We encourage and value differences, recognizing that diverse perspectives strengthen our work.

COURAGE AND INTEGRITY

We engage in honest conversations in the best interest of our safety purpose, treating our staff, regulated communities, stakeholders and partners with respect.

ADAPTIVE

We continuously assess our environment and evolve to meet emerging challenges.

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CORPORATE OVERVIEW

CORPORATE OVERVIEW

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 regulator and an advocate for electrical safety. Our powers and duties are derived from Part VIII of the *Electricity Act, 1998* and the *Safety and Consumer Statutes Administration Act, 1996* including responsibility for five regulations:

- 1** The Ontario Electrical Safety Code (adopted pursuant to Regulation 164/99) which defines how electrical work will be done;
- 2** Licensing of Electrical Contractors and Master Electricians (Regulation 570/05) which sets requirements for those doing electrical work;
- 3** Electrical Distribution Safety (Regulation 22/04) which defines safety accountabilities for Ontario's Licensed Distribution Companies (LDCs);
- 4** 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; and,
- 5** Administrative Penalties (Regulation 12/23) specifies when the ESA may issue administrative monetary penalties to unlicensed businesses, licensed electrical contractors, master electricians or individuals who are not compliant with certain electrical safety requirements.

ESA's primary activities are identifying and targeting leading causes of electrical safety risk; overseeing 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 (AA) of the Government of Ontario. Our mandate is to administer the designated legislation and regulations to enhance public safety, consumer protection, and advance the principle of a fair, safe and informed marketplace, which supports a competitive economy. The Ministry of Public and Business Service Delivery and Procurement (MPBSDP) retains responsibility for developing legislation and regulations. ESA is responsible for implementing and enforcing legislation and regulations. The roles and obligations of ESA and the Ministry are detailed in an Administrative Agreement which was updated in 2022 and is a publicly available [document](#).

Scope of Powers & Responsibilities

ESA's mandate is detailed in the corporation's Letters Patent. The objects or purposes are to promote and undertake activities which enhance public electrical safety including:

- training
- inspection
- authorization
- investigation
- registration
- enforcement
- audit
- other public electrical safety quality assurance services
- 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 Canadian economy
- to promote and undertake activities that encourage the harmonization of electrical safety standards and compliance practices
- to encourage industry to responsibly enhance electrical safety

The objects establish a broad scope of tools that can be applied to enhance electrical safety. In addition, ESA has the ability to provide other safety quality assurance services which gives the organization significant flexibility. These can include non-regulatory services such as delivery of services to non-regulated entities, product approvals through Electrical Safety Authority – Field Evaluation (eSAFE) and training. These non-regulated lines of business must adhere to certain requirements as outlined in the Administrative Agreement with government.

Corporate Structure

ESA's Board of Directors has oversight of corporate governance and guides the organization's strategy. Among its key responsibilities, the Board:

- Approves ESA's strategic plan, business plan and budget.
- Oversees the integrity of ESA's reported financial performance.
- Appoints the CEO and oversees succession planning.
- Monitors the strategic environment and ensures appropriate enterprise risk management.
- Monitors the integrity of the organization's internal controls.

The Board of Directors is comprised of twelve members, three of which are appointed by the Minister of Public and Business Service Delivery and Procurement.

CORPORATE OVERVIEW

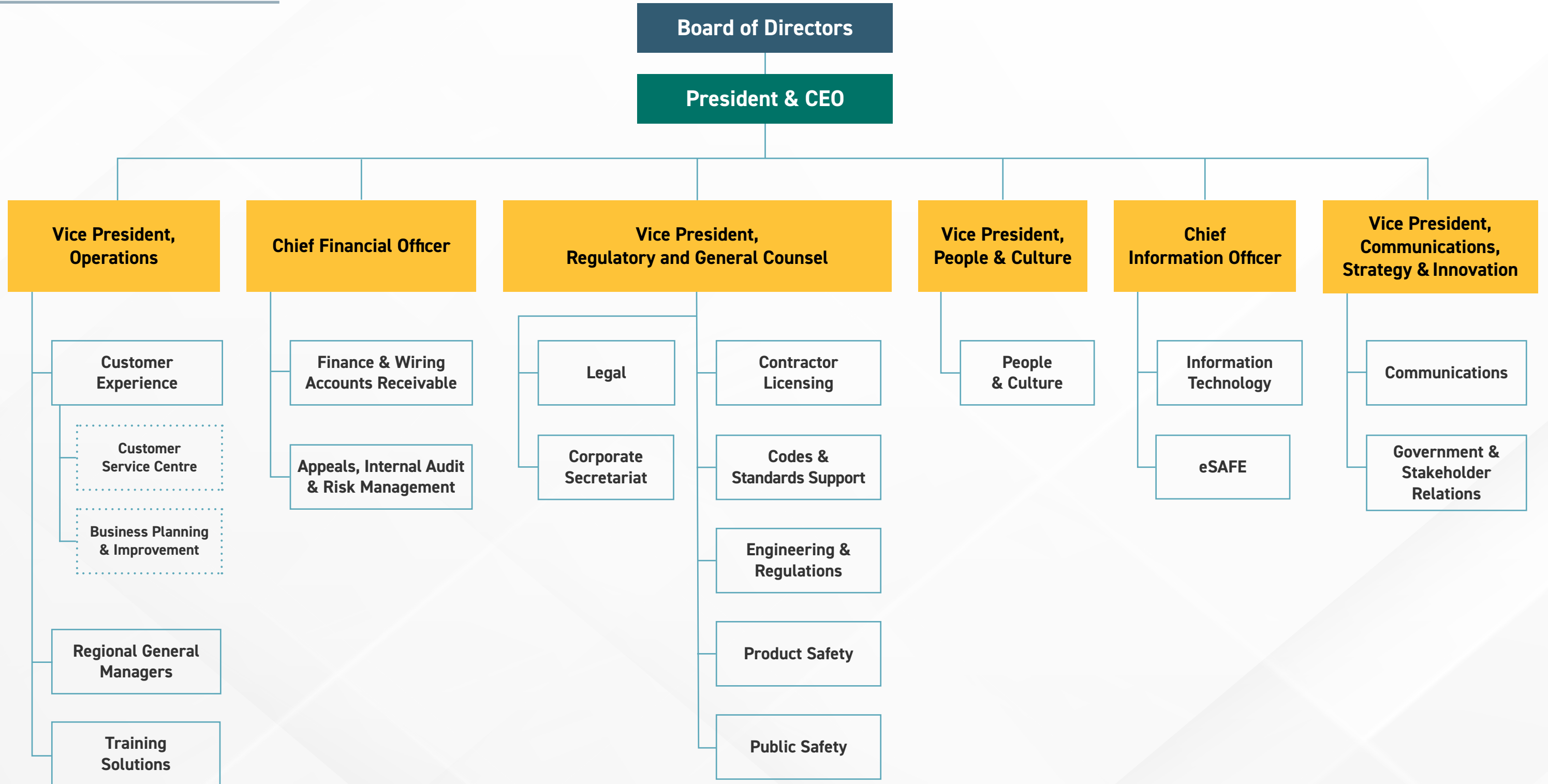
Board members bring an extensive degree of experience, based on a set of established qualifications. Board members reflect the public; electricity distributors; electrical contractors; and engineering, manufacturing and other industries. Board members may serve up to three consecutive terms. Each term is three years. Each Board member has signed and agreed to abide by a Directors Code of Conduct and also takes part in a program to stay current on best governance practices. This covers corporate due diligence reporting, Director responsibilities, governance, conflicts of interest, and investment and pension management.

The Board of Directors includes the following members:

- Arjan Arenja, Chair
- Mary Ann Aldred
- Cara Clairman
- Frank D'Andrea
- Christopher Fluit
- Audrey Kroon-Lowther
- Dale MacDonald
- Jeff Scott
- Ysni Semsedini
- Jeanette Southwood
- Vivi White
- (1 vacancy at the time of publication)

For a current list of Board Members, please visit: esasafe.com/board-officers-executives/.

ESA Organizational Structure



External Engagement

The ESA is committed to ongoing and meaningful engagement with stakeholders across the province including Licensed Electrical Contractors, Local Distribution Companies, stakeholders in the broader electrical sector and the general public.

CONSUMER PROTECTION

As Ontario's electrical safety regulator, ESA is focused on the safety and protection of Ontario consumers. We are committed to educating consumers on what they should know before hiring a Licensed Electrical Contractor, communicating the importance of buying approved electrical products and protecting them from the serious risks associated with faulty electrical work.

BROADER ELECTRICAL SECTOR

The ESA is part of a larger energy ecosystem that includes other energy regulators, generators, transmission, distributors and industry partners. We regularly engage to keep abreast of changes to the sector that could have impacts on electrical safety in the province.

INDIGENOUS COMMUNITIES

The ESA is striving to build better and broader relationships with Indigenous peoples, organizations and nations that will help communities get empowered with knowledge to reduce electrical harms that exist. Through ESA's Truth and Reconciliation Action Plan, ESA will help meet the intent of the Truth and Reconciliation Commission recommendations.

ADVISORY COUNCILS

ESA regularly consults with our safety partners. Gaining their insight and advice helps us anticipate and understand electrical-related harm. Their comments make our plans and campaigns better as we work together to reduce serious and fatal injury, damage and loss. Our partners help us deliver a safer Ontario. They include the public; local distribution companies; electrical contractors; engineers; manufacturers; and consumers. They provide feedback through five stakeholder advisory councils:

- **Consumer Advisory Council:** Council members advise on emerging electrical-related issues that may affect the Ontario public. The council recommends ways to advance consumer awareness and identifies areas that may need research.
- **Contractor Advisory Council:** This council advises ESA on how to improve contractor-related services. It provides feedback to enhance strategies and policies. It also helps build a collaborative approach that reinforces existing partnerships and builds new relationships within the industry.
- **Electrical Contractor Registration Agency (ECRA) Advisory Council:** This council gets feedback from Licensed Electrical Contractors, municipalities and the public. Discussions relate to licensing, exams, registration and certification in Ontario. The council advises the Regulatory, Governance, People and Culture Committee of the Board of Directors.

CORPORATE OVERVIEW

- **Ontario Provincial Code Committee:** Members of this council include inspectors, electrical contracting companies and general interest groups. It provides recommendations and comments on new proposals or revisions to the Electrical Safety Code.
- **Utility Advisory Council:** The Utility Advisory Council helps identify, monitor and address electrical safety risks related to the Electrical Distribution Safety System. Members also make recommendations on new proposals or revisions to the Electrical Safety Distribution Regulation and guideline.

The councils help advise ESA on electrical safety initiatives and help advance our safety goals and objectives. Minutes from the meetings and composition of the Advisory Councils can be found at: esasafe.com/stakeholder-advisory-councils/.

ESA'S 5-YEAR STRATEGIC PLAN

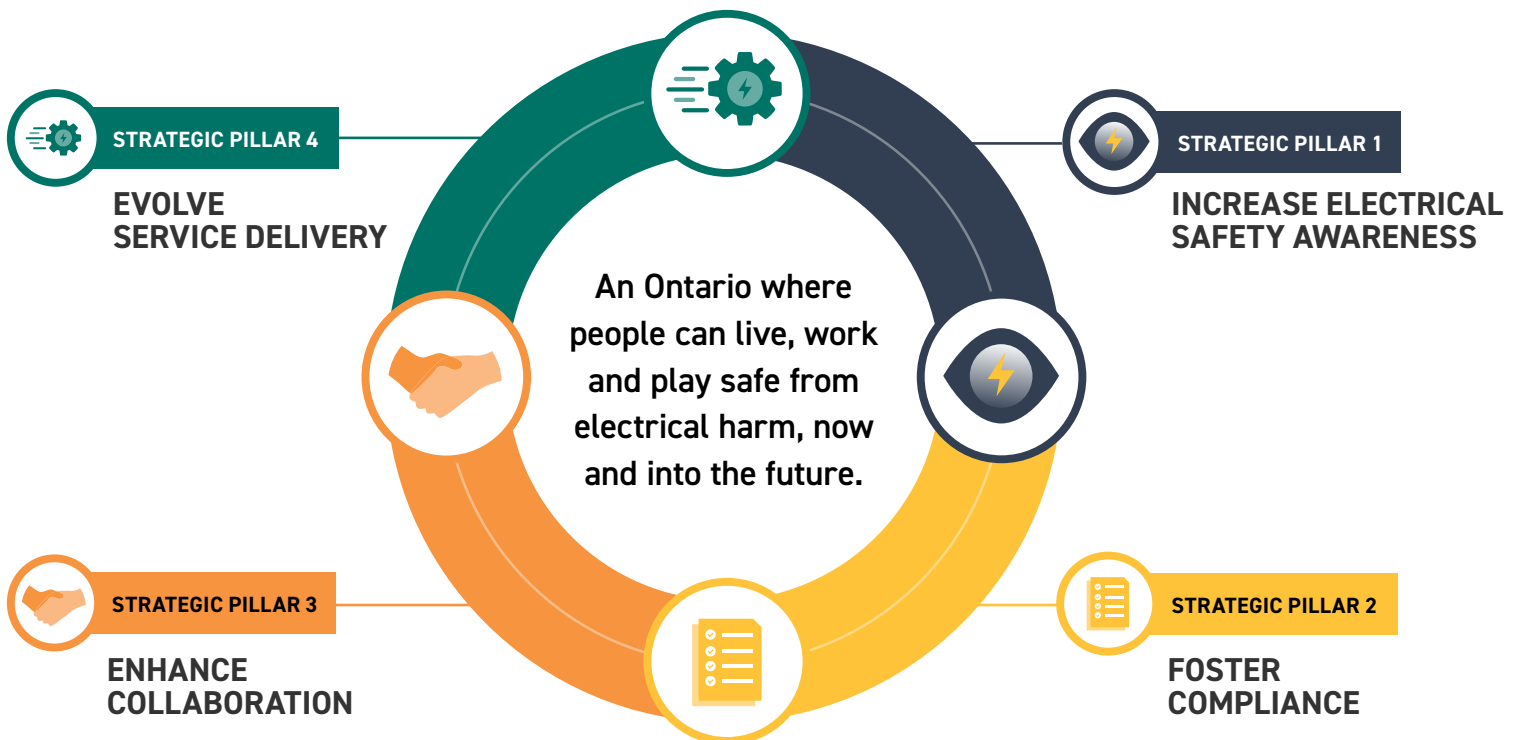


ESA'S 5-YEAR STRATEGIC PLAN

ESA's new five-year Strategy spans from April 2025 to March 2030. It reflects ESA's priorities of safety and value in areas related to increasing electrical safety awareness, fostering compliance, enhancing collaboration and evolving service delivery. This plan will position ESA as an accountable, collaborative and modern regulator that is responding to the fast-paced change taking place in the energy transformation in Ontario.

Strategic Framework for 2025-2030 Strategic Plan

To enable a safe, electrified Ontario through expertise, regulatory oversight and collaboration.



Safety • Accountable • People Focused • Inclusive • Courage and Integrity • Adaptive

Our Approach

Our Strategic Approach is grounded in a clear Vision and Mission that guide our efforts to enhance electrical safety in Ontario. Through our Values and Strategic Pillars, we aim to foster a culture of safety, collaboration and continuous improvement.

ESA's vision is an Ontario where people can live, work and play safe from electrical harm now and into the future. In order to implement this vision in today's world of ever-changing technology and electrification, we must keep pace with the adoption of new technologies, amid aging infrastructure and evolving concerns about potential electrical harms.

The transformation of the electricity sector dictates that ESA must also adapt quickly by being actively aware of changes, ensuring we are value-add and have a good understanding of changes sooner rather than later so that we can appropriately regulate and educate in a timely manner.

ESA remains committed to being a partner in this electrification ecosystem that will ensure a robust electrical safety culture in our sector. Our goal is to be a relevant and collaborative safety regulator that plays a meaningful role in the electricity ecosystem as it evolves. We also want to reduce regulatory and administrative burdens for our stakeholders and customers – to motivate compliance, without sacrificing safety.

In the inaugural year of the Strategic Plan, we are building on already solid foundations to support the electrification transformation while understanding economic uncertainties as we plan for this fiscal year and beyond.

These priorities are our goals for making electrical safety a reality across Ontario.



**PILLAR 1:
Increase Electrical Safety Awareness**

ESA identified a critical need to enhance electrical safety awareness across Ontario. As we strive to maintain a strong reputation as a regulatory body focused on safety, it is essential that we actively promote safety among diverse audiences through a myriad of channels. By focusing on awareness, we can impact a culture of safety – a fundamentally proactive approach. By leveraging data-informed decision-making and embracing new technologies, we can effectively engage broadly with the diverse communities in our province, including Indigenous communities and newcomers.

In addition, for the last several years, ESA has adopted a Harm Life Cycle approach to addressing electrical safety risks. Once a harm is understood and evaluated on a risk basis, ESA works to prioritize resources to mitigate it based

on the impact the harm reduction actions are expected to have on Ontarians and the impact we can make in reducing it.

In some cases, this may mean that we scale back active efforts when a harm has been mitigated, while continuing to monitor and reassess. In all of these efforts, we have strong working relationships that include data and information sharing with our safety partners.

ESA provides a crucial role in monitoring electrical related fatalities, injuries and incidents in the province. ESA analyzes this data to inform our strategies and works with collaborative partners to help create education and awareness across Ontario.

These critical data points inform ESA's targeted education and awareness campaigns.

Pillar 1: Increasing Electrical Safety Awareness	Activities Planned for FY26	Metrics
Further reducing electrical related harm through education and awareness.	<ul style="list-style-type: none"> » Targeted compliance education about permit-taking. » Powerline Safety campaign. » Hire an LEC campaign. » Product Safety campaign. » EV campaign. » Targeted sector communications regarding changes to the OESC related to pools. » Continued outreach to key safety partners to monitor emerging harms. 	Increase ESA Safety Influence by 2% annually – driving safety awareness and increasing awareness about ESA's role as a safety regulator. Baseline percentage of "ESA unaided awareness" question is 14%.

PILLAR 2:

Foster Compliance



Creating a regulatory environment that enables electrical safety is at the core of much of our work as a safety regulator. ESA is responsible for the administration and enforcement of Part VIII of the *Electricity Act, 1998 (Act)* and its regulations. ESA will continue to evolve and improve our approaches to overseeing compliance with the Act and regulations by our licence holders, Licensed Distribution Companies as well as overseeing the safety of electrical products sold in Ontario. We will also continue to educate, deter and initiate compliance/enforcement actions against those who might seek to work in contravention of the law in the underground economy. Leveraging risk-based prioritization efforts raises the already high standard of electrical services received by those in Ontario.

Fostering compliance is crucial for safeguarding electrical safety and protecting consumers in Ontario. As we strive to be a future-ready regulator, ESA recognizes the importance of adopting a progressive approach to compliance that balances enforcement with education. We understand the pressing need to address non-compliance, particularly in the underground economy, while using technology and data-informed practices to enhance our oversight capabilities.

By fostering a culture of compliance and innovation, we can support the safe integration of emerging technologies into our regulatory framework, ultimately leading to a safer electrified economy.

To achieve these compliance goals, ESA will employ technology and data analytics to detect and address non-compliant activities across the province. We will improve and expand our risk-based approach and processes to target our efforts, focusing on high-risk areas where non-compliance poses the greatest threat. Additionally, we'll strengthen our partnerships to enhance education and awareness initiatives aimed at encouraging compliance in the sector. By working closely with regulatory and industry partners, ESA will stay ahead of emerging technologies and trends. That way, our compliance efforts will evolve in line with sector changes. This proactive, adaptable approach will empower us to foster a safer and more compliant electrical landscape across Ontario.

To measure our success in fostering compliance, we will monitor the impact of our activities and investments in tools that support moving regulated individuals and companies into compliance. We will support the growth and capabilities of our regulated communities to deliver better outcomes for customers. We will use data to inform how and where there are emerging harms and compliance challenges, monitoring when and if compliance actions must be taken. We will focus our efforts where the risk is highest and measure the effectiveness of our harm mitigation efforts.

PILLAR 2:
Foster Compliance



Pillar 2: Fostering Compliance	Activities Planned for FY26	Metrics
<p>Creating a regulatory environment that fosters compliance through an escalating series of actions from education through to administrative penalty orders and fines.</p>	<ul style="list-style-type: none"> » Increase awareness internally and externally on the benefits of hiring a Licenced Electrical Contractor. » Leverage data and machine learning to identify those working in the underground economy through information technology tools that streamlines the process to identify unlicensed work. » Increased reporting through internal and external leads to identify, report and where necessary investigate illegal work. » Continue to enhance the Administrative Penalty Order Process to more effectively tackle the underground economy. 	<p>Increase reporting of infractions – of individuals working illegally, without a license or without a permit – increasing by 2%, from a baseline of 5730.</p>

PILLAR 3:

Enhance Collaboration



During the development of the strategic plan, we interviewed many of our partners who echoed our belief in the importance of collaboration to enhance consumer protection and advance electrical safety. As we continue to evolve as a regulator, we recognize that building strong partnerships is essential for effective mandate execution. By prioritizing a partner-in-safety approach, we can ensure that our initiatives are well-coordinated and responsive to the needs of all, while maintaining our regulatory responsibilities.

ESA is dedicated to a collaborative approach, particularly with key players in Ontario's electrical safety landscape.

ESA will continue to develop its partnership network through the sharing of electrical safety expertise including with our advisory councils and other organizations such as: the Ministry of Labour, Immigration, Training and Skills Development of Ontario; the Office of the Fire Marshal; the Office of the Chief Coroner; and Health Canada. Where we believe that others can enable a larger harm reduction impact, we are actively working to partner to develop actions across organizations and work together. ESA aims to further our collaborations in the identification of potential harm solutions.

For the public and our regulated communities, this focus on collaboration means they can expect greater alignment, clearer guidance and more cohesive safety initiatives. The people we serve will benefit from a collaborative safety framework that brings together insights from diverse sectors, ultimately creating a more robust and coordinated approach to safety in Ontario. Collaboration will also broaden the reach and impact of ESA's consumer protection and safety programs.

We will measure our success enhancing collaboration by focusing on the strength and satisfaction of our partnerships across Ontario's electrical sector, and as appropriate, with those adjacent to the electrical sector. This includes tracking and measuring the safety value that partners, and ESA see through our continued collaborative efforts. Additionally, we'll look to assess the quality and effectiveness of our partnerships. By regularly evaluating the impact, our collaborative approach will amplify ESA's safety messages, bring meaningful improvements to safety and foster a more cohesive safety culture across the province.

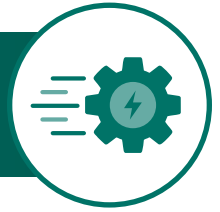
PILLAR 3:
Enhance Collaboration



Pillar 3: Enhancing Collaboration	Activities Planned for FY26	Metrics
<p>Enhance collaboration by focusing on the strength of our partnerships across Ontario's electrical, safety, education/college and labour sectors.</p>	<p>» Increase meaningful partnerships to support and leverage safety outcomes.</p>	<p>In FY26, embark on exploratory meetings and discussion with safety and industry partners to develop potential partnerships to enhance and leverage safety education and awareness.</p>

PILLAR 4:

Evolve Service Delivery

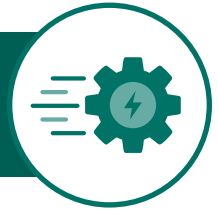


It has been over 25 years since ESA was part of the former Ontario Hydro. As we continue to evolve as a regulator, we seek to improve the ways in which we reduce harms. Throughout our five-year strategy, we will continue to work to improve our tools, processes, capabilities and the culture of our team to deliver on our safety purpose for Ontarians. ESA has always prided itself on providing a high level of service while efficiently managing costs. ESA is investing in our people and culture and enhancing the capabilities of our team to ensure that they are prepared to thrive in a diverse and inclusive environment. We are focused on developing a workforce that is ready for the future.

This means that ESA will invest in providing modern, digital tools and continue to update processes that drive value for customers. If it is easier for customers to interact with the ESA, it also encourages compliance.

As we evolve service delivery, this means taking concrete steps to grow and enhance the quality and efficiency of our services while ensuring long-term financial sustainability. For those choosing to work with ESA in our non-regulatory lines of business, we will monitor our revenue, profitability and client satisfaction. With our commitment to financial sustainability and workforce development, Ontarians can trust that ESA will continue to be a strong and capable organization that is ready to be a leader-in-safety and support the province's electrification goals well into the future.

PILLAR 4:
Evolve Service Delivery



Pillar 4: Evolving Service Delivery	Activities Planned for FY26	Metrics
<p>Grow and enhance the quality and efficiency of our services while ensuring long-term financial sustainability.</p>	<p>» Customer Service Standard Attainment through monthly on-line survey.</p>	<p>Overall Customer Satisfaction with ESA – meet or exceed 8/10 target.</p>
	<p>» Digitize Processes or Services that support efficiency and customer interactions.</p>	<p>Digitize two processes or services that supports efficiency and/or customer interactions.</p>
	<p>» Replace legacy SAP system & implement new enterprise platform.</p>	<p>Successfully complete the migration of the Licensing line of business to the new system that integrates with other parts of the business.</p> <p>Complete design for transitioning technical services and operational legacy platforms.</p>
	<p>» Enhance and sustain the ESA's cybersecurity maturity, with a rating measured quarterly, exceeding the public sector industry average.</p>	<p>Using the Cybersecurity BitSight measurement criteria, meet or exceed a rating of 740, surpassing public sector industry average of 710.</p>
	<p>» Focus on financial sustainability through the ESA's financial planning and reporting.</p>	<p>Meet the annual budgeted operating target.</p>
	<p>» Support and enhance the ESA's culture of safety and support ESA staff by reporting on the Lost Time Injury Frequency Rate (LTIFR) to drive safety outcomes within our organization.</p>	<p>Keep the Lost Time Injury Frequency Rate within a range of 3.0-4.0.</p>

Summary

As ESA embarks on the new strategic plan, *Empowering Safety, Energizing Tomorrow*, we will maintain focus on continuing to enhance and refine anticipating, understanding, and acting to reduce electrical harms.

By focusing on compliance, awareness, collaboration and service delivery, we will be well positioned to meet the evolving demands of our industry and contribute positively to the communities we serve.

We are committed to continuously reviewing and adapting our objectives to stay aligned with emerging technologies, the regulatory environment and external market dynamics.

As we work in alignment with risk-based prioritization principles, ESA will continue to enhance electrical safety in Ontario while ensuring consumers are protected.

PERFORMANCE MEASURES



PERFORMANCE MEASURES

The ESA has additional performance measures, set forth by the Ministry, which are reported on through the Annual Report.

These measures include:

- Improving electrical safety by reducing the combined critical injuries and electrical fatalities, with a renewed goal for a 5% decrease in the combined rate of electrical fatalities and critical injuries (based on the 5-year rolling average) by 2030
- Assessing the effectiveness of the risk-based inspections model by targeting the percentage of high- and medium-risk notifications inspected/visited (85% and 50%, respectively);
- Improving organizational excellence and cost effectiveness by increasing ESA's operational efficiencies, and measuring a 3% improvement over 5 years;
- Improving accountability by maintaining a stakeholder accountability score of 8.2 out of 10;
- and improving customer satisfaction by maintaining a customer satisfaction rate of 8.0 out of 10.

CORPORATE RESOURCES



CORPORATE RESOURCES

Financial Resources

ESA executes a variety of compliance, operational, enforcement, research, education, training, and other programs throughout the year. At the same time, ESA must ensure its long-term sustainability so it can continue to meet its mandate in years to come.

The budget is a practical financial plan which reflects changing financial circumstances, strategic priorities, and market conditions in support of ESA's strategic goals and financial sustainability.

ESA's revenues come from a variety of sources including fees assigned to regulatory processes such as permits for doing electrical work, licences for Licensed Electrical Contractor's (LECs) and Master Electrician (MEs), and safety oversight fees charged to Local Distribution Companies (LDCs). There is also revenue from programs including electrical plan review and Continuous Safety Services (CSS) contracts.

ESA is also permitted to operate non-regulatory services but only within the conditions of its Administrative Agreement with government and consistent with the objects of the corporation. ESA receives no tax revenue from the government and financial sustainability is a priority. ESA expenses are primarily people-related costs (salaries, wages, benefits, and pensions); expenses related to operations of the vehicle fleet; safety awareness programs; legal expenses, and oversight fees paid to government.

FY2026 Budget

The FY26 (April 1, 2025 to March 31, 2026) budget reflects volatile market conditions as well as the need for continued targeted investments. ESA expects to operate at a deficit over the budget period as it continues the execution of the Digital Strategy, while managing costs. In managing its annual financial performance, ESA seeks to achieve a break-even bottom line, and it will continue to focus on targeted investments to support the return to break-even by FY30.

To address inflationary pressures for FY26, an inflation-based fee increase of 2.2% was brought into effect on April 1st to support sustainability. The fee increase, in addition to other revenue increases, will reduce the budget deficit. However, ESA's total budgeted expenses of \$148.4 million excluding depreciation, which is an increase of 4.7% over the FY25 budget are in excess of the budgeted revenue of \$143 million and net interest income of \$1.2 million.

For the FY26 budget year, the organization is forecasting an operating deficiency of \$8.8 million, and a bottom-line deficit of \$7.6 million after the contribution of net interest income of \$1.2 million.

CORPORATE RESOURCES

REVENUES

Total operating revenues are budgeted at \$143 million, an increase of 6.0% per cent from the FY25 budget. This reflects budget increases mainly in residential and commercial wiring, Continuous Safety Services (CSS) program and in non-regulated, Electrical Safety Authority Field Evaluations (eSAFE).

EXPENSES

Operational expenses are budgeted at \$151.8 million including amortization of \$3.4 million, an increase of 5% per cent from the prior year budget. The effects of inflation and economic uncertainty related to tariffs imposed by the United States are expected to impact many sectors and businesses, including ESA.

As labour and fleet costs are rising, the ESA continues to make investments into our systems, including IT, to deliver burden reductions and streamline processes for customers.

Total labour-related costs – salaries, wages and benefits, pension and other post-employment benefits (OPEB), increased over the prior year budget. The main cause for the increase was the salary and wage expense increase as defined by the collective agreements. This was offset by favourable budgeted pension and OPEB expenses.

ESA's budget reflects increased expenses in computer software and amortization in support of targeted investments in the digital strategy and replacement of legacy systems.

ESA has worked to reduce and restrain expenses in other expense categories.

FINANCIAL OUTLOOK

The following is a financial outlook for fiscal years 2026 through to 2030, based on current forecasts of performance and external economic factors. This outlook is reviewed annually and updated as required. ESA establishes detailed operating budgets in advance of each fiscal year.

CORPORATE RESOURCES

Statement of Operations (\$000's)	2026 Budget	2027 Projection	2028 Projection	2029 Projection	2030 Projection
Revenue	143,045	149,263	156,560	164,036	170,328
Expenses	148,437	154,891	158,537	162,386	165,677
Surplus (deficiency) before depreciation	(5,392)	(5,628)	(1,977)	1,651	4,651
Depreciation	3,400	3,800	4,200	4,600	5,000
Surplus (deficiency) from operations	(8,792)	(9,428)	(6,177)	(2,950)	(349)
Other Income (loss)	6,132	5,742	5,829	5,733	6,207
OPEB-Interest Expense	(4,965)	(5,211)	(5,468)	(5,842)	(5,842)
Net Interest Expense	1,167	531	361	(109)	365
Surplus/(deficiency) for the year	(7,625)	(8,897)	(5,816)	(3,059)	16

Environmental Context

While ESA's Strategic Plan defines our priorities for a five-year period, we monitor developments in the marketplace, technology, regulation and government policy, as well as other factors that could create opportunity or risk for our strategy.

Environmental scanning efforts are ongoing and receive particular focus in the annual Board and executive strategic planning session, executive and senior management team meetings, staff planning sessions, and via our enterprise risk management system.

Key external factors that are expected to impact ESA and its mission in the years ahead include:

- Fundamental changes resulting from the energy transition taking place in Ontario, as well as democratization of the electricity system structure, in particular, installation of generation, distribution, storage and demand management technology on the customer side of the meter, which is typically under the scope of the Ontario Electrical Safety Code (Safety Code).
- The changing legal environment and potential changes in the sharing of data and information.
- Data analytics are an area of focus with data driven operations, artificial intelligence (AI) to understand the nature of harms, increasing public demand for digital services and sharing of data between regulators and the public, which results in the need to ensure we have appropriate quality, accuracy and data security.
- With the increasing popularity and use of smart technology such as electric vehicles, smart homes, micro-grids etc. there is a need for ongoing monitoring of potential electrical harms and the need to partner with stakeholders to understand the technology and respond in a timely fashion.
- Intensifying weather patterns threaten electrical infrastructure and access to the safe use of electricity as a result.
- International technology changes and the need to understand and maintain product approval requirements to Canadian and Ontario safety standards for electronic products.
- Aging Infrastructure and improperly maintained electrical systems continue to pose fire and electrical shock risk.

We must continually develop our technical expertise and ensure we have capacity to manage a broadening scope and complexity of electrical installations; hence the evolution to a more risk-based approach for inspections and right-touch regulation that emphasizes safety and compliance.

At the same time, we are required to meet public expectations as a responsive regulator providing good customer service, effective education, awareness building, and timely support with emerging technologies.

Enterprise Risk Management (ERM)

ESA employs a structured ERM approach to monitor and manage risks critical to achieving its strategic and business objectives. This framework, central to ESA's strategy, enables proactive identification, assessment, and mitigation of risks, ensuring the organization can effectively fulfill its mandate. The ESA's risk appetite has been defined to align with its vision and purpose with a focus on its role as a modern regulator, keeping safety as the top priority.

ESA classifies risks and risk events into five broad categories, engaging risk owners and their teams in evaluating the status of inherent and residual risks. The five risk categories include: finance, IT, operations, strategic and people and culture. This comprehensive assessment aids in understanding potential consequences and formulating mitigation strategies within ESA's defined risk appetite. Key risk indicators are established for ongoing monitoring.

Mitigation efforts focus on electrical safety, regulatory compliance, changing economic conditions and ensuring the continuity of ESA's critical services. These cost-effective measures aim to limit the impact of risks to acceptable levels. The organization has developed extensive Business Continuity, Disaster Recovery, and Crisis and Emergency Management plans to support these efforts.

Risk owners review risks and the effectiveness of mitigation strategies on a quarterly basis, paying close attention to medium and high-level risks to enhance protective measures as needed.

ESA provides quarterly ERM reports to the Board and its Committees, offering detailed analyses of significant risks and the actions taken or planned to address them.

Aligned with industry best practices, ESA's ERM framework is designed for continuous improvement, with plans for ongoing enhancements through the FY26 period and beyond.



CORPORATE POLICIES, PRACTICES AND PROCEDURES

CORPORATE POLICIES, PRACTICES AND PROCEDURES

ESA continually reviews and renews its internal corporate policies, practices and procedures to comply with all legislative requirements.

Accessibility

ESA developed an Accessibility Plan to ensure our operations prevent and remove barriers to meet *Accessibility for Ontarians with Disabilities Act, 2005* (AODA) guidelines. ESA is fully committed to meeting the obligations under the AODA through the establishment of policies and processes to assist persons with disabilities, including the Integrated Accessibility Standards Policy.

Building on ESA's Integrated Accessibility Standards Policy, ESA is committed to treating all people in a way that allows them to maintain their dignity and independence. ESA believes in integration and equal opportunity. ESA is committed to meeting the accessibility needs of persons with disabilities in a timely manner and will do so by preventing and removing barriers to accessibility and meeting requirements under the AODA and its Regulation including meeting or exceeding the following standards:

- Accessibility standards
- Customer service standard
- Information and communications standard
- Transportation standard
- Employment standard, and
- Design of public spaces standard.

Appeals Process

ESA is committed to providing individuals with the opportunity to request a review of orders or licensing decisions as they arise. In this regard, ESA has established and will continue to execute a fair and transparent appeals process to facilitate the right to appeal orders and specific licensing decisions. The appeals process, which can be reviewed at www.esasafe.com, defines specific steps and timelines to respond to an appeal pertaining to the OESC, licensing matters, electrical utility distribution and product safety.

Code of Conduct

ESA's Code of Conduct (Code), available at www.esasafe.com, provides a framework within which all day-to-day activity takes place in alignment with ESA's mandate and values. The Code also provides ESA's Board of Directors and stakeholders with a concrete statement of standards of conduct against which our actions can be measured.

Complaints

ESA views complaints as valuable opportunities to strengthen customer and stakeholder relationships. We respond to complaints received from customers, stakeholders and the public and also monitor the nature and frequency of complaints to spot potential problem areas in the business.

Complaints are viewed as valuable opportunities to strengthen customer relationships. ESA provides information and encourages two-way communication at all levels to ensure it is continually improving service quality.

In exceptional cases, we may reopen a complaint file if significant new evidence surfaces after we close the file.

At each stage, ESA will acknowledge the complaint within two business days. We will formally respond within 10 business days of that acknowledgement. If we need more time, we'll let you know in writing (unless it is a Stage 1 verbal complaint) how many business days we expect to complete the stage. We'll also share the reasons for the delay.

Where possible, complaints are handled at the source. If a complainant is not satisfied at the initial stage, the complaint can be formalized and processed through two additional stages of resolution, ultimately resulting in a review and final response from the Chief Ethics Officer.

For more information, please visit:
www.esasafe.com/complaints/.

French Language Services

The ESA is committed to providing French Language services upon request. Calls and inquiries to ESA Customer Service can be addressed in French. In addition, the ESA is able to administer a French Language Masters Electrician Exam when requested in advance. ESA's website, www.esasafe.com, also includes French translation on priority content, including a new Homeowner Electrical Safety Handbook Guide that is value add for both Homeowners and Licenced Electrical Contractors.

Non-Regulatory Business

ESA can engage in non-regulatory business activities in accordance with its Administrative Agreement in addition to its statutory mandate. ESA will only engage in non-regulatory business ventures that promote and enhance electrical safety and are consistent with its objects, vision and mission. In addition, ESA has internal policies and processes it follows when engaging in non-regulatory business ventures in order to meet its obligations and compliance reporting requirements as established under the Administrative Agreement. More information can be found here: esasafe.com/nonregulatory-business/.

Privacy

ESA is committed to maintaining the accuracy, security and privacy of personal information in accordance with the terms of its Access and Privacy Code required by the Administrative Agreement with the Government of Ontario, its Customer Privacy Policy and applicable privacy laws. ESA 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 corporate operations, develop and enhance services, and meet legal and regulatory requirements. Due to the importance of information exchange in maintaining public electrical safety, ESA discloses and disseminates records in accordance with the request for information processes set out in its Access and Privacy Code. The Access and Privacy Code provides a right of access to records in ESA's custody and control unless one of the specific exemptions identified in the Code applies.



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