

US judge halts government effort to monitor crypto mining energy use

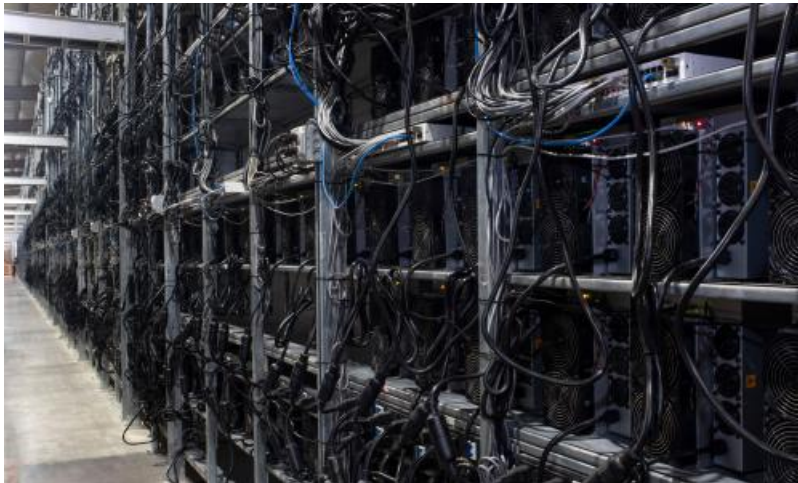
Publication Date: 2024-02-27

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Section: Technology

Tags: Cryptocurrencies, Energy, news

Article URL: <https://www.theguardian.com/technology/2024/feb/27/crypto-mining-electricity-use>



The US government has suspended its effort to survey cryptocurrency mining operations over their ballooning energy use following a lawsuit from an industry that has been accused by environmental groups of fueling the climate crisis. A federal judge in Texas has granted a temporary order blocking the new requirements that would ascertain the energy use of the crypto miners, stating that the industry had shown it would suffer “irreparable injury” if it was made to comply. The US Department of Energy had launched an “emergency” initiative last month aimed at surveying the energy use of mining operations, which typically use vast amounts of computing power to solve various mathematical puzzles to add new tokens to an online network known as a blockchain, allowing the mining of currency such as bitcoin. The growth of cryptocurrency, and the associated mining of it, has been blamed for a surge in electricity use as data centers have sprung up across the US, even reviving, in some cases, ailing coal plants to help power the mining. The federal government has said it needs better information about major miners’ power use, but estimates that up to 2.3% of the US’s total electricity demand last year came from just 137 mining facilities. Globally, crypto miners are thought to soak up as much as 1% of all electricity demand, which is the same as the entire country of Australia, with bitcoin mining’s energy use doubling just last year. This new thirst for electricity risks worsening the climate crisis, campaigners say. In the US, where nearly four in 10 of all bitcoin are now mined, up to 50m tons of carbon dioxide is released each year due to the mining operations, according to RMI, a clean energy thinktank. The rise of crypto mining has also placed a strain upon certain electricity grids. Last year it emerged that authorities in Texas paid a bitcoin enterprise called Riot more than \$31m in energy credits to voluntarily lower its electricity usage during a heatwave that caused a spike in power demand from the public. “The massive energy consumption of cryptocurrency mining and its rapid growth in the United States threaten to undermine progress towards achieving climate goals, and threaten grids, communities and ratepayers,” said Mandy DeRoche, deputy managing attorney of the clean energy program at Earthjustice. Until now, a lack of publicly available information has only benefited an “industry that has thrived in the shadows”, DeRoche added. The crypto mining industry, however, has claimed it is the victim of a “politically motivated campaign” by Joe Biden’s administration and has, for now, succeeded in averting a survey that it contends is unfairly onerous. “This is an attack against legitimate American businesses with the administration feigning an emergency to score political points,” said Lee Bratcher, president the Texas Blockchain Council, one of the groups that sued to stop the survey. “The White House has been clear that they desire to ‘to limit or eliminate’ bitcoin miners from operating in the United States. “Although bitcoin is resilient and cannot be banned, the administration is seeking to make the lives of bitcoin miners, their employees, and their communities too difficult to bear operating in the United States. This is deeply concerning.”