Bitcoin miners pressed on climate impact, power...
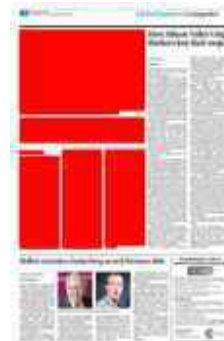By Josh Saul

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Bitcoin miners pressed on climate impact, power use

Josh Saul

Cryptocurrencies

A group of Democratic legislators led by US senator Elizabeth Warren is demanding details from six of the world's biggest bitcoin miners about their electricity consumption and greenhouse-gas emissions, a warning shot that comes amid growing concern over the cryptocurrency industry's environmental impact.

The eight legislators sent letters on Thursday (Friday AEDT) asking miners including Marathon Digital Holdings and Riot Blockchain to provide their facilities' annual electricity consumption, growth plans and impact on local power prices.

Cryptocurrencies have come under increasing fire for the industry's power consumption, which is now comparable to the entire country of Argentina.

The letters raise the stakes in Senator Warren's campaign to crack down on wasteful bitcoin operations after she sent a similar request in December to Greenidge Generation Holdings, which powers its upstate New York facility with a natural gas plant.

They also come as the industry reels from bitcoin's near 50 per cent slump. "Given the extraordinarily high energy usage and carbon emissions associated with bitcoin mining, mining operations raise concerns about their impacts on the global environment, local ecosystems and consumer electricity costs," the legislators wrote.

The letters also went to Stronghold Digital Mining, Bitfury Group, Bitdeer Technologies Holding and Bit Digital. The miners have operations around the US and in countries such as Norway, Russia, Japan and Kazakhstan.

The letter to BitFury chief executive Brian Brooks asked him to provide details on the company's electricity needs and climate impact.

"What is your projected electricity consumption for crypto mining across all of your US facilities combined over the next five years? What are your projected associated carbon emissions for that mining?" the legislators wrote.

Mr Brooks defended the industry's energy consumption before a US House subcommittee hearing this month. "Bitcoin mining consumes a small but non-trivial amount [of] energy relative to the amount of value created, and that energy is on average drawn more from sustainable sources than the US electric grid as a whole," he told the committee.

Mining uses powerful computers to solve maths problems and order transactions on bitcoin's blockchain, with the fastest miners rewarded in bitcoin. The biggest miners have operations with tens of thousands of computers humming in warehouses that resemble data centres and consume vast amounts of electricity.

"The extraordinarily high energy usage and carbon emissions associated with bitcoin mining could undermine our hard work to tackle the climate crisis – not to mention the harmful impacts crypto mining has on local environments and electricity prices," Senator Warren said in an emailed statement.

Representatives of both Marathon and Stronghold said in emailed statements that they welcomed the chance to talk with the legislators. Stronghold, which uses coal refuse to generate power and mine bitcoin, said its facilities were helping to solve an environmental problem and could stabilise the power grid, rather than strain it.

The letters come as bitcoin miners face a crucial challenge following the token's 50 per cent plunge from an all-time high in November. While many mining operations made a handsome profit during bitcoin's gains over the past year, the slump may punish those with less efficient operations.

Streem

The cryptocurrency "mining" process requires eye-popping quantities of electricity. PHOTO: BLOOMBERG

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