

STATE OF NEW YORK

6486

2021-2022 Regular Sessions

IN SENATE

May 3, 2021

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Environmental Conservation

AN ACT to establish a moratorium on the operation of cryptocurrency mining centers; and providing for the repeal of such provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings. The legislature hereby finds and
2 declares that:

3 (a) Climate change threatens the health, welfare, and economy of the
4 state with increasingly severe and widespread impacts to our communities
5 due to flooding, sea level rise, heat waves, coastal erosion, erratic
6 and unpredictable weather patterns, shifting climactic zones, loss of
7 wildlife, increased harmful algal blooms and invasive species, and
8 increased risk of disease, in part, which leads directly to loss of
9 life, property damage and reduction in value, ecological damage, and
10 increased infrastructure costs;

11 (b) It is the policy of the State of New York to conserve, improve and
12 protect its natural resources and environment and to prevent, abate and
13 control water, land and air pollution, in order to enhance the health,
14 safety and welfare of the people of the state and their overall economic
15 and social well-being;

16 (c) To mitigate the current and future effects of climate change, the
17 State of New York implemented the Climate Leadership and Community
18 Protection Act, requiring that statewide greenhouse gas emissions be
19 reduced eighty-five percent by 2050 and that the state has net zero
20 emissions in all sectors of the economy by that time;

21 (d) Cryptocurrency mining centers are an expanding industry in the
22 State of New York, often, but not exclusively, located in retired or
23 converted fossil fuel power stations, including dormant peaker plants;

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD11081-03-1

1 (e) A single cryptocurrency transaction uses the same amount of energy
2 that an average American household uses in one month, with an estimated
3 level of global energy usage equivalent to that of the country of Swed-
4 en; and

5 (f) The continued and expanded operation of cryptocurrency mining
6 centers will greatly increase the amount of energy usage in the State of
7 New York, and it is reasonable to believe the associated greenhouse gas
8 emissions will irreparably harm compliance with the Climate Leadership
9 and Community Protection Act in contravention of state law.

10 § 2. (a) There shall be a three-year moratorium on the operation of
11 cryptocurrency mining centers in the state, including, but not limited
12 to cryptocurrency mining centers located in converted fossil fuel power
13 plants.

14 (b) Cryptocurrency mining centers shall operate only following
15 completion of a full generic environmental impact statement review as
16 authorized under NYCRR §617.10(a) of the State Environmental Quality
17 Review Act. Any generic environmental impact statement required by this
18 act shall be conducted by the New York State Department of Environmental
19 Conservation. Such review shall include, but not be limited to, a cumu-
20 lative impact assessment of the greenhouse gas emissions of any proposed
21 or existing cryptocurrency mining center for the projected lifespan of
22 the center and any associated water quality, air quality or wildlife
23 impacts.

24 (c) A cryptocurrency mining center that is determined based on site
25 specific or cumulative impacts to adversely affect the state greenhouse
26 gas emission targets in the Climate Leadership and Community Protection
27 Act of 2019 shall not commence construction and shall not be eligible to
28 receive the necessary permits to operate in the state.

29 § 3. Any generic environmental impact statement draft shall be subject
30 to 120 days of public comment from the date of issuance. The department
31 of environmental conservation shall conduct at least one public hearing
32 in each of the following regions of the state: western New York, the
33 finger lakes, the southern tier, central New York, the Mohawk valley,
34 the north country, the capital region/Hudson valley, and the City of New
35 York/Long Island, as defined by Empire State Development.

36 § 4. For the purposes of this act:

37 (a) "cryptocurrency" shall mean a digital currency in which encryption
38 techniques are used to regulate the generation of units and currency and
39 verify the transfer of funds, operating independently from a central
40 bank;

41 (b) "mining" shall mean the process of spending computer power to
42 process transactions and add such transactions to a cryptocurrency's
43 blockchain; and

44 (c) "blockchain" shall mean a digital ledger in which transactions
45 made in cryptocurrencies are recorded chronologically and publicly.

46 § 5. This act shall take effect immediately and shall expire and be
47 deemed repealed three years after such date.