

Rule 317.1 Implementation - Frequently Asked Questions

Topic: Rule 317.1 Applicability

1. What is Rule 317.1 and is my facility subject to Rule 317.1?

Rule 317.1 applies to owners or operators of major stationary sources of Volatile Organic Compounds (VOCs) and Nitrogen Oxides (NOx). It requires applicable facilities to either reduce their emissions by 20 percent from a specified emissions baseline or pay a Clean Air ACT (CAA) nonattainment fee upon the U.S. EPA issuing a final finding that the area has failed to attain the 1997 and 2008 ozone standards until the area is redesignated as an attainment area for that ozone standard.

2. What is a Major Stationary Source?

Major Stationary Sources are facilities located in the South Coast Air Basin or Coachella Valley that emit or have the potential to emit 10 tons or more of VOC and/or NOx per year excluding fugitive emissions unless the source belongs to one of the categories listed in paragraph 2 of the definition of major source in 40 CFR Part 70, Section 70.2.

3. Why did my facility receive a Notice of Rule Applicability?

A Notice of Rule Applicability has been issued to Major Stationary Sources in South Coast Air Basin based on facility Potential to Emit and Title V status in 2024 (Stage I Notice) and list of recipients is available [here](#). When actual emissions data for year 2024 is available, another notice will be issued in early fourth quarter of 2025 and will include additional facilities based on actual emissions in year 2024, excluding recipients of the Stage I notice. Future notifications will be issued for new Major Stationary Sources.

4. Why did I receive a notice if my actual emissions are below the 10 tons per year for NOx and/or VOC?

Non-attainment fees apply to Major Stationary Sources (see question number 2 for more details); therefore, even if the facility's actual emissions are low, a facility may still be subject to Rule 317.1 due to its potential to emit.

5. What is the difference between actual emissions and Potential to Emit (PTE)?

Actual emissions refer to the emissions of a pollutant from an affected source determined from actual emission rates based on emissions generating activity for the reporting period in question, typically calendar year activity. PTE is defined as the maximum capacity of a facility to emit an air pollutant based on its physical design, operational design, and permit conditions. Any physical or operational limitation on the capacity of the facility to emit a pollutant shall be treated as part of its design only if the limitation is legally and practically enforceable by the EPA or by the South Coast AQMD. A facility's PTE may be higher than its actual emissions and may trigger 317.1 applicability.

6. How do I determine my facility's Potential to Emit (PTE)?

The South Coast AQMD tracks a facility's PTE in one of two ways: as a Cumulative Permit PTE and as a NSR Facility PTE. Cumulative PTE is calculated based on the sum of the limits in all active permits to operate, while NSR Facility PTE is a system based running total that is electronically updated following an NSR event, such as new construction or permit modification involving an emissions increase. The NSR Facility PTE may not reflect permit inactivation since they are not NSR events and are updated following the next NSR event. If the Cumulative Permit PTE differs from the NSR Facility PTE, the South Coast AQMD initially will conservatively treat the facility based on the higher of the two values as part of any NSR event and thoroughly reviews the records to update the system and ensure proper NSR status. South Coast AQMD released a spreadsheet with the "List of Recipients and PTE by Equipment" on December 13, 2024, which can be found on the website here:

<https://www.aqmd.gov/home/rules-compliance/compliance/rule-317-1>. If you're uncertain about your facility's PTE or have questions, reach out to your facility permit engineer.

7. What if my facility is in process of exiting the Title V program, or closure?

If a facility is in the ongoing process of exiting the Title V program or is facing closure, the facility should reach out to South Coast AQMD staff to discuss their options. For more information on how your facility should proceed, contact your designated permit engineer.

Topic: Rule 317.1 Nonattainment Fee

8. When is the first fee assessment year?

Fee Assessment Year is the calendar year when emissions occurred for which the CAA Nonattainment Fee is being calculated and assessed. For 1997 ozone standard, the first Fee Assessment Year is 2025. Emissions in year 2025 shall be reported in 2026 and the first nonattainment fee will be determined.

9. If my facility is a Major Stationary Source for VOC only, is my facility subject to nonattainment fee for its NOx emissions?

A facility is subject to nonattainment fees for VOC or NOx if emissions are above 80% of the Annual Baseline for the respective pollutant. For example, if a facility is a Major Stationary Source for VOC but not for NOx, the facility is subject to nonattainment fees for its VOC emissions only and vice versa.

Topic: Rule 317.1 Exclusion Plan

10. What are the qualifying conditions for Rule 317.1 Exclusion Plan?

Facilities that have triggered Rule 317.1 applicability are eligible for the Rule 317.1 Exclusion plan if they meet the following conditions:

- The facility's most recent five years of AER data do not exceed 80% of the major source threshold (8 tons per year).
- Acceptance of a condition in the Rule 317.1 Exclusion Plan that limits the facility's total VOC and/or NOx emissions, consistent with the Rule 317.1 definition of Major Stationary Source to less than the Major Stationary Source thresholds annually. Facilities may choose to take a total facility limit based on the emissions reported through the AER program.
- Acceptance of a condition in the Rule 317.1 Exclusion Plan that requires monthly recordkeeping of all VOC and/or NOx emissions, as applicable, at the facility. Records shall include equipment type, application number, emission factors, and all operating parameters used to calculate emissions subject to the rule.
- Acceptance of a condition in the Rule 317.1 Exclusion Plan that requires the facility to notify the Executive Officer if the facility's annual total VOC and/or NOx emissions exceeded the Major Stationary Source threshold, no later than February 1 of the following year.
- Acceptance of a condition in the Rule 317.1 Exclusion Plan that requires the records of the facility's monthly and annual emissions to be signed and certified for accuracy by the highest ranking individual responsible for compliance with South Coast AQMD rules.
- Acceptance of a condition in the Rule 317.1 Exclusion Plan that requires the facility to report actual emissions annually either by using the AER program or another mechanism.
- Acceptance of a condition in the Rule 317.1 Exclusion Plan that requires the facility to keep all records in a format acceptable by the South Coast AQMD and retained at the facility for a minimum of five years. Records shall be made available to South Coast AQMD representatives upon request.

For more details on the Rule 317.1 exclusions plans, please see the 317.1 Staff Report p 2-16:
<https://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2024/2024-jun7-024.pdf?sfvrsn=4>

11. What if my facility has not been active for the required 5 years of recordkeeping to be part of the Exclusion Plan?

Facilities that have not been active for the required 5 years are not eligible to be part of the Rule 317.1 Exclusion Plan.

Example 1 - A new Title V facility, active in 2025, with PTE exceeding 10 tons per year is not eligible for the Exclusion Plan.

Example 2 – An existing Title V facility going over change of ownership in 2025. The new owner, with a new facility ID, may be eligible for Rule 317.1 Exclusion Plan. Please consult with your permit engineer for your specific case.

12. Does Title V Exclusion differ from 317.1 Exclusion?

Yes, Title V program exclusion is different from Rule 317.1 exclusion. A Title V exclusion can accomplish Rule 317.1 exclusion, but typically have longer processing times, permit evaluation and conditions, and additional processing fees. A Rule 317.1 exclusion applies only for the associated fees and has a different application process and will maintain Title V status if applicable. For more details on the Rule 317.1 exclusions plans, please see the Rule 317.1 Staff Report p 2-16:
<https://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2024/2024-jun7-024.pdf?sfvrsn=4>

13. What is the difference between Rule 317.1 Non-applicability Determination and Rule 317.1 Exclusion Plan?

If a facility does not believe is subject to the rule (e.g., actual emissions and PTE are less than 10 tons per year), the facility can submit a [Rule 317.1 Request for Non-Applicability Determination Form](#) which allows facilities to provide supporting documentation for the district to re-evaluate applicability to Rule 317.1 when both the facilities actual emissions and PTE are below 10 tons per year for VOCs and/or NOx. This form is different from the Rule 317.1 Exclusion Plan which allows the facility to propose a plan to reduce their emissions to no longer meet the definition of Major Stationary Sources in Rule 317.1, and thus not subject to the rule. For more details on the Rule 317.1 Exclusions Plans, please see the 317.1 Staff Report p 2-16: <https://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2024/2024-jun7-024.pdf?sfvrsn=4>.

14. What is the application process for Rule 317.1 Exclusion Plan?

A facility would need to submit Form 400-A, Form 400-CEQA, Form 317.1, and submit applicable plan fees in Rule 306. In addition to these forms, Title V facilities may need to submit a Title V revision application and will require revision fees. The exclusion plan application will need to include documentation to verify basis of exclusion request. More information on the required forms can be found on the following website: [Permit Application Forms](#).

15. Where can I find more information on the AER program?

Facilities can visit the AER webpage, which contains guidance for Rule 317.1 reporting, as well as other resources to help facilities with the reporting process. An AER program public workshop held on January 15, 2025, presented the AER process and reporting requirements. The AER webtool can be found on the following website: <https://aerreportingtoolpro.aqmd.gov/>.

For more information on the AER program, please use the following website and contact information:

AER Webpage: <https://www.aqmd.gov/aer>

Email: aer@aqmd.gov

Hotline: (909) 396-3660