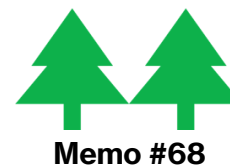




# EANY SUPPORTS Blockchain Environmental Impacts



**A.7389-A (Kelles, et al.)**

**S.6486-B (Parker, et al.)**

## **Explanation:**

This legislation establishes a moratorium on the issuance of permits and renewals of existing permits for electric generating facilities powered by carbon-based fuels that are intended to support proof-of-work authentication methods to validate blockchain transactions. The bill also directs the Department of Environmental Conservation (DEC) to prepare a generic environmental impact statement on operations that use proof-of-work authentication methods to validate blockchain transactions.

Retired or dormant electric generating facilities that have outlived their viability in the wholesale electricity markets are being repurposed to power energy-intensive behind-the-meter data centers designed to serve blockchain transaction authentication operations. These facilities are restarting operations under outdated certificates that do not account for the permitting standards applied to new, more efficient facilities.

Article 10 requires a comprehensive review of the cumulative environmental and public health impacts of all new and repowered major electric generating facilities. Under the Climate Leadership and Community Protection Act (CLCPA), the permit review process must also account for impacts on the state's ability to meet the climate and equity mandates of the climate law, including the requirement that New York's electricity sector be emissions-free by 2040.

Power plants repurposed for energy-intensive industrial uses, like blockchain transaction authentication operations, could have significant adverse impacts on air and water quality while also hindering the state's progress toward eliminating emissions from the power sector. A moratorium on the issuance of permits for these blockchain operations is needed so the DEC can conduct a comprehensive analysis of the environmental and health impacts of the industry.

## **Summary:**

The legislation amends the Environmental Conservation Law to enact a moratorium on the issuance of permits and renewals of existing permits for electric generating facilities powered by carbon-based fuels that are intended to support proof-of-work authentication methods to validate blockchain transactions and directs the DEC to prepare a generic environmental impact statement on operations utilizing proof-of-work authentication methods to validate blockchain transactions.