UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

Digihost International Inc. Docket No. EC22-78

Fortistar North Tonawanda LLC

**Answer and Comment of Public Citizen, Inc.**

Public Citizen comments on the June 21 application by Digihost Technology to purchase a 55 MW natural gas power plant just outside Buffalo, New York in order to power the company’s crypto mining operations, and answers Digihost’s July 7 motion seeking to remove Public Citizen from this proceeding.

The Commission should accept Public Citizen’s intervention, as our status as a public interest organization representing the interest of our more than 500,000 members and supporters across the United States is unique and cannot be represented by any other party. In fact, as of the time of this filing, Public Citizen is the sole intervenor in the docket: no New York consumer advocates or New York environmental organizations have moved to become parties, and neither the New York Independent System Operator nor the New York Public Service Commission have intervened.

Cryptocurrencies are alternative, virtual currencies with a value set by users outside sovereign, central banks, utilizing a decentralized digital ledger computer network called the blockchain. Crypto miners, such as Digihost Technology, operate massive computer networks in order to compete against other crypto miners in a race to solve complex computational problems (called a *proof-of-work* algorithms), with the victors successfully adding a “block” to the blockchain and obtaining financial compensation in the form of cryptocurrency. The computing power necessary to win these proof-of-work calculations consumes tremendous amounts of electricity[[1]](#footnote-1)―hence the need for Digihost Technology to acquire its own natural gas power plant to supply electricity to its crypto mining facility.

The State of New York has raised serious concerns about crypto mining’s energy consumption, as the New York Assembly and Senate passed legislation establishing a two-year moratorium on new crypto mining facilities. The legislation awaits signature into law by New York Governor Kathy Hochul.[[2]](#footnote-2)

Because this appears to be the first application under Section 203 of the Federal Power Act to acquire a power plant solely on behalf of a crypto mining operation, and given the unique concerns raised about crypto mining’s impact on New York’s power market, the Commission should obtain more information from Digihost Technology about the relationship between the acquisition of the North Tonawanda natural gas facility and its crypto mining facilities.

 Respectfully submitted,

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Filed July 7, 2022

1. https://ccaf.io/cbeci/index [↑](#footnote-ref-1)
2. www.nysenate.gov/legislation/bills/2021/S6486 [↑](#footnote-ref-2)