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September 5, 2019

Brennen Young  
Director  
Policy and Strategic Planning, Regulatory Affairs Sector  
90 Elgin Street 8<sup>th</sup> Floor  
Ottawa, Ontario K1A 0R5

Dear Mr. Young,

Thank you for the opportunity to submit comments on the regulatory modernization initiatives to the Government of Canada.

The Canadian Propane Association (CPA) is the national association for the propane industry, and our vision is to promote propane as a safe, clean, versatile and innovative energy product. We understand that regulatory requirements are in place to protect public safety and the environment, and we believe we can reduce regulatory burden while still managing safety and the environment.

If you have any questions, feel free to contact me at 613-799-0935, or by email at [rebeckakeeler@propane.ca](mailto:rebeckakeeler@propane.ca).

Sincerely,

Rebecca Keeler, P.Eng.  
Vice-President, Regulatory Affairs and Safety

1. Targeted Regulatory Reviews (Round 2);

- (1) In your view, are there existing regulatory requirements or practices that impede economic development, competitiveness, or growth for your firm or sector?

Increased flexibility for regulatory changes would help assist industry and authorities having jurisdiction in keeping pace with new innovations in the industry. Currently the industry has issues with new technologies not having standards in Canada, resulting in long delays to use the technology, or rejection from local regulators. For example, in the propane industry, we use vaporizers, currently there is only an approved standard for direct fired vaporizers ULC/ORD-C1349. This standard is adopted through the CSA B149.2 Propane Storage and Handling Code. For water bath vaporizers there is no Canadian accepted standard, so each provincial regulatory body treats these differently, which results in the technology being difficult to adopt in Canada. We suggest a system to quickly recognize existing standards applicable to federal regulations (if available for the technology) or have an interim process of approval is consistently applied across the country if no standard is available to shift to mutual recognition of technology.

- (2) Are there existing or emerging technologies, processes, or products in your firm or sector, including the clean technology sector, facing barriers because of federal regulations? In particular, please identify how digitalization, technology-neutral regulations, or the application of international standards could reduce the regulatory burden for your firm or sector, or improve your ability to compete. What opportunities do you see for improved user experience in navigating regulatory requirements?

New technology that does not meet the current prescriptive regulations, like the example of the vaporizers in 1 (1), occurs across the propane industry. Improved user experience could be accomplished through opportunities to collaborate and work with other industry and standard development organizations such as National Propane Gas Association (NPGA), Canadian Standards Association (CSA), Transport Canada (TC) and National Fire Protection Association (NFPA).

An example of where this collaboration would be beneficial is in the auto propane industry. The auto propane industry is restricted by the acceptance of American conversion kits in Canada federally and from the provinces. It would be beneficial to have a process for quick review and acceptance mechanism or have mutual recognition of standards. Being a small industry with environmental benefits, this regulatory impediment is restricting adoption of new technologies in this sector.

- (3) How can regulations further support innovation in your sector? What opportunities do you see for regulatory experimentation (e.g. pilots or regulatory co-development) in support of clean technology, digitalization, technology-neutral regulations, or the application of international standards in regulation? Please provide concrete examples, if possible.

We see an opportunity to collaborate on pilot projects for the renewable propane sector. With the release of the Federal Clean Fuels Standard, we feel that there is no current support to integrate this into the regulations. If we were able to facilitate a pilot and develop a clear path forward for the renewable propane industry, it would result in more regulatory certainty and achievement of the goal of the Clean Fuels Standards.

International standard adoption or mutual recognition that would benefit the propane industry is in the field of propane cylinders. Since recreational vehicles (RVs) move cylinders across the Canada-US border, harmonization would be beneficial. For 420 lb propane tanks, the Transportation of Dangerous Goods Regulations (TDG) adopts the CSA Standard B340: Selection and use of cylinders, spheres, tubes, and other containers for the transportation of dangerous goods Class 2. The code requires that the CGA S-1.1 (or S7): Pressure Relief Valve Device Standards is followed, which requires the 10 year replacement interval. The US 49 CFR allows for a longer replacement period contingent on a visual inspection. This allows for more flexibility based on the condition of the cylinders and reduces the transportation of cylinders on the road.

2. Review of the Red Tape Reduction Act;

- (1) Administrative burden is defined in the RTRA as anything that is necessary to demonstrate compliance with a regulation, including the collecting, processing, reporting and retaining of information and the completing of forms. Does this definition capture your interpretation of administrative burden? Please explain why or why not.

We would also include administrative burden in terms of compliance of regulations that are duplicative between the municipalities, the province and the federal government. This causes excess burden, specifically in the emergency response regulatory field, where plans have different requirements from the provincial and federal level. One plan that meets the intent of all the regulations and alignment with objectives would be beneficial.

- (2) The objective of the RTRA is to control the administrative burden that regulations impose on business. Has the RTRA had an impact on your organization or sector and, if so, how?

- (3) Do you find regulators' estimates of administrative burden cost in line with your experience or consistent with your own data? Would you be willing to share more of your costing data to provide regulators with more information to design offsets of costs?

No, because the estimate does not include cumulative effects of federal, provincial and municipal regulations.

We would be willing to share information for specific regulations and codes to assist in reducing regulatory burden, if privacy of information is adhered to.

- (4) What more should be done to reduce administrative burden? Please provide concrete examples, if possible.

Equivalency certificates under the Transportation of Dangerous Goods Regulations (TDGR) are required for normal operations of the industry. We currently hold SU 10644, SU 11028, SU 11123, SU 11248, SU11577 and SU 12435, which are widely acceptable practices in the industry. In such cases, we recommend these are incorporated quickly into the TDGR and the associated codes to eliminate the regulatory burden to apply for these certificates.

Duplication of requirement between provinces and federal regulations result in cumulative regulatory burden. One example is the requirement of a risk and safety management plan (RSMP) under Ontario Regulation 211/01 with the Technical Safety and Standards Authority (TSSA), and the requirements under the Environmental Emergency Regulations from Environment and Climate Change Canada (ECCC). Both require a plan that have similar requirements, but since the regulations have prescriptive requirements companies need to prepare and write separate plans. For our Ontario members, if there could be mutual recognition of the RSMP, which is a more rigorous requirement, for the Environmental Emergency Regulation, that would reduce the regulatory burden that these facilities experience. This duplication applies to other provinces as well.

3. Exploring options to legislate changes to regulator mandates; and
- (1) What approaches should TBS consider to legislate regulatory efficiency and economic growth as an integral part of regulatory mandates?

There should always be an analysis of federal, provincial and municipal regulations to align on regulatory outcomes and reduce the duplication of mandates.

We commonly experience issues where provincial regulations result in barriers in labor and trade. One example is the gas fitters regulations in each province are different, resulting in limited mobility of gas fitters across the country. We suggest having a federal mechanism to recognize a common approach across the provinces.

- (2) How should the Government measure the impact of regulations on competitiveness?

We suggest quantifying with support of industry.

- (3) How should the Government define and measure the cumulative burden of regulation?

When measuring the cumulative burden of regulation, we should look at all levels federal, provincial and municipal to reduce duplication resulting in cumulative burden.

- (4) What should regulators consider to achieve positive impacts on competitiveness and their regulatory objectives (i.e. objectives to protect or improve health, safety, security, social and economic well-being, and the environment)?

They should consider goals such as reducing GHGs, and level playing field for all industry. The very limited inclusion of propane from the Greenhouse Gas Pollution Pricing Act (GGPPA) is an example of a missed opportunity. By offering an exemption for gasoline and diesel in agricultural applications and providing no such allowances for low-emission propane, the GGPPA will push farmers to revert to more polluting fuels, which we believe is “getting it wrong”. The net effect of the GGPPA as it pertains to agriculture is that fuels with higher carbon intensity like gas and diesel will be subsidized. As a low-emission fuel, it is inconsistent that on the one hand propane is recognized as a cleaner fuel that will reduce GHGs and Particulate Matter and yet not be listed as an exempted fuel for agricultural applications under the GGPPA.

4. Suggestions for the next annual Regulatory Modernization Bill.

- (1) Is there legislation that prohibits the regulatory flexibility and/or experimentation necessary to allow emerging technologies to enter the market?

The legislative requirements under the Transportation of Dangerous Goods Regulations and the associated adopted codes, restrict the flexibility for new technology because they are extremely prescriptive.

- (2) Is there legislation that requires regulated parties to make use of outmoded technologies and practices (e.g. fax machines, wet signatures) that should be updated?

The regulations are slow at adopting new technologies which makes it easier for companies to use their existing equipment, see example of the vaporizers in 1(1).

- (3) Are there any federal legislative requirements that are duplicative, redundant, out-of-date, or unclear?

Duplication of requirement between provinces and federal regulations. One example is the requirement of a risk and safety management plan (RSMP) under Ontario Regulation 211/01 with the Technical Safety and Standards Authority (TSSA), and the requirements under the Environmental Emergency Regulations from Environment and Climate Change Canada (ECCC). Both require a plan that have similar requirements. For our Ontario members, if there could be mutual recognition of the RSMP for the Environmental Emergency Regulation, that would reduce the regulatory burden that these facilities experience.

There are duplicate inspection processes and costs for propane bulk trucks and trailers in Ontario by TSSA and Transport Canada. This applies to other jurisdictions in Canada as well. Working on mutual recognition or harmonization between the regulators would be helpful to reduce the administrative burden.

Another discrepancy in regulatory requirements is between rail facilities regulated under provincial versus federal regulations. On federal property, facilities are regulated under Liquefied Petroleum Gases Bulk Storage Regulations, and provincially regulators accept CSA B149.2. Having this difference in regulations causes confusion and extra administrative burden for companies that need to follow both regulations.