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# COP27 Update: The U.S. Weighs in With Regulatory Proposals

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As COP27, in Sharm El Sheikh, Egypt, enters its second and final week, the rate of climate-reduction initiatives by regulators and global leaders continues unabated. In the U.S., on November 10, the Biden Administration announced new federal rules that will require federal government suppliers to disclose emissions in an effort to protect supply chains from climate-related risks. The White House **press release** accompanying the announcement states that the U.S. federal government is the world's largest buyer of goods and services—purchasing over $630 billion in the last fiscal year—and that over half of federal contractors were already disclosing "climate related information" through CDP. For further details on CDP, please see our recent Cadwalader Climate **post** discussing developments on the platform.

The proposed Federal Supplier Climate Risks and Resilience Rule will require "the largest suppliers including Federal contractors receiving more than $50 million in annual contracts" to publicly disclose "Scope 1, Scope 2, and relevant categories of Scope 3 emissions, disclose climate-related financial risks, and set science-based emissions reduction targets." Federal contractors with more than $7.5 million but less than $50 million in annual contracts would be required to publicly report Scope 1 and Scope 2 emissions. Federal contractors with less than $7.5 million in annual contracts would be exempt from the rule.

And one day later, on November 11, the EPA released an **update** to its 2021 proposed methane reduction rule. The supplemental rule includes, among other things, a "Super Emitter Response Program" that would require oil and gas operators to identify and respond to large leaks and emissions events identified by EPA-approved third parties. In addition, the proposed rule would further limit the use of flares to burn off unwanted methane from oil and gas wells. According to the Agency, the proposed rule as supplemented would reduce methane emissions from the U.S. oil and gas sector by 87 percent below 2005 levels by 2030.