

Water Front- Peter Mantius

*Environmental politics in New York's Finger Lakes*

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# DEC Delays Ruling (Again) on Air Permit for Greenidge's Bitcoin Operation; Did Hochul 'Punt' Until After June Primary?

Peter Mantius / April 1, 2022April 2, 2022 / Uncategorized



This article was first published by New York Focus (<https://www.nysfocus.com/>)

ALBANY, Apr. 1, 2022 — Facing a major test on how the state plans to enforce its ambitious 2019 climate change law, state regulators on Thursday delayed for the second time a ruling on an air permit for a Bitcoin mining operation in the Finger Lakes.

Nearly a year ago, New York Focus reported



**Greenidge Generation said last week it would accept two new conditions in its Title V air permit to address greenhouse gas emissions.**

(<https://www.nysfocus.com/2021/04/13/new-york-bitcoin-mining-threat/>) that the once-shuttered power plant in Dresden, owned by Greenidge Generation, had fired back up again and now mines Bitcoin — and that dozens of other plants could follow, posing a threat to the state's greenhouse gas reduction goals.

Just six days ago, Greenidge proposed “mitigation measures” to reduce the plant's emissions. And yesterday, the Department of Environmental Conservation said it needed three more months to consider those proposals. In the meantime, the agency will allow Greenidge to continue operating the Dresden plant under its existing air permit.

In a statement released yesterday

(<https://twitter.com/VaughnEGolden/status/1509607582280867848>), the DEC said it had not yet determined the sufficiency of the company's new proposals to reduce the power plant's emissions by 40 percent below current permitted levels by 2025, and to turn the plant into a “zero-carbon emitting generation facility” by 2035.

This is the second time that DEC has delayed a decision on the company's bid to renew the permit,



which expired in September 2021 but has been administratively extended. Under the state's Uniform Procedure Act, the DEC had faced a January 31 deadline to renew the permit, but said it needed two more months

**The DEC has given itself until June 30, eight days after Gov. Kathy's Hochul's primary, to issue a final ruling on the Greenidge air permit.**

(<https://waterfrontonline.blog/2022/02/04/hochuls-dec-gives-greenidge-crucial-time-window-to-expand-bitcoin-mining-before-it-rules-on-air-permit-renewal/>) to review public comments.

Environmental advocates said the timing of the new deadline — eight days after Gov. Kathy Hochul's primary election — suggests a political motivation on the governor's part for postponing the ruling: to avoid alienating voters or contributors (<https://www.nysfocus.com/2021/06/01/bitcoin-moratorium-renaissance-tech/>) on either side of the issue until after the election.

### **"They Don't Want To Make A Hard Decision"**

Advocates had expected the DEC to announce on Thursday that it had denied the new permit, based on agency statements about the plant's non-compliance with the state climate law. Some blamed Hochul for the agency's repeated delays.

"There's more than enough information for the Hochul Administration to reject the permit if they were serious about the climate," said Judith Enck, a former regional supervisor for the U.S. Environmental Protection Agency. "Seems like they just don't want to make a hard decision."

Liz Moran, a state policy advocate for Earthjustice, said Thursday's DEC decision to delay ruling on the permit renewal "is a failure to the residents and businesses of the Finger Lakes" that will allow more greenhouse gas pollution.



Yvonne Taylor, vice president of environmental group Seneca Lake Guardian, said it was “outrageous that Gov. Hochul not only failed to act but punted a decision to after the primaries in an apparent attempt to cover her political interests.”

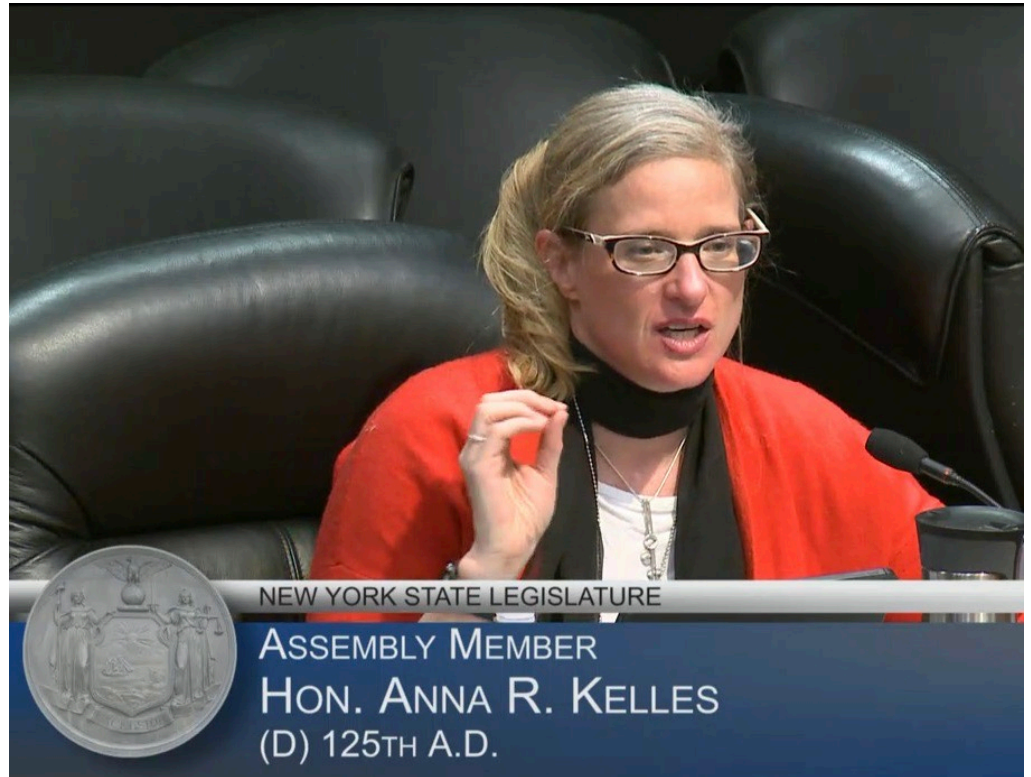
Hochul faces a Democratic primary for governor on June 22, just over a week before the DEC's new deadline. Current polls show her well ahead of challengers Jumaane Williams and Tom Suozzi, but others, including former Gov. Andrew Cuomo, could still join the race. The governor's office did not immediately respond to a request for comment on the charge the decision delay was tied to the primary. The DEC said in a statement today: “DEC's determination to further review the facility's newly submitted proposal and materials was solely its decision.”

Assemblymember Anna Kelles (D-Ithaca) said the act of postponing a second time “is incredibly disappointing, and appears to be politically motivated.”

Kelles noted that DEC explicitly asked Greenidge last summer to explain how it intended to comply with the 2019 Climate Leadership and Community Protection Act, or CLCPA.

After reviewing the company's proposed explanation, DEC Commissioner Basil Seggos tweeted last September (<https://twitter.com/BasilSeggos/status/1435724739352449025>) that “Greenidge has not shown compliance with NY's climate law.”

The DEC went even further in a March 21 statement to the WaterFront blog (<https://waterfrontonline.files.wordpress.com/2022/04/decstatementtowaterfrontmar21.pdf>): “Greenidge has ‘not shown compliance’ because the air application does not currently meet the



**Assemblymember Anna Kelles is sponsoring a bill that would impose a moratorium on proof-of-work cryptocurrency mining operations, like Greenidge's in Dresden, pending an environmental review.**



requirements of the CLCPA, notably it has not to date shown that it is consistent or would not interfere with the attainment of statewide greenhouse gas emission limits; nor has it provided sufficient justification or identified alternatives or sufficient mitigation.”

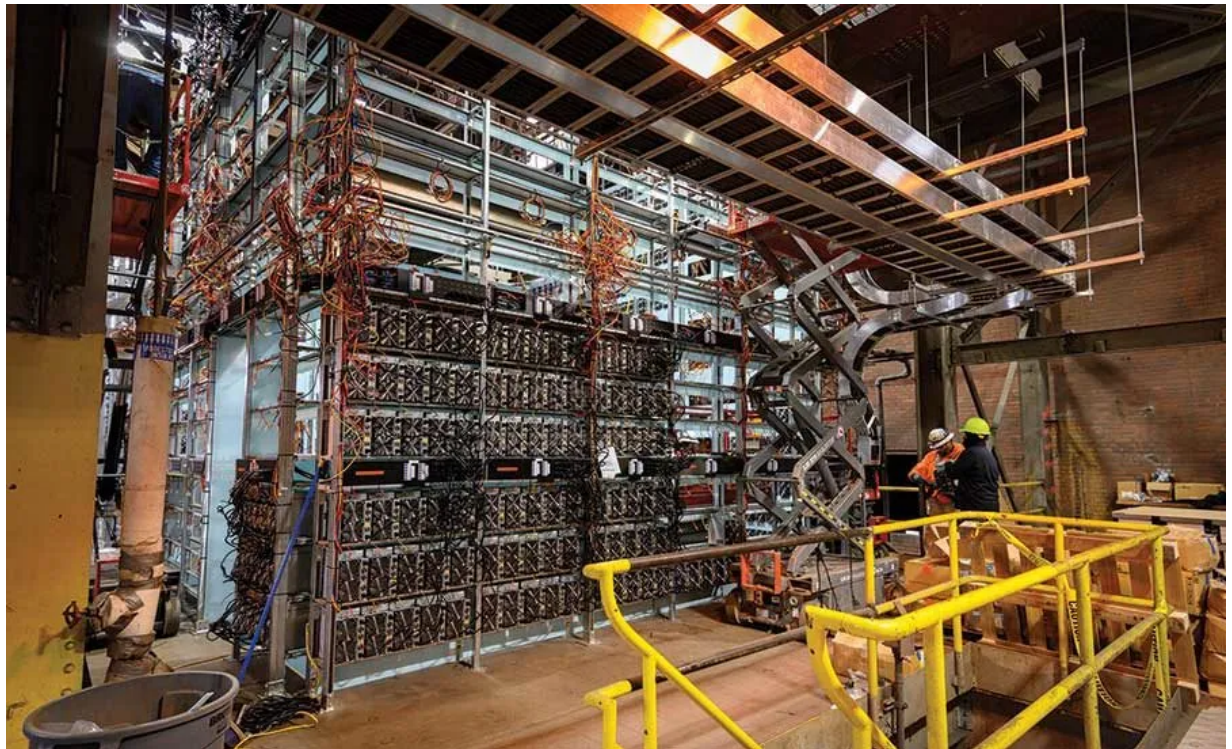
Dale Irwin, manager of Greenidge's Dresden plant, did not respond to a request for comment. Shares of Greenidge, which have slumped recently on the NASDAQ market, responded positively Thursday afternoon, as news of the DEC's action began to leak. Shares rose from \$8.18 at 1:20 p.m. to close at \$8.56, a 4.5 percent jump. Year-to-date Greenidge shares have slipped about 50 percent.

### Increased Capacity

Last week, Greenidge announced (<https://waterfrontonline.files.wordpress.com/2022/04/greenidgefinancingpr.pdf>) that it had arranged \$108 million in new borrowing to help fund the purchase of more Bitcoin mining “rigs,” computing devices used to verify Bitcoin transactions and earn Bitcoin tokens.

“This is a transformative year for Greenidge as we expect to more than triple our datacenter capacity...with the vast majority of the capacity expansion focused outside of the company's original site [Dresden] in New York,” Greenidge CEO Jeff Kirt said in a press release. The company opened a new facility in South Carolina three months ago.

But even as it focuses on the new South Carolina plant, Greenidge has told investors that it plans to install thousands of new mining rigs in Dresden this year as it boosts the power needed to run them from 45 megawatts to 85 megawatts. Construction work on the expansion is currently underway.



**Greenidge is rapidly installing new Bitcoin mining ‘rigs’ at its plant in Dresden.**

That boost in energy generation guarantees corresponding increases in greenhouse gas emissions.

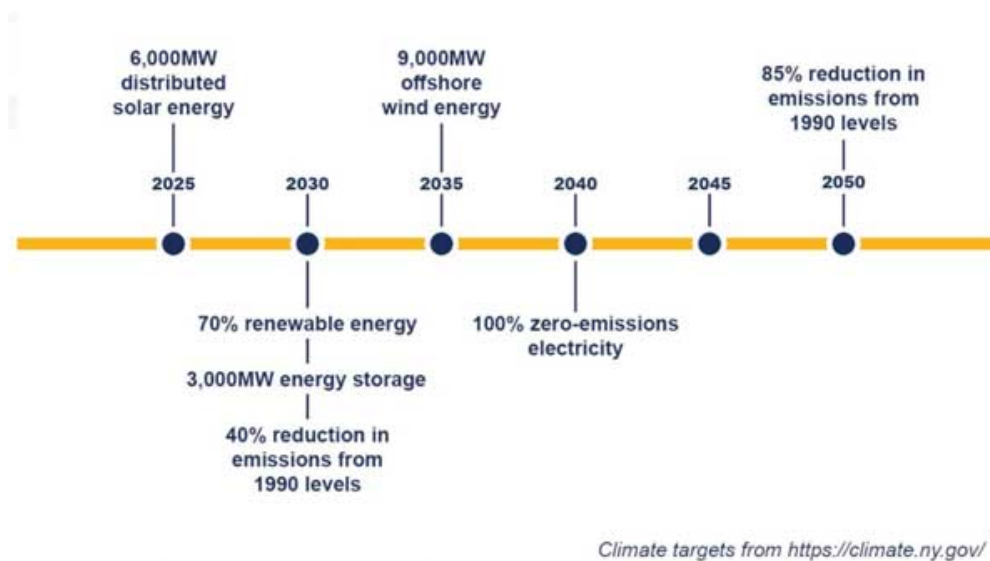


## Meager Mitigation

Greenidge's widely-promoted plans for a rapid Bitcoin buildout last year sparked concerns that other older fossil fuel plants could adopt its business plan, threatening the state's ability to comply with CLCPA emissions targets.

The environmental law group Earthjustice spelled out that prospect in a [letter](https://waterfrontonline.files.wordpress.com/2022/04/earthjusticeletterapr2021.pdf) (<https://waterfrontonline.files.wordpress.com/2022/04/earthjusticeletterapr2021.pdf>) to the DEC last April, which warned that nearly 30 old power plants could follow Greenidge's example if the agency allowed them to.

About that time, Greenidge applied to the DEC to renew its Title V air permit, which was due to expire in September 2021.



During its initial review of the renewal application last summer, the DEC required company officials to explain how they intended to comply with the CLCPA, which requires a statewide reduction in CO<sub>2</sub>-equivalent greenhouse gas emissions by 40 percent from 1990 levels by 2030.

In August, the company [responded in a letter](#)

(<https://waterfrontonline.files.wordpress.com/2022/04/greenidgemurthaaug2021lettertodec.pdf>) signed by David T. Murtha of the consulting firm Environmental Resources Management. Murtha detailed the potential emissions onsite from the plant itself and upstream from its source of power — natural gas wells and gas pipelines.

“Comparing the combined upstream and onsite potential emissions to the 1990 baseline demonstrates a 70.3 percent reduction in GHG and CO<sub>2</sub>e emissions for the Greenidge facility,” Murtha wrote, referring to the plant's performance three decades ago as an inefficient coal-burner. It converted to burning natural gas in 2017.

However, the letter also acknowledged that the combination of Greenidge's potential onsite and upstream CO<sub>2</sub>e emissions totaled 1.05 million tons — 64 percent above the limit it now seeks in its renewal application.

A chart included in Murtha's letter showed Greenidge's annual potential onsite and upstream emissions totaling 952,968 metric tons. That's the same as 1.05 million regular, or "short," tons (the measurement standard used by the DEC), including 573,626 tons onsite and 466,919 tons upstream.

Murtha projected that those total emissions of 1.05 million tons would remain at exactly those levels through 2026, despite Greenidge's widely publicized plans to add thousands of new bitcoin mining machines and roughly double the energy needed to power them.

The August 2021 letter suggested several potential steps to be taken to mitigate the plant's greenhouse gas emissions. But they were not enough to prevent Seggos from tweeting a month later that the company had not



**David Murtha**

shown compliance with CLCPA.

Robert Howarth, a Cornell University biochemist, said the climate law's new requirement to count power plants' upstream emissions was critically important. He sits on the state's Climate Action Council, which is charged with implementing the CLCPA.

"I haven't seen

**Table 2. Greenidge Current Potential-to-Emit (PTE) and Upstream CO<sub>2</sub>e Emissions<sup>8</sup>**

Emission Type	Fuel	GHGs	Quantity (MMBtu)	Emission Factor (g/MMBtu)	GHG Weight (MT)	Global Warming Potential (20-Year)	CO2e Emissions (MT)
Onsite Combustion Emissions	Natural Gas	CO2	9,784,920	53,060	519,188	1	519,188
		CH4		1.0	9.7849	84	822
		N2O		0.1	0.9785	264	258
	Diesel	CO2	1,590	73,960	118	1	118
		CH4		3.0	0	84	0
		N2O		0.6	0	264	0
Onsite Combustion Emissions Subtotal:							520,386
Upstream Emissions	Natural Gas	CO2	9,784,920	11,913	116,568	1	116,568
		CH4		384	3,757	84	315,622
		N2O		0.136	1.3307	264	351
	Diesel	CO2	1,590	15,164	24	1	24
		CH4		121	0	84	16
		N2O		0.258	0	264	0
Upstream Emissions Subtotal:							432,582
						Total	952,968

Last August, Greenidge reported "current" potential emissions of CO<sub>2</sub>-equivalent gases in Dresden at 573,626 tons (520,386 metric tons) per year. CLCPA also requires the counting of upstream emissions, boosting the plant's total to 1,050,423 tons (952,968 metric tons), or 64 percent above its permitted limit.

[Greenidge's]  
proposal to mitigate





**Robert Howarth**

emissions,” he said Thursday. “But I don’t see how it’s possible to operate the plant on fracked gas and significantly enough mitigate the emissions, a lot of which are methane from out of state.”

### **Banning Bitcoin**

As the DEC has repeatedly delayed its

decision on Greenidge’s air permit renewal,

Assemblymember Kelles has been promoting a bill in the Assembly

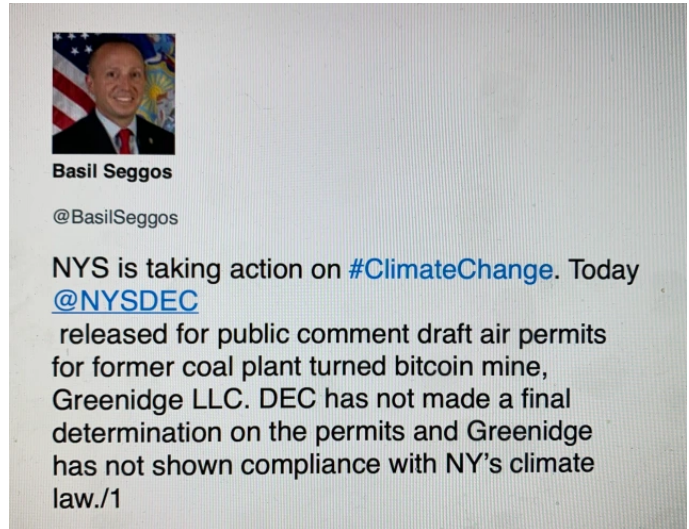
(<https://www.nysenate.gov/legislation/bills/2021/A7389>) that calls for a statewide moratorium on the energy-intensive “proof-of-work” process that Bitcoin relies on. Her measure recently passed out of the Assembly Environmental Conservation committee and now awaits an Assembly floor vote. A similar bill awaits committee consideration in the state Senate.

Enck said Thursday’s DEC decision to postpone once again “should spur the Legislature to act to enact the [proposed Kelles] moratorium.”

Moran, of Earthjustice, said that even before the legislature passes Kelles’ bill, Hochul could use her executive branch authority to impose a temporary statewide moratorium on proof-of-work crypto mining, pending a full environmental review.

Earlier this month, a whitepaper produced by Columbia University’s Sabin Center for Climate Change Law (<https://waterfrontonline.files.wordpress.com/2022/03/columbiawhitepaper.pdf>) argued that Hochul had ample legal authority to do so, relying on the precedent of New York’s 2010 executive branch moratorium on hydraulic fracturing of natural gas wells.

“We simply cannot let proof-of-work mining lead to this enormous energy consumption spike at a moment when climate scientists are collectively saying we must reduce our total greenhouse gas emissions,” Kelles said.



**Basil Seggos tweet from Sept. 8, 2021**

**Published by Peter Mantius**



I am a journalist who lives in Watkins Glen, NY. I write about the environment and politics on my website, [Waterfrontonline.blog](https://waterfrontonline.blog). For more detail on my background, see the "Peter's Bio" section on that site. [View all posts by Peter Mantius](#)

## 2 Comments

1. **Ed Solomon** says: [April 1, 2022 at 4:44 pm](#)  
Well stated !

☐ [Reply](#)

2. **gaynicholson** says: [April 1, 2022 at 5:11 pm](#)  
Governor Hochul is just shrugging off the decades of hard work by thousands of us who had the foresight to understand the climate threat. Why should we continue to make sacrifices in our lives to help low-income folks switch to clean energy so that fat cat hedge investors in crypto can pollute at will in this state?

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