



DR. ANNA R. KELLES  
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October 12, 2021

Hon. Michelle L. Phillips  
Secretary  
New York Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223

Re: Case 21-M-0238 – Petition of Fortistar North Tonawanda LLC and Digihost International Inc. for a Declaratory Ruling Regarding Application of Sections 70 and 83 of the New York State Public Service Law, and, in the alternative, Approval of the Proposed Transaction Pursuant to Sections 70 and 83

Dear Secretary Phillips:

I am writing to you on behalf of concerned citizens of New York, and as an environmental steward, about the proposed transfer of the Fortistar North Tonawanda power plant to Digihost Technology, Inc., a blockchain company. The petition to transfer ownership to Digihost, indicates that the facility will be used to run a Bitcoin mining operation. Powering thousands of cryptocurrency mining computers at the plant, running 24 hours a day 365 days a year, will lead to significant amounts of greenhouse gas emissions (GHG), posing a threat to New York's compliance with the Climate Leadership and Community Protection Act (CLCPA), enacted in 2019. I urge the PSC to consider the Fortistar North Tonawanda's transfer of ownership in the context of public interest and compliance with the CLCPA, requiring 85% reduction in GHG by 2050 and 70% renewable energy generation by 2030. To meet these goals, the PSC will need to implement effective oversight and regulation, particularly with emerging, heavily polluting industries.

As I understand, recent amendments to the applicant's petition have sought to address concerns of the climate change impact of proof-of-work authentication cryptocurrency mining at the Tonawanda facility. Specifically, the facility is slated to be powered off of "renewable natural gas" through 2022 (claiming a zero carbon footprint) and by 2023, be upgraded to run on hydrogen (offering a 100% zero emission facility by 2025). However, both of these proposed efforts to mitigate the GHG impact of cryptocurrency mining will not actually reduce emissions, and will instead increase the use of fossil fuels from current-day operations. Renewable natural gas is not carbon neutral, and methane (regardless of its source) has at least 87 times the global

warming potential of carbon dioxide over a twenty year window. To meet the CLCPA goals, and heed the continued calls by climate scientists that our window to prevent runaway climate change required bold action over the next five years, allowing for full-bore proof-of-work cryptocurrency mining using natural gas must not be allowed to go forward at the Tonawanda plant, and at similar facilities.

Additionally, use of hydrogen is not carbon neutral, and will result in increased NOx emissions. In order to extract hydrogen fuel from a green source, such as water, it requires large amounts of energy. To maintain a promise that the source is green, and that the hydrogen is not sourced from fossil fuels, more energy must be spent to manufacture the hydrogen fuel than results from the highly inefficient process. For example, over 900 MW of renewable energy would be required to create 65 MW of green hydrogen fuel using current technologies. Predicating the “carbon neutral” status of the Tonawanda plant on diverting huge amount of wind and solar energy to mine cryptocurrency is not only nearly infeasible, it would undermine compliance with the CLCPA goals of producing 70% of New York’s energy with renewable energy by 2030. To move forward on climate, and prevent the worst destruction to the homes, lives, agriculture, tourism and wildlife of New York, proof-of-work cryptocurrency mining must be thoroughly reviewed in the context of our climate law.

Conversion of the Tonawanda plant to mine proof-of-work cryptocurrency will increase its GHG emissions by 3000%, jumping from 10,981 tons of CO2 in 2020 to a planned 339,068 tons once operating fulltime. Not only will this massive amount of GHG impact our climate, the co-pollutants will largely affect the environmental justice communities in close proximity to the power plant.

I urge that the Tonawanda transfer of ownership is disapproved given the explicit intent to use the facility for cryptocurrency mining in contravention of the CLCPA. We must take strong action on climate now, to protect future generations, our livelihoods, and the planet.

Thank you for your consideration of this important matter.

Most Sincerely,



Anna Kelles, Ph.D.  
Assemblymember, 125<sup>th</sup> A.D.