June 9, 2021

Assembly Speaker Carl Heastie
Legislative Office Building, Room 932
Albany, NY 12248

Re: Urgent Request to Pass A.7389-A, a Moratorium on the Operation of Proof-of-Work Cryptocurrency Mining Centers

Dear Speaker Heastie:

We write to you today to urge you to pass A.7389-A (Kelles)/S.6486-B (Parker), which will place a moratorium on the operation of cryptocurrency mining centers until an environmental review is conducted by the Department of Environmental Conservation. These “mining” activities, particularly “Proof-of-Work,” use enormous amounts of energy to power the computers needed to conduct business – should this activity expand in New York, it could drastically undermine New York’s climate goals established under the Climate Leadership and Community Protection Act, which was championed by you and many of your members.

Cryptomining is a relatively new technology that provides the basis for cryptocurrency. Cryptocurrencies such as Bitcoin are virtual currencies, which means they exist only online and there are no physical notes and coins. Cryptocurrencies don’t belong to a central bank, meaning they have no government backing. They are international currencies and can be used to send money around the world without any identity checks, making them a popular choice for cybercriminals involved in malicious or criminal activity. In the ransomware attack on the Colonial pipeline, for example, the criminals were paid their “ransom” in cryptocurrency.

Digital currencies require authentication to prevent fraudulent transactions. Proof-of-Work (PoW) is the method that has the most significant energy demands. In PoW authentication, complex mathematical equations are assigned to each transaction and miners compete to solve them. The first one to solve an equation authenticates the transaction and wins currency for their effort. The equations can only be solved by brute force guesswork, so the person or company with the most computational power wins the most currency. With some currencies valued at over $36,000 a coin, albeit in a highly speculative market, a global digital gold rush is taking place with hundreds of millions of computers competing for an edge in the market.

In New York, data mining operations using warehouses full of computers have set up shop in upstate areas siphoning electric from New York’s grid and jeopardizing the state’s progress on and meeting mandates for reducing greenhouse gas emissions. A Finger Lakes data mining facility is looking to expand from using some 10,000 computers to as many as 30,000. A recent analysis by Cambridge University researchers determined that electricity use for the cumulative digital currency mining operations across the globe exceeds that of some developed nations like Ireland.

Additionally, there are very few jobs created by this industry, with profits accruing to the few, but the environmental impacts affecting us all, particularly BIPOC communities that are often located near fossil fuel power plants.

New York must put a pause on this move to turn old power plants into cryptomining centers until a full environmental assessment on the impact of these operations on our greenhouse gas emissions, as well as the state’s air and water quality.

The Assembly has long been a champion on environmental policies and passing A.7389-A/S.6486-B is critically needed to make sure New York remains consistent with its climate goals. We urge you to bring this to the floor for a vote immediately.
Thank you.

Sincerely,

Dorian Fulvio  
**350NYC**

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Executive Director  
**Alliance for a Green Economy**

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Urge Support for A.7389-A, Page 3

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cc: Assemblymember Steve Englebright, Chair, Environmental Conservation Committee
Assemblymember Anna Kelles