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Another Voice: Bitcoin is the new fracking in harmful impacts

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Fracking for methane reserves in New York was supposed to be the environmental issue of our time. When the New York State Department of Environmental Conservation banned fracking in 2015, followed by a legislative ban in 2020, we all breathed a sigh of relief.

Now, we have a new issue that rivals the dangers of fracking in meeting the clean energy and climate agenda goals of the state's Climate Leadership and Community Protection Act (CLCPA).

Now the issue is Bitcoin. One of several cryptocurrencies that are not dependent on traditional currencies for value, these new forms of currency use a large amount of electricity. The Bitcoin Electricity Consumption Index at the University of Cambridge, England, estimates that the worldwide electric consumption for Bitcoin alone is more than the annual usage of the nation of Norway and nearly 12 times as much as Google uses.

Cryptocurrency mining operations in China are being shut down in an attempt to lower their carbon emissions. Coming from a country with huge emissions issues throughout its economy, this should be an indictment on the industry.

But as these operations are shut down, the mining operations (a fancy term for calculations done in cyberspace that create the cryptocurrency) move to a new location and Bitcoin mining operations have been popping up in New York over the past several years, drawn by its low-cost energy.

The state also has about 30 mothballed coal- and methane-fired power plants. One of these plants was reopened in Dresden – on Seneca Lake – and two years later, 100% of the power generated (enough to power 9,000 homes) was dedicated to a Bitcoin operation on site.

If the power does not reach the electric grid, the “behind the meter” power is not subject to any of the CLCPA clean energy mandates. The DEC notes that the greenhouse gas emissions from this plant increased tenfold from 2019 to 2020 as their Bitcoin operations expanded.

Closer to home, Digihost, a Canadian Bitcoin miner, purchased the former Fortistar North Tonawanda methane-fired power plant. Right after the purchase, they purchased 700 new mining servers. The owners of the now closed Somerset coal-fired power plant wanted to continue operations by running a data center and Bitcoin mining operation. In both cases, they plan to reopen operations at facilities closed in the transition to a cleaner energy mix.

The New York Assembly dropped the ball on this and many other issues in the 2021 session. There were 30 environmental bills passed in the Senate that did not come up for a vote in the Assembly, including A7389-A, which would have placed a three-year moratorium on cryptocurrency mining in the state. Since time is of the essence here, Gov. Andrew M. Cuomo should ask the DEC to institute an administrative moratorium on cryptocurrency mining – similar to what was done with fracking in 2008 – so the environmental impacts could be investigated.

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