



# Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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## Press Statement

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### Why TNB should not yield to cryptocurrency miners

The Consumers Association of Penang (CAP) urges Tenaga Nasional Bhd (TNB) to cancel its proposal to supply electricity to cryptocurrency mining operators as it would have a serious adverse impact on the environment, energy use, and conservation. Such a proposal to supply electricity to the miners does not make sense because cryptocurrency mining consumes an enormous amount of electricity.

Basically, mining for cryptocurrency involves a network of specialist machines, known as mining rigs, that work 24/7. A rig with 3 graphic cards (graphic processing units) can consume 1,000 watts of power or more when it is in operation. In other words, it is like keeping a washing machine running day and night for every rig that is in use. To mine cryptocurrency, hundreds or thousands of rigs are involved at any one time.

We are of the opinion that cyptocurrency mining should not be permitted at all for the following reasons:

- In 2018, the Malaysian Statistics Department stated that the country's electricity generation is largely dependent on coal (46%) and natural gas (39.7%). This means that generating electricity is not at all environmentally friendly, producing large quantities of carbon dioxide, a greenhouse gas, that contributes to global warming.
- According to TNB, its carbon dioxide output is expected to increase between 2018 and 2023 because of the "addition of new coal and gas electricity generation plants". With this, TNB's absolute emission is also expected to increase between 2018 and 2033, thereby exceeding its carbon budget. If this is the forecast, then the carbon dioxide output is going to spike further if TNB allows cryptocurrency miners to legally apply for electricity supply and what makes TNB so sure that electricity theft will be a thing of the past?
- The mining rigs themselves produce much heat and this contributes to global warming, as a study warned, by more than 2°C with disastrous consequences. The study stated that it is already a challenge for the 176 countries that ratified the Paris Agreement to mitigate GHG emissions and keep global warming contributed directly or indirectly by humans within 2°C.
- Malaysia is a party to the Paris Agreement since 2016 and it has to follow through with its commitment.
- TNB has not factorised in the electronic waste problem posed by the disposal of the mining rigs which has an average lifespan of 1.29 years. Besides the damaged hardware, the rapid improvement of hardware also means the disposal of the older generation ones.

Rather than allowing cryptocurrency mining operators to apply for legal electricity supply and give special tariffs, Malaysia should speed up its introduction of tamper-proof smart meters nationwide so that any electricity theft can be detected at an early stage.

We would like to reiterate our stand that TNB should avoid myopic strategies that will lead to increasing Malaysia's carbon footprint, increasing greenhouse gas and electronic waste.

**Mohideen Abdul Kader**

**President**

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