2SLS

$$c_t = \alpha + \beta y_t + \gamma \underbrace{z_t}_{\text{exogenous}} + u_t$$

$$y_t = c_t + \underbrace{x_t}_{\text{exogenous}}$$

1) regress y_t on CNST, z_t, x_t, get $\hat{y}_t$

2) regress c_t on CNST, $\hat{y}_t$, z_t

x_t affects y_t but is uncorrelated with u_t