

JEROME POWELL HAS FAILED TO ACT ON CLIMATE

Is the Fed even allowed to do anything on climate change?

[It is the Fed's responsibility to manage macro-level risks to the financial system, and nothing poses a greater risk to economic stability than climate change.](#)¹

[President Biden has already issued an executive order on climate finance.](#)²

[President Biden nominated Graham Steele for a key Treasury position interfacing with the Fed. Graham wrote an influential white paper on how Dodd-Frank demands regulators generally, and the Fed specifically, respond to climate change.](#)³

Is it fair to criticize Powell for climate inaction?

[Powell bent to pressure from the oil and gas lobby to change Main Street Lending Facility rules to bail out the fossil fuel industry, which was struggling pre-pandemic.](#)⁴

[Central banks in Europe and Asia have been issuing climate-related rules for years.](#)⁵

[Powell only joined the Network for Greening the Financial System after the Electoral College had certified Joe Biden's win, meaning he had the power to join this group for years, but only did it when it was politically convenient for him.](#)⁶

What could a different Fed do to fight climate change?

[The Fed can mandate that large, private financial companies divest holdings in carbon-intensive industries which are destabilizing and risky.](#)⁷

[The Fed can assess banks for climate risks during stress tests.](#)

[The Fed can add climate-related risks to its own supervisory and examination work.](#)

¹ [A Regulatory Green Light: How Dodd-Frank Can Address Wall Street's Role In The Climate Crisis](#), Graham Steele, The Great Democracy Initiative

² Executive Order On Climate-Related Financial Risk

³ "Biden To Tap Former Hill Aide For Top Treasury Post Overseeing Financial Rules", Kate Davidson and Andrew Restuccia, Wall Street Journal

⁴ [The Fed's Oil And Gas Bailout Is A Mistake](#), Gregg Gelzinis, Michael Madowitz and Divya Vijay, Center for American Progress

⁵ "ECB To Flex Its Financial Muscle In Climate Change Fight," Balazs Koranyi and Mark John, Reuters

⁶ "Federal Reserve Board Announces It Has Formally Joined The Network Of Central Banks And Supervisors For Greening The Financial System, Or NGFS, As A Member," Federal Reserve

⁷ [New Federal Reserve Governors Must Deploy All Of The Institution's Tools To Advance The Public Interest](#), Eleanor Eagan, Revolving Door Project