

The Honorable Charles E. Schumer
Majority Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

cc. Sen. Debbie Stabenow, Chair, Senate Agriculture Committee

November 12, 2024

Re: The Climate Risks of the Digital Commodities Act of 2024

Dear Leader Schumer:

The undersigned environmental, consumer, and public interest groups urge you to prevent the rapid consideration of the Digital Commodities Act of 2024 (DCA) without fully investigating the negative impacts that accelerated cryptocurrency development is having and will increasingly have on climate change if this bill is advanced in the Senate.

The Senate Agriculture Committee intends to mark up this bill before the end of the year. Overall, the discussion draft offered by Committee leadership risks creating a more permissive regulatory regime for a large swathe of the crypto sector, one we fear would fall short of protecting crypto investors and holding crypto industry actors to account.

And, such a regime would also unduly legitimize the industry, expand crypto markets and likely significantly increase crypto mining and its resultant carbon emissions, hindering efforts to combat the climate crisis affecting communities in the United States and around the world.

Cryptocurrency mining, computer processing and cloud operations are highly energy intensive activities that have already buoyed fossil fuel electricity generation, extraction, and climate warming carbon emissions. The Cambridge Center for Alternative Finance has estimated that global Bitcoin mining alone is currently consuming 143-billion-kilowatt hours of electricity annually and a Sierra Club analysis found that almost all of that power was generated by fossil fuels. In the United States alone, the Energy Information Administration estimated that cryptocurrency mining probably represents from 0.6 percent to 2.3 percent of U.S. electricity consumption. A 2022 industry-sponsored paper projected that under certain price assumptions, energy consumption for Bitcoin could rise seven-fold in just six years, rising to become 0.4 percent of all primary global energy consumption.

Additionally, for local energy producers and power grids, the Bitcoin mining can put a staggering additional electricity load onto the grid. In 2022, in Texas, the number of miners requesting new interconnection to the state's fragile grid is roughly 17 gigawatts, or as the interim head of the Texas grid described it: "that's about the equivalent of load of two-and-a-half New York Cities."

Crypto miners' demand for electricity has restarted decommissioned coal-fired power plants,

justified the construction of new gas-powered plants, and provided demand for more oil and gas extraction, compounding the climate impacts of its already energy intensive business model. Despite the known and significant impacts that crypto-mining may have on energy use and climate change, the bill being considered by the Senate Agriculture contains no provisions to address such usage – not even provisions that would require crypto industry actors to report their energy usage and energy sources.

When regulators have attempted to merely request that crypto mining operations provide greater information about their energy use and impacts, the industry has taken aggressive action to resist such accountability. For example, in January 2024, the Energy Information Administration, acknowledging the rapid growth and energy use of this industry, issued an emergency request to U.S. crypto miners to provide the agency with basic information on their energy use. Every other major energy using industry reports this information to the EIA as an ordinary matter. But the crypto industry responded by claiming it was being “mistreated” and sued the agency seeking an injunction against collection of this information. In response the agency rescinded its request and has only recently begun to renew its efforts. The industry’s hostility to basic reporting and oversight only underscores how important it is that legislative and regulatory oversight of the crypto industry include addressing the energy and climate impacts.

Legislation like the DCA, however well-intentioned, would create only the patina of regulatory oversight to the crypto industry that is rife with scams and fraud that has already erased the life savings of many retail investors. The legislation would not only fail to protect crypto buyers, it would also provide a boost to the crypto industry and help burnish its tarnished reputation. This would foster a new wave of crypto mining that could amplify climate change, even as the industry fails to take responsibility for its current energy demand and climate emissions.

The Senate should not take up modest and ineffective crypto regulations that fail to protect consumers from known economic risks of fraud, abuse, and crypto meltdowns and *also* accelerates climate change and props up the fossil fuel industry. Additionally, we urge you to incorporate crypto climate change assessments and emissions reductions as part of any cryptocurrency regulation proposed by Congress.

Signed,

Alliance For Just Money
Amazon Watch
Americans for Financial Reform
Animals Are Sentient Beings, Inc.
Better Path Coalition
Breathe Easy Susquehanna County
Center for Biological Diversity
Centre for Citizens Conserving Environment &
Management (CECIC)
Center for Social Sustainable Systems (CESOSS)
Chatham Research Group
Church Women United in New York State
Citizens Alliance for a Sustainable Englewood (CASE)

The Clean Air Coalition of Western New York
Clean Energy Action
Climate and Community Institute
Climate Communications Coalition
Climate Reality Greater Maryland
Colorado Democratic Party — Energy and Environment
Initiative
ColorBrightonGreen
Committee to Preserve the Finger Lakes
Concerned Health Professionals of Pennsylvania
Don't Gas the Meadowlands Coalition
Earthjustice
Ecojustice Collaborative

Elders Climate Action Maryland
Embattled Glencoe Citizens Against Crypto-mining
Empower our Future
Food & Water Watch
For Love of Water (FLOW)
Fort Washington Forward Inc
FrackBustersNY
FracTracker Alliance
FreshWater Accountability Project
Fridays for Future Capital District NY
Fridays For Future USA
Friends Of the Forestville Dam, Inc.
Georgia Coalition Against Crypto Mining
Grassroots Environmental Education
Greece Baptist Sustainability Team
Green America
Greenpeace USA
Institute for Agriculture and Trade Policy
Iowa Citizens for Community Improvement
The Last Plastic Straw
League of United Latin American Citizens, Council #7259
Mid-Missouri Peaceworks
Montana Environmental Information Center
Move Past Plastic (MPP)
National Coalition Against Cryptocurrency
New York Progressive Action Network
No False Solutions PA
North American Climate, Conservation and Environment
(NACCE)

Occupy Bergen County
Oil and Gas Action Network
Pax Christi USA
Peace and Freedom Party
The Phoenix Group
Physicians for Social Responsibility of Pennsylvania
Plastic Pollution Coalition
Pulling at the Roots
Rainforest Action Network
Regenerative Solutions
Rise Up WV
Rivers & Mountains GreenFaith Circle
Scientist Rebellion Turtle Island
Sierra Club
South County Environmental Justice Coalition
Southern Boone County Farmers and Neighbors
Terra Advocati
Texas Coalition Against Cryptomining
Texas Environmental Justice Advocacy Services
Unitarian Universalists for a Just Economic Community
Unite North Metro Denver
350 Bay Area Action
350 Conejo / San Fernando Valley
350 Montgomery County
350 Triangle
350 Hawaii
350 NYC