Mining
From CPUs to Pools

Objectives

Objective

Identify the role of mining pools in the network

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Differentiate between commercial and P2Pools
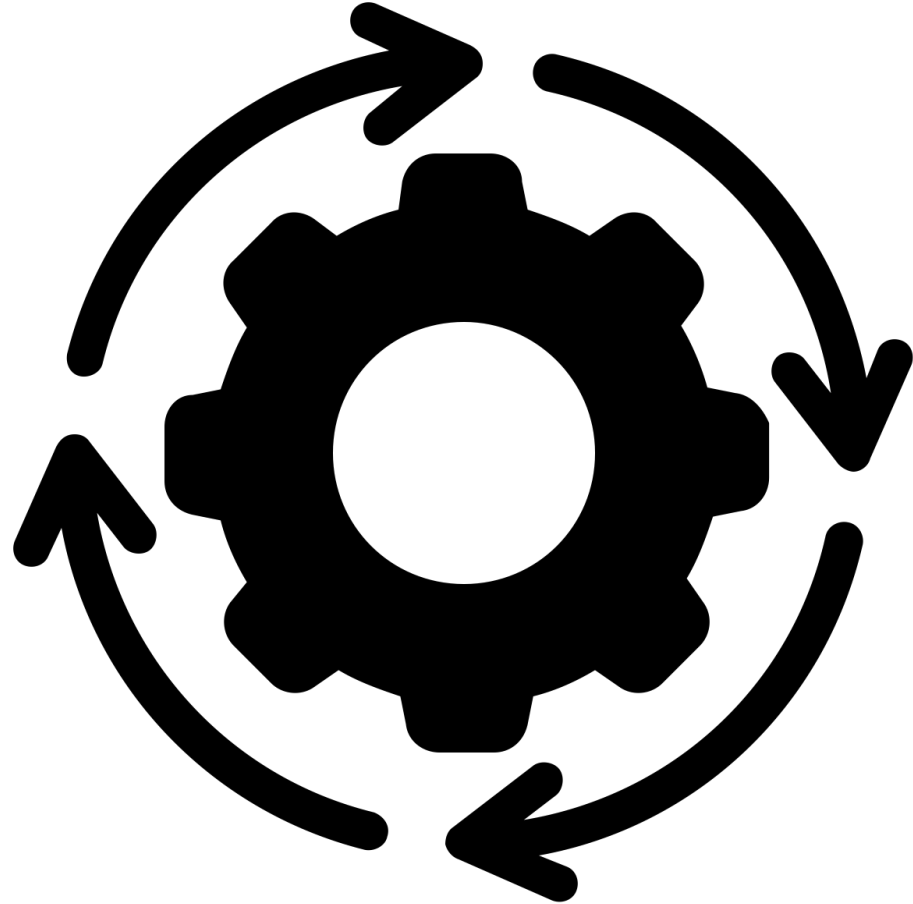
Developments in Mining

Hardware

- CPUs
- GPUs
- FPGAs
- ASICs

Algorithms

Pools

Mining Pools

Central commercial server
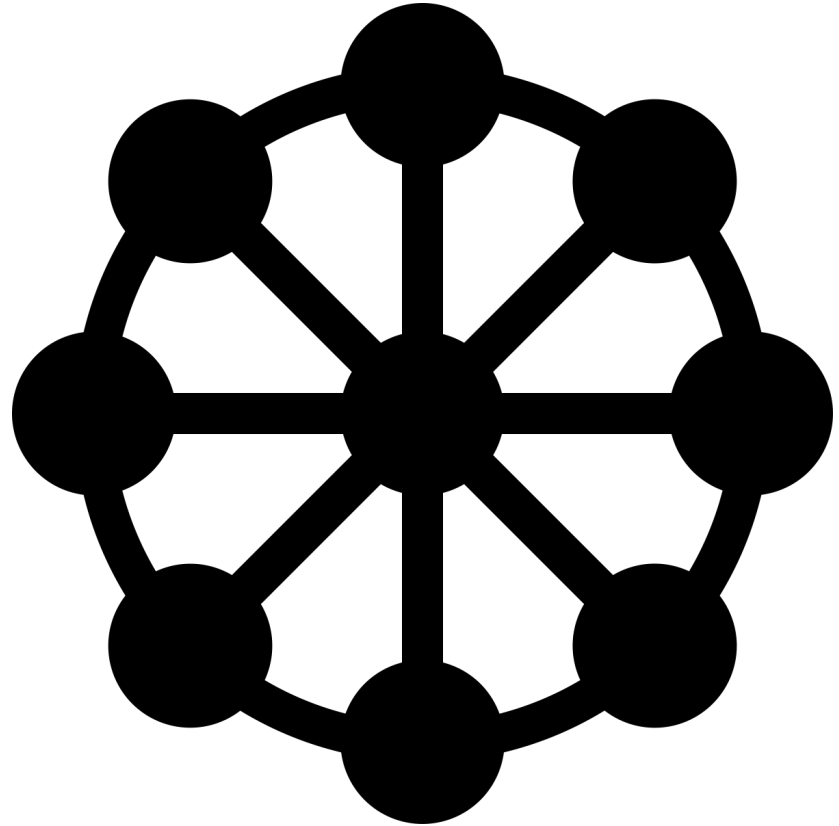- Owned by individual or company

Several miners
- Prove contribution

Pool operator
- Pays for contributed hash power

Continuous revenue stream for miners

Views on Mining Pools

Advantages

Sustainable business model for miners

Miners in pools can benefit from superior performance

Disadvantages

Pool operator controls how hash power is used

Increases risk of 51% Attack

Discouraging Centralization

P2Pools

Node software (currency/application-specific)

All contributors paid in a block

Not as competitive as commercial pools

- Likely inferior resources
- Less reliable revenue stream