

Fed will stay out of climate policy, Chairman Powell pledges

Chairman Jerome Powell said the Federal Reserve would not make policy related to climate change, a response to Republican warnings that the Federal Reserve was going beyond its remit to push green policies.

Powell, in a speech Tuesday, stressed the importance of keeping the Fed within the bounds of its congressional mandate, which is to focus on keeping inflation at a healthy level and pushing for full employment. Some Democrats have tried to pressure the Fed to act on climate change, and Powell's speech is a key sign that he has no intention of doing so.

"Without explicit congressional legislation, it would be inappropriate for us to use our monetary policy or supervisory tools to promote a greener economy or to achieve other climate-based goals," Powell said.

"We are not, and will not be, a 'climate policymaker,'" he added.

Still, the Fed has waded into the climate fight a little bit.

The Fed announced last month that it is soliciting public comment on the proposal for what it characterizes as a "high-level framework" for financial institutions with more than \$100 billion in total assets to manage financial risk associated with climate change.

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