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	We recommend Denial of this Proposal.			
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☐ 6	This office may require a study to assess the waters.	ne Impact of nutrients and pathogens to	receiving ground wa	ters and surface
7.	This project shall be reviewed by the Idaho availability.	Department of Water Resources conce	erning well construction	on and water
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☐ 12	If restroom facilities are to be installed the Regulations.	n a sewage system MUST be installed t	o meet Idaho State S	BWage
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Reviewed By:

CUP 22-47 Cryptocurrency Site

From: Garrett de Jong <garrett@mccallfire.com>
Sent: Thursday, December 1, 2022 4:08 AM
To: Cynda Herrick <cherrick@co.valley.id.us>
Subject: CUP 22-47 Cryptocurrency Site

Hi Cynda,

The fire code does not differentiate between a cryptocurrency business and another business, but it would change the occupancy classification from residential to a business occupancy. The area the property resides was platted for residential use and is rural in nature, meaning that it lacks water infrastructure for fire protection. Had the subdivision in which 219 Ashton Lane resides had been platted for business occupancies, the fire district would have required water infrastructure to be installed that meets International Fire Code Standards. Appendix B of the 2018 International Fire Code (2018IFC), requires that a minimum of 1,500 gallons of water per minute be provided for 2 hours, 180,000 gallons of water, for a 1,200 square foot commercial building. In lieu of meeting the fire flow requirements in Appendix B of the 2018IFC, the building should have an automatic fire sprinkler system installed, or a 30,000 gallon water storage tank for fire protection shall be installed on-site, in accordance with NFPA 22, inspected, and made operable prior to building construction (501.4, IFC2018).

Thank you,

Garrett de Jong Fire Chief - McCall Fire & EMS



CUP 22-47

From: kathy deinhardt hill

Sent: Wednesday, November 30, 2022 6:48 AM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: CUP 22-47

Hello Cynda

Please pass this on to the Planning and Zoning Commissioners. Thanks

Dear Commissioner:

Please deny CUP 22-47, a request for a crypto mining facility.

Here are reasons this application should be denied:

- 1. The applicants do not list their address (just a box number). To me that's a red-flag.
- 2. The applicants claim this is a business, but it has no name. Is it registered with the state of Idaho? Do they have a business license? They request a property tax exemption. For what? There are just too many unanswered questions about this request.
- 3. Does the applicant plan to build a residence at this site? That seems to be inferred, but there is no site plan for that. Shouldn't that be included?
- 4. The applicants admit to possible heat issues. They plan to operate the facility remotely, will have no employees on site, and yet they are putting fire extinguishers inside the building. How does that work? Is it automatic? They push a button in Meridian and the fire extinguishers turn on?
- 5. They admit to noise issues, so much so that they plan to build a 10 foot tall structure around three sides of the building to direct the noise. Maybe they haven't spent time in the valley, but a 10 foot wall will not stop noise from carrying to nearby homes. Just ask someone who lives in Carefree and can hear compression brakes coming from Lake Fork Road and Highway 55. Noise in this valley travels
- 6. The power needed to run these types of operations is absurd and will have a detrimental affect on Valley County.
- 7. How will the county know if the applicant is enlarging the operation. Adding more equipment for the mining project could go totally unnoticed and most likely unreported.
- 7. There is a lot of controversy concerning crypto mining nationwide. These "miners" move in and the communities pay the price. We have no laws/rules in place to manage these operations. If regulations are eventually put in place to protect residents from these profiteers, which is happening nationwide, would approval of this CUP be grandfathered in?

Crypto mining is like the dark web—we don't know much about it and this application is a perfect example of that. The commission needs more info on the adverse affects of crypto mining and the applicants needs to be more forthcoming to their complete plan.

Thank you.

Kathy Deinhardt Hill and Bob Hill 14068 Pioneer Road McCall, Idaho 83638

CUP 22-47 - Crypto Currency Mining Operation

From: Beverly Hellman

Sent: Tuesday, November 15, 2022 1:40 PM
To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: CUP 22-47 - Crypto Currency Mining Operation

Planning & Zoning Commission,

I just became aware of a Conditional Use Permit application that was submitted for a crypto currency mining operation on Ashton, between Wilhelm and The Willows. I live in Jug Mountain Ranch. My concerns as it relates to being in our area or any area in Valley County are below:

- Putting a commercial operation in a residential and ranching area is inappropriate
- Noise from the operation will disturb residents and wildlife. While the applicant says the noise level is minimal, I've heard lots about the noise level from crypto mining being high. Here are some articles on the noise factor as well as one that says the noise can cause chronic illness and developmental issues.
 https://www.washingtonpost.com/business/interactive/2022/cryptocurrency-mine-noise-homes-nc/ Glencoe neighbors voice concern about noise coming from cryptocurrency mine KSTP.com Eyewitness News A group of moms stopped a crypto mine from building next to an N.C. school Southerly (southerlymag.org)
- High power usage could result in power disruption or a requirement for Idaho Power to have to beef up their infrastructure with the expense being born by all power users in the area. Article on power usage https://www.eastidahonews.com/2022/09/could-crypto-miners-raise-your-electricity-bills-idaho-power-says-yes-what-to-know/
- The applicant says that the fire mitigation plan is to have extinguishers on-site yet he later says the mining operation would be totally controlled remotely. So what good are the fire extinguishers if there is no one there to use them?
- If approved, will the applicant later want to expand his operation? Will others want to do the same on their property in Valley County? We should not set a precendent
- Should you decide to continue considering this CUP, can you require an environmental impact report before making a final decision?

It looks like on his application he lists Jug Mountain Ranch as an adjacent property. Are you sending notices to residents in the area (Jug Mountain Ranch, The Willows, etc.) on the December 8 meeting?

I oppose the approval of CUP 22-47. Unfortunately, I will not be able to attend the meeting on December 8, so I hope you will take these comments and questions into account.

Beverly L Hellman



11/15/2022 Valley County Planning and Zoning Re; G:U,P. 22-47. Cryptocurrency Mining Site lam strongh) against CUP:22-47, this type of industrial cryptocurrency "mining pool" site proposed in Ashton Estates Subdivision, 219 Ashton Lane McCall Idaho, Valley County Idaho.

What is a mining pool that the applicant has purposed? This is not the early days of bitcoin when mining was a one-man job where running a mining rig could be done from their living room. Mining pools bring together other miners from all over the world to solve the same block. They share computational resources over a network to increase their chances of finding blocks. This combined effort helps miners earn rewards faster all from a 1200 sq ft garage in the subdivision of Ashton Estates.

The 219 Ashton Lane consists of a 1200 square foot garage/shop. The size of this garage could hold hundreds of machines which are about the size of a shoe box! As an example, shipping containers are wildly used for bitcoin currency mining operations. A 40ft shipping container is approximately 320 sq. Ft. And can hold 350 ASIC mining machines. As mentioned, the applicant's garage is 1200 sq. Feet. There is no residential building located on the property however the applicant states that "the remainder of the property will be for residential use" however he plans to run this industrial business remotely. The applicant also states "since part of the plot does lie in USFWS and NLCD Wetlands, precautions will be taken to ensure equipment will not be subject to any water damage." The applicant is concerned about protecting his machines but makes no mention of wetland protection.

This type industrial cryptocurrency business is notoriously loud! The applicant states that "outside noise levels would be mitigated through the use of sound paneling." They also state that no water is used or discharged, if they are not using water to cool the machinery then high-velocity industrial fans become necessary to cool the machinery thus adding to the noise! The applicant does not state how many individual machines will be operating in the purposed building however even one machine of shoebox size can emit significant noise and adversely affect the lives of neighbors and wildlife in this area. Quite hours from 10PM to 8AM do not exist in the crypto-mining Industry. These loud machines and fans run 24 hours a day, 7 days a week! Cryptocurrency mining is destroying peaceful neighborhoods throughout the country and it must be stopped.

Crypto-mining uses an immense amount of energy so much so that crypto miners are flocking to Idaho for its cheap power. Idaho State authorities say the additional energy demand is placing a burden on the entire electrical grid. This immense amount of energy used by the crypto mining machines also creates a great deal of heat thus the use of high-velocity fans is needed. The applicant states "power usage at 65kw or \$4,000 a month." The applicant states that "fire mitigation will be accomplished via several CO2 extinguishers on site to allow for proper handling of any electrical fires that should arise without damaging computer equipment." Once again, the applicant is more concerned about his equipment and not the forest or nearby home owner protection. The applicant goes on to say that "once construction is finished and machines are running, no further access is needed and management will be done

An industrial business that creates this much noise pollution, threatens watlands, is an extrarge fire hazard and a is burden on our power source does not belong in Asiston Estates nor anywhere in Valley.

Thank you, Pamela McChrystal McCall Idaho



11/15/2022 Valley County Planning and Zoning Re: C.U.P. 22-47. Cryptocurrency Mining Site I'm strongly against CUP 22-47, this type of industrial cryptocurrency "mining pool" site proposed in Ashton Estates Subdivision, 219 Ashton Lane McCall Idaho, Valley County Idaho.

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An industrial business that creates this much noise pollution, threatens wetlands, is an extreme fire hazard and a is burden on our power source does not belong in Ashton Estates nor anywhere in Valley Couty Idaho.

Thank you,
Pamela McChrystal
McCall idaho

A neighborhood's cryptocurrency mine: Never-ending noise - Washington Post

From: Pamela McChrystal

Sent: Thursday, November 17, 2022 9:24 AM

To: Edgar Allen; Cynda Herrick; Valley County Commissioners

Subject: A neighborhood's cryptocurrency mine: Never-ending noise - Washington Post

Thank you for responding Ed.

Lots of information out there.

An addendum to my letter which I'll send in later ... the applicant also states that a 10×9 space for mining will be used out of the 1200 ft garage that he purchased. This is hard to believe and what stops him from adding more mining machines to this garage. People around the country are using old shipping containers for mining purposes. A 40 foot shipping is approximately 320×9 feet and can hold 350×9 ASIC mining machines. So imagine the noice from a 1200×9 ft building. Hopefully the applicant will go away with the recent Bitcoin company FTX crashing. Thank yoy

https://www.washingtonpost.com/business/interactive/2022/cryptocurrency-mine-noise-homes-nc/

TOP: Downtown Murphy. ABOVE: Cornfields near the town of Marble. (Mike Belleme For The Washington Post)

CORRECTION

An earlier version of this article identified Sofia Coon as a spokesperson for Core Scientific. She works for Wachsman, a communications firm representing Core Scientific, and does not work for Core Scientific directly. The article has been updated.

About this story

Writing by Kevin Williams. Additional reporting by Maddy Alewine. Design and development by Rekha Tenjarla, Shikha Subramaniam and Matt Callahan. Photography by Mike Belleme. Photo editing by Haley Hamblin. Audio editing by Robin Amer. Audio mixing by Sean Carter. Editing by Suzanne Goldenberg. Copy editing by Martha Murdock. Additional editing and production by Jenna Pirog and Marian Chia-Ming Liu.

Produced by Rekha Tenjarla

Rekha Tenjarla is a senior creative technologist specializing in experimental storytelling and emerging technologies at The Washington Post. > Twitter

She has taken to sleeping with earplugs and monitoring the noise through a decibel app on her phone. She tracks the sound for anyone who will listen to her, presenting the record to county commissioners and posting the numbers to local Facebook groups.

Callahan looks for patterns and trends, anything that will help her understand — and avoid — the noise.

"I don't know what to do. Some days I want to put my stuff in storage, buy a van and travel," Callahan said. "I don't want to do that. But there's no good solution."

Patricia Callahan moved to Cherokee County from Philadelphia and says the noise has greatly affected her quality of life.

Callahan says she filed a noise complaint with the Cherokee County sheriff in October 2021, shortly after the mine became operational. An officer met with her and took notes on her complaint. "But I never got a call back," Callahan said.

She says the sound has destroyed her efforts to recover from a debilitating car crash in 2008, in which a teenage driver T-boned her car as she was driving her three children home from school.

The young man who plowed into her didn't survive. Callahan says she was left with traumatic brain injury and the need for specialized prism eyeglasses, forcing her to drive hours to see an optical specialist for regular care. Most of all, she says, she needed quiet.

Now, Callahan says, the mine's noise crowds her thoughts. And it is louder at night and on weekends, she says, the very times she is trying to relax.

But Song says the computers run at the same capacity all the time. "They are operating consistently at the same level 24/7," he said.

"When there is noise happening, it takes up space in my brain where I can't do other things," Callahan said, closing her eyes and rocking as she talked.

IN THEIR VOICES: PATRICIA CALLAHAN, who moved to the area from suburban Philadelphia, hoped to find peace and escape the after-effects of a traumatic car accident.

"I go camping. I just love to have my windows open, fresh air. ..."



Some of nature's noise can register loudly on the decibel scale: tree frogs and flocks of birds, for instance. But Stansfeld says those sounds are not continuous and are part of the built-in expectations of people who have chosen to live in a natural area.

Introducing a continuous source of unwanted man-made noise is a different issue, he says.

"This is even more true in people suffering from PTSD, where these noises can sometimes trigger unpleasant memories of trauma," Stansfeld said, referring to post-traumatic stress disorder.

Stansfeld says introducing noise into an environment can affect people's sense of control over their lives, leading to long-term anxiety as well as other psychological and physiological effects.

That's what Patricia Callahan says happened to her. Three years ago, she bought a condo a quarter of a mile from the base of Poor House Mountain. Then came the crypto mine.

"It has ruined my life," she said.

Rachel Buxton, an assistant professor of conservation biology at Carleton University in Ottawa who has studied the impact of noise pollution in rural areas, says that even a five decibel increase can have a dramatic impact.

"Humans have a finite amount of attention. If you are too busy paying attention to noise, there is less cognitive ability for other things," Buxton said.

That additional noise load can cause stress and lead to negative health effects, she says.

For wildlife, the picture is even worse, Buxton says.

"At its very simplest, the noise can mask important sounds, like wildlife listening for approaching predators or listening for mates. Covering up these sounds can be the difference between life and death," Buxton said.

And even noise that doesn't outwardly bother people can have noticeable health effects, according to Stephen Stansfeld, a professor of psychiatry at Queen Mary University of London who has studied the issue.

He said continual exposure to noise can cause elevated blood pressure, which can increase the risk of stroke and heart attack.

"Even if you are sleeping through the noise, it still is having an effect," Stansfeld said, adding that people's expectations play a significant role.

"If they are expecting a place to be quiet, then the noise can really get them down," he said.

Stansfeld also says that people's connection to noise can affect their perception.

"If someone lives near an airport and they work at the airport, the noise doesn't bother them, because that is their livelihood," Stansfeld said.

"... It just doesn't bother us. It's there."



The complex algorithmic calculations that go into determining what qualifies as noise pollution remain an inexact science. One person's innocuous white noise is another's torture.

One of the determining factors is the difference between baseline background noise and the introduced sound, experts say.

The crypto mine near Poor House Mountain is competing with quiet. The one in Marble blends in with the chipping mill and highway noise.

TOP: Vicky and Larry Martin outside their rural North Carolina home on July 21. ABOVE: The Martins' home is across the street from a large crypto mine. (Mike Belleme For The Washington Post)

Martin admits that out-of-town visitors are often incredulous that the crypto mine across the street doesn't bother her.

The noise levels from the mine regularly reach 60-plus decibels. But she says, while enjoying the view from her back deck: "Life is what you make it. I am not going to let [the crypto mine] take away the joy of my life."

She went on: "Outsiders stop by and ask me how it can't bother me, but it doesn't."

IN THEIR VOICES: VICKY MARTIN, a retired nurse and lifelong Cherokee County resident, lives across the street from the county's largest crypto mine but says the noise doesn't bother her.

But for other locals, the mines offer economic opportunity. In the town of Marble, 15 miles away, the opening of one of the largest crypto mining facilities in the country was met by locals with a collective shrug.

Built in the shell of a former denim mill, Austin-based Core Scientific's mine operates day and night, but the computers and cooling systems are primarily enclosed. When asked for comment, Sofia Coon, a spokesperson for Wachsman, a communications firm representing Core Scientific, said that the company "has no comment at this time."

For residents of this mix of double-wides and tidy ranch houses, the noise is not that different from that of the mill that turned out textiles in three busy shifts.

Or the chipping mill where logs are processed a mile away.

"It was loud, louder than the crypto mine," Vicky Martin, a 67-year-old retired nurse, said of the textile mill. She described semis rumbling up to the factory, industrial equipment clanging and shift workers coming and going.

TOP: Gene Johnson, 80, is retired and living in Murphy. ABOVE: A crypto mine in Murphy on July 21. (Mike Belleme For The Washington Post)

His home on Beaver Ridge Trail is just a quarter-mile from the mine. Though he's hard of hearing from his years as a gunner, he says, the sound is still overpowering.

Johnson plays in a local band called the Sea Notes, which performs country, classic rock, bluegrass and some Cajun music at clubs and festivals.

IN THEIR VOICES: GENE JOHNSON, who at age 80 still keeps time to the music, says the mine noise makes that harder.

"I love to play music. ..."



Listen 52 sec

He keeps chairs on his front porch, welcoming any company that might meander by wanting to share some songs. But one has to strain to hear the notes over the whirring mine.

"It bothers me, and it's a nuisance. Playing music is part of my life. You try playing music with that noise. I keep time with the fans from the mine instead of the guys in my band," Johnson said.

"The noise makes me feel really angry. It's embarrassing to have people come over and visit you with that noise there," he said.

figure, this is where I'm going to spend the rest of my life, and, lo and behold," a crypto mine moves in next door.

For Gene Johnson, 80, who served 40 years in the Navy as a gunner and engine room officer, the noise has intruded on a retirement he had hoped to spend playing music with friends.

Now, however, there is almost constant noise, especially prevalent at night, when other sounds are hushed. "Sound levels generally drop at night, so noises that might not seem so loud during the day suddenly become that much more prominent," said Fristrup, formerly of the Park Service.

He added that the lower temperatures at night in the mountains of Western North Carolina also trap and amplify the sound.

"It's changed our way of life up here," Futch said.

IN THEIR VOICES: DENNIS FUTCH, a retired army captain who battles PTSD, has gone out of his comfort zone to attend county commission meetings to air his complaints about the mine noise.

"I mean, and when it comes to your neighborhood, you just can't easily pick up and move ..."



The noise has even forced him to come down the mountain to attend county commission meetings, although public places make him uncomfortable.

"Going to town is usually an ordeal for me, and I can sit at home all day and be perfectly content," Futch said. "I just wanted to see what was going on and what the county would do about it, but it was not easy to go. It was noisy, and I usually stay away from that."

Even the drive to the meeting was difficult, Futch says, with highway debris or construction bringing up memories of roadside bombs in Iraq and Afghanistan.

He came away from the meeting convinced that nothing could be done and that he was stuck.

"You just can't easily pick up and move, because nobody's going to buy your home," Futch said. "... You could pack up and move to a nice, quiet area and

Commission does not keep a registry of crypto mines" (or any other retail customer).

Local utilities simply need to approve the required paperwork, and local building permits need to be up to date.

PrimeBlock's Song said the company was drawn to Cherokee County because of the TVA's supply of renewable energy, created by hydroelectric dams as well as other methods.

The company operates 12 facilities in North America, concentrated in North Carolina, Tennessee and Kentucky, according to a U.S. Securities and Exchange Commission filing.

But some communities have expressed alarm about crypto coming to town. A group of citizens protested a proposed crypto mine in Pitt County, N.C., forcing plans to be shelved this year. In Limestone, Tenn., county commissioners reached a settlement with a crypto mine operator to move a facility to an industrial park.

Unlike cities such as Asheville, N.C., and Johnson City, Tenn., which turned into mini-metropolises during the pandemic, Murphy is still a place where people go to get away. The area attracts people in search of quiet, including many retired police officers and members of the military.

Dennis Futch, who retired as a captain after 28 years in the Army that included tours in Iraq, Afghanistan and Kuwait, bought a place on Poor House Mountain in 2016, following his parents to the area.

"I needed quiet. I had to have it, and that is why I came," he said.

If there wasn't total hush, it was nature's noise — territorial turkeys or summer cicadas, not gun battles or urban caw. Occasionally, there'd be the distant rumble of a truck on U.S. Highway 64, some two miles away.

"We were planning to move anyway, but the mine definitely sped those plans up," Lugiewicz said.

Poor House Mountain is dotted with stately homes that belie the name. Rows of townhouses and condos sit on the edge of an old golf course that has been shuttered for five years and is slowly being reclaimed by southern grasses and pines.

No one thought much of anything in the summer of 2021 when a long-vacant field across the street from the mountain was cleared and power poles erected. A few small buildings that looked like storage units started going up, and some thought it was just another place for people to stash their stuff. Not pretty to look at but harmless.

But crypto mining requires serious computing power. Creating a single bitcoin requires 1,556.99 kilowatt hours of electricity, according to <u>Digiconomist</u>, which monitors crypto consumption — about the same amount used to power an average house for 53 days.

The crypto mining centers also need those huge fans to cool them, especially during broiling Southern summers.

When crypto mining companies were forced out of China last year, the ample power available from the Tennessee Valley Authority made Appalachia an appealing spot. At least three mines have opened in North Carolina's Cherokee County since 2020, but as there is no registration requirement for cryptocurrency data centers, finding out how many are operating in the state is difficult.

North Carolina's secretary of state's office, which regulates businesses in the state, said crypto mines fall under the North Carolina Utilities Commission. And Sam Watson, general counsel for the NCUC, wrote in an email: "The

Chandler Song, a co-founder and co-owner of PrimeBlock who serves as the company's chief innovation officer, said that he had received no noise complaints from county officials, and that he had personally visited the facility.

"I have been to the site many times during construction," he said in an interview. "About 200 yards from the site, we stood in front of the house to check noise levels. It sounds like an air-conditioning unit in the yard. Every night, it was like air conditioning."

However, he said that the mine is building noise insulation walls and that most PrimeBlock sites will adopt newer and quieter cooling systems in the coming months.

County officials did not respond to emails or texts requesting comment.

The Murphy Electric Power Board did not respond to specific questions about the mine or noise complaints but provided a general statement saying: "When an individual or corporation submits an application for electric service, pays the proper construction fees, provides a security deposit, and agrees to abide by our service rules and regulations we strive to provide safe, reliable electric service."

Lugiewicz, who works mainly from home, soon gave up on using the expansive deck he completed a month before the mine started operations, where he had hoped to perch with his laptops and listen to the birdsong. Instead of using his "outdoor office," he retreated indoors and soundproofed his home.

He and his wife began building a new home about 1.6 miles up the mountain, far enough away that the mine is only a distant, barely audible hiss.

IN THEIR VOICES: PHOEBE THOMPSON, a recent Bowdoin College graduate and environmentalist, laments the loss of the area's natural silence.

"I think sometimes people pooh-pooh the decibel level. ..."



Lugiewicz, who moved to Poor House Mountain from Brooksville, Fla., in 2005.

"As soon as they started the first container, we said: 'That's it. We're done,' "Lugiewicz said.

Staying connected in the field

To better understand the conditions created by cryptomining operations, journalists used AT&T environmental sensor hardware to measure sound quality in a rural area. This story was reported, written and created by The Washington Post. AT&T provided technical support and had no role in the content.

Technology supported by



A sensor placed on Lugiewicz's property by The Washington Post captured noise levels roughly every five minutes over nearly three weeks. In nearly every reading — 98 percent of the time, day or night — decibel levels were above 55, about the noise of a normal conversation.

More than 30 percent of the readings exceeded 60 decibels — high enough that if they were in D.C., they would violate the city's daytime residential noise ordinances. Estimates from the National Park Service show that expected environmental sound levels in the area should be around 41 decibels.

Kurt Fristrup, a former Park Service scientist who studied noise impacts on rural environments, compared the noise near Lugiewicz's home to living close to a very busy road without normal pulses in traffic.

Imagine "45 sedans traveling close together nonstop on a three-lane road at 35 miles per hour," Fristrup said.

Across America, there are relatively few standards for noise pollution.

Although the Environmental Protection Agency established a noise pollution program in 1972 under the Clean Air Act, the agency has generally left noise issues up to state and local authorities. In North Carolina, noise-control regulations are usually the responsibility of counties, according to the state's Department of Environmental Quality.

North Carolina's Cherokee County, where the PrimeBlock cryptocurrency mine is located, has had a noise ordinance on the books since 1999, but locals say it is unevenly enforced and does not specify a decibel threshold.

Enhanced by weather, topography and the surrounding silence in this remote part of Appalachia, the unrelenting noise quickly became intolerable for

Produced by Rekha Tenjarla

Aug. 31 at 1:01 p.m.



MURPHY, N.C. — It's midnight, and a jet-like roar is rumbling up the slopes of Poor House Mountain. Except there are no planes overhead, and the nearest commercial airport is 80 miles away.

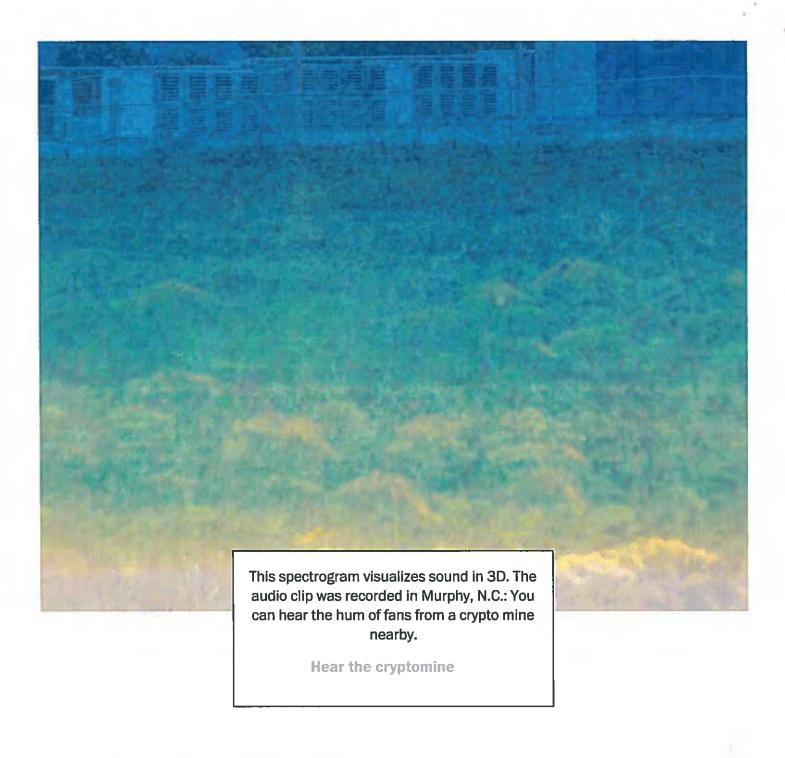
The sound is coming from a cluster of sheds at the base of the mountain housing a cryptocurrency data center, operated by the San Francisco-based firm PrimeBlock. Twenty-four hours a day, seven days a week, 365 days a year, powerful computers perform the complex computations needed to "mine," or create, digital currencies. And those noise-generating computers are kept cool by huge fans.

"It's like living on top of Niagara Falls," said Mike Lugiewicz, whose home lies less than 100 yards from the mine.

"When it's at its worst, it's like sitting on the tarmac with a jet engine in front of you. But the jet never leaves. The jet never takes off. It's just annoying. It's just constant annoyance," he said.

After China cracked down on cryptocurrency mining last year, dozens of cryptocurrency companies and hundreds of independent miners set up operations in sparsely populated parts of the United States, lured by the availability of cheap and plentiful power.

But they have been followed in some areas by <u>noise complaints</u> against the computers and the fans, leading to lawsuits and community action and sharply dividing local populations.





Cryptocurrency mining brought constant noise to this remote part of Appalachia

Cryptocurrency

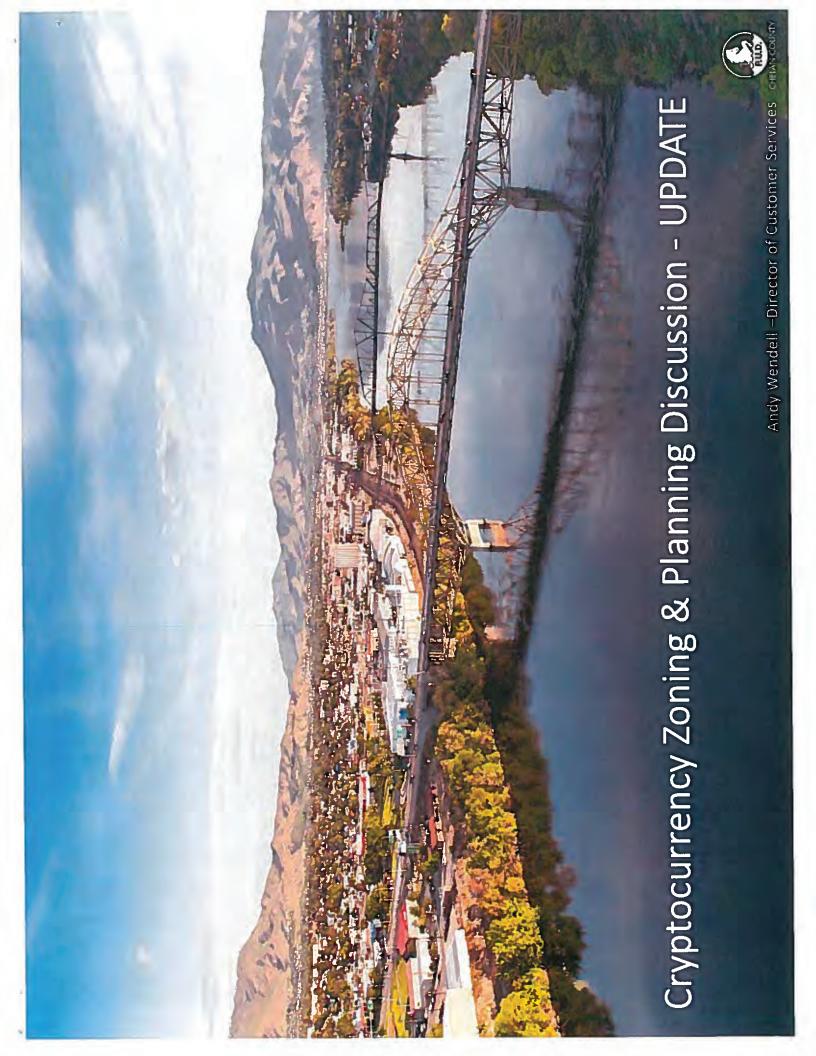
From: Pamela McChrystal

Sent: Thursday, November 17, 2022 9:44 AM

To: Edgar Allen; Valley County Commissioners; Cynda Herrick <cherrick@co.valley.id.us>

Subject: Cryptocurrency

https://www.chelanpud.org/docs/default-source/commission/outreach-on-cryptocurrency.pdf



Outreach Discussions on Cryptocurrency Zoning

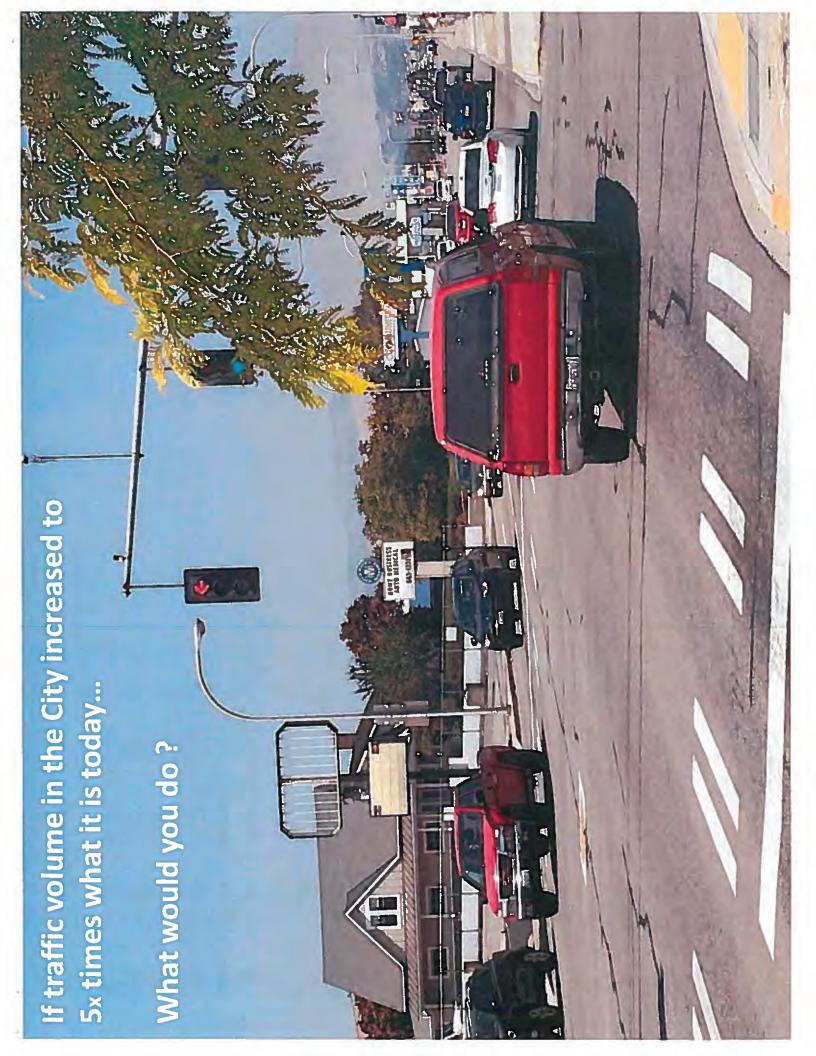
June 20	Aug 15	Aug 23	Sept 4	Sept 25	Sept 26	Sept 11	< Date Pending >	< Date Pending >	< Date Pending >
PUD, Municipals, County, Port	City Planning Commission	Chelan Port Planning	Chelan Port Commission	Chelan County Commission	Chelan County Planning Com.	Entiat City Council/Planning	Chelan City Council /Planning	Cashmere City Council	Leavenworth City Council
Joint Agency Planning	City of Wenatchee	Port District	Port District	Chelan County	Chelan County	City of Entiat	City of Chelan	City of Cashmere	City of Leavenworth

What we are hearing through outreach

- Establishing proper zoning for cryptocurrency mining is a County and municipal responsibility
- Cryptocurrency mining in residential spaces introduces unique safety and reliability concerns in neighborhood electrical grids.
- Cryptocurrency mining is an Industrial / Commercial use of electricity
- Cryptocurrency mining is best served in Industrial / Commercial zones
- PUD should ensure electrical capacity for traditional noncrypto mining growth

Examples of Questions from the City Planning Commission:

- 1. What is the PUD's opinion on cryptocurrency mining in residential areas/neighborhoods?
- safely occur in a residence without significant upgrades to service or power 2. Is there a threshold or minimum amount of cryptocurrency mining that can consumption?
- 3. Is there sufficient power reserved for residential and commercial/industrial growth?





100 Watt

Turned on for (1 hour)

100 WattHour

1,000 WattHour

o

Turned on for (1 hour)

1 KiloWattHour (1 Kwh)

100 Watt 100 Watt

1,000 Watts

100 Watt

100 Watt

100 Watt

100 Watt

12 13 14 7 15 15 15 15 15 15 15 15 15 15 15 15 15		
20 23		Pat .
n a		6.
22	14	4
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22 22	22	2

 $30 \text{ days } \times 24 \text{ hrs}$

720 hour / Month



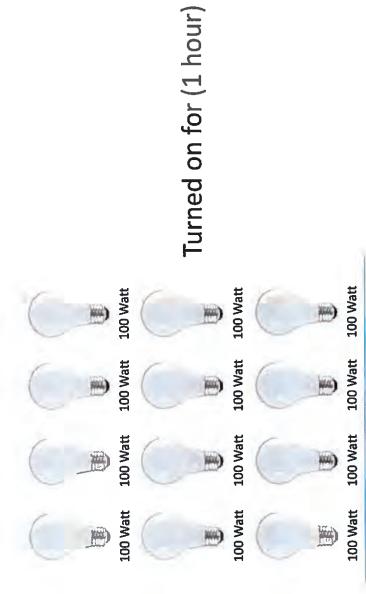
Average Monthly Usage

o

~ 1,660 KiloWattHours

(1,660 KWhs)

Wenatchee Residential Service



1.2 KiloWattHour

ō

11

(1.2 Kwh)

1,200 WattHour

1,200 Watts or 1.2 KW

Turned on for (1 hour)

1,200 WattHour

or

H

1.2 KiloWattHour

(1.2 Kwh)



(1) ASIC Miner 1,200 Watts or 1.2 KW



Average Monthly Usage

(720 Hours)

~ 1,660 KiloWattHours

Ö

(1,660 KWhs)

Wenatchee Residential Service

Cost: $(1,660 \text{ KWhs}) \times (\$0.032/\text{KWh}) = \$53.12 / \text{Month}$

(2) ASIC Miner

 $(2) \times (1,200 \text{ Watts}) = 2,400 \text{ Watts}$

24 x7 Monthly Usage

(720 Hours)

o

1,728 KiloWattHours

(1,728 KWhs)

Typical (residential) Cryptocurrency Operation



> (10) ASIC Miner 24 x7 Monthly Usage

(720 Hours)

8,640 KiloWattHours

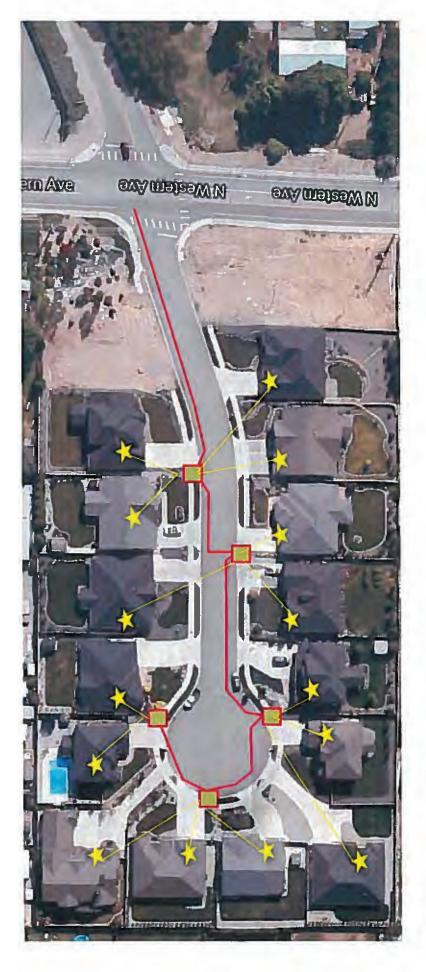
or

(8,640 KWhs)

5 X (Typical residential home usage)

 $(10) \times (1,200 \text{ Watts}) = 12,000 \text{ Watts}$

Typical Street Development



- 15 Residential Homes
- (5) Shared Transformers, Typical Urban underground distribution system

Typical Street Development With (1) Typical Mining Operation



Equivalent to adding 5 additional homes

- Equivalent of 45 20 Residential Homes
- Requires at least (2 New Transformers)
- New Secondary Supply Cables
- Replacement & Upgrading of the primary cable

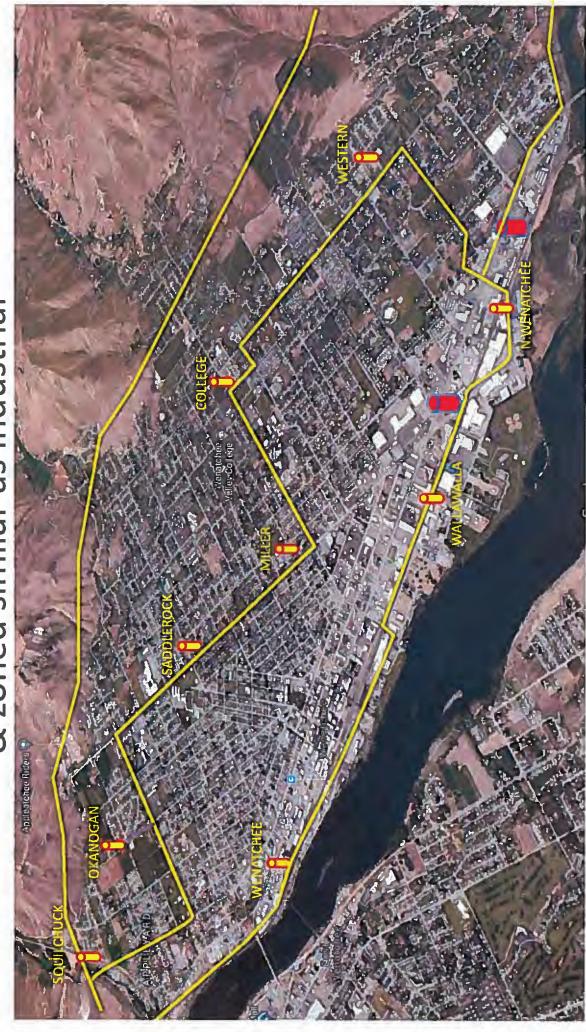
City of Wenatchee (Existing Transmission & Substations)



(10) Substations(15 Miles of Transmission)(205 Miles of Distribution Cable)(3,700 Transformers)

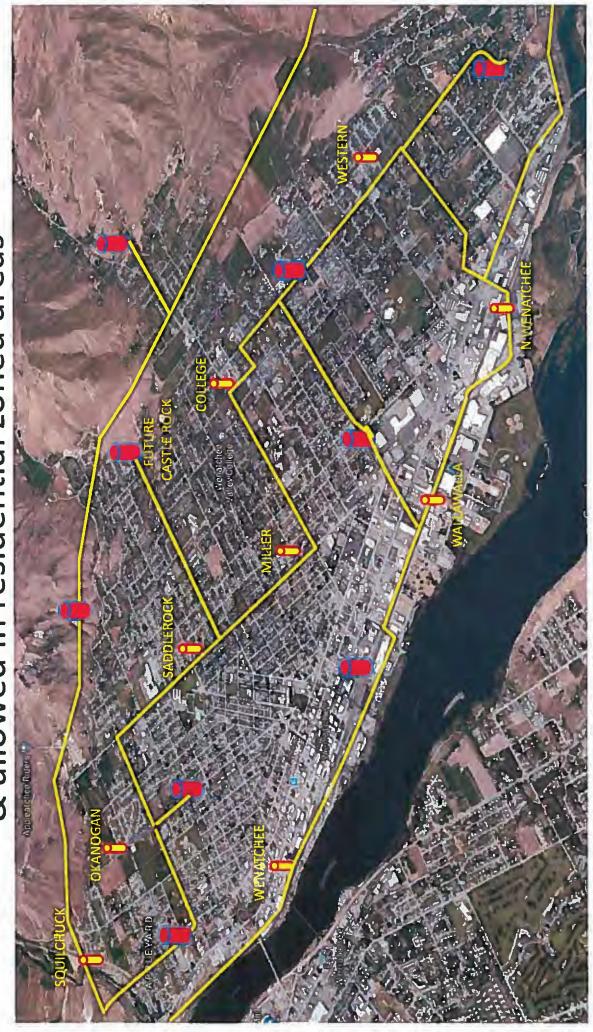
Provide Electrical Service to ~ 15,865 Meter Endpoints > \$650 Million in assets

If Cryptocurrency load is <u>centralized</u> & zoned similar as Industrial



Electrical infrastructure impacts are limited to the specific Industrial/Crypto zoned areas

lf Cryptocurrency load is <u>De-Centralized</u> & allowed in residential zoned areas



Electrical infrastructure impacts would be far more extensive & costly

If Cryptocurrency load is **De-Centralized** & allowed in residential zoned areas:



Adding neighborhood Substations



Upgrading existing transformers



Adding High voltage Transmission



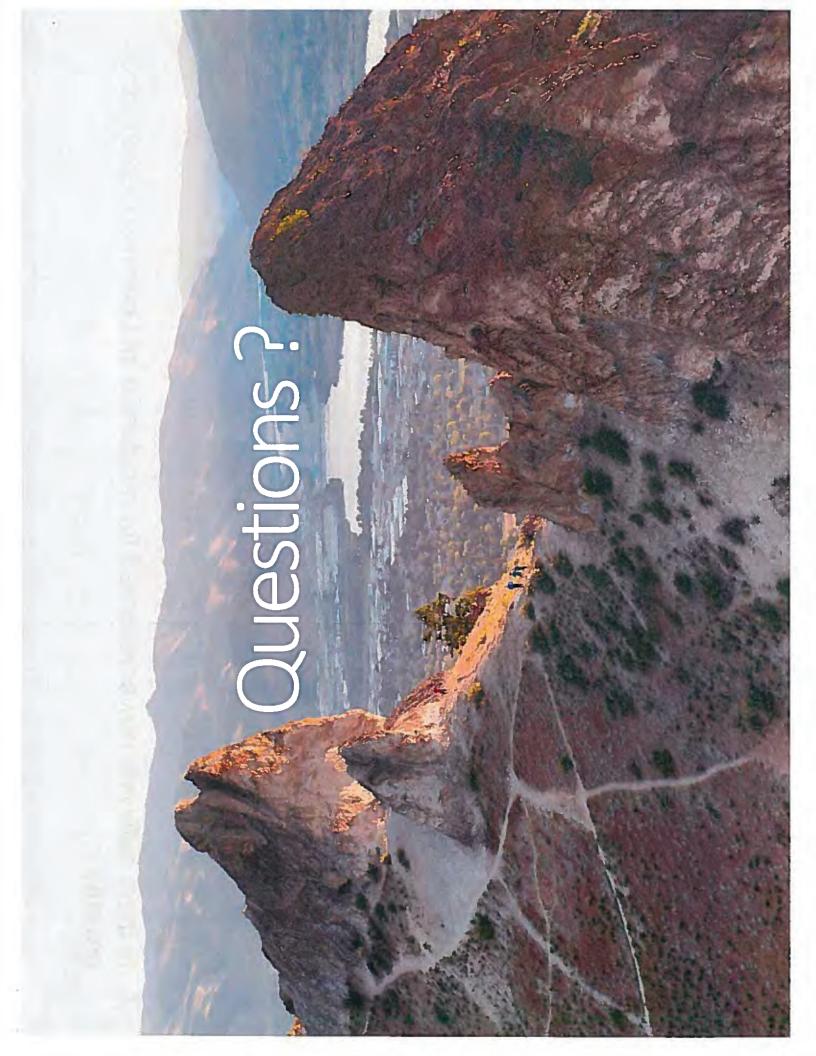
Current Cost

Models

Change to

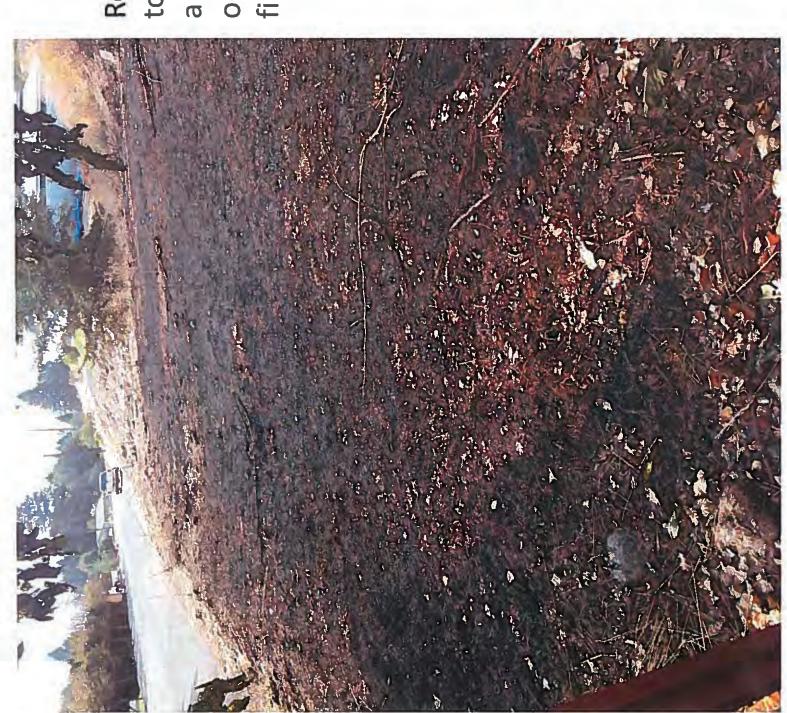
Material

Upgrading existing neighborhood Distribution lines



- What is the PUD's opinion on cryptocurrency mining in residential areas/neighborhoods?
- safely occur in a residence without significant upgrades to service or power Is there a threshold or minimum amount of cryptocurrency mining that can consumption? ر ز
- What is the PUD's legal obligation to provide power?
- Can the PUD simply deny service to cryptocurrency miners?
- What are the fees/rates applied to cryptocurrency mining? 5
- What is the public benefit vs the power consumed? 9
- 7. Is there sufficient power reserved for residential and commercial/industrial growth?

Q1: What is the PUD's opinion on cryptocurrency mining in residential areas/neighborhoods? A: CCPUD has significant concerns with safety, reliability and the overall maintain residential electrical systems that support cryptocurrency costs associated with the potential change in how we plan, build and mining. We are basing these concerns on facts, findings, and reoccurring patterns relating to cryptocurrency mining in residences. We know that local area residential electrical systems in Wenatchee are not designed for sustained high density, high load factor electrical consumption like cryptocurrency mining. Allowing cryptocurrency mining in residential zoned areas will materially change costs in addition to the way the PUD plans, constructs, and maintains the residential electrical services.



Residential supply cable to a home failed due to a Cryptocurrency operation, resulting in a fire.

Q2: Is there a threshold or minimum amount of cryptocurrency mining that can safely occur in a residence without significant upgrades to service or power consumption? A: Electrical capacity is unique to each individual home. Safety of the electrical equipment goes beyond the utility's meter. Residential building codes and electrical codes should be considered as the The job of the utility is to ensure the supply transformer, supply cable and meters are properly sized and used for the approved electrical service. All non-residential load such as cryptocurrency should be reviewed and approved by the Department of Labor and primary standard for safe use of electricity in a residential home. Industries Electrical Division prior to use.

Q3: What is the PUD's legal obligation to provide power?

applicants to pay the cost of necessary line extension construction before it A: The PUD, as the electric utility in the county, meets reasonable requests for power. The obligation to provide power is not absolute or unconditional. regulations and are designed in part to protect the PUD and its customers The PUD and state and local law place conditions and restrictions on service. Examples include appropriate rates and conditions of service, making necessary improvements so that service is safe, proper permitting, inspection and other similar requirements. For example, the PUD requires will provide power. The PUD's policies and regulations are established and directed by the Board of Commissioners through PUD rates, policies, and and to maintain safe, reliable, and cost-effective service in the long-term.

Q4: Can the PUD simply deny service to cryptocurrency

A: We assume the question intends to inquire about a blanket prohibition against serving under any circumstances. As a general matter the PUD denies service only for reasons related to non-compliance with its procedures, requirements or other applicable laws, such as failing to complete the application process or failing to pay a fee. In and of itself, what the consumer intends to do with the electrical power is generally not something the PUD considers in determining whether to deny service, with the potential exception of an intended unlawful service. Instead, what a consumer intends to do is important to conditions of service such as determining the right rate, impacts on the utility infrastructure and the safe and reliable provision of service. For example, the PUD would deny (or at least suspend) service to an electrically unsafe structure (e.g., with visibly dangerous wiring) or without L&I inspection. When a service request presents new and unique challenges, such as with cryptocurrency, the PUD seeks to develop reasonable terms and conditions of service, consistent with the policy of the Board of Commissioners, that protect the District and the District's other customers rather than deny service outright.

Q5: What are the fees/rates applied to cryptocurrency mining?

A: Below are clips from the July 23rd, 2018 CCPUD Board of Commission These are draft and not approved at this time:

Cryptocurrency Upfront Capital Charge

Transmission Costs

\$55/kW (first 100 MW) in
Wenatchee corridor (Monitor, Olds
Station, Wenatchee, Malaga)

»No connections allowed north of Leavenworth (Anderson Canyon-Summit Line) \$400/kW - \$500/kW in all other areas, or cost based on Transmission Study

Distribution Costs

\$270-388/kW depending on substation capacity »Where substation capacity not available customer may be required to build necessary infrastructure

Willingness to pay does not guarantee service availability

Draft Cryptocurrency Rate Considerations

For use over 1 MW, at market monthly average index energy price over the last 24 months, averages 5.5 ¢/kWh*

For residential services, recommend adjusting delivery charge, resulting in 7-10 ϕ/kWh^*

For use over 1 MW, at 5-yr future market energy, approx. 6 ¢/kWh* for commercial or industrial services

Excess use charges apply for incidental use over authorized levels

^{*}Includes customer charge, delivery and energy, does not include upfront charges

Q5: What is the public benefit vs the power consumed?

A: There have been many debates as to the "benefits" and "risks" utility systems and is accelerating the need to build more of cryptocurrency and blockchain technology. What we do know is that cryptocurrency mining places new stresses on the electrical infrastructure and make costly upgrades to existing infrastructure.

In terms of cryptocurrency mining, the PUD is looking for solutions that result in a positive or neutral impact to our existing customers.

and reserved for residential Q6: Is there sufficient power commercial/industrial growth?

plans to be able to serve local organic (non-crypto) load growth over that horizon. And our current rates and policy development are designed to assure we do not inhibit future organic load growth A: The PUD continuously updates a five year look forward and at currently planned levels. November 18, 2022

TO:

Valley County Planning & Zoning / Cynda Herrick, AICP, CFM
PiZ Director

FROM:

Jeffrey and Carolyn Wood

1011 Violet Way

McCall, ID. 83638

RE:

Opposition to C.U.P. 22-47 (Cryptocurrency Site)

We are writing to express our opposition to any approval of a conditional use permit by Aleksandr and Lyubov Galenko for a light industry business (in this case, a cryptocurrency site).

We own lots at 13792 and 13795 Sweet Iron Court, close by the proposed operation.

We bought the lots specifically because of the bucolic nature of the subdivision. We had every expectation that we were buying the lots in an area that were strictly residential in nature. We do not want to see the approval of any business in a residential area that includes, "warehousing, wholesaling, manufacturing and/or processing of goods and materials...." (beginning verbiage of the Valley County description of "Industry, Light").

If this project is approved, then how many other crypto-miners will be moving to Valley County to set-up operations, drive up our electricity costs, create noise, decrease our property values and change the fundamental nature of our neighborhoods?

Further, if there is a contagion of the death spiral of crypto projects (ie. The recent collapse of FTX, wherein over 1 billion dollars have vanished), then what will be the unintended and unforeseen consequences of having these machines on a residential property if the owners abandon their project?

Crypto currency and its mining can be confusing and bewildering. We have included a link to an article that may help explain basic terms, and describe the potential consequences of having crypto mining in our midst. (See below).

https://www.cnet.com/google-amp/news/bitcoin-mining-how-much-electricity-it-takes-and-why-people-areworried/

I conclusion, we respectfully ask the Valley County P & Z to deny this conditional use permit.

Best regards from two full-time Valley County residents,

Wood and Carolyn Wood Jeffrey and Carolyn Wood

MoneyCrypto

Bitcoin Mining: How Much Electricity It Takes and Why People Are Worried

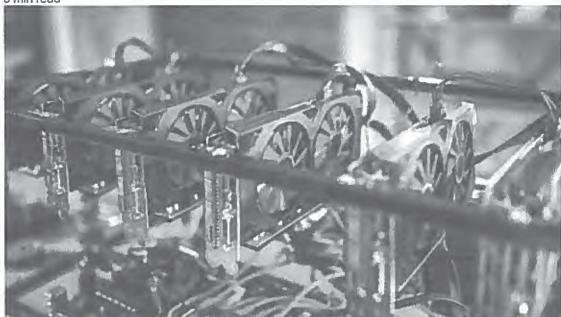
Crypto consumes a ton of power to keep things running.



Oscar Gonzalez

July 18, 2022 2:08 p.m PT

5 min read



With mining rigs, energy goes in, money comes out.

Getty Images

Tesla CEO Elon Musk rocked the crypto market in 2021 when he said his company would <u>no longer accept bitcoin for vehicle purchases</u>. His reasoning had to do with the large amount of fossil fuel-generated energy that's required to mine <u>cryptocurrency</u>. Musk has since taken a new tack, delivering <u>Tesla Megapack batteries</u> to a <u>Texas bitcoin mining facility in May</u>.

<u>Bitcoin</u>, ethereum, <u>dogecoin</u> and other popular cryptos reached <u>record highs in 2021</u>, as did crypto-reliant <u>NFTs</u>, raising concerns about the increasing amount of energy needed to mine the coins. As the <u>crypto markets crashed in 2022</u>, crypto mining continued to consume <u>roughly as much power as Argentina</u> and to have a carbon footprint equivalent to that of Greece, according to a research report titled "<u>Revisiting bitcoin's carbon footprint</u>," published in February. As the

energy bill for crypto mining rises, so does the amount of carbon and waste, adding to the growing climate crisis.

Here's what you need to know about crypto mining and its energy uses.

What is crypto mining?

When bitcoins are traded, computers across the globe race to complete a computation that creates a 64-digit hexadecimal number, or hash, for that bitcoin. This hash goes into a public ledger so anyone can confirm that the transaction for that particular bitcoin happened. The computer that solves the computation first gets a reward of 6.2 bitcoins, or about \$134,000 at current prices.

Other cryptocurrencies and NFTs use similar mining technologies, contributing to the overall energy usage.

What is a crypto mining rig?

It's a barebones computer with multiple <u>graphics cards</u>, or GPUs, instead of the single-card standard, and it does the work to complete a computation. Rigs usually use powerful GPUs from Nvidia and AMD to handle calculations and require high-wattage power supplies. The popularity of mining led to a <u>shortage of graphics cards</u>, which in turn caused their values to rise.



A crypto mining farm in Nadvoitsy, Russia. Getty Images

Why is crypto mining so energy-intensive?

For starters, graphics cards on mining rigs work 24 hours a day. That takes up a lot more power than browsing the internet. A rig with three GPUs can consume 1,000 watts of power or more when it's running, the equivalent of having a medium-size window AC unit turned on.

Crypto mining businesses can have hundreds or even thousands of rigs in one location. A mining center in Kazakhstan is equipped to run 50,000 mining rigs, and another mining farm in China has a monthly electricity bill of more than \$1 million as it mines 750 bitcoins a month.

Not only do rigs take up power, they also generate heat. The more rigs you have, the hotter it gets. If you don't want your rigs to melt, you need some cooling. Many mining rigs have multiple built-in computer fans. But if you have multiple rigs, the room quickly gets hot, requiring external cooling. Small operations, like those run by individuals, can get by with a typical standing fan. Mining centers, however, need a lot more cooling, which in turn requires even more electricity.



Video: What is Bitcoin's true environmental impact?

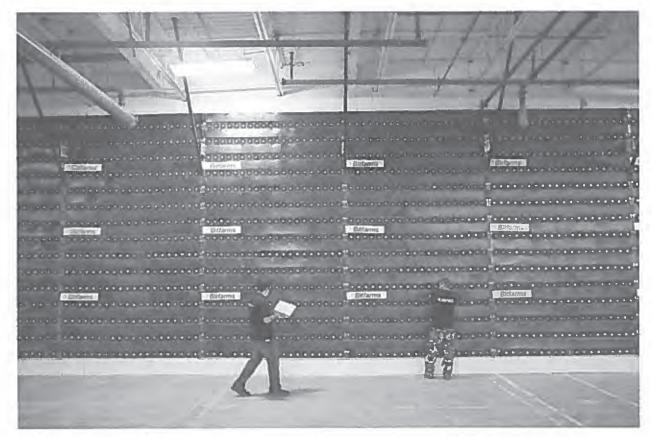
How much energy does mining take?

The <u>Digiconomist's Bitcoin Energy Consumption Index</u> estimated that one bitcoin transaction takes 1,449 kWh to complete, or the equivalent of approximately 50 days of power for the average US household.

To put that into money terms, the <u>average cost per kWh in the US is close to 12 cents</u>. That means a bitcoin transaction would generate approximately an energy bill of \$173.

Bitcoin mining uses <u>around as much energy as Argentina</u>, according to the Bitcoin Energy Consumption Index, and at that annualized level of 131.26 terawatt-hours, crypto mining would be in the top 30 of countries based on energy consumption.

Energy consumption for bitcoin mining was at its highest at the end of 2021 and the early months of 2022, consuming more than 200 terawatt-hours.



A wall of mining rigs in Quebec, Canada. Getty Images

Why is using so much energy bad for the environment?

Fossil fuels account for more than 60% of the energy sources in the US. A majority of that percentage is natural gas and a minority is coal. The carbon dioxide produced by fossil fuels is released into the atmosphere, where it absorbs heat from the sun and causes the greenhouse effect.

As mining rigs consume more energy, nearby power plants must produce more electricity to compensate, which raises the likelihood that more fossil fuels will be used. States that have struggling coal power plants, such as <u>Montana</u>, <u>New York</u> and <u>Kentucky</u>, are trying to cash in by wooing crypto mining companies.

There's also the issue of <u>electronic waste</u>. This can include broken computers, wires and other equipment no longer needed by the mining facility. Bitcoin mining's electronic waste is 34 kilotons, or comparable to the amount produced by the Netherlands.

What's being done about this energy problem?

Not much. The 3rd Global Cryptoasset Benchmarking Study from the University of Cambridge found that <u>70% of miners based their decision on what coin to mine</u> on the daily reward amount. Energy consumption made up only 30% of their choice.

Access to renewable energy at a low price, however, attracts crypto miners. China's Sichuan Province has the country's second-largest number of miners due to its abundance of cheap hydroelectric power. Its rainy season helps to generate so much energy that cities are looking for <u>blockchain firms to relocate</u> in order to avoid wasting power. Due to worries about energy shortages, China cracked down on bitcoin mining facilities in late 2021, but the <u>farms went</u> underground and rebounded.

The operators of ethereum, the second most popular and <u>energy-consuming blockchain</u> behind bitcoin, are doing something to change the amount of energy its miners consume. <u>Ethereum 2.0</u> is an upgrade <u>being tested</u> now. Instead of computers trying to solve computations -- referred to as <u>proof-of-work</u> protocol -- computers will be randomly selected to create blocks for the blockchain, while computers that weren't selected will validate those blocks created.

To ensure miners do their job, each miner has to stake 32 ether coins, which is equivalent to \$47,000, hence the term for this protocol: <u>proof of stake</u>. This change should reduce the amount of energy needed for ethereum mining by 99.95%. <u>Ethereum is set to transition to the new protocol on Sept. 19</u>, but that date is not final.

What other cryptos are more energy-efficient than bitcoin?

A growing number of coins -- there are <u>more than 19,000 of them</u> -- use the proof-of-stake protocol that ethereum 2.0 will transition to, resulting in a drop in power consumption.

Cardano, for example, uses its own proof-of-stake protocol and consumed <u>6 gigawatt-hours in 2021</u>. <u>Chia</u> is another coin with a low-energy approach called the proof-of-space protocol. Instead of requiring intensive computation, Chia requires farmers to allocate space on a computer's hard drive, called "plots," that will be called upon by the blockchain based on certain factors.

First published on June 11, 2021 at 5:00 a.m. PT.

Crypto mining on Ashton Lane

From: J Mark Jensen

Sent: Friday, November 18, 2022 10:53 AM
To: Cynda Herrick <cherrick@co.valley.id.us>
Subject: Crypto mining on Ashton Lane

Dear county commissioners,

I am writing concerning the proposed crypto mining operation on Ashton Lane. I am a close neighbor of this proposed operation (419 Wilhelm creek court) and am concerned on several fronts. I will enumerate them below.

- 1. It is widely known that the noise level of crypto operations is quite significant. Their application says they will abate this but does not specify to what decibel level. They could put any small amount of insulation in the walls and claim it is reduced noise. If this is approved, which I hope it is not, a decibel level that is very low should be required and monitored. Besides residential neighbors, the jug mountain golf course is a few yards from this site and would be negatively effected by the sound as well. One thing most people in this area are here for is the peace and quite of a rural setting. There is no need to allow a noisy commercial operation to be placed here!
- 2. It is also well known that the amount of electricity to run one of these things is enormous. A quick check with Idaho Power will tell you that. It is quite possible that new infrastructure would be necessary to supply the needed energy, a cost that would be borne by all the energy consumers in the area including me and my family. It is not appropriate to allow something of this nature to be built when it could cost all neighbors significant money.
- 3. Fire risk is also high. Many examples of these over heated computers causing fires exist and the only fire protection plan they have is to have a fire extinguisher on site. In the same breath, they, with a straight face, say that these computers will be managed remotely with no one regularly on site. What good does a fire extinguisher do if no one is around to use them!!!!!
- 4. The extensive use of internet band width will slow down everyone else's internet. We already have barely usable internet speeds in this area and this additional usage will make streaming nearly impossible.

In conclusion, this operation is simply NOT a good fit for this residential area. Ask yourself- would I like it if a noisy energy and internet hogging business was going up near your house? (There are houses within feet of the proposed operation.). Crypto currency is not an urgent need for any community and is especially unsuited for this community. I sincerely hope you will deny this request.

Dr. J. Mark Jensen and Llona Ney Jensen

Opposition to C.U.P. 22-47 (Cryptocurrency Site)

From: Tina Merry

Sent: Monday, November 21, 2022 5:13 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Cc: David Merry 9

Subject: Opposition to C.U.P. 22-47 (Cryptocurrency Site)

Good afternoon, Cynda,

Below is a written letter regarding our opposition to C.U.P. 22-47 (Cryptocurrency Site), We were told that we should direct all questions and written comments directly to you. Unfortunately, we will not be able to attend the meeting on December 8th. If you could please confirm receipt of this email, I'd really appreciate it.

Thank you, Tina

DATE:

November 21, 2022

TO:

Valley County Planning & Zoning

FROM:

David and Tina Merry 4312 Crazy Horse Rd. Cameron Park, CA 95682

RE:

Opposition to C.U.P. 22-47 (Cryptocurrency Site)

We are writing to express our opposition to any approval of a conditional use permit by Aleksandr and Lyubov Galenko for a light industry business (in this case, a cryptocurrency site). We just became aware of a conditional use permit application that was submitted for a crypto currency mining operation on Ashton, between Wilhelm and The Willows.

We own the lot at 13797 Sweet Iron Court, within approximately 100 feet of the proposed operation.

We purchased our lot in 2021 with the intent to build our forever home in the future. When we purchased the home, we had every intention to purchase a lot in a strictly residential area. We do not want to see this change with the approval of any business in a residential area that includes, "warehousing, wholesaling, manufacturing and/or processing of goods and materials...." (beginning verbiage of the Valley County description of "Industry, Light"). Below are our concerns with the conditional use permit application.

Tom's Hardware published an article on December 10, 2021 regarding a server farm that burst into flames in Thailand. Fortunately, no one was injured by the fire. Although this is an isolated incident, it is clear that data centers such as these create a significant fire hazard and requires a substantial amount of power and cooling equipment. Our fear is that this operation could create fire risk for the residents in the area. https://www.tomshardware.com/news/thai-server-farmburst-into-flames

Another article was published by MIT Technology Review on April 18, 2022 regarding the devastation that bitcoin and crypto mining operations are causing on residential communities. According to the article, each Bitcoin transaction consumes 1,173 kilowatt-hours which is more than the average American uses in a month; driving up home energy costs for the communities that surround crypto mining server

farms. https://www.technologyreview.com/2022/04/18/1049331/bitcoin-cryptocurrency-cryptomining-new-york/ This will just continue to increase as time passes. According to a Washington Post article published on March 29, 2022, "Bitcoin's estimated power consumption soared from an annual rate of 6.6 terawatt-hours at the start of 2017 to 138 terawatt hours in early 2022." https://www.washingtonpost.com/business/energy/why-bitcoins-environmental-problems-are-so-hard-to-fix/2022/03/16/b71e1d22-a4df-11ec-8628-3da4fa8f8714 story.html

Finally, an article published by The Street on September 2, 2022 discusses the amount of noise pollution such operations introduce into rural and suburban areas. https://www.thestreet.com/crypto/news/crypto-mines-alarming-noise-pollution Given that we own the property approximately 100 feet adjacent to the proposed location, we are extremely concerned about the noise pollution this proposed operation could introduce. We currently live right behind a busy freeway in California with noise pollution that we dislike immensely. We purchased 13797 Sweet Iron Court because of how beautiful and peaceful it was at the time that we purchased it. We truly hope that it remains that way.

If this project it approved, how many other like businesses will then move to Valley County to set-up operations, create unnecessary hazards, drive up the electricity costs, create noise, decrease property values and change the residential nature of the area. In conclusion, we respectfully ask the Valley County P & Z to deny this conditional use permit. We oppose the approval of CUP 22-47. Unfortunately, we will not be able to attend the meeting on December 8, 2022 so we hope you will take our opposition into account.

Best regards from future Valley County residents,

David and Tina Merry

CUP 22-47, Cryptocurrency Site

From: Adam Busch

Sent: Tuesday, November 22, 2022 5:23 PM
To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: CUP 22-47, Cryptocurrency Site

To whom it concerns,

We oppose the development of the proposed cryptocurrency mining facility.

Best,

Adam and Laura Busch 418 Wilhelm Creek Court

CUP 22-47, Cryptocurrency Site

From: Christopher Carmine

Sent: Wednesday, November 23, 2022 4:07 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Cc: Nancy Carmine

Subject: CUP 22-47, Cryptocurrency Site

To whom it may concern,

I'm writing this letter to oppose the proposed crypto currency site near IMR.

We are Jug Mountain property owners and personally feel that this is not a good fit for the area for this type of project. This crypto mining project, if passed would set a bad precedent for future proposals that would have a similar negative impact on the community due to excess power needs, noise issues, and general zoning impacts etc etc, on the local area, and directly impact those residents who reside near this location.

Please keep us posted on any future meetings about this project, as it will not have a favorable vote from us, nor would we support any council members or those who have any interest in supporting this agenda in the future.

Chris & Nancy Carmine

C.U.P 22-47 Cryptocurrency Site

From: Mark Morgan Sent: Wednesday, November 23, 2022 3:47 PM To: Cynda Herrick <cherrick@co.valley.id.us> Subject: FW: C.U.P 22-47 Cryptocurrency Site

Ms. Herrick and the Valley County Planning and Zoning Commission:

I am writing to convey my opposition to granting a conditional use permit for this proposed cryptocurrency site.

Valley County is not the location for this type of light industry. My opposition is not limited to the fact that this will be located in a residential/rural location, which is absolutely NOT the type of location the applicants should seek, but I have a strong opinion that this type of industry should not be anywhere in the County. There are apparent faults in the application like noise abatement (how does it deal with inevitable growth of the 'server' farm and cooling systems), and fire suppression (hand held fire extinguishers available yet it will be remotely managed?). However, I think there are bigger issues with this industry that reach much further into the community.

What is cryptocurrency mining?

Cryptocurrency mining, or cryptomining, is a process of obtaining cryptocurrencies by solving highly complex computational mathematic problems. While the mining process can be done using a decent computer, it is best to have a high-end, powerful, specialized chip. The solving process includes the verification of data blocks followed by the transactions getting added to the digital ledger, the blockchain.

Because mining requires computer power, **people do this work in return for money.** Miners are paid in transaction fees, that's a small amount of bitcoin paid by people like you and I when we send bitcoin. Another incentive to mine is that the first computer to solve the math problem will earn 12.5 new, <u>virgin coins.</u> (Virgin coins are "uncirculated" bitcoin. In other words, no one has ever used them.)

The cryptocurrency reward is not guaranteed, it is given to the computer that finds the solution to the complex math problem first. Cryptocurrency mining is a very expensive process and consumes power (electricity) that leads us to e-waste. What often happens is that these 'miners' start small, but realize that to make more money they have to grow dramatically in terms of number and

types of processors and cooling facilities to offset the heat generated. Not something a City like McCall would like to have in its presence.

E-Waste

The whole mining process requires powerful hardware which means a vast amount of electricity is needed to run that hardware. This huge amount of electricity leaves a significant amount of carbon footprint. Carbon footprint means the amount of carbon dioxide released into the atmosphere due to whatever activity you are talking about - in this case cryptomining. Crypto mining rigs need to be running 24/7 because if there is any break, it'll make it even harder to earn the next coin. This forces the serious miners to buy more high-end computers and run them all together in order to get an edge over their competitors.

According to the researchers, the high-end computers used to mine Bitcoin have an average lifespan of about 1.29 years only. This results in a production of a lot of e-waste which, according to the researchers, is ""comparable to the small IT and telecommunication equipment waste of a country like the Netherlands". This category normally includes computers, printers, and mobile phones.

A growing worldwide problem that Valley County does not want to be a part of:

Vox reported that bitcoin creation resulted in 20 million metric tons of carbon dioxide emissions. According to **Digiconomist**, that number has surged to 36.95 megatons of CO2 a year since then. It's a worrisome trend that does not seem to be abating. The main concern over this incremental increase is the impact on health and **climate change**.

Idaho Power and Grid Improvement:

With the increase in electrical demand, Idaho Power will likely be forced to make improvement to the power grid. While improvements to a power grid aren't inherently an issue, they do have an environmental impact. New electrical lines require resources to make, and they might not have been necessary if cryptocurrency mining was not occurring in certain cities. Having a more capable power grid may sound nice on the surface. However, if the improvements were only required because of cryptocurrency mining and not other growth in the area, then the picture ultimately looks a bit

different. Clearly, the broader set of Idaho Power customers will bear the increased cost via higher rates.

In the United States, home to about seven per cent of the world's bitcoin mining, finding cheap power can be complicated. A few years ago, miners "descended upon" the city of Plattsburgh, New York, about a hundred and fifty miles north of Albany, which gets much of its electricity from hydroelectric dams on the St. Lawrence River. The power is relatively inexpensive, but, once Plattsburgh uses up its allotment, it has to purchase more at higher rates. Bitcoin mining drove up the cost of electricity in the city so dramatically that, in 2018, Plattsburgh enacted a **moratorium on new mining operations**. Given our relatively cheap power in Idaho/Valley county, 'miners' will be looking to our community to grow their footprint. Lets stop it in its tracks.

What does the PUC and Idaho Power have to say?

<u>Could crypto miners raise your electricity bills? Idaho Power says yes. What to know - East Idaho News</u>

BOISE (<u>Idaho Statesman</u>) – Cryptocurrency miners are flocking to Idaho for its cheap power. State authorities say the additional energy demand is placing a burden on the entire electrical grid.

In fact, Idaho Power asked the Idaho Public Utilities Commission to create a <u>new customer class</u> for large-scale crypto miners, said Jordan Rodriguez, a spokesperson for Idaho Power.

The new classification <u>was approved</u> in June, according to a PUC spokesperson, but a Puerto Rican crypto mining company <u>called</u> <u>GeoBitmine</u> requested reconsideration. The PUC is now taking comments on that petition.

"These customers have the potential for significant energy demand, which could require Idaho Power to build additional infrastructure," Rodriguez said by phone.

Rodriguez said increased demand stemming from crypto-mining operations could require new substations, lines, transmission resources and power plants. Costs for these assets are paid by all customers through rates over time.

Adding new infrastructure could increase electricity rates for everyone. If the crypto miners were to pack up and leave the state, the remaining costs would be left behind, and the rest of Idaho Power's customers would foot the bill. "Some crypto-asset technologies currently require a considerable amount of electricity for asset generation, ownership and exchange," the report said.

"Depending on the energy intensity of t the technology used, crypto-assets could hinder broader efforts to achieve net-zero carbon pollution consistent with U.S. climate commitments and goals."

City of Missoula is addressing the issue:

https://www.govtech.com/policy/montana-cryptocurrency-zoning-law-may-be-countrys-first.html

On March 25, the Missoula County commissioners voted to adopt zoning regulations regarding cryptocurrency mining operations aimed at sustainability and the county's 2030 clean energy goals. The county did not come across any cryptocurrency mining regulations regarding climate change during an exhaustive nationwide look at zoning laws.

I have spent 30 years in the technology industry (IBM and Microsoft) and certainly support what technological advancements can do for the community. I also have enough experience to understand the detrimental impact certain 'light industries' can have on a neighborhood, City, County and State. Sensitivity to an applicants impact on sustainability and a focus on growing those businesses that have a positive impact on long term climate goals should be a guide post for Planning and Zoning.

There are just too many negatives in this application. It should be denied.

Thank you,

Mark Morgan 306 Otter Pond Ct. McCall, ID 83638 November 26, 2022

Planning & Zoning Commission,

We just became aware of a Conditional Use Permit application that was submitted for a crypto currency mining operation on Ashton, between Wilhelm and The Willows. We are writing to express our *opposition to any approval of a conditional use permit* by Aleksandr and Lyubov Galenko for a light industry business (in this case, a cryptocurrency site).

We own a home at 13787 and the lot at 13789 Sweet Iron Court, close by the proposed operation.

- We bought our home here because of the rural environment where the only "background noise" is cattle mooing, geese honking and the occasional elk bugle.
- There are other light industrial sites in McCall that are appropriate for this type of commercial business where it cannot disrupt the lives and peace of the homeowners. We have to question why in the world would they want to put this crypto mining site in an unspoiled rural ranching area? And it will be operated remotely? Why? Because the applicants don't want to impact their own lifestyle? If there is so little impact to the surrounding area, then let them put it next to where they live and play.
- According to the planning committee, there is no environmental impact study on this and there is no engineering firm involved. There is no mention of the impact on the adjacent wetlands or on any endangered species residing there. I seriously doubt that the applicants have the necessary education, training and experience to assess the needs for this facility and the impact on the surrounding areas. How many servers will be housed here?
- The applicant says the noise level is minimal, but that is not true. Here are some articles on the noise factor as well as one that says the noise can cause chronic illness and developmental issues. Please take the time to review these links; crypto mining is not quiet and has a major impact on the surrounding areas. https://www.washingtonpost.com/business/interactive/2022/cryptocurrency-mine-noise-homes-nc/ Glencoe neighbors voice concern about noise coming from cryptocurrency mine KSTP.com Eyewitness News A group of moms stopped a crypto mine from building next to an N.C. school Southerly (southerlymag.org)
- The application states that they will build a 3-sided ten (10) foot wall for noise abatement. Why is a tenfoot wall needed? We have to question how the decibel levels were measured. Who did the measurements? Was it measured according to an ASTM standard? Was the equipment calibrated to NIST? Where is the data for review? Was there one data point or 50? The levels were the same as the background noise...what decibel level was the background noise? Who determines appropriate "background" noise levels? My research found articles that state that a subway, the inside of a plane after take-off, and a Ninja blender all put off approximately the same decibels of noise that this facility will put out. We cannot imagine having to listen to any of those 24/7.
- Crypto mining is a huge user of electricity. What will that do to our community? Crypto mining operations look for areas where the electricity is inexpensive. According to the application electricity costs will run approximately \$4000.00/mo. That indicates a huge amount of equipment. If approved, will the applicant later want to expand his operation? Will others want to do the same on their property in Valley County? We should not set a precedent that opens the door to operations of this type.
- Crypto mining is considered a large user of water. We see no mention or provision for this in the application.
 What discharge by-products have been identified by this operation and how will they be handled and disposed of? The application states that no water will be discharged so it is not clear how the servers will be cooled. If a need for water is identified, can the aquifer for our wells support not only the homeowners but the mining operation?

We hope the Zoning and Planning Commission will not feel pressured to approve this application since it appears that the applicants have already invested money into this project. That is a risk they chose to take. One property owners wishes to create a facility such as this should not take priority over the desires of the rest of the property owners.

We strongly oppose the approval of C.U.P. 22-47. Unfortunately, we are not in town and will not be able to attend the meeting on December 8, but we will call in so we hope you will take these comments and questions into account.

Regards, Christina and David Fleming

McCall, Idaho 83638

CUP:22-47, Cryptocurrency Site

From: Shelly Scott

Sent: Saturday, November 26, 2022 5:41 PM
To: Cynda Herrick <cherrick@co.valley.id.us>
Cc: Shelly Scott

Subject: CUP:22-47, Cryptocurrency Site

Cynda Herrick / Valley County Planning and Zoning Commission

I am writing to express my concerns about the application to put in a light industrial business for Cryptocurrency mining within a residential area - this one specifically on Ashton between Wilhelm and The Willows.

The reason zoning is done as residential is to keep this type of thing from happening so I am very concerned about why it would even be a consideration for the committee?

Businesses such as this belong in non-residential areas - allowing this could start a "slippery slope" of requests across the various residential areas that people have bought and built homes in with the expectation that they would not be living within a business area. Allowing this after others have made the financial commitment to their homes being in a residential area is not right.

In addition, this type of light business I understand will have a large draw on electrical infrastructure that will run 24x7, and it will have some level of noise that does not align with a residential area. Third, should there be an electrical fire caused by this light industrial business, it would be in close proximity to people's homes and land causing increased risk. Our infrastructure in McCall is already stressed so I don't support adding undue stress with this type of business.

Respectfully Shelly Scott

DENIAL of CUP 22-47- Cryptocurrency Site

From: Theresa Irvine

Sent: Monday, November 28, 2022 8:42 AM
To: Cynda Herrick <cherrick@co.valley.id.us>

Cc: Theresa Irvine

Subject: DENIAL of CUP 22-47- Cryptocurrency Site

Dear Cyndra,

As a full time homeowner at Jug Mountain Ranch in McCall, ID I'm asking the P&Z committee to deny this permit.

I am a concerned citizen who is witnessing an endeavor that seeks to reap huge financial benefits without the long term concern for Valley County. The proposed location is a neighborhood and farming community, not an industrial site community. Environmental concerns for land, air, wildlife and humanity will be impacted for generations. There will be challenges related to infrastructure affecting Valley County. This proposal lacks detailed scientific data of analysis of the site and structure(s). This proposal does not stipulate a viable means of sustainable protection for the greater good of the community nor our precious earth.

Thank you for giving me the opportunity to address this situation.

Sincerely, Theresa Irvine Jug Mountain Ranch homeowner

CUP 22-47, Cryptocurrency Site

From: Huelse, Jeff

Sent: Monday, November 28, 2022 10:00 AM To: Cynda Herrick <cherrick@co.valley.id.us> Subject: CUP 22-47, Cryptocurrency Site

Cynda -

I'm writing concerning the proposed cryptocurrency mining operation on Ashton, between Wilhelm and The Willows. Light industrial does not belong in this area, it should be in an area already deemed light industrial. If I chose to live near light industrial than I would have chosen, rather I wanted to peace and quiet; dark skies to see the stars, quiet evenings to hear the winds and listen to the wildlife. I don't want to hear the hum of machines and the lights to pollute the dark sky. We have light industrial areas within valley county, use this space first and in process develop a comprehensive plan on what is and isn't to enable growth but not diminish the life that so many of us covet. I don't understand how something like this could possibly fit to the surrounding area. If Passed it's a slippery slope to the next "light industrial" business and soon an area that was rural and beautiful becomes a blight where no one wants to live and the dark skies, quiet evenings are forever gone.

Thank you for your time in review of my concerns.

Kind regards – Jeff Huelse 210 Little Pond

NO to CUP 22-47

From: Anne Carr

Sent: Monday, November 28, 2022 9:58 AM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: NO to CUP 22-47

Cynda,

I am writing to express my wish to see CUP 22-47, the installation of a crypto-mining facility in the Jug Mountain area, disapproved. I did a bit of research about this kind of mining, and I have also been an owner of Bitcoin in the past, so I know a bit about the pros and cons of having one of these in our backyard. There simply are no pros and a lot of cons.

In addition to having a deleterious effect on nearby water, air, and noise pollution, the electricity usage of this thing will create a potentially huge burden on the local power grid. Maybe not so much in the beginning, but the history of these installations is that they grow quickly and soon outstrip the power grid's ability to keep up. Then the power company has to upgrade their facility (and increase our utility bills to pay for it) to provide the extra electricity.

A possible con would be providing some much-needed jobs to our area, but it is going to be unmanned. So there goes just about the only upside I could see to this idea. Has the power company provided any input to the commission as to their opinion of their power needs?

And does the fire department know that the facility won't be manned but will have 'several CO2 extinguishers' available (to be used by whom, if there's nobody there?) to put out any fires?

Has anybody done any research into the backgrounds of the people asking for permission to do this? I have heard rumors that there is evidence of police involvement in their prior schemes, but I haven't verified anything. It should be of concern to the commissioners, however.

Please stop this horrible idea before other crypto-mining companies see our beautiful valley as a cheap source of energy for their own mining operations and pour in, after seeing this CUP set a terrible precedent.

Thank you, and see you at the meeting.

Anne Carr

about CUP 22-47

From: Anne Carr

Sent: Tuesday, November 29, 2022 10:51 AM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: Re: about CUP 22-47

I'm not sure what your question means.

I plan to testify in opposition to the CUP and might use some of it if it seems appropriate. I just wanted the commissioners to learn more about this man who plans to do the crypto mining.

Anne

On 11/29/2022 10:48 AM, Cynda Herrick wrote: Hello,

I will place in the file. Did you want this as testimony?

Cynda Herrick, AICP, CFM Valley County Planning and Zoning Director Floodplain Coordinator PO Box 1350 Cascade, ID 83611 (208)382-7116

"Live simply, love generously, care deeply, speak kindly, and leave the rest...."

Service T ransparent Accountable Responsive

From: Anne Carr

Sent: Tuesday, November 29, 2022 10:45 AM

To: Cynda Herrick <cherrick@co.valley.id.us>; lojek, Don

: Harris.

Scott -

Subject: about CUP 22-47

Here is background information on the applicant for the crypto mining facility:

https://www.officialusa.com/names/Aleksandr-Galenko/

Anne Carr

OfficialUSA

Home / Gadre — Galvez / Galenas — Galente / Aleksandr Galenko

Aleksandr Galenko

Search by Name

Showing 1 to 3 of 3 results

AG

Aleksandr Mendian, ID Galenko

Search background

Aleksandr's age is 55. Aleksandr can use June 20, 1967 is Aleksandr's birth date. Aleksandr Galenko, Aleksandr Galenko Galenko JR, Aleksandr P Doroshenko, different name, such as Aleksandr A Alexander A Galenko, Aleksander A Galenko, A Doroshenko, Adiktovich Adiktovich, Aledsandr Doroshenko, Aleksandr Pavlovich Doroshenko,

Kirkland, WA Meridian, ID

Boise, ID

Washington

Idaho

by State

Filters

Sort Order

Alexander H Galenko, Alex Doroshenko, A persons also lived at this address, perhaps Galenko, Lyubov Galenko, and three other Galenko, Alex Galenko, Alex Galenko JR, present address, Aleksandr resided at 829 Meridian, ID and Nampa, ID belong to the within a different time frame. Prior to their resident at 1171 East Azan Str, Meridian, E Yucca Canyon St, Meridian, ID 83646. business located at this address - Zion Aleksandr lived with at least nine others Trading Post, LLC. We know that Ilya A three cities where Aleksandr has lived. ID 83646-7681. We are aware of one hafam manian to the aurence address Aleksande Galenco, Aleksandr is a Doroshenko, Aleks Doroshenko, Adiktovich Galenko, Alexsandr

by Area Code

208 425

20-60

by Age

phone numbers that Aleksandr has are

Telisa M Rigsby, John Thomas Mallon. The

בפטוחים וווסיוווע זע נווק טעוופווו מעטופט –

among them are Chad Justin Heaton,

(Cellco Partnership), (208)

(Owest Corp.Cellco Partnership). Public records show that the phone

Anastasiya A Galenko, Lyubov P Galenko. is linked to number

There is a chance that the phone number is shared by Lyubov

Doroshenko, Alexander H Galenko, Galenko, Ilya A Galenko. Afex

. The phone number (208) Galenko, Clyde W Yaryan were identified as possible owners of the phone number Aleksandr Doroshenko, Aleksandr A

Aleksandr Doroshenko. We know about is also used by Jamie Fisher, two PO boxes that Aleksandr may use: , Boise, ID 83711-5153, There are three known email addresses for

Phones > Main Address 1171 E Azan St. Single Family, Meridian, ID spaces, 962 sqft garage Garage, 3 Attached

connections via phone numbers - Anastasiya A Possible Galanko Size - 3 434 cuft Four bathrooms Five bedrooms, Lot Size - 0.3

Galenko, Ilya A Galenko, Clyde Galenko, Jamie Galenko, Alex Doroshenko, Alexander H Doroshenko, Aleksandr A W Yaryan, PO Boxes Aleksandr Aleksan A Galenko, Lyubov P Galenko, Lyubov Po Box Fisher 160010103311076 Lyubov Galenko Rocky Mountain connections via Heritage Middle School District: R0502110200 Middle School main address -Meridian Joint County: Ada High School. Parcel ID# District #2 Possible Latitude. School County FIPS:

83711-5666 Boise, ID Boise, ID Po Box -116.379707 Longitude: 43.657646

83711-5153 Addresses Historical 4475 N

(2)

Emails

Boise, ID 83713 Boise, 1D 83709 8741 W Wall Dr. Tempest Way, Meridian, ID Scotfield St, Seneca Dr. 10759 W 13049 W 83646

Boise, ID 83709

Dr Meridian ID

515 E Chateau

83646

Boise, 1D 83709 Boise, ID 83704 Boise, ID 83706 connections via 3457 N Maple records - Gina Ginger Creek Braddock Dr, Dr, Boise, ID Michigan Ln, 829 E Yucca Meridian, ID Canyon St. Grove Rd, 12497 W M Samson 12242 W historical 1433 S Possible 83713 83646

Aleksandr A Galenko Boise, ID

Search background

Alex Doroshenko were among six dwellers or residents at this place. Records link one Aleksandr. Current occupation is Retired. Aleksandr is currently living at 8741 West assume that Aleksandr Doroshenko and phone number with Aleksandr's details: Wall Drv, Boise, ID 83709-5891. We An associate degree is owned by

AG

is linked to Alex Doroshenko, (Climest Corp.). Public records show that the phone number

Doroshenko, Aleksandr A Galenko, Clyde Alexander H Galenko, Aleksandr

connections via phone numbers Galenko, Clyde Alexander H Doroshenko, Doroshenko, Aleksandr A Aleksandr W Yaryan Possible Galenko, Phone · Alex 8741 W Wall Dr, Boise, ID 83709 Main Address Lot Size - 9,104 Five bedrooms, sqft, Floor Size Off street, 746 2.5 bathrooms Single Family, R8511370630 - 2,816 sqft sqft garage Parcel ID#

Neighborhood: Last Sale Dec 2017 - Price County: Ada \$252,900 County

County Alliance Southwest Ada

160010022213058

School District:

School District West Ada

Middle School:

Mountain View High School:

connections via

main address -

Aleksandr

Doroshenko,

Doroshenko

Alex

Latitude,

Longitude:

43.559039,

-116.291041

Kirkland, WA

Aleksandr Galenko

Search background

Aleksandr graduated high school. For now, Kirkland, WA 98034-1729. This address is also associated with the name of Angelika residency is at 8829 Northeast 137th Strl, Professional/Technical, Aleksandr's the listed occupation is

is also used number currently linked to Ateksandr. The Nell Galenko, Angelika Galenko, Vitaliy V by Nellya Galenko, Vladimir V Galenko, Communications Northwest, Inc) is the (Frontier phone number individuals.

Galenko

Galenko, Nell Galenko, and four other

connections via phone numbers Galenko, Nell Viadimir V Possible Galenko, - Nellya Phone 7 A Main Address St, Kirkland, WA 8829 NE 137th Single Family, spaces, 530 sqft garage Garage, 2 Attached 98034

Galenkn

Three

Angelika bedrooms, 1.5 bathrooms Galenko, Vitafiy V Galenko Lot Size - 8,887 sqft, Floor Size

- 1,570 sqft

5097900150 Parcel ID#

Last Sale Feb

2003 - Price \$260,000

County: King

County

Inglewood-Finn Neighborhood:

豆

530330222012005 FIPS:

Possible

connections via main address -

Nell Galenko

Longitude Latitude,

47.722414,

-122,222703

Possible Surnames ï

Adiktovich, Key, Plata, Malone are possible listed under a different name. To help you, The person you are searching for may be alternative last names (AKA) associated with Aleksandr Galenko . Galenco, we've analysed the most common lypos for Galenko



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US Persons Directory

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219 Ashton Lane CUP 22-47

From:	Don	Clements	
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Sent: Monday, November 28, 2022 10:33 AM To: Cynda Herrick <cherrick@co.valley.id.us>

Cc: bill rice; Cori Rice

bob@grunskyins.com

Subject: 219 Ashton Lane C U P 22-47

Dear Ms. Herrick,

We are partners with Mr. Bill & Cori Rice on the 2 additional lots on Ashton Lane (215-217 Ashton Lane).

I wanted to point out some inconsistencies in the owner of 219 Ashton's application.

First, he says he has CO2 fire extinguishers on the property in the advent of any fires that may occur, yet he is managing this property remotely from Boise. How can a CO2 fire extinguisher be used when no one is there?

Second, the loudest rock concert measured was 117 db (decibels). He is stating that at the window there will be 70 (db), which is EXTREMELY LOUD. 20' away the (db) rating will be 50, which is just under ½ of the loudest rock concert on record! I am very doubtful that the decibel rating will drop by 20 (db) in 20 feet. I also highly doubt that we will not be able to hear this noise inside these homes we are building. Both myself and Bill Rice have heard the noise generated by this operation ourselves. It is excessive and very loud. We were able to hear it over normal construction noises.

I hate to think about someone buying one of our homes and sitting outside one evening on their back porch, looking at Jug Mountain and hearing the huge noise that will be heard for probably ¼ of a mile or more in the still of the evening.

If approved, this will effectively adversely condemn our properties, which will result in lawsuits, and will also reduce the value of the properties in the area, which in turn will reduce the income to the county via the reduced tax revenue.

I would also like to point out that this gentleman has shown himself to be untrustworthy and not willing to do things according to the existing rules. He illegally started this operation without applying for a C.U.P. I submit to you that the only reason we are having this meeting and application is because the applicant got caught doing this illegally. It is my feeling that if we had not heard the noise level and complained to you about this, he would be continuing to run this operation on an illegal basis. Please do not reward bad behavior.

We are 100% against approval of the C.U.P. Please help us keep our serenity in this area.

Thank You,

Don & Candy Clements

CUP 22-47, Cryptocurrency Site.

From: Jeanne Mitchell

Sent: Friday, November 25, 2022 8:33 PM
To: Cynda Herrick <cherrick@co.valley.id.us>
Subject: CUP 22-47, Cryptocurrency Site.

Dear Valley County P&Z

I am opposed to the proposal for light industrial operations in such close proximity to a residential area.

There are many areas within Valley County that are available for commercial operations that would be more suitable.

In addition to the obvious drawbacks such as large scale usage on an already overburdened internet infrastructure, large electric usage/consumption (which could be considered to be "not green"), the potential for increased noise for local residents from the 24/7 operation of equipment the introduction of a light industrial site would more than likely harm property values. A property value reduction would financially harm existing residents.

I would implore you to exercise good judgment and deny this type of usage an a primarily residential area.

Best Regards.

Jeanne Mitchell
Realtor
Century 21 Whitewater Clark
Office

CUP 22-47, Cryptocurrency Site

From: AMY PEMBERTON

Sent: Friday, November 25, 2022 12:40 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Cc: Paul Pemberton ; AMY PEMBERTON

Subject: CUP 22-47, Cryptocurrency Site

Cynda,

We are writing to express our opposition to CUP 22-47. We had never heard the word "crypo-mining" before this application. While it might seem like a few computers would have no impact on the neighboring community, we think that is not the case with cryptomining. Our understanding is that it is a very noisy proposition due to all the processors and required cooling. We understand that the owner is proposing to install some mitigation to reduce sound, but this sound will be 24x7. We have no idea how loud this will be, and we would not expect that the sound will reach to our home. But, we would imagine that at least the immediate neighbors will hear it, and given the peaceful and beautiful location we live in, that is not a reasonable burden to place on the neighbors. We do not think it is appropriate for any unnatural commercial/industrial related sound to be heard outside the property 24x7 in this area.

Another concern is that an approval of a light industrial use in the middle of an entirely residential and agricultural area would increase the likelihood of future commercial and/or light industrial uses, due to the Valley County land use approval process which is reliant on the compatibility matrix.

Thank you,

Amy and Paul Pemberton
PO Box 254 Cold Creek Ct, McCall, ID 83638

CUP 22-47, Cryptocurrency Site

From: place library Council and the library Council an

Sent: Friday, November 25, 2022 2:31 PM
To: Cynda Herrick <cherrick@co.valley.id.us>

Cc: Darin G. Holderness

Subject: CUP 22-47, Cryptocurrency Site

I recently bought a home at Jug Mountain Ranch. I can see from mapping it, that we are not next door to this proposed location. The home will be a second home for my family, but I grew up in Idaho and spent a lot of time in the Valley and Adams counties enjoying the peaceful outdoor lifestyle it provides. I am vested in living in a peaceful and tranquil environment.

I have lived in Texas, primarily in the oilfield region of the Permian Basin, for the last 35 years. I have been exposed to parties building or wanting to build crypto mining sites. I have been by or near many of these sites.

I have family who has built a crypto mine, but its location is in the middle of the oilfield and it not near any residential area. They built in the area as they have access to stranded natural gas to run a generator to power their site. Even with the noise from the generator the external cooling equipment generates annoying sound and if you are inside the mine you need to wear hearing protection.

In the oilfield drilling companies and frac companies put up sound barriers to mitigate the noise in residential and city environments. I can speak from personal experience there is still a lot of disrupting noise coming from these locations. In these instances the disruption is temporary as once they are done with the well they move on, unlike what is being proposed here which is permanent. I don't know enough about, nor does the information appear to be available in the data shared with me, the sound abatement they will put in, but based on the above experience I would believe you will still have disrupting noise.

I have several concerns:

- Allowing a project like this in a residential type area once will open the door to other similar projects and then where does it end?
- These type projects are a huge electrical suck, will a project like this ultimately affect my cost of electricity when you start dealing in the supply and demand world?
- Has anyone done any work to evaluate the short and long term environmental impact of sites like this? I have worked in an industry where there are a lot of potential environmental impacts and we had to plan and work diligently to mitigate impacts, so have they done any evaluation?
- I know they refer to fire suppression adds, but a site utilizing this amount of energy will increase the risk profile of fire danger.
- For people living closer than myself I would truly be concerned about the noise disruption, as my guess is the sound abatement will not be 100%.

I believe from my commentary above I would not be in support of a project like this without additional information and understanding.

C.U.P 22-47

From: Dustin Charters

Sent: Thursday, November 24, 2022 1:06 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Cc: Danielle Charters

Subject: C.U.P 22-47

Ms. Herrick,

My wife and I are property owners (413 Wilhelm Creek Court), approximately a quarter mile from the proposed cryptocurrency site. We vehemently oppose the application. The proposed use of the site has a litany of problems. The surrounding lands are single-family homes and agricultural. A cryptocurrency mine degrades those surrounding properties and is not compatible. Further, the cryptocurrency mine will use electricity (taxing the grid and increasing costs for Valley County residents), the equipment unnecessarily poses a fire risk (an already huge concern for the valley), and the equipment is noisy. These conclusions are not mine alone, as illustrated by the website below. https://earthjustice.org/features/cryptocurrency-mining-environmental-impacts. The above also does not speak to how this use will negatively affect wildlife in the area.

Lastly, the concern regarding the cryptocurrency site is based on what the site will be now and what it will be in the future. As crypto mining becomes more difficult, the applicants will require additional equipment, additional energy, and the above-described problems will be multiplied. This application proposes an inappropriate use of the land, inconsistent with the surrounding land, and those problems will only increase as time passes.

Based on the above, we oppose the application and request that the Valley County Planning Commission deny the application.

Dustin and Danielle Charters

OUR STORIES

The Environmental Impacts of Cryptomining



LAUREN PETRACCA FOR EARTHJUSTICE

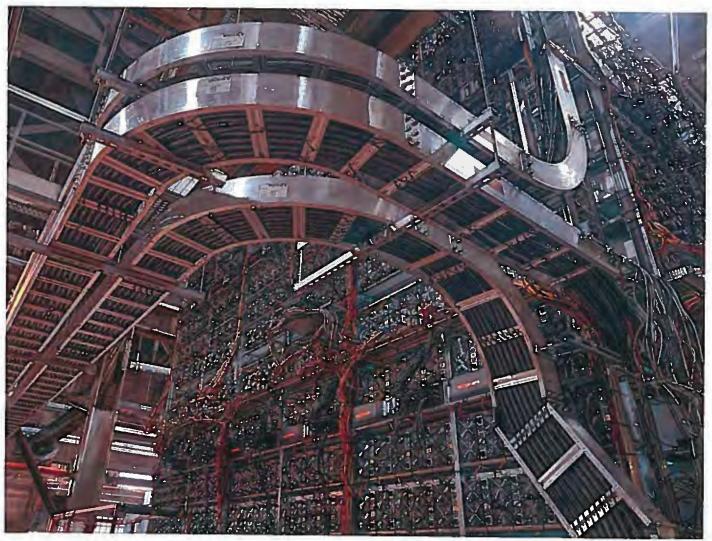
^ The Greenidge Generation Bitcoin mining facility, along Seneca Lake in Dresden, NY, on Jul. 30, 2022.

A new guidebook — "The Energy Bomb: How Proof-of-Work Cryptocurrency Mining Worsens the Climate Crisis and Harms Communities Now" — from Earthjustice and Sierra Club, is the first to comprehensively document the explosive growth of cryptocurrency mining in the United States and examine how this industry is impacting utilities, energy systems, emissions, communities and ratepayers.

Cryptocurrency mining is an extremely energy-intensive process that threatens the ability of governments across the globe to reduce our dependence on climate-warming fossil fuels.

If we do not take action to limit this growing industry now, we will not meet the goals set forth by the Paris Agreement and the Intergovernmental Panel on Climate Change to limit warning to 2°C.

This guidebook discusses several such examples where fossil-fueled cryptocurrency mining has increased local air, water, and noise pollution, increased costs on others, and increased climate pollution at a time when we should be doing everything in our power to move in the opposition direction to mitigate the worst impacts of the climate crisis.



GREENIDGE GENERATION

^ Proof-of-work mining operations like this one near Seneca Lake, New York, require significant energy to power large numbers of computers.

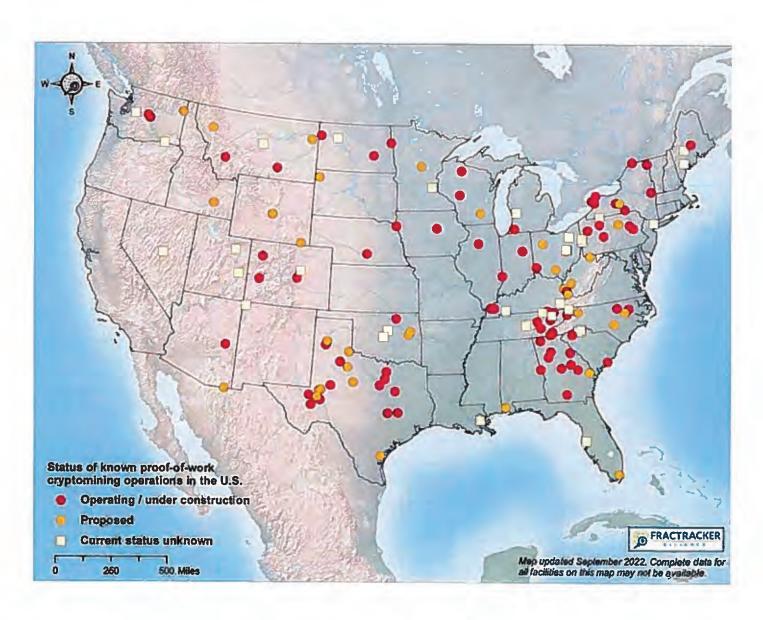
Cryptocurrency Mining's Explosive Growth in the United States

After cryptocurrency mining was banned in China in 2020, the amount of mining operations exploded in the United States.

In the year prior to July 2022, Bitcoin consumed an estimated 36 billion kilowatt-hours (kWh) of electricity, as much as all of the electricity consumed in Maine, New Hampshire, Vermont, and Rhode Island put together in that same time period.

The past two years have demonstrated that the industry preferentially seeks readily-available energy and minimal regulation, re-starting defunct coal and gas plants, flooding the restructured electricity market in Texas, and tapping into power grids where regulators have little oversight.

This explosive growth strains energy grids, raises retail electricity rates, and increases total carbon emissions and local air pollution.



^ Known proof-of-work cryptocurrency mining operations in the United States. Little-to-no reporting requirements exist at the state or federal level for the proof-of-work cryptocurrency mining industry. The most reliable sources of information are a patchwork of filings before the Securities and Exchange Commission by publicly traded cryptocurrency companies, environmental permit applications, utility and other energy filings, and local reporting.

The design of proof-of-work cryptocurrency mining incentivizes miners to ramp up operations as quickly as possible, often irrespective of the source of energy.

Indeed, big mining operations have shown a willingness to invest in otherwise uneconomic power sources, like defunct coal plants or low-capacity gas plants, as long as that electricity can be made available quickly. Unlike other large electricity users, cryptocurrency mining operations have a short time horizon, and most have shown little interest in investing in new clean energy.

What is Cryptocurrency Mining, and How Does It Work?

Proof-of-work cryptocurrency mining is designed to consume enormous quantities of energy. The process effectively entails millions of computing machines racing to solve a complex, but meaningless, problem.

- In Bitcoin's algorithm, for example, the computer or mining machine that successfully solves the problem is rewarded with Bitcoin (and functionally verifies the blockchain).
- As long as the reward is high enough (i.e., the price of Bitcoin is high enough),
 miners will attempt to use more and faster mining machines to increase their chances of winning that reward.
- As more mining machines enter the race, the difficulty of the computational problem gets harder, and the electricity required to win increases.

Over time, the electricity used by miners in these races increases exponentially.

Proof-of-Work Cryptocurrency Mining Increases Emissions in the United States

Top-down estimates of the electricity consumption of cryptocurrency mining in the United States imply that **the industry was responsible for an excess 27.4 million tons of carbon dioxide (CO₂) between mid-2021 and 2022 — or three times as much as emitted by the largest coal plant in the U.S. in 2021.**

But these estimates are simply based on the likely energy consumption to solve cryptocurrency's puzzles.

A ground-up approach, looking at how the industry has actually been deployed, suggests that proof-of-work cryptocurrency might be yet more impactful.

Cryptocurrency miners procure their electricity in four different ways:

- Outright purchase of power plants that supply mining rigs "behind-themeter;"
- 2. Power purchase agreements with power generators or utilities;
- 3. Electricity purchases from a local utility; and
- 4. **By burning gas at oil and gas wells.** Each type of mining produces excess emissions, and impacts electricity and energy consumers.

The Industry Keeps Greenwashing Its Poor Practices

The proof-of-work cryptocurrency mining community is well aware that its extraordinary energy consumption — and fossil fuel habit — is unattractive when much of the rest of the economy strives to rapidly decarbonize.

In the last year, the industry and its trade organizations have rolled out a series of sustainability claims that are anywhere from outright fiction and greenwashing to no more than hopeful theories, undermined by actual practices.

- Most mining facilities draw power from the grid meaning their electricity is generated by whatever existing energy is in place in the region, or is contracted by their utility.
- Adding a new large-scale load, like a cryptocurrency mining facility, to the grid generally requires existing fossil generators to increase their output.
- Mining facilities located near wind or solar sites do not have a special claim to energy produced by that energy, but instead drive increased emissions from gas and coal plants.

 There are few mining facilities are actually building new renewable energy to power their operations.

Today, the cryptocurrency mining industry already uses half the electricity of the entire global banking sector (while holding a miniscule fraction of the value), and continues to increase

In the United States, the industry has shown little indication of slowing its growth when prices are high.

Miners have demonstrated, consistently, from their initial rush to China where coal is a predominant source of electricity to the recent deal between AboutBit and a soon-to-be-retired coal plant in Indiana, that **proof-of-work cryptocurrency mining prioritizes the short-term need for large amounts of electricity** over longer-term investments in renewable energy.

And unlike other industries where self-imposed, or regulation-based, community standards could result in more sustainable practices, **proof-of-work mining is an inherent arms race towards increased energy consumption**, until prices no longer support growth

Regulators and Policymakers Can Take Steps to Reduce the Harm of Cryptocurrency Mining

State, local, and federal policymakers and regulators can help ensure cryptocurrency mining does not undermine climate or health goals, or adversely impact ratepayers.

The massive energy consumption of **cryptocurrency mining threatens to undermine decades of progress towards achieving climate goals**, and threatens grids, utilities, communities, and ratepayers.

Some jurisdictions have, or are considering, simply banning the practice of mining proof-of-work cryptocurrencies.

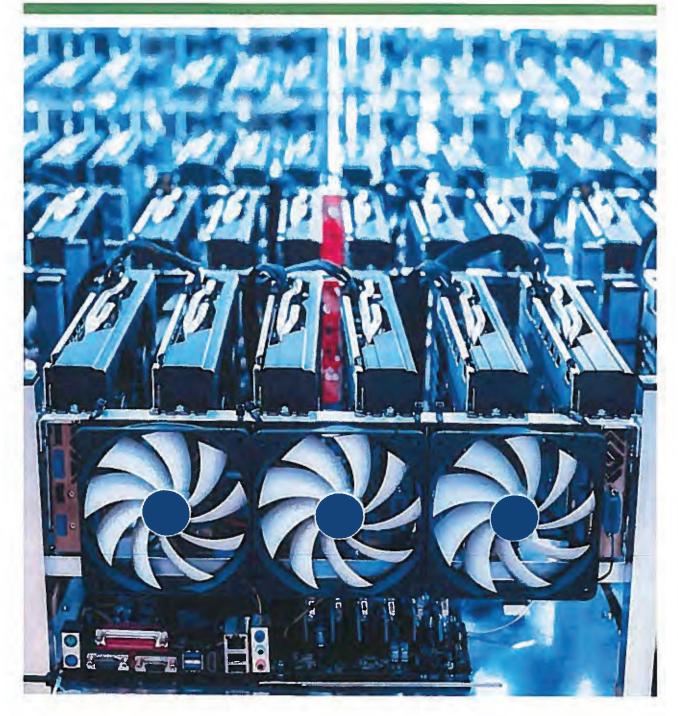
Shy of a complete moratorium, there are actions that can be taken by state, local, and federal officials to protect energy systems, communities, and ratepayers.

Local and state officials can enforce pollution and noise ordinances, ensure
that they are not extending economic development dollars on false promises of
long-term jobs or revenue, develop careful zoning codes, and — in the cases
where municipalities run the electric utility — develop tariffs that protect
existing ratepayers.

- Utility regulators can influence or bar problematic power purchase
 agreements, create protective electricity rates or system benefits charges that
 ensure speculative mining operations do not leave a trail of stranded assets,
 critically assess utility plans for energy procurement for cryptocurrency mining
 facilities, and ensure that mining facilities do not increase electricity or capacity
 costs for existing customers.
- Utilities can develop electricity rates that protect against stranded assets, ensure that they do not need to expand power capacity to meet cryptocurrency mining load, and charge rates sufficient to fully protect existing ratepayers from the increased marginal cost of production.
- Grid operators can develop comprehensive guidance and rules around the
 interconnection of high-density loads, study the impact of cryptocurrency
 mining on congestion, resource adequacy, and wholesale market prices, and
 create rules that minimize the impact of cryptocurrency mining on other
 customers.
- **Environmental regulators** at all levels should consider affirmative regulation to minimize the local health and environment impacts cryptocurrency mining places on local communities.

The Guidebook

<u>Download</u>



THE ENERGY BOMB

How Proof-of-Work Cryptocurrency Mining Worsens the Climate Crisis and Harms Communities Now





- L Cryptocurrency Mining's Explosive Growth in the United States
- **II.** Proof-of-Work Cryptocurrency: A Brief Introduction
- III. No Longer a Hobbyist's Experiment: How Cryptocurrency Mining Transformed Into Massive, Centralized Operations to Maximize Profits
 - A. Proof-of-Work Cryptocurrency Mining Incentivizes Mining As Quickly As Possible to Maximize Profits
 - B. Cryptocurrency Miners Often Value Speed Of Access to Energy Over Price, Even to the Point of Reviving Dying Fossil-Fueled Power Plants
- <u>IV.</u> The Scale and Source of Bitcoin Energy Usage is Largely Invisible to Regulators
- **V.** Where Do The Electrons Come From?
 - A. Types of Electricity Procurement By Cryptocurrency Miners
- VI. The Climate and Energy Impacts of Cryptocurrency Mining in the United States are Substantial
- VIII Cryptocurrency Mining Harms Communities and Electricity Ratepayers
 - A. Most Environmental Impacts from Cryptocurrency Mining Are Borne By Local Communities
 - B. Impacts on Electricity Prices for Local Residents and Businesses
- VIII: Breaking Through the Bitcoin Myths
- IX. Recommendations to Mitigate the Risks of Proof-of-Work Cryptocurrency Mining

<u>Acknowledgements</u>

Endnotes

Authors:

- Mandy DeRoche, Deputy Managing Attorney, Clean Energy Program,
 Earthjustice
- Jeremy Fisher, Senior Advisor for Strategic Research and Development,
 Environmental Law Program, Sierra Club

- Nick Thorpe, Senior Policy Associate, Climate & Energy, Earthjustice
- Megan Wachspress, Staff Attorney, Sierra Club Environmental Law Program

"We're a country of opportunity. And we should be trying to think of ways to expand that opportunity to everyone."

- STEPHANIE RIDDICK

Maryland resident and community solar supporter.

THE STORIES TO READ ON CRYPTOCURRENCY

Earthjustice Applauds NY Gov. Hochul for Signing First-in-the-Nation Cryptocurrency Mining Moratorium

ICYMI: Three New Reports Paint Damning Picture of Climate-Killing & Community Impacts of Cryptocurrency Mining



Electrify LAUSD School Buses

WHAT YOU NEED TO KNOW THIS WEEK

Biden Solicita \$3 Mil Millones En Paneles Solares En Techos Y Almacenamiento en Baterías Para Puerto Rico

Biden Asks for \$3 Billion in Rooftop Solar Panels and Battery Storage for Puerto Rico

Earthjustice Applauds NY Gov. Hochul for Signing First-in-the-Nation Cryptocurrency Mining Moratorium

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crypto mining

From: Joe Weiss

Date: November 26, 2022 at 5:15:14 PM MST

To: Valley County Commissioners <commissioners@co.valley.id.us>

Subject: crypto mining

Hi, Cynda and Commissioners,

I am getting second-hand information that there is a pending CUP for a crypto mining company near Jug Ranch. If this is true, I would encourage you to go to reputable sources online to see impacts of such facilities. As a retired computer professional, I actually have a fair amount of understanding of crypto mining. Without going into details, it has a significant detrimental effect on the surrounding community, primarily in electricity rates. These operations tend to start small with minor impact... what would likely be presented to the council ... and then grow to the point where the amount of electricity they consume is measured in equivalent small, medium and large cities. In earlier days, these operations were set up near Tennessee Valley Authority power generating facilities. Now, operators scour the country for the lowest electricity rates because they use a lot of electricity.

Beyond the fact that there is no benefit to the county or its residents, there are very few employees on site (maybe 3) who monitor the computers and servers which comprise the operation, so almost no money would flow into local businesses.

This CUP is really terrible.

Regards,

Joe Weiss

Potential Cryptocurrency Site

From: Gregory Smith

Sent: Sunday, November 27, 2022 10:25 AM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: Potential Cryptocurrency Site

Dear Members of the Valley County Planning & Zoning Commission:

It recently has come to our attention that a CUP for a cryptocurrency site near Ashton Lane has been placed on the agenda. We are residents of Jug Mountain Ranch and earlier morning joggers. What surprises us is the level of traffic noise we hear from Ashton Lane when we are jogging in the JMR development before sunrise and how far the sound carries. The potential noise from this proposed site added to the existing level of noise is a very significant concern to us and we are not sure it can be adequately mitigated, notwithstanding the proposed sound paneling. We are also concerned about the use of power required for such a facility and its overall long-term effect on our power bill and that of <u>all</u> residents in Valley County, as we have read several articles that show the introduction of such facilities has caused long-term increases in power bills for rural communities. For these reasons, we would urge you to deny the CUP. Thank you for your consideration of our views.

Sincerely,

Greg G. Smith Leah A. Smith

CUP 22-47, Cryptocurrency Site

From:

Sent: Sunday, November 27, 2022 10:38 AM To: Cynda Herrick <cherrick@co.valley.id.us> Subject: CUP 22-47, Cryptocurrency Site

FAO: Cynda Herrick, Valley County Planning and Zoning Commission

RE: CUP 22-47, Cryptocurrency Site

We are writing in opposition to the proposed Cryptocurrency Mining Site at 219 Ashton Lane. We own the lot at 55 Vernon Court, Jug Mountain Ranch with the intention of building our permanent residence there in the near future.

Our opposition is based on three related arguments:

- 1. The area is currently and exclusively rural, residential and recreational. Establishing a CUP for such "light industrial" use would make it easier and more likely (based on Valley County Compatibility Evaluation) that additional CUPs for other light industrial uses would be allowed in the future, thus transforming the character of the area.
- 2. The proposed business use has no benefit to the area or community i.e. jobs, or production/supply relation with other local businesses its only benefit is to enrich the CUP applicants
- 3. The proposed business has no reason to be located on the proposed site versus any other place i.e. the business could easily be established at another location with existing light industrial use

Respectfully we would ask you to consider these arguments in denying the CUP application.

Chris & Melissa Price

Owner: Jug Mountain Ranch Phase 3 / Lot 13 (55 Vernon Court) Mailing Address: 743 Robinhood Circle, Bloomfield Hills MI 48304

opposition to proposed light industrial project on 219 Ashton Lane, McCall

From: Janet Reis

Sent: Sunday, November 27, 2022 1:00 PM
To: Cynda Herrick <cherrick@co.valley.id.us>
Cc: Janet Reis

Subject: opposition to proposed light industrial project on 219 Ashton Lane, McCall

11/27/22

Cynda Herrick
Planning and Zoning Director
Box 1350

Dear Ms. Herrick,

I write to state my opposition to the proposed light industrial project for 219 Ashton Lane submitted by the Galenkos for review on December 8 at the Valley County Court House.

My opposition is based first on the concept of intermingling industrial entities in a residential neighborhood. I do not think that home owners seek to live in a rural neighborhood host to an active business such as the one proposed.

My opposition is based especially on the potential for substantial 24 hour day noise generation from the computers set up to "mine" crypto currency. The CUP application references 88 dB as the sound level emanating from the operation.

I lived in north Chicago for 10 years in an apartment roughly half a block from a Chicago elevated train track. The noise level for this type of rail operation is reported as ranging between 70 dB and 85dB (<u>railroads.dot.gov</u>) Perception of the noise level varies by frequency of traffic and time of day, but one does not ignore it. I cannot imagine having the equivalent of a never ending Chicago El thundering through my property all day and all night.

On behalf of the many homeowners whose quality of life would be negatively impacted by the proposed light industrial project, I hope the application will be denied.

Thank you for your consideration.

Respectfully,

Janet Reis

11 Flicker Road, McCall

1407 East Franklin Street, Boise

Cryptocurrency mining operation, Ashton

From: KATHLEEN POSTON

Sent: Sunday, November 27, 2022 2:51 PM
To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: Cryptocurrency mining operation, Ashton

Dear Cynda,

I own property in Jug Mountain Ranch near the cryptocurrency request.

Oh, I do not believe this type of business belongs in a residential neighborhood or near a golf course.

People choose to live in beautiful rural areas for a reason. They do not want the noise or increase risk of fire, or anything else this business may cause.

Thank you,

Kathy Poston can

Another bad CUP

From: KATHLEEN POSTON

Sent: Sunday, November 27, 2022 3:16 PM
To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: Another bad CUP

Cynda,

Now I am very concerned about this crypto mining facility after reading Ann Carr's informational email. We should not even allow these in valley county let alone in a rural community near jug Mountain Ranch!

It seems like they are just setting us up because we're a small community that has no regulations.

Put a hold on this until you get the facts to be able to make the best decision for valley county residents.

Thank you, Kathy Poston

Hi, all,

I just learned yesterday, via the Next Door web site, that CUP (Conditional Use Permit) #22-47 (a copy is attached) has been applied for to allow a crypto-mining facility to be created in the Jug Mountain area. The public has until Nov. 30 to provide input and the hearing is on Dec. 8 (I don't know the time yet but will let you know when I find out.)

I am sending this to you to make you aware of what it could mean to you if this CUP is approved, and to plead with you to send a letter to the Valley County Planning and Zoning Department or call them, and to attend the hearing, to let them know of your opposition to this effort. Contact information is at the end of this letter. Even if you do nothing but send an email saying "NO to CUP 22-47", that could make a difference. And feel free to forward this to anyone you feel might be interested.

You may or may not be aware of the implications of this, but it should be of great concern to everybody in Valley County, not just to the residents, if any, living within 300 feet of this facility that the county is obligated to notify.

Basically, crypto mining companies have a significant detrimental effect on the surrounding community, primarily in electricity rates. These operations tend to start small with minor impact (this is what would like be presented to the P&Z Dept.), then they grow to the point where the amount of electricity they consume is measured in equivalent small, medium and large cities. In earlier days, these operations were set up near Tennessee Valley Authority generating facilities. Now, operators scour the country for the lowest electricity rates because of the huge amounts of electricity they use.

And yet we are being asked to allow one of these operations to be built close to one of our subdivisions with little or no ruffling of our community feathers. How many of us are even aware of it, and how many of us even know much about crypto-mining?

The congress is concerned enough about the impacts on the electricity usage by crypto mining to be considering legislation and policy standards to minimize the impacts on it as well as other aspects of our environment.

Regarding the energy requirements for crypto mining, following are some facts from the whitehouse.gov web site entitled "FACT SHEET: Climate and Energy Implications of Crypto-Assets in the US".

- •"From 2018 to 2022, annualized electricity usage from global crypto-assets grew rapidly, with estimates of electricity usage doubling to quadrupling. As of August 2022, published estimates of the total global electricity usage for crypto-assets are between 120 and 240 billion kilowatt-hours per year, a range that exceeds the total annual electricity usage of many individual countries, such as Argentina or Australia. This is equivalent to 0.4% to 0.9% of annual global electricity usage, and is comparable to the annual electricity usage of all conventional data centers in the world." The installation of a crypto-mining facility in our midst is bound to drive up our electricity bills, but by how much nobody can say. Are you willing to fund this type of business? Will the approval of this CUP mean additional mining facilities will be encouraged to move here?
- Besides purchased grid electricity, crypto-asset mining operations can also cause local noise and water impacts, electronic waste, air and other pollution from any direct usage of fossilfired electricity, and additional air, water, and waste impacts associated with all grid electricity usage. These local impacts can exacerbate environmental justice issues for neighboring communities, which are often already burdened with other pollutants, heat, traffic, or noise."

None of these air, water, and waste impacts are required by the county, nor are they addressed in the CUP. Shouldn't we be concerned about them? What impact could this have on people living in the Jug Mountain area and surrounding homes? On the city of McCall? On the entire Valley County? On our electric bills?

If you want to read the entire paper, it is at this URL:

https://www.whitehouse.gov/ostp/news-updates/2022/09/08/fact-sheet-climate-and-energy-implications-of-crypto-assets-in-the-united-states/

OTHER CONCERNS

PROPOSED UTILITIES: Item # 16 in the Application Details indicates 'None'. However, in the 'Project Description', paragraph 2, it states that 'The purpose of the development at the property is to add such utilities and/or amenities as to render the site suitable for use as a cryptocurrency mining unit. Which one is true, and why isn't this discrepancy raising a huge red flag?

In addition, the project description indicates that the power was increased by installing a transformer to provide an additional 1200 amperes of 3-phase power. I don't know what the implications of this are, but it implies that some additional power requirements were added, rather than 'none'.

FIRE: Fire mitigation involves simply putting 'several CO2 extinguishers on site'. It doesn't specify how many. Is it enough? It means that somebody will have to be on-site to notice a fire has started. But it states that 'all management will be done remotely'. There won't be any fire alarms? How will anybody know a fire has started? This seems totally inadequate to me. Has the fire department approved this? Do they even know about this? Anything you can do to help prevent this CUP from being approved will help keep Valley County the wonderful place we live.

Thank you, Anne Carr

Contact information:

Valley County P & Z Dept. 219 N. Main P.O. Box 1350 Cascade, ID 83611 www.co.valley.id.us cherrick@co.valley.id.us 208-382-7115

Crypto currency mining

From: John Link

Sent: Sunday, November 27, 2022 4:20 PM
To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: Crypto currency mining

Dear Mrs. Herrick,

It has come to our attention that a crypto currency mining operation is proposed on Ashton Lane between Wilhelm Creek Court and the Willows subdivision. There is a CUP consideration on the December 8 agenda of the Planning and Zoning Commission. We live on Wilhelm Creek Court and have researched the impact this operation will have on our residential and agricultural area. This is not compatible with the present use of the area and, if approved, opens the door for the approval of other industrial uses. Our research shows that these operations create constant noise levels similar to the sound of a lawn mower, 24 hours a day, 7 days a week. Sound mitigation does not help. They also use a tremendous amount of electricity and this will create an increase in our electrical rates. The operation is controlled remotely. What if there is a fire or other emergencies related to failed equipment? In addition, there are apparently other negative impacts to the environment. Thank you for the opportunity to respond.

Sincerely,

John and Ann Link

No to CUP 22-47

From: Suzanne

Sent: Sunday, November 27, 2022 5:34 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: No to CUP 22-47

As a full time resident living in The Willows Subdivision near the proposed site, I am against allowing the Crypto mining operation to be allowed in our rural residential neighborhood.

Wrong activity for the area. No no and no to CUP 22-47

A concerned citizen, Suzanne Paisley

Please vote no on CUP 22-47

From: Tyler Harris

Sent: Sunday, November 27, 2022 9:04 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: Please vote no on CUP 22-47

Hello.

I implore you to vote no on CUP 22-47. We do not need a crypto asset mining company in our residential community. This will be a huge drain on the local power grid and will have no community benefit whatsoever. There are also fire and zoning concerns, not to mention the contribution to climate change through a pointless over utilization in electricity, much of which is derived from fossil fuels.

Please deny this spurious request. Idaho does not need any more money hungry outside developers trying to capitalize on our state's bounties.

Thank you for your time and consideration.

Sincerely,

Tyler Harris

CUP 22-47, Cryptocurrency Site

From:

Sent: Monday, November 28, 2022 7:01 AM

To: Cynda Herrick cherrick@co.valley.id.us

Subject: CUP 22-47, Cryptocurrency Site

Good morning Ms. Herrick,

I am writing to express my strong opposition to allow a crypto currency mining operation on Ashton, between Wilhelm and The Willows. I live on 25 Jughandle Drive in McCall and would be driving by this daily. After doing more research about it online, I've outlined a few reasons why I oppose this business being started in our small town:

Noise pollution

- After a crypto currency mine was built in <u>Murphy</u>, <u>NC</u>, more than 30 percent of the readings from that mine **exceeded 60 decibels** high enough that if they were in Washington, D.C., they would violate the city's daytime residential noise ordinances.
- A mining operation is run twenty-four hours a day, seven days a week, 365 days a year for these powerful computers to perform the complex computations needed to "mine," or create digital currencies. And those noise-generating computers are kept cool by huge fans. One neighbor to the mine in NC described it saying it's "like a jet that never leaves."

Energy consumption

• It takes around 10 minutes to mine just one Bitcoin. The <u>Digiconomist's Bitcoin Energy Consumption Index</u> estimated that one bitcoin transaction takes **1,449 kWh** to complete, or the equivalent of approximately 50 days of power for the average US household.

Fire dangers

• Miners must use dedicated hardware and hundreds of computers powered by rechargeable batteries to scale their bitcoin mining efforts. There is a higher risk of fire due to the considerable CPU power needed.

These are all reasons not to allow this into our small town. I don't see any added benefit to Valley County to have this here. If they can afford to start a crypto currency mine, then they can afford to do it someplace else.

Thank you for your time,

Elisabeth Rumpelsberger 25 Jughandle Drive, McCall, ID 83638

219 Ashton Lane C.U.P. 22-47

From: bill rice Sent: Monday, November 28, 2022 9:24 AM

To: Cynda Herrick <cherrick@co.valley.id.us>
Cc: Cori Rice

Subject: 219 Ashton Lane C.U.P. 22-47

Dear Cynda,

I co-own 217 Ashton Lane and 215 Ashton Lane, Lots 2 & 3 of Ashton Estates. Our lots are the only lots adjacent to the subject property and are within the 3-lot subdivision.

We purchased these lots specifically to build high-end custom homes to take advantage of Jug Mountain Ranch Golf Course 10th and 11th hole frontage. The homes are nearing completion and are estimated to sell for between \$1.5 and \$2 million dollars each.

We are adamantly opposed to approval of C.U.P. 22-47 Cryptocurrency Site at 219 Ashton Lane, Lot 1 Ashton Estates.

Since we purchased Lots 2 & 3, the owner of 219 Ashton Lane (Lot 1) has installed 3 phase power on his lot and has already begun operating his bitcoin operation. As we discussed in phone conversations, the noise from his bitcoin machines can be clearly heard from our lots over construction noise. I can provide an audio recording of the noise being generated.

I telephoned Mr. Galenko on a phone number provided to me by his builder, Mr. Shervick. Mr. Galenko first denied owning the property so I told him I would be calling the County to inform them of the noise and hung up. He called right back to tell me that he did actually own the property and the noise I was hearing was from crawl space fans which is untrue because the structure is a garage with a slab foundation. He then tried to tell me that it was attic fans used to cool his machines, but there is no attic in the building either. Then Mr. Galenko stated the machines have been running for weeks and there was no noise at all coming from the building.

Within a week of our telephone conversation, Mr. Galenko replaced a window facing 217 Ashton Lane (the biggest of our two homes under construction) with a large commercial fan in an attempt to divert the noise away from my property and toward Jughandle and the Willows. At that time he installed several No Trespassing signs on his property.

Recently he has constructed an addition to the side of his building that is quite an eyesore and visible to both of our new homes. See photo below.

My business partner and I are heavily invested, financially and emotionally in this subdivision, with 2/3 majority ownership. We have always been and remain committed to building quality homes that will blend in with the natural surrounding and will echo the neighboring homes in Jug Mountain Ranch and The Willows.

We are shocked that this neighbor has not only sidestepped the approval process, but has knowingly and fraudulently attempted to devalue our properties and those of the entire area in the process. This site, 219 Ashton Lane is not the place for an industrial or commercial business.

Please deny this request as approval will undeniably result in the inability to recoup our investment of millions of dollars and deem these beautiful homes unsellable.

Respectfully,

Bill Rice, co-owner BCDC Homebuilders LLC



"NO to CUP 22-47"

From: Mountain Canyon Flying

Sent: Sunday, November 27, 2022 3:28 PM
To: Cynda Herrick <cherrick@co.valley.id.us>

Cc: Lori Mountain Canyon Flying

Subject: "NO to CUP 22-47"

11/27/22

Valley County P&Z Cascade, ID

I would like it to be known I do not support or want this CUP 22-47 to be passed.

I say:

"NO to CUP 22-47"

I would like to be informed or the time of the P&Z meeting this Dec 8th.

Thank you, Lori MacNichol President/Owner McCall Mountain Canyon Flying Seminars LLC

CUP 22-47, Cryptocurrency site

From: Kathy Sent: Monday, November 28, 2022 11:37 AM
To: Cynda Herrick <cherrick@co.valley.id.us>

Cc: Jug Mountain Ranch

Subject: CUP 22-47, Cryptocurrency site

To Whom It May Concern,

As homeowners at Jug Mountain Ranch, we are adamantly opposed to the proposed crypto mining site on Ashton Lane. This neighborhood is surrounded by homes and potential home sites.

After searching online for information about crypto mining and how it works, we have several concerns:

1. Noise!!! When we searched "noise associated with crypto currency mining", we found comments like "It sounds like a jet that never leaves"; It sounds like a giant dentist drill that continues nonstop"; "It is like living on top of Niagra Falls"; "The noise continues 24 hours a day, 7 days a week, 365 days a year".

Homeowners should not be subjected to this! Would you want this kind of noise in your neighborhood?

- 2. Approval of this application would open the door for similar businesses seeking a place for industrial or commercial use.
- 3. Fire danger!
- 4. Negative impact on the environment and residential feel of Jug Mountain Ranch, Jug Mountain Estates, The Willows and Ashton Estates neighborhoods.
- 5. High electricity demand the amount of electricity required to run this operation could result in electrical outages and/or higher prices for neighboring areas.
- 6. If you research current crypto mining sites, you will find numerous lawsuits against the companies in the United States and Canada.

Please deny this CUP application. This business is not appropriate for any residential/agricultural area.

Kathy and Paul Stover
Jug Mountain Ranch homeowners
213 Jussila Bow Place

Opposition to CUP 22-47

From: Don Lojek

Sent: Monday, November 28, 2022 1:50 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: Opposition to CUP 22-47

Dear Cynda:

I hope the County P&Z is well-versed in cryptomining. I know very little about it but what I do know causes me to oppose the application. What does the P&Z know? With all due respect, I imagine very little. It's a complex area.

The applicants have Russian names. Are they citizens? And why Valley County for the installation? Is this because the applicants perceive a very low bar for the approval of this type of project? Are they connected with any of the cartels? Much of the use of crypto coins is by drug dealers. Has anyone examined the backgrounds of the applicants?

There will be a huge increase in demand for electrical power. Who pays for that ultimately? Idaho Power will have to meet the demand by increasing output which, in turn, increases its cost which cost is passed along to users of electricity -- you, me, everybody in Valley County.

What is the benefit to us?

Many states have or are in the process of passing legislation banning cryptomining in their jurisdictions. China has banned the practice because of the high demand for electric power. Does this tell you something? Electronics waste causes air and other pollution. Is this a good thing for Jug Mountain? I think not.

The applicants seem to have jumped the gun by installing the equipment necessary for their money-making project. No jobs will be created. Noise will be created as they acknowledge with their intention to erect a ten foot wall which hopefully will contain the noise. How do they know this? What other cryptomining facilities have they built in this country? To whom do they send the product they are creating? Does it go to Russia? If not, where? And for what purpose?

How long have the applicants owned the property? Apparently the two applicants do not own it. Only Ilya owns the property. How long has he owned it? Is this a quick strike for profit at our expense?

You are aware of the recent FTX bankruptcy I am sure. This whole crypto area is mysterious and unregulated.

Please don't allow Valley County to be duped by these applicants without much more study.

Respectfully,

Don Lojek Pioneer Road

about CUP 22-47

From: Don Lojek

Sent: Tuesday, November 29, 2022 4:09 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: Re: about CUP 22-47

Hello Cynda:

I don't know if your question about testimony was directed to me or to someone else.

But I do want the P&Z members as well as you to be aware of the questions I posed in my previous email.

I see that Aleksander Galenko has many aliases and is known by many different names. That in itself should raise some red flags. Once he has a cup what is to prevent him to assign the use to a large commercial user? He has not limited his request for a CUP to a set number of computers nor has he provided the make or model of the computers to be used.

He says in the application that his electric bill will be \$4,000 per month. That is astounding. And what is there to limit him from stacking dozens of computers in his shed or expanding the space and adding still more computers?

Everything I have read about this cryptomining business cautions about the creation of noise. Powerful noise. Noise like jet aircraft close by. Is this what we want in a peaceful residential area? Noise that goes on unabated 24/7, 365 days per year?

This application does not pass the smell test.

Thanks for your consideration of these comments.

Don Lojek

On Tue, Nov 29, 2022 at 10:48 AM Cynda Herrick <cherrick@co.valley.id.us> wrote: Hello.

I will place in the file. Did you want this as testimony?

Cynda Herrick, AICP, CFM Valley County Planning and Zoning Director Floodplain Coordinator PO Box 1350 Cascade, ID 83611 (208)382-7116

From: Anne Carr

Sent: Tuesday, November 29, 2022 10:45 AM

To: Cynda Herrick < cherrick@co.valley.id.us; lojek, Don 4

>; Harris, Scott

Subject: about CUP 22-47

Here is background information on the applicant for the crypto mining facility: https://www.officialusa.com/names/Aleksandr-Galenko/

Opposition to CUP 22-47

From: Scott Harris

Sent: Monday, November 28, 2022 1:23 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: Opposition to CUP 22-47

Scott and Connie Harris
PO Box
McCall, ID 83638

Valley County P & Z Department PO Box 1350 Cascade, ID 83611

November 28, 2022

Re: CUP 22-47

Dear P & Z Commissioners:

We are opposed to CUP 22-47 application:

- 1.It encroaches into a residential neighborhood, and does not seem to fit into any of the uses listed for CUP requirement. This specific type of use is not listed in the permitted commercial use list.
- 2. Assuming it is deemed Light Industrial, the minimum required setback from the side property line is 30 feet. Of note, on the Application, item 11, "Setbacks" is marked "N/A" when these measurements are clearly required. Judging from the site map provided in the application, it appears the SE corner of the building proposed to be occupied by the facility is less than 24 feet from the east property line, thus does not meet the minimum setback requirement.
- 3. There is no mention of the size or number of the Graphics Processing Units (GPUs), the power hungry machinery needed for the mining process. This should be specifically disclosed up front with no opportunity for expansion, should the CUP be approved, without due reconsideration by the P&Z process. The business tact taken elsewhere is to establish a minimal footprint facility and then rapidly expand if successful. A small facility with 3 GPUs consumes 1000 watts 24/7. Power utilization for these facilities can be exorbitant, straining our puny local power grid, already fraught with outages. This endangers those residents downstream in the adjacent Jug Mountain Estates subdivision. While it appears the applicant has already installed a 1200 amp 3 phase electrical service and transformer, this is the very minimal recommended supply for the smallest plants.
- 4. Excessive heat is generated, raising risk of unwitnessed fire in this unmanned facility.
- 5. Items 17 and 18 on the Application, Sewage Waste Disposal Method, and Potable Water Source are marked "N/A". Septic system is clearly shown on the site map.
- 6. Item 26 on the Application, Impact Report, is not attached, as required.

Please reject this application.

Scott Harris
Connie Harris

November 28, 2022

To: Cynda Herrick

Re: Crypto Mining Operation CUP 22-47

Dear Cynda,

We are writing to let you know that we are strongly opposed to the Crypto Mining CUP. I don't have a lot of knowledge regarding this type of venture but from what I have read they can start out fairly unobtrusive, but as they grow and expand - which this likely will - they begin to tax energy and other resources. It appears they target areas that have lower power costs but when power becomes a commodity that has more demand than supply we are all going to suffer the consequences.

Please deny this CUP.

Thank you.

Todd & Bonnie Thompson 117 Carefree Lane McCall, Idaho

No to CUP 22-47

From: Kathy Richmond

Sent: Monday, November 28, 2022 2:32 PM
To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: No to CUP 22-47

To Whom it May Concern,

I am a McCall resident and can't believe you are even considering a strip mine near Jug Mountain which many, many locals and visitors use for recreation....this would be a nightmare....please to not approve it.

Thank you considering my thoughts!

Rathy Richmond
P. O. Box
McCall, ID 83638

Crypto CUP

From: lloyd manning |

Sent: Monday, November 28, 2022 5:14 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: Crypto CUP

Dear Mrs Herrick,

My name is Lloyd Manning and my wife and I reside at 427 Wilhelm Creek Ct.

Last year there was an attempt by a land owner to our East requesting a land use exception for a wedding reception center on their property. It was denied as this use was not compatible with the surrounding community.

The current application for a Crypto Currency mining operation is unthinkable in this location. As you are most likely aware this is a remotely controlled facility, emits high pitch continuous noise and in short has no place in this community.

For over thirty years I have been a commercial developer and can honestly say I have never attempted to place a product this divisive and non compatible at a location such as this in my entire career.

Please do not allow this to happen.

As a side note I will be attending the December 8th meeting in person

Thank you

Lloyd Manning NEVADA GENERAL CONSTRUCTION 4121 Wagon Trail Ave. Las Vegas, Nevada 89118

CUP 22-47, Cryptocurrency Site

From: Dave Joerger

Sent: Monday, November 28, 2022 10:00 PM
To: Cynda Herrick <cherrick@co.valley.id.us>
Subject: CUP 22-47, Cryptocurrency Site

Valley County P&Z Staff and P&Z Commissioners:

I am providing this comment for the record for the subject CUP request. I live approximately 1250 feet away from the proposed cryptocurrency use. This area is entirely residential and agricultural along with recreational use associated with the Jug Mountain Ranch golf course. There is currently no light industrial or commercial use in this area. I urge you to deny this application and thereby not set any precedent of allowing light industrial/commercial uses in this area. This requested cryptocurrency use should be sited in an existing industrial/commercial area and not in a pristine residential/agricultural area.

Given the county's compatibility matrix structure, I feel allowing this use will only make it easier for the county to permit future additional light industrial/commercial uses in this area. Please don't permit this use and open the floodgates for this reason! I don't want to see our existing residential/agricultural area spoiled by light industrial/commercial uses. Thank you for your consideration of my input.

David Joerger 224 Little Pond Ct

CUP 22-47

From: Katharina Roth

Sent: Monday, November 28, 2022 11:17 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: CUP 22-47

Dear Cynda,

We are aware of this application in the Jug Mountain area and are strongly opposing it.

- 1. Why allow a commercial operation in a residential area? Any go ahead from the county for any commercial operation in a residential area sets a precedent for more commercial activity which then the residents will have to fight in the future. Why allow it?
- 2. Obviously any crypto mining operation has a great demand on electric consumption. We are afraid that the Valley County residents will have to pay for increased costs that higher production might produce. Why should Valley County residents pay for that? Is there even a way to produce more electricity should there be a need created by their operation?
- 3. What is the impact of noise generated by the mining on residents? Do we really know?
- 4. There are no jobs created through this business. What would the County actually gain?
- 5. Why are the applicants choosing Valley County for their Crypto Mining operation? Why not chose an area closer to Boise when they obviously are residing in Boise?

Thank you, Cynda, for listening!

Geoffrey and Katharina Roth 14006 Comfort Road McCall, ID 83638 No on CUP 22-47.

From: Charles Jones

Sent: Monday, November 28, 2022 4:09 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: No on CUP 22-47.

I'm a resident of the Willows Subdivision. I strongly oppose CUP 22-47. Issues.

Wrong application for a residential neighborhood and golf community. it's an industrial application.

Significant noise issues.

Electrical drain on the grid forcing increased electrical rates to increase.

Concerned full time resident

Charles Jones 13784 Sweet Iron Court.

McCall ID 83638

C.U.P. 22-47 Cryptocurrency Site

Attention Cynda Herrick, AICP, CFM, Planning & Zoning Director PO Box 1350 Cascade, ID 83611 cherrick@co.valley.id.us

November 28, 2022

Dear Valley County Planning & Zoning Commission,

We are voicing our concern over the proposed crypto mining operation. Specifically, we have concerns over the location of this commercially intensive operation to be placed in a rural residential agricultural area zoned "Res Rural Tract Vacant", the non-stop noise pollution (24-hours a day, 7 days-a-week) from proposed operation, and the excessive energy projected to be consumed by this operation.

To clarify, we are not against growth within Valley County. The primary concerns are that this noisy, 24-hour a day commercially intensive and energy intensive cryptocurrency operation has no business being located or operated within this Valley County residential rural and agricultural setting.

It is well documented and reported by reputable news outlets (samples linked and attached) how the recent placement of cryptocurrency (aka bitcoin) mining operations in rural residential and agricultural areas has significantly and negatively impacted the quality of life of nearby residents.

A common story line is that residents within these types of communities really had no idea how intrusive these cryptocurrency mining operations would be beforehand and did not fully understood the negative impact that would be caused by never ending noise pollution and excessive energy use.

Noise Pollution

Per a Bitcoin Magazine article dated June 2, 2022,

https://bitcoinmagazine.com/business/solving-bitcoin-mining-noise-pollution

"Bitcoin mining is loud."

"Anyone reading that sentence who has not visited an operational mining farm is probably imagining a loud restaurant or a running air-conditioning unit. But in this context, "loud" actually means an almost ungodly cacophony of spinning fan blades producing a noise level akin to a fighter jet. Mining gives new meaning to "sound money.""

"A single bitcoin mining machine produces between 70 to 90 decibels (dB) of sound. Decibel levels scale logarithmically, so if one relatively-quiet machine produces 75 dB, then 10 similar machines produce 85 dB and 100 machines produce 95 dB. For comparison, the average nightclub maintains a noise level of 98 dB — almost deafening."

Per the C.U.P. 22-47 application page 8 of 14, the document states indoor sound tests in the high 80s for decibel readings based on their own tests. The document also states external sound readings of ~50db and 70db.

Under Chapter 5 Conditional Uses section 9-58-1: NOISE subsection A, outlines that noise levels shall not exceed certain levels of 40 decibels and 60 decibels depending on the time of day. It appears that the proposed cryptocurrency operation's forecasted sound levels are already near or above Valley County guidelines.

But a very <u>relevant section 9-5B-1: NOISE subsection A states</u>, "The noise emanating from any commercial or industrial activity shall be muffled so as not to become objectionable due to intermittent beat, frequency or shrillness..." By their nature, cryptocurrency mining operational equipment and high velocity fans are loud and objectionable when placed in residential rural agricultural type areas as demonstrated by countless news articles and complaints. And as stated by Bitcoin Magazine previously, "But in this context, "loud" actually means an almost ungodly cacophony of spinning fan blades producing a noise level akin to a fighter jet." A rural residential/agricultural area is no place for a loud cryptocurrency operation.

The community members near 219 Ashton Lane reside in the area to get away from the big city bustle and excessive noise. During the day, the community is used to <u>intermittent</u> sounds of vehicles passing by, flocks of geese, farm equipment, periodic snow removal equipment in the winter, frogs, streams, construction workers, mountain bikers, etc. As evening approaches, the area becomes very quiet. You can better hear the birds before they retire for the night. During the night, generally only the occasional pack of coyotes is heard.

The loud noise and <u>constant</u> never ending hum of high velocity fans from a cryptocurrency mine does not fit in and would have an unreasonable negative impact on this community. There are likely much better locations for a cryptocurrency mining operation in Valley County where adjacent land owners have similar commercial and property uses.

Sound is relative. Sound encompasses attributes such as volume, frequency, wavelength, etc. Consider if a recording of nails scrapping a chalkboard was made and played continuously at volume levels in a neighborhood just below Valley sound decibel guidelines. While some might observe that the sound level wasn't that bad, most would likely view the 24-hour a day nonstop sound as highly objectionable.

Electricity and Energy Consumption

It is widely understood and publicly reported on the extreme energy needs of cryptocurrency mining operations. Operations require intensive energy needs to run mining machines 24 hours per day along with the associated noisy high velocity fans used to cool the machines.

According to Digiconomist (organization that monitors cryptocurrency activity) as of 11/26/2022, creating a single bitcoin requires about 1,171 kWh which, per Digiconomist, is equivalent to about 40 days of an average U.S. household power consumption. Per the C.U.P. 22-47 application physical page 10 of 14, applicant alludes that peak electrical costs are estimated at \$4,000 per month. Also states "Additional power usage of approximately ~65kw" but the information is not clear on over what consumption period.

According to an Idaho Statesmen article dated September 18, 2022, Idaho Power spokesperson Jordan Rodriguez said, "Increased demand stemming from crypto-mining operations could require new substations, lines, transmission resources and power plants. Costs for these assets are paid by all customers through rates over time. Adding new infrastructure could increase electricity rates for everyone. If the crypto miners were to pack up and leave the state, the remaining costs would be left behind, and the rest of Idaho Power's customers would foot the bill."

Questions for the Valley County Planning & Zoning Commission

 Comment - It is not clear but based on general publicly available information and information provided by the applicant on page 10, that one could "guestimate" that the applicant's proposed cryptocurrency operation on the 1.9 acres is effectively and instantly adding about 50 or more residential homes to the electrical grid (\$4,000 / \$75 electricity charge per month per home = 53 homes).

- 2. Has this proposed instant and increased demand been thoroughly vetted? Can the local neighborhood grid absorb this increase such that there will be no increased risk for blackouts, etc.?
- 3. With the increased electrical requirements, will electrical rates be raised for nearby residents? And if so, would the neighbors effectively be supplementing the utility and business costs of the C.U.P. 22-47?
- 4. How many mining machines are included within the applicant's stated and estimated \$4,000 monthly electricity costs? Can more be added without Valley County approval, and if so, is it unlimited? Is it monitored?

Relevant Excerpts and Quotes From Articles Listed Below on Cryptocurrency Mining Operations

A small community near Limestone Tennessee. A March 18, 2022 article in the Washington Post details how a new crypto currency mine, "It started as a low hum one day last spring. Then it got louder, and soon some residents said the noise was like a jet engine idling on a nearby tarmac." "We couldn't have people over to gather in our front yard because we could hardly hear one another talking," said Preston Holley, whose home sits across the street from the mine.

Such disparities are to be expected, given the surroundings, said Sean Connolly, founder of Big Sky Acoustics, an independent sound mitigation company in Big Sky, Mont. "In a rural environment, you have a very low ambient noise level anyway, so you walk outside and a creek is gurgling, birds are chirping, but there is not a lot of man-made noise. Once you take some of these bitcoin mining facilities, the noise carries, there is nothing to hide it or mask it," he said.

Kent Harris, a Washington County commissioner, looks back on his vote authorizing the Limestone crypto mining operation and shakes his head. "I have never regretted a vote like this one. I sure wish I could take it back," he said.

"We're frustrated, we're upset, we're basically traumatized by it because you know the noise, it's constant noise," said Olson. "You can hear it inside. Our bedroom is right over there. You can hear it inside. We can't open windows because you'd have to listen to that all night long."

<u>Unreasonable negative impact to residents in the U.S. by placing cryptocurrency mining operations in rural residential and agricultural areas as reported by a sample of news outlets (links below and attached)</u>

- a. Excessive noise pollution causing a constant annoyance
- b. Residents move to new homes out of area to escape the excessive noise (and most likely residents reside in rural areas to avoid excessive noise)
- c. Forced the use of earplugs while both in their home and to sleep
- d. "Tanked" the value of resident properties and kept residents up at night
- e. The constant loud noise has forced some residents to cover their windows with plywood to keep the sound at bay

In Conclusion

 We believe this proposed C.U.P. 22-47 would have a significant unreasonable negative impact on adjacent and nearby property owners and residents, and is not compatible with adjacent and nearby land use. We request that the Valley County Planning & Zoning Commission not approve C.U.P. 22-47. This 24 hour per day seven day per week commercial operation should not be located or in operation at this "Res Rural Tract Vacant" zoned property.

- 2. The proposed C.U.P. for this cryptocurrency mining operation clearly does not fit within the existing community and will markedly decrease the quality of life for nearby neighbors due to the never ending noise pollution. Excessive and constant noise pollution from cryptocurrency mining located throughout the U.S. in rural and agricultural settings is well documented.
- 3. Idaho Power has expressed concern publicly on the negative impact from cryptocurrency operations due to the potential increase in electrical rates to all customers and the strain on the electrical grid that is caused by intensive use of the mining operations.
- 4. Under Valley County 9-5-2: Policy, section B.3. states, "Allowing conditional uses in areas and to standards that will increase the value of privately owned property without undue adverse impact on the environment, adjoining properties, or governmental services and where consistent with the county comprehensive plan." We feel that proposed C.U.P. 22-47 does not fit within the spirit of complying with this Policy. And more specifically, it is clear that there would be an undue adverse impact on adjoining property owners (from noise pollution and lower property values) and also a potential negative impact to electrical power caused by increased electrical rates and possibly blackouts due to the increased demand of the electrical grid.

Sample Articles on Cryptocurrency Mining

Wall Street Journal, November 12, 2021 (link below)

https://www.wsj.com/articles/bitcoin-mining-noise-drives-neighbors-nuts-giant-dentist-drill-that-wont-stop-11636730904

Details numerous rural communities in both Canada and US that have suffered dramatically due to the placement of cryptocurrency mines near residential rural areas.

Washington Post, August 31, 2022 (link below and attached PDF)

https://www.washingtonpost.com/business/interactive/2022/cryptocurrency-mine-noise-homes-nc/
This short article covers the 24-hour per day noise pollution placed upon the surrounding community in North Carolina. The article also has links that enable the reader to listen (including a 3D spectrogram) to crypto currency mining noise.

Washington Post March 18, 2022 (link below and attached PDF)

https://www.washingtonpost.com/business/2022/03/18/bitcoin-mining-noise-pollution-appalachia/ Short articles details the detrimental impact to nearby neighbors caused by the never ending noise pollution of the cryptocurrency mine.

KSTP Eyewitness News, October 18, 2022 (link below and attached PDF)

 $\underline{https://kstp.com/kstp-news/top-news/glencoe-neighbors-voice-concern-about-noise-coming-from-cryptocurrency-mine/}$

Article describes the significant negative impact due to constant noise from a cryptocurrency mine located in Glencoe, MN

Idaho Statesmen, September 18, 2022 (link below)

 $\frac{https://www.eastidahonews.com/2022/09/could-crypto-miners-raise-your-electricity-bills-idaho-power-says-yes-what-to-know/$

Article reviews potential of increased electrical rates in Idaho due to cryptocurrency mines and destabilization of the Idaho's electrical grid

Jess & Jennifer Roper Valley County, ID residents

The Washington Post

Democracy Dies in Durknes

CRYPTOCURRENCY

An Appalachian town was told a bitcoin mine would bring an economic boom. It got noise pollution and an eyesore.

Supporters of the crypto plant promised an expanded tax base and job creation. What residents say they got was the constant din from massive computers and equally massive cooling fans.

By Kevin Williams
March 18, 2022 at 10:02 a.m. EDT

LIMESTONE, Tenn. — It started as a low hum one day last spring. Then it got louder, and soon some residents said the noise was like a jet engine idling on a nearby tarmac.

The unincorporated clutch of homes and churches at the base of the Appalachian Mountains offers expansive vistas of lush farmland, thick woods and towering ridges in all directions. Neighbors know one another. Most residents have family bonds spanning generations or moved to this tranquil patch to escape city noise.

Instead, the noise came to them in April last year when the Tennessee-based firm Red Dog Technologies opened a plant in Limestone to mine (or create) new bitcoin, the original and still-largest cryptocurrency.

The process relies on massive computers performing complex calculations — all while kept at a constant temperature by equally massive cooling fans — and that can get noisy.

The Limestone mine operates day and night, growing louder at night and on weekends when bitcoin's electricityhungry computers can take advantage of down time and lower prices on the electricity grid and ramp up their algorithmic-solving power.

1

"We couldn't have people over to gather in our front yard because we could hardly hear one another talking," said Preston Holley, whose home sits across the street from the mine.

Appalachia, with its cheap electricity from coal, natural gas and hydro, was already attractive to bitcoin miners when China, which dominated world production, cracked down on such operations last summer, worried about the volatility of digital currencies.

Companies forced out of China began scouting new locations across rural America. Appalachia, more accustomed to coal-caked helmeted workers than tech-savvy blockchain enthusiasts, saw an influx of miners.

But while supporters tout economic benefits such as an expanded tax base and job creation, residents in areas that initially welcomed crypto mining are now experiencing buyer's remorse.

Kent Harris, a Washington County commissioner, looks back on his vote authorizing the Limestone crypto mining operation and shakes his head.

"It looks like a German POW camp," Harris said of the bitcoin mine, which is surrounded by barriers, cameras and fencing topped with razor wire.

"I have never regretted a vote like this one. I sure wish I could take it back," he said.

A lawsuit filed by the county in November accused Red Dog Technologies, the mine owner, and BrightRidge, the local electricity provider that owns the land where the mine is located, of zoning violations and causing "immediate and irreparable injury, loss, and damage."

BrightRidge declined to comment on all aspects of the case, citing ongoing litigation. But according to local media reports, BrightRidge chief executive Jeff Dykes affirmed the company's desire to mitigate noise issues.

Todd Napier, director of site acquisition for Red Dog, told the Washington County commissioners at a public meeting last summer that they are taking the noise issue very seriously.

"We thought it was a data center going in there," Harris said, noting that the zoning application had mentioned a "block chain data center."

He added that the county had worked closely with BrightRidge on many past projects without problems. And because of this partnership, nobody did their due diligence and greenlighted what was billed as a "solar farm and data center."

County commissioners blocked attempts by BrightRidge and Red Dog to open a second mine.

The lawsuit claims that the bitcoin facility violates local zoning ordinances. "BrightRidge exacerbates the problem by refusing to cease operation upon repeated written and verbal requests," it alleges.

Tim Whaley, BrightRidge's director of public and government affairs, declined to comment on the company's relationship with Red Dog, citing ongoing litigation.

On March 15, a judge agreed with the county that zoning was violated, but is allowing the mine to stay open pending appeal.

Red Dog said in court documents that it had informed commissioners it was using the site for bitcoin mining, and that it has spent \$600,000 on noise mitigation. The company also said in court documents that it would face a loss of \$36 million over the next 18 months if the mine is forced to close.

In the meantime, residents of Limestone are left grappling with the noise.

Holley, his wife, Christy, and five daughters built a new house eight years ago with a view of the nearby mountains. The BrightRidge substation 100 yards away from their front porch wasn't the most attractive, but it didn't entirely destroy the view. The mine inside the giant shipping container in the same compound was a different story.

"This is our forever home," Holley said. But the noise emanating every night from the bitcoin mine, the Holleys fear, has tanked the value of their property and keeps them up at night. Recent noise mitigation measures by Red Dog, such as shrouding the shipping container in green shrink wrap, have muffled the sound, but not enough to keep it from creeping into the house.

"The noise is different now, but I wouldn't say better," Holley said.

Summer also brings more noise as the fans are needed round-the-clock to provide computer cooling.

Craig Ponder, pastor at the New Salem Baptist Church, a red brick church atop a hilltop about a mile from the mine, compared the noise to the jet engines he heard while serving in the military. He said that the noise can make it difficult for congregants to chat with each other in the parking lot after services.

The recent noise mitigation measures have helped, Ponder said. "I do have to give them props for trying to reduce the sound."

Where the noise is heard depends on many factors, including wind, topography and time of day, according to sound experts.

Some residents as far as 5 miles away report hearing the mine. In contrast, others near the mine say the noise isn't an issue.

Deanna Laws, who lives about a mile from the mine on New Salem Road, said the mine was never a huge bother. "But since they put the sound barriers up, we don't hear it."

Such disparities are to be expected, given the surroundings, said Sean Connolly, founder of Big Sky Acoustics, an independent sound mitigation company in Big Sky, Mont.

"In a rural environment, you have a very low ambient noise level anyway, so you walk outside and a creek is gurgling, birds are chirping, but there is not a lot of man-made noise. Once you take some of these bitcoin mining facilities, the noise carries, there is nothing to hide it or mask it," he said.

In addition to the ramped up noise at night, nature magnifies the sound by creating a temperature inversion, Connolly said. As the earth cools and the heat escapes after dark, there is a layer of air higher up that stays warmer.

"Sound bounces off this layer and projects even further," Connolly said, explaining that emerging fan technology including blades that "scoop" air rather than propel it may ultimately offer relief.

About one mile from the BrightRidge substation, Carolyn Broyles's home offers stunning panoramas of the mountains, but when the wind is right, the bitcoin mine sound sweeps across a nearby ridge top and into her yard and house.

When she first heard the noise in the spring of 2021, she thought it was tractors, something that wouldn't be unusual on her 200-plus acres of farmland. Except it was April.

"There was no reason for there to be tractors," Broyles said, so she drove around and soon found herself looking at the bitcoin mine. She claims local residents were misled.

"We thought it was going to be a data center. I'm not totally unsophisticated, but we didn't know what blockchain or bitcoin was," said Broyles, who filed a separate lawsuit against BrightRidge and Red Dog seeking unspecified damages. "We are country people, that's the bottom line, and you'll never convince me otherwise."

Court documents filed by Red Dog said it told officials that the site was for use as a bitcoin mine.

But those objections from local residents have complicated prospects for cryptocurrency mining in Appalachia — despite cheap land, plentiful power and utility companies hungry for additional revenue streams to replace the manufacturing customers that have been leaving for decades.

"Ideally, there would be no people around. We have a facility in South Carolina where you can't even find it because trees surround it and nothing is around it," said John Warren, the chief executive of GEM Mining, which owns 32,000 bitcoin miners.

Operators also have to invest in the right technology. Plants that rely on fans for air cooling generate a lot of noise. Another newer method that relies on liquid immersion technology for cooling is quieter.

Warren said many people getting into the bitcoin business may not have anticipated the noise.

"This is an industry that is on fire now, and a lot of people may not have known the noise the machines make; there are a lot of inexperienced people coming into the industry, and they are causing issues," Warren said.

But there is a lot of money to be made. Red Dog Technologies, which also operates under the name GRIID, is a relatively small player in the industry but is preparing to go public this spring. Its Securities and Exchange Commission filing projects revenue of \$1.6 billion in 2023.

Warren, and others, said that crypto could bring needed benefits to economically parched Appalachia. In the case of Limestone and BrightRidge, local media reported that the mine uses enough power to supply 10,000 homes and became the utility's largest customer overnight.

When Whaley, BrightRidge's spokesperson, was asked about that figure, he didn't dispute it but said "you can Google it," again declining to speak specifically because of litigation.

Shane Hadden, a lecturer in finance at the University of Kentucky who has studied Appalachia economics, said bitcoin mining is good for the state.

"It generates jobs, revenue, a potential base into future expansion into related services," he said.

While dozens of new cryptocurrency mines have opened across Appalachia since the China crackdown, Limestone isn't the only one giving a mixed reception.

In Cherokee County, N.C., local residents were initially in favor of, or indifferent to, the new cryptocurrency businesses. The first bitcoin operation took over an abandoned factory in the town of Marble. The enclosed space initially did not produce much noise, said Dan Eichenbaum, chairman of the county board of commissioners.

Then a second, unenclosed facility opened, creating similar noise issues to those found in Limestone.

Phoebe Thompson, a Bowdoin College environmental and oceanic sciences graduate, moved to the adjacent town of Murphy two years ago. Her family founded the publication Bird Watcher's Digest and are active environmentally. She laments the damage to the area's wildlife and peaceful character.

"I grew up where I heard birds, insects, frogs; the quiet here was a huge draw for me," Thompson said. She said the quiet has been smothered by the whir of the mine and created an "ecological dead zone" that disorients wildlife.

Cherokee County has taken a less confrontational approach than Washington County, in Tennessee, but it's unclear what the final results will be. "Noise is a very relative thing; what bothers some people doesn't bother others," Eichenbaum said.

He said the board is negotiating with the bitcoin mining operator to achieve a resolution.

Meanwhile, back in Limestone, the noise lingers, and the lawsuits continue. Residents are left trying to weigh potential economic benefits against the downsides. Harris said residents in the area just want the area to go back to the quiet, neighbor-know-neighbor atmosphere that permeated before the mine opened.

"The mine operator said this mine was in the middle of nowhere, but to us, it is not the middle of nowhere; it is our home," Harris said.

Glencoe neighbors voice concern about noise coming from cryptocurrency mine

Ginna Roe KSTP Updated: October 16, 2022 - 10:24 AM Published: October 18, 2022 - 6:06 AM

Glencoe neighbors voice concern about noise coming from cryptocurrency mine



Neighbors in Glencoe are concerned about the latest buzz in the community.

The buzz which comes from a cryptocurrency mining facility, is constant – and it's driving neighbors crazy

They're now asking city leaders to do something about the noise.

Eddie Gould and Sandy Olson say they're used to living in a noisy spot, as their home sits along a truck route and near an industrial park. However, in the nearly 50 years at the home, they say nothing compares to what they've been hearing lately.

Gould and Olson say the buzzing hasn't stopped since a company called <u>Bit49</u> first came to their neighborhood last fall. The company's crypto mining operation is based out of Colorado and sits across the street from their house.

Watch the video to hear the hum of fans that are continually cooling computers.

"We're frustrated, we're upset, we're basically traumatized by it because you know the noise, it's constant noise," said Olson. "You can hear it inside. Our bedroom is right over there. You can hear it inside. We can't open windows because you'd have to listen to that all night long."

Gould and Olson say they've reached out to the company and to city leaders, but nothing has been done to stop the noise.

ACVERTISEMEN



5 EYEWITNESS NEWS reached out to Glencoe Mayor Ry in Voss, and hij says theic ty is working with Bit49 to get the noise down to a more appropriate level.

The mayor says they verture noise blankets on the fences surrounding Bit49 to try to block the noise, but Gould and Olson say it's not enough

They re calling on city leaders to do more

5 EYEWITNESS NEWS reached out Bit49 for comment, and they have yet to respond

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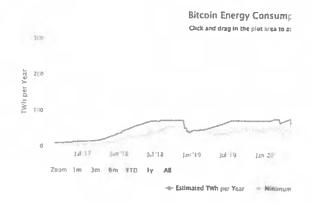
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Annualized Total Bitcoin Footprints

Carbon Footprint

62.20 Mt CO2

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Comparable to the carbon footprint of Belarus.

Electrical Energy

111.52 TWh



Comparable to the power consumption of Netherlands.

Electronic Waste

Search the size

10

2/ III

(2) (3)

42.32 kt



Comparable to the small IT equipment waste of the Notherlands.

Single Bitcoin Transaction Footprints

Carbon Footprint

653.33 kgCO2

Electrical Energy

1171.35 kWh

Electronic Waste

444.50 grams



A neighborhood's cryptocurrency mine: 'Like a jet that never leaves'

Cryptocurrency mining brought constant noise to this remote part of Appalachia



This spectrogram visualizes sound in 3D. The audio clip was recorded in Murphy, N.C.: You can hear the hum of fans from a crypto mine nearby.

Hear the cryptomine

Produced by Rekha Tenjarla

Aug. 31 at 1:01 p.m.



MURPHY, N.C. — It's midnight, and a jet-like roar is rumbling up the slopes of Poor House Mountain. Except there are no planes overhead, and the nearest commercial airport is 80 miles away.

The sound is coming from a cluster of sheds at the base of the mountain housing a cryptocurrency data center, operated by the San Francisco-based firm PrimeBlock. Twenty-four hours a day, seven days a week, 365 days a year, powerful computers perform the complex computations needed to "mine," or create, digital currencies. And those noise-generating computers are kept cool by huge fans.

"It's like living on top of Niagara Falls," said Mike Lugiewicz, whose home lies less than 100 yards from the mine.

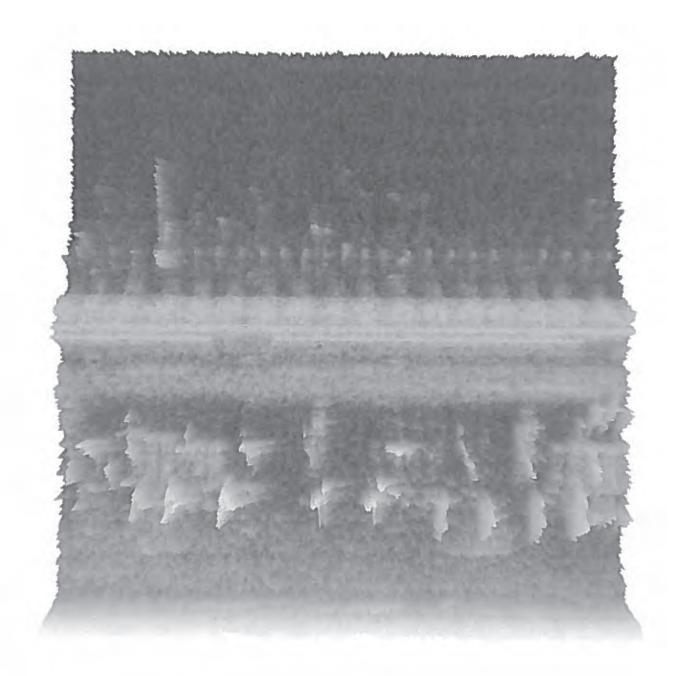
"When it's at its worst, it's like sitting on the tarmac with a jet engine in front of you. But the jet never leaves. The jet never takes off. It's just annoying. It's just constant annoyance," he said.

After China cracked down on cryptocurrency mining last year, dozens of cryptocurrency companies and hundreds of independent miners set up operations in sparsely populated parts of the United States, lured by the availability of cheap and plentiful power.

But they have been followed in some areas by <u>noise complaints</u> against the computers and the fans, leading to lawsuits and community action and sharply dividing local populations.

The hum of a crypto mine

These spectrograms represent sound over various frequencies — with high frequency (high-pitched) sounds appearing toward the top and low frequency (low-pitched) sounds at the bottom. Loudness is represented on a color scale from blue to yellow, with yellow being the loudest. The constant background sounds of the crypto mine might raise stress levels and interfere with cognitive abilities in people as well as wildlife, according to Rachel Buxton, an assistant professor of conservation biology at Carleton University in Ottawa.



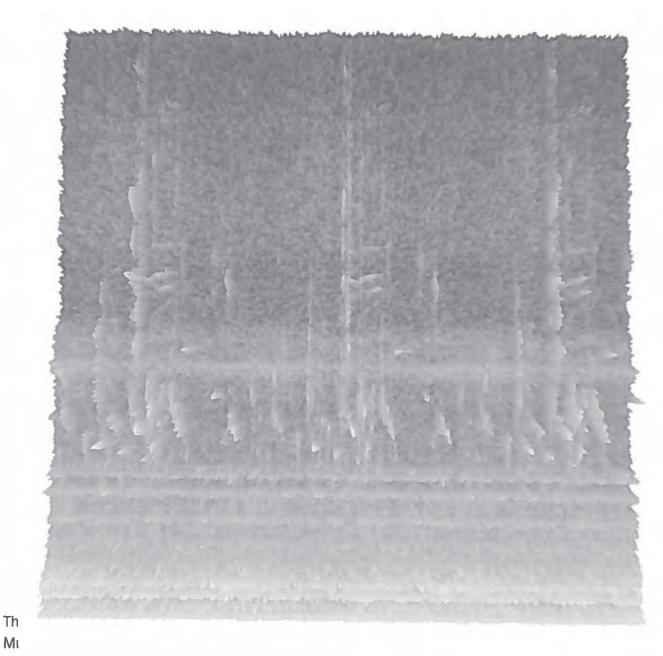
Hear bird sounds ◁)

This audio was recorded in a wooded area in Murphy, N.C., where the crypto mine was not audible. The spectrogram illustrates the features of a healthy soundscape, with a variety of sounds appearing at different frequencies and decibel levels.



Hear the Murphy crypto mine <

This audio was recorded in Murphy, N.C., near the residence of Mike Lugiewicz. This spectrogram shows a more uniform sonic environment with little variety.



Th

Across America, there are relatively few standards for noise pollution.

Although the Environmental Protection Agency established a noise pollution program in 1972 under the Clean Air Act, the agency has generally left noise issues up to state and local authorities. In North Carolina, noise-control regulations are usually the responsibility of counties, according to the state's Department of Environmental Quality.

North Carolina's Cherokee County, where the PrimeBlock cryptocurrency mine is located, has had a noise ordinance on the books since 1999, but locals say it is unevenly enforced and does not specify a decibel threshold.

Enhanced by weather, topography and the surrounding silence in this remote part of Appalachia, the unrelenting noise quickly became intolerable for Lugiewicz, who moved to Poor House Mountain from Brooksville, Fla., in 2005.

"As soon as they started the first container, we said: 'That's it. We're done,' "Lugiewicz said.

Staying connected in the field

To better understand the conditions created by cryptomining operations, journalists used AT&T environmental sensor hardware to measure sound quality in a rural area. This story was reported, written and created by The Washington Post. AT&T provided technical support and had no role in the content.

Technology supported by



A sensor placed on Lugiewicz's property by The Washington Post captured noise levels roughly every five minutes over nearly three weeks. In nearly every

reading — 98 percent of the time, day or night — decibel levels were above 55, about the noise of a normal conversation.

More than 30 percent of the readings exceeded 60 decibels — high enough that if they were in D.C., they would violate the city's daytime residential noise ordinances. Estimates from the National Park Service show that expected environmental sound levels in the area should be around 41 decibels.

Kurt Fristrup, a former Park Service scientist who studied noise impacts on rural environments, compared the noise near Lugiewicz's home to living close to a very busy road without normal pulses in traffic.

Imagine "45 sedans traveling close together nonstop on a three-lane road at 35 miles per hour," Fristrup said.

Chandler Song, a co-founder and co-owner of PrimeBlock who serves as the company's chief innovation officer, said that he had received no noise complaints from county officials, and that he had personally visited the facility.

"I have been to the site many times during construction," he said in an interview. "About 200 yards from the site, we stood in front of the house to check noise levels. It sounds like an air-conditioning unit in the yard. Every night, it was like air conditioning."

However, he said that the mine is building noise insulation walls and that most PrimeBlock sites will adopt newer and quieter cooling systems in the coming months.

County officials did not respond to emails or texts requesting comment.

The Murphy Electric Power Board did not respond to specific questions about the mine or noise complaints but provided a general statement saying: "When an individual or corporation submits an application for electric service, pays the proper construction fees, provides a security deposit, and agrees to abide by our service rules and regulations we strive to provide safe, reliable electric service." Lugiewicz, who works mainly from home, soon gave up on using the expansive deck he completed a month before the mine started operations, where he had hoped to perch with his laptops and listen to the birdsong. Instead of using his "outdoor office," he retreated indoors and soundproofed his home.

He and his wife began building a new home about 1.6 miles up the mountain, far enough away that the mine is only a distant, barely audible hiss.

IN THEIR VOICES: PHOEBE THOMPSON, a recent Bowdoin College graduate and environmentalist, laments the loss of the area's natural silence.

"I think sometimes people pooh-pooh the decibel level. ..."



"We were planning to move anyway, but the mine definitely sped those plans up," Lugiewicz said.

Poor House Mountain is dotted with stately homes that belie the name. Rows of townhouses and condos sit on the edge of an old golf course that has been shuttered for five years and is slowly being reclaimed by southern grasses and pines.

No one thought much of anything in the summer of 2021 when a long-vacant field across the street from the mountain was cleared and power poles erected. A few small buildings that looked like storage units started going up, and some thought it was just another place for people to stash their stuff. Not pretty to look at but harmless.

But crypto mining requires serious computing power. Creating a single bitcoin requires 1,556.99 kilowatt hours of electricity, according to <u>Digiconomist</u>, which monitors crypto consumption — about the same amount used to power an average house for 53 days.

The crypto mining centers also need those huge fans to cool them, especially during broiling Southern summers.

When crypto mining companies were forced out of China last year, the ample power available from the Tennessee Valley Authority made Appalachia an appealing spot. At least three mines have opened in North Carolina's Cherokee County since 2020, but as there is no registration requirement for cryptocurrency data centers, finding out how many are operating in the state is difficult.

North Carolina's secretary of state's office, which regulates businesses in the state, said crypto mines fall under the North Carolina Utilities Commission. And Sam Watson, general counsel for the NCUC, wrote in an email: "The Commission does not keep a registry of crypto mines" (or any other retail customer).

Local utilities simply need to approve the required paperwork, and local building permits need to be up to date.

PrimeBlock's Song said the company was drawn to Cherokee County because of the TVA's supply of renewable energy, created by hydroelectric dams as well as other methods.

The company operates 12 facilities in North America, concentrated in North Carolina, Tennessee and Kentucky, according to a U.S. Securities and Exchange Commission filing.

But some communities have expressed alarm about crypto coming to town. A group of citizens protested a proposed crypto mine in Pitt County, N.C., forcing plans to be shelved this year. In Limestone, Tenn., county commissioners reached a settlement with a crypto mine operator to move a facility to an industrial park.

Unlike cities such as Asheville, N.C., and Johnson City, Tenn., which turned into mini-metropolises during the pandemic, Murphy is still a place where people go to get away. The area attracts people in search of quiet, including many retired police officers and members of the military.

Dennis Futch, who retired as a captain after 28 years in the Army that included tours in Iraq, Afghanistan and Kuwait, bought a place on Poor House Mountain in 2016, following his parents to the area.

"I needed quiet. I had to have it, and that is why I came," he said.

If there wasn't total hush, it was nature's noise — territorial turkeys or summer cicadas, not gun battles or urban caw. Occasionally, there'd be the distant rumble of a truck on U.S. Highway 64, some two miles away.

Now, however, there is almost constant noise, especially prevalent at night, when other sounds are hushed. "Sound levels generally drop at night, so noises that might not seem so loud during the day suddenly become that much more prominent," said Fristrup, formerly of the Park Service.

He added that the lower temperatures at night in the mountains of Western North Carolina also trap and amplify the sound.

"It's changed our way of life up here," Futch said.

IN THEIR VOICES: DENNIS FUTCH, a retired army captain who battles PTSD, has gone out of his comfort zone to attend county commission meetings to air his complaints about the mine noise.

"I mean, and when it comes to your neighborhood, you just can't easily pick up and move ..."



Listen 23 sec

The noise has even forced him to come down the mountain to attend county commission meetings, although public places make him uncomfortable.

"Going to town is usually an ordeal for me, and I can sit at home all day and be perfectly content," Futch said. "I just wanted to see what was going on and what the county would do about it, but it was not easy to go. It was noisy, and I usually stay away from that."

Even the drive to the meeting was difficult, Futch says, with highway debris or construction bringing up memories of roadside bombs in Iraq and Afghanistan.

He came away from the meeting convinced that nothing could be done and that he was stuck.

"You just can't easily pick up and move, because nobody's going to buy your home," Futch said. "... You could pack up and move to a nice, quiet area and figure, this is where I'm going to spend the rest of my life, and, lo and behold," a crypto mine moves in next door.

For Gene Johnson, 80, who served 40 years in the Navy as a gunner and engine room officer, the noise has intruded on a retirement he had hoped to spend playing music with friends.

TOP: Gene Johnson, 80, is retired and living in Murphy. ABOVE: A crypto mine in Murphy on July 21. (Mike Belleme For The Washington Post)

His home on Beaver Ridge Trail is just a quarter-mile from the mine. Though he's hard of hearing from his years as a gunner, he says, the sound is still overpowering.

Johnson plays in a local band called the Sea Notes, which performs country,

IN THEIR VOICES: GENE JOHNSON, who at age 80 still keeps time to the music, says the mine noise makes

classic rock, bluegrass and some Cajun music at clubs and festivals.

that harder,

"I love to play music. ..."



He keeps chairs on his front porch, welcoming any company that might meander by wanting to share some songs. But one has to strain to hear the notes over the whirring mine.

"It bothers me, and it's a nuisance. Playing music is part of my life. You try playing music with that noise. I keep time with the fans from the mine instead of the guys in my band," Johnson said.

"The noise makes me feel really angry. It's embarrassing to have people come over and visit you with that noise there," he said.

But for other locals, the mines offer economic opportunity. In the town of Marble, 15 miles away, the opening of one of the largest crypto mining facilities in the country was met by locals with a collective shrug.

Built in the shell of a former denim mill, Austin-based Core Scientific's mine operates day and night, but the computers and cooling systems are primarily enclosed. When asked for comment, Sofia Coon, a spokesperson for Wachsman, a communications firm representing Core Scientific, said that the company "has no comment at this time."

For residents of this mix of double-wides and tidy ranch houses, the noise is not that different from that of the mill that turned out textiles in three busy shifts. Or the chipping mill where logs are processed a mile away.

"It was loud, louder than the crypto mine," Vicky Martin, a 67-year-old retired nurse, said of the textile mill. She described semis rumbling up to the factory, industrial equipment clanging and shift workers coming and going.

TOP: Vicky and Larry Martin outside their rural North Carolina home on July 21. ABOVE: The Martins' home is across the street from a large crypto mine. (Mike Belleme For The Washington Post)

Martin admits that out-of-town visitors are often incredulous that the crypto mine across the street doesn't bother her.

The noise levels from the mine regularly reach 60-plus decibels. But she says, while enjoying the view from her back deck: "Life is what you make it. I am not going to let [the crypto mine] take away the joy of my life."

She went on: "Outsiders stop by and ask me how it can't bother me, but it doesn't."

IN THEIR VOICES: VICKY MARTIN, a retired nurse and lifelong Cherokee County resident, lives across the street from the county's largest crypto mine but says the noise doesn't bother her.

"... It just doesn't bother us. It's there."



The complex algorithmic calculations that go into determining what qualifies as noise pollution remain an inexact science. One person's innocuous white noise is another's torture.

One of the determining factors is the difference between baseline background noise and the introduced sound, experts say.

The crypto mine near Poor House Mountain is competing with quiet. The one in Marble blends in with the chipping mill and highway noise.

A rural stretch of highway along the Nantahala River near Murphy. (Mike Belleme For The Washington Post)

Rachel Buxton, an assistant professor of conservation biology at Carleton University in Ottawa who has studied the impact of noise pollution in rural areas, says that even a five decibel increase can have a dramatic impact.

"Humans have a finite amount of attention. If you are too busy paying attention to noise, there is less cognitive ability for other things," Buxton said.

That additional noise load can cause stress and lead to negative health effects, she says.

For wildlife, the picture is even worse, Buxton says.

"At its very simplest, the noise can mask important sounds, like wildlife listening for approaching predators or listening for mates. Covering up these sounds can be the difference between life and death," Buxton said.

And even noise that doesn't outwardly bother people can have noticeable health effects, according to Stephen Stansfeld, a professor of psychiatry at Queen Mary University of London who has studied the issue.

He said continual exposure to noise can cause elevated blood pressure, which can increase the risk of stroke and heart attack.

"Even if you are sleeping through the noise, it still is having an effect," Stansfeld said, adding that people's expectations play a significant role.

"If they are expecting a place to be quiet, then the noise can really get them down," he said.

Stansfeld also says that people's connection to noise can affect their perception.

"If someone lives near an airport and they work at the airport, the noise doesn't bother them, because that is their livelihood," Stansfeld said.

Some of nature's noise can register loudly on the decibel scale: tree frogs and flocks of birds, for instance. But Stansfeld says those sounds are not continuous and are part of the built-in expectations of people who have chosen to live in a natural area.

Introducing a continuous source of unwanted man-made noise is a different issue, he says.

"This is even more true in people suffering from PTSD, where these noises can sometimes trigger unpleasant memories of trauma," Stansfeld said, referring to post-traumatic stress disorder.

Stansfeld says introducing noise into an environment can affect people's sense of control over their lives, leading to long-term anxiety as well as other psychological and physiological effects.

That's what Patricia Callahan says happened to her. Three years ago, she bought a condo a quarter of a mile from the base of Poor House Mountain. Then came the crypto mine.

"It has ruined my life," she said.

Patricia Callahan moved to Cherokee County from Philadelphia and says the noise has greatly affected her quality of life.

Callahan says she filed a noise complaint with the Cherokee County sheriff in October 2021, shortly after the mine became operational. An officer met with her and took notes on her complaint. "But I never got a call back," Callahan said.

She says the sound has destroyed her efforts to recover from a debilitating car crash in 2008, in which a teenage driver T-boned her car as she was driving her three children home from school.

The young man who plowed into her didn't survive. Callahan says she was left with traumatic brain injury and the need for specialized prism eyeglasses, forcing her to drive hours to see an optical specialist for regular care. Most of all, she says, she needed quiet.

Now, Callahan says, the mine's noise crowds her thoughts. And it is louder at night and on weekends, she says, the very times she is trying to relax.

But Song says the computers run at the same capacity all the time. "They are operating consistently at the same level 24/7," he said.

"When there is noise happening, it takes up space in my brain where I can't do other things," Callahan said, closing her eyes and rocking as she talked.

IN THEIR VOICES: PATRICIA CALLAHAN, who moved to the area from suburban Philadelphia, hoped to find peace and escape the after-effects of a traumatic car accident.

"I go camping. I just love to have my windows open, fresh air. ..."



She has taken to sleeping with earplugs and monitoring the noise through a decibel app on her phone. She tracks the sound for anyone who will listen to her, presenting the record to county commissioners and posting the numbers to local Facebook groups.

Callahan looks for patterns and trends, anything that will help her understand — and avoid — the noise.

"I don't know what to do. Some days I want to put my stuff in storage, buy a van and travel," Callahan said. "I don't want to do that. But there's no good solution."



not work for Core Scientific directly. The article has been updated.

About this story

Writing by Kevin Williams. Additional reporting by Maddy Alewine. Design and development by Rekha Tenjarla, Shikha Subramaniam and Matt Callahan. Photography by Mike Belleme. Photo editing by Haley Hamblin. Audio editing by Robin Amer. Audio mixing by Sean Carter. Editing by Suzanne Goldenberg. Copy editing by Martha Murdock. Additional editing and production by Jenna Pirog and Marian Chia-Ming Liu.

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Ad Choices

CUP 22-47 Cryptocurrency Site - VOTE AGAINST

From: stacia royster

Sent: Tuesday, November 29, 2022 8:49 PM
To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: Fwd: CUP 22-47 Cryptocurrency Site - VOTE AGAINST

As a second email opposing the CUP 22-47, I forgot to mention actually one of my biggest concerns, and that is for internet bandwidth. We do not live in the city limits and already have extremely questionable internet capacity, and both of us have to work out of a home office. I feel that would be devastating to our internet capacity in order to do our jobs.

Thank you again,

Stacia Royster

----- Forwarded message ------

From: stacia royster <

Date: Tue, Nov 29, 2022 at 11:27 AM

Subject: CUP 22-47 Cryptocurrency Site - VOTE AGAINST

To: < cherrick@co.valley.id.us>

I am very against bringing such a large industrial project into the McCall/Lake Fork/Donnelly area. I am concerned about the draw on the electrical grid and how it would impact the whole area. I am concerned about increased traffic. I am concerned about the de-value of homes in the area. I am concerned with the increased noise.

I think it is a horrible idea to allow this project into the small resort community.

Sincerely,

--

Stacia Royster

CUP for Crypto Mine at 219 Ashton Lane

From: Walter Gammill

Sent: Tuesday, November 29, 2022 11:51 AM
To: Cynda Herrick <cherrick@co.valley.id.us>
Subject: CUP for Crypto Mine at 219 Ashton Lane

I am commenting on subject CUP proposed to allow a "light industrial" use at 219 Ashton Ln. As I understand it, this applicant intends to use the garage building at that address as a crypto mining site. As you no doubt know by now, these sites involve the use of large amounts of electricity and generate continuous noise at a high level. This noise will impact the two new residences under construction directly adjacent to that site, as well as other homes relatively close both east and west. My residence is on Silver Fox, roughly ½ mile away. The way sound carries there, I can hear vehicles with loud exhaust passing my house until they are near Farm to Market Rd, so I would definitely hear this facility. Such noise pollution, known to produce negative health impacts, will directly affect the lives of residents over a wide area.

In addition, the possible need for upgrading of electrical service to the area will potentially impact those of us nearby with higher rates.

Finally, perhaps most important, is the harmful precedent to be set if an industrial use such as this is allowed in a residential/farming area. There are areas within the county that are designated for such use – perhaps you can refer this applicant to one of those areas.

Please disallow this CUP.

Walt Gammill

11 Silver Fox Trail

CUP 22-47

From: wendy harris

Sent: Tuesday, November 29, 2022 4:33 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: CUP 22-47

Please please say no to CUP 22-47. I admit I have very little understanding of crypto-mining. But having read what I have seems to have no up side for Jug Mountain area and a bunch of down sides. Particularly over the coming years with electrical demand. We have fairly low rates and would like to continue that way. Perhaps that is why they are wanting to get into this area as well?

Thank you for your careful consideration.

Sincerely

Wendy Harris

CUP-22-47

From: Chris Mann Sent: Tuesday, November 29, 2022 1:42 PM

To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: CUP-22-47

To P & Z Commission:

I am writing to express my Strong Opposition to CUP 22-47 that would potentially allow a crypto mining business in the Jug Mountain area.

I have read about the tremendous amount of power that these facilities require. These owners seek to take advantage of the relatively low electric rates in Valley County. My friends and I do not want to be forced to pay for power upgrades and associated costs that may result from this installation.

I have also read about the constant loud noise that comes from these operations. Jughandle and nearby neighborhoods value their quiet, rural atmosphere, which this would ruin.

There will be no benefit for employment in Valley County since it will be monitored remotely.

This also makes it a potential problem if a fire should start in all that machinery.

Who are the remote owners proposing this?
What is their experience and record in this type of business?
What will this type of operation contribute to the future favorability of our community and neighborhoods?

This operation would be a detraction for our valley. It would create unwanted noise. It would eventually make all of us pay higher electric bills. It would set a precedent for allowing inappropriate business to locate in Valley County.

Please reject CUP 22-47 for the sake of all of us in this valley.

Thank you. Chris and Cliff Mann 152 Carefree C.U.P. 22-47 Cryptocurrency Site

From: RB

Sent: Tuesday, November 29, 2022 2:05 PM To: Cynda Herrick <cherrick@co.valley.id.us> Subject: C.U.P. 22-47 Cryptocurrency Site

Dear Cynda,

It has come to my attention that a request for a cryptocurrency facility be allowed very near my 26.5 acre property (less than 1/2 mile) I currently own just SE of the requested property site. My property is PIN RP17N03E127204 North of Finn Church. I understand you must hear all application requests put before the commission and take them into consideration. I would like to express my vehement opposition to this conditional use permit. As I am sure you are aware this is a beautiful residential area. I could go into many reasons why this should **not be allowed** including noise, environmental concerns, power consumption and future expansion to name a few. They are starting with a 1200 amp service that will only grow and drive up rates or possibly compromising the capacity for residential development in the future and make the immediate area less desirable for residential development. I just don't see the benefit for the residents or the valley to allow this. It causes me concern and pause as I work with my architect to build my dream home that I intend to live in full time. What will be the impact of surrounding property values and assessment when people look at that site in the middle of the surrounding properties?

I will be unable to attend the meeting in person so this serves as my official comment and opposition on the matter.

Thank you for your time and consideration.

Sincerely,

Russell J Babka

C.U.P. 22-47 Cryptocurrency Site: Aleksandr and Lyubov Galenko are requesting approval of a conditional use permit for a light industry business. The proposal includes machines, electrical transformer, and use of the existing garage. Access would be from a shared driveway accessing Ashton Lane, a public road. The 1.9-acre site, addressed at 219 Ashton Lane, is Ashton Estates Lot 1 located in the SENW Section 12 T.17N R.3E, Boise Meridian, Valley County, Idaho. Action Item

CUP 22-47 Cryptocurrency Site - VOTE AGAINST

From: Dan Ward

Sent: Tuesday, November 29, 2022 2:08 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: CUP 22-47 Cryptocurrency Site - VOTE AGAINST

I am a homeowner in the Carefree subdivision. I am very against bringing in a large industrial project into the McCall-Lake Fork-Donnelly area. I am concerned that this Cryptocurrency Site will damage our community of McCall. I am concerned about the electrical grid usage and the impact to the whole McCall area. Also concerned about the strain on the road infrastructure with the increase in traffic for this project. There will certainly be a de-value of home prices in the area around this Cryptocurrency site. Also I am concerned about the increase in noise pollution from the A/C units to cool this Cryptocurrency site.

McCall - Lake Fork - Donnelly areas are small resort communities with their own unique identity and personality. Allowing this Cryptocurrency site into this area would be a horrible idea to allow this project to damage these communities.

Sincerely, Dan Ward **DENIAL of CUP 22-47- Cryptocurrency Site**

From: Sandy Christensen

Sent: Tuesday, November 29, 2022 6:44 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: DENIAL of CUP 22-47- Cryptocurrency Site

Cyndra,

I am very concerned about the proposed crypto currency mining site near Ashton Lane, and I urge you to deny this permit. These sites require enormous amounts of power and could potentially affect future power rates for our area. This is an agricultural and residential area, and a crypto currency mining site would negatively impact those who currently live there. I would be interested to access the environmental impact statement, as well as infrastructure concerns/solutions addressed in this permit.

Are the folks who are proposing this site residents of Valley County? Please reject this permit until further study is completed.

Respectfully,

Sandy Christensen 13768 CLEAR VIEW RD. McCall,ID. 83638 C.U.P. 22-47

From: lanafaysc

Sent: Tuesday, November 29, 2022 7:05 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: C.U.P. 22-47

Planning & Zoning Commissioners,

It is with great concern for ourselves, our neighbors, Valley County & beyond that we adamantly oppose approval of the above mentioned C.U.P. (22-47). A crypto-mining facility? The overwhelming use of electricity for such a business is above and beyond, leading to so many unknowns.

It appears that finding a nice, quiet zone such as the McCall area, tucked out and away seems to be suspicious.

In googling the applicants names red flags fly high.

It is our hope that this C.U.P. will not be approved.

Perhaps they could try Sun Valley!

Thank you,

Alan and Lana Lundgren McCall, ID

Dear Ms. Herrick,

I am writing to express my strong opposition to the proposal by Aleksandr and Lyubov Galenko to operate a Cryptocurrency site at 219 Ashton Lane (C.U.P. 22-47). I am a resident of Jughandle Estates, a neighborhood located just down Ashton Lane from the proposed site. I believe that allowing this type of industry has the potential for wide ranging negative impacts with very limited, if any, benefit to the broader community.

All across the country, communities have been impacted by the noise pollution emitted by Cryptocurrency mining facilities. The sound emitted from such facilities has been described by impacted neighbors as a constant stream of highway traffic and a jet that never takes off. In some cases, neighbors have been forced to move due to the incessant noise. These facilities run non-stop, seven days a week, as does the noise they emit. Noise pollution has been shown to have a negative impact on the health and well-being of both people and wildlife. The peaceful, mountain feeling of the surrounding neighborhood has the potential to be compromised due to the noise generated by computers, cooling devices and other electronics utilized for mining.

Cryptocurrency mining requires an enormous amount of energy. Many sources estimate that just one Bitcoin transaction requires more energy than an average US household uses in a month. Energy intensive industries such as cryptocurrency mines increase the emission of fossil fuels from energy production and have the potential to increase electricity rates across the community.

The potential risk of fire and the generation of electronic waste from the facility are also concerns. Additionally, this proposed industry will not create any local jobs, offer services, or create products that would benefit the broader Valley County community.

For the above stated reasons, I oppose the proposal put forth for a Cryptocurrency site at 219 Ashton Lane.

Thank you for your time and consideration.

Sincerely, Kristin Gnojewski

56 Silver Fox Trail McCall, Idaho 83638 Opposition to Crypto Currency mining operation - Ashton Lane

From: Warren Drake

Sent: Tuesday, November 29, 2022 7:20 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: Opposition to Crypto Currency mining operation - Ashton Lane

Hi Cinda,

As the president of Jughandle Estates HOA, the owner of the lot adjacent and immediately east of the proposed commercial/light industrial installation, I oppose the approval of this CUP.

I believe that the potential noise levels, probable negative effects on property values, and the apparent possibility of increased utility rates are clear indications that the CUP should not be approved.

Additionally, approval of the CUP would likely set a precedent for further development of this kind in the immediate area which is comprised exclusively of residential properties and not conducive to this type of enterprise.

Thanks for your consideration,

Warren

Warren Drake Jughandle Estates HOA President CU 22-47

From: High Country Gardens <

Sent: Tuesday, November 29, 2022 1:04 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: CU 22-47

I would like more information concerning this application. However, from what I understand crypto mining is environmentally unsound. It requires excessive amounts of energy and puts out high amounts of heat and in some cases noise. In a residential and ranching/farming neighborhood this is unacceptable. Please deny this CU permit. Valley County is already challenged in energy resources for computers for school children's use and others. Just because Idaho has relatively cheap energy is not a good reason for something like this in our community.

Patsy Kelley, 13629 Farm to Market Rd.

CUP 22-47 Comments

From: Sydney Carnes

Sent: Wednesday, November 30, 2022 9:13 AM To: Cynda Herrick < cherrick@co.valley.id.us>

Subject: CUP 22-47 Comments

Ms. Herrick -

I am writing to express my strong opposition to allow a crypto currency mining operation on Ashton Lane, between Wilhelm and The Willows. I live on 6 Cottontail Court in Jughandle Estates in McCall and would be driving by this daily. After doing more research about it online, I've outlined a few reasons why I oppose this business being started in our small town:

Noise pollution

- After a crypto currency mine was built in Murphy, NC, more than 30 percent of the readings from that mine exceeded 60 decibels high enough that if they were in Washington, D.C., they would violate the city's daytime residential noise ordinances.
- A mining operation is run twenty-four hours a day, seven days a week, 365 days a year for these powerful computers to perform the complex computations needed to "mine," or create digital currencies. And those noise-generating computers are kept cool by huge fans. One neighbor to the mine in NC described it saying it's "like a jet that never leaves."

Energy consumption

• It takes around 10 minutes to mine just one Bitcoin. The Digiconomist's Bitcoin Energy Consumption Index estimated that one bitcoin transaction takes 1,449 kWh to complete, or the equivalent of approximately 50 days of power for the average US household.

Fire dangers

• Miners must use dedicated hardware and hundreds of computers powered by rechargeable batteries to scale their bitcoin mining efforts. There is a higher risk of fire due to the considerable CPU power needed.

Neighbors/Community Impact

- If you have ever driven down Ashton Lane, you know the beauty that surrounds this area; the view of Jug Mountain, the surrounding golf course, the wildlife, and most notably, the peacefulness of the area; you can stand outside at night and hear stillness. This is such a rare environment to have and be a part of, it's heartbreaking to think how quickly that can be destroyed with a business trying to operate in a residential neighborhood. Sure, there won't be your typical commercial traffic on Ashton Lane, but the noise and energy consumption coming from this location will be enough to make the surrounding neighbors feel like they are living a downtown lifestyle. We live tucked away in the mountains for a reason; for the peace and quiet and simple enjoyment of where we are.
- The golf course nearby will also be impacted and this will hinder the enjoyment of the golfing experience, the serenity and surrounding nature sights that all golfers at Jug Mountain Ranch know and love.

These reasons, along with so many more, show that this operation is not suitable for this location and does not benefit anyone in the area and surrounding communities. They have the funds to start this, they can go somewhere that is more suitable than a residential neighborhood.

Thank you for your time, Sydney Carnes

--

Sydney Carnes 6 Cottontail Court, McCall ID 83638

CUP 22-47 - Oppose

From: Heidi Schneider

Sent: Wednesday, November 30, 2022 9:27 AM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: CUP 22-47 - Oppose

Dear Cynda Herrick,

The application for CUP 22-47 is of great concern to me, not only as a neighbor to the proposed site but as a developer in Valley County. **I strongly oppose CUP 22-47.**

The first concern comes from a neighbor's point of view and is the noise crypto mining data centers produce. The proposed location is in a residential subdivision, surrounded by other residential subdivisions and adjacent to Jug Mountain Ranch Golf Course, a gem to the community and visitors alike. Can you imagine having to listen to the huge fans which are used to cool the computers used to "mine" digital currencies 24 hours a day!? A peaceful residential community is not the place!

Secondly, and most importantly, crypto mining is an energy intensive procedure. The power demands for crypto mining are immense and are sucking up grid capacity all over the country leaving rural counties like ours with shortages, blackouts and even rationing. As a developer in Valley County power is already an issue. Idaho Power does not have the capacity to continue providing power without major upgrades to their systems. These upgrades are funded by developers when new projects arise. The upgrades can take years and millions of dollars. Allowing a system like what is proposed in a residential community could be detrimental to the future development of Jug Mountain Ranch, current residences and future subdivisions.

This project sounds like a good fit for an industrial area of the County. If at the right location it is pertinent that the applicant be required to go through the proper channels with Idaho Power to ensure capacity and upgrade requirements are met.

Regards, Heidi Schneider Oppose C.U.P. 22-47 Cryptocurrency Site

From: Stephanie Sheppard

Sent: Wednesday, November 30, 2022 9:29 AM

To: Cynda Herrick cherrick@co.valley.id.us

Cc: Glenda Viste

Subject: Oppose C.U.P. 22-47 Cryptocurrency Site

We own property on Sweet Iron Ct (lot 10) and DO NOT support this crypto mining operation.

These types of operations are incredibly noisy, use excessive amounts of electricity and would be better suited in an industrial area rather than a residential community.

Thank you for your time.

Respectfully

Stephanie Sheppard Glenda Viste

CUP 22-47 Comment Submission

From: Lori Scott

Sent: Wednesday, November 30, 2022 9:26 AM To: Cynda Herrick <cherrick@co.valley.id.us> Subject: CUP 22-47 Comment Submission

Gary and Lori Scott Jughandle Estates McCall Idaho



November 29, 2022

Regarding: C.U.P 22-47-Crypto Currency Site Request

Commissioners:

We are writing to oppose the request (C.U.P 22-47) to implement a Crypto Currency Mining industrial site at 219 Ashton Lane in McCall.

The installation of a Crypto Mine complex in the middle of our neighborhood would be intrusive. Just the size of the electrical power installation indicates that this is a large industrial endeavor. We couldn't find zoning information for the location online but we assume the property is not zoned for such a commercial pursuit. Such a business located in our community would be invasive and the negative impact appears to outweigh the applicants' private party rights.

We are no experts regarding Crypto Mining. However, as we researched the topic we found that the following aspects of daily life could be negatively affected immensely:

- Internet Bandwith. Applicants state that they tested access 9/23-10/3. They don't indicate who their provider is. The existing Internet stability in the area is at best, shoddy. Customer Service is today, nearly non-existent due to demand exceeding capacity. New neighbors have been denied the set-up of service (with Ziply). On weekends and during heavy tourist seasons the community at large today is at near blackout conditions for both Cell and Internet services due to bandwith limitations. If satellite internet (e.g. Starlink) is intended for use, it is unclear whether that is a viable stand alone option or would also need support from additional providers.
- <u>Electricity Capacity and Affordability</u>. A "1200 amp of 3-phase power" is industrial. This infers
 that a high volume of heavy equipment is needed to operate the mining farm. Mining has an
 enormous demand on electrical power. This additional demand in our neighborhood could
 cause an increase in electricity costs for all which would create an economic hardship for the
 community at large.
- Noise Intrusion. One of the most valued aspects of our beautiful neighborhood is the quiet. Noise echoes and travels very easily here. Today we can hear the enjoyable sounds of the moo'ing cows grazing miles away. The topography echoes noise throughout the community. The jet engine disturbance made by a crypto farm operating 24/7 is too much to ask the community to endure. The applicants indicate that they have performed noise tests and have remediation plans. It doesn't appear that noise tests were conducted and/or verified by a third-party. It isn't clear what the intended ultimate size of the mining farm would be vs what was involved in a noise test. You may find the attached article about the sound that crypto mining generates being akin to jet engines informative. https://www.washingtonpost.com/business/interactive/2022/cryptocurrency-mine-
 - nitormative. nttps://www.wasningtonpost.com/business/interactive/2022/cryptocurrency-mine-noise-homes-nc/
- <u>Security Risk</u>. Like any financial system, this business would be ripe for bad actors with intent to hack the internet. All residents' privacy would be at risk. An industrial complex in the middle

- of a rural, quiet neighborhood could also attract thieves to its operation. The application did not address security of any nature.
- Fire Risk. The operation of high volume 24-hour computing and the enormous use of electricity creates a fire hazard. Applicants mentioned the availability of fire extinguishers. No sprinkler, alarm system or inside security personnel was mentioned. In fact, they said that "management will be done remotely". A wildfire could be catastrophic to the community. Given the strain on fire resources that we experience during peak wildfire season, we question whether local resources have the personnel capacity or equipment to monitor and respond to such a potential emergency.
- Wildlife Risk. Our area enjoys the beauty of natural resources and wildlife. Applicants did not address impact here. Noise would surely disrupt their habitat.

The Ashton Lane location of the request to implement an industrial crypto mining business is disharmonious with the neighborhood community at large. It's not clear whether the property is zoned for such use and whether any HOA rules disqualify it. If anywhere, it may be better suited within the urban and incorporated city boundaries. Approval of this application appears to conflict with the Purpose of the Valley County Comprehensive Plan (Idaho Code Section 67-6502).

We submit that the negative affects to the community outweigh the personal rights of the applicants and oppose the request.

Thank you for allowing us to comment.

Gary and Lori Scott

NO to CUP 22-47

From: Jon Glick

Sent: Wednesday, November 30, 2022 10:42 AM To: Cynda Herrick cherrick@co.vallev.id.us

Subject: NO to CUP 22-47

Cynda,

Along with others, I am writing to strongly recommend that CUP 22-47 IS NOT APPROVED. From research that I have read, that this proposed Crypto-mining deal is a HORRIBLE idea, and certainly should NOT be allowed 1) in Valley County and 2) NOT in my neighborhood. It sounds as though ventures such as this take A LOT OF ENERGY so they have come to Valley County where there are no, or few regulations pertaining to such operations.

There are Multiple reasons to not allow this operation to proceed. What is Idaho Power's stance on this. I cannot believe they are for something like this in Idaho.

Why have I heard NOTHING about this proposed venture in the Star News either?

I could go on about all of the reasons to not allow this to be approved but the research seems very clear. Ventures/companies such as these ARE NOT COMPATIBLE with life in Valley County or Idaho for that matter.

Please make sure P & Z stops this in it's tracks immediately. I am a property owner very near this proposed site.

Jon Glick

CUP 22-47, Cryptocurrency Site

From: Berry, Carol

Sent: Wednesday, November 30, 2022 9:48 AM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Cc: Berry, Todd

Subject: CUP 22-47, Cryptocurrency Site

Good Afternoon Valley County Planning and Zoning Commission,

RE: CUP 22-47, Cryptocurrency Site

We are property owners of 226 W Jug Road, McCall (Jug Mountain Ranch) which is next to the proposed site of the Cryptocurrency Facility. We would like to provide to you our **OBJECTION** to going forward with this facility on that property site. Besides the general concept that anything called a facility, business building or business site should not be built next door to residents in an area such as this, below are our concerns;

- 1. A CUP for a light industrial use, if approved, increases the likelihood that another light industrial or commercial use might be approved in the vicinity which is currently entirely residential and agricultural.
- 2. There is a concern with the potential of continuous noise related to processors and cooling requirements.
- 3. Possible fire danger related to the equipment.
- 4. Potential increase in electrical rates for the broader community.
- 5. Wildlife may be negatively impacted
- 6. Power Line, extra equipment, etc... may be required which will negatively affect the environment and surrounding area
- 7. Internet Usage is poor in the area at best, adding a large business user (especially of such high volume nature) could only be a negative
- 8. The HOA's in the area are strict with their lighting, aesthetics, etc.... a business building of any sort in the area would only negate their objective of brining peace and tranquility to all

Thank you kindly, Todd & Carol Berry 226 W Jug Road, McCall

CUP 22-47, Cryptocurrency Site

From: Lee Wolf

Sent: Wednesday, November 30, 2022 11:40 AM To: Cynda Herrick <cherrick@co.valley.id.us> Subject: CUP 22-47, Cryptocurrency Site

Good morning Ms. Herrick,

I am writing to express my strong opposition to allow a crypto currency mining operation on Ashton, between Wilhelm and The Willows. I live on <u>25 Jughandle Drive</u> in McCall and would be driving by this daily. After doing more research about it online, I've outlined a few reasons why I oppose this business being started in a residential zoned area of our small town:

Twisting zoning regulations

- Multiple times the term "industrial" is used or referenced by the applicant on their CUP. I am not an expert on zoning regulations but this sounds at best a very grey area indeed. The fact the landowner will not be living on the property nor is there any intent to create a residence on the property would indicate the intention of the landowner is purely to use this "residential" land for industrial/commercial purposes.
- Many cities are amending their <u>ordinances</u> related to home businesses in light of crypto mining operations. See <u>Impact to Crypto Mining on US Cities</u>

Taking advantage of loopholes in CC&Rs

I believe when the Jug Mountain Ranch CC&Rs were written they had no idea this
kind of operation would someday pose a problem. I can not imagine the
immediate neighbors are thrilled to have a business like this next door in a
residential zoned neighborhood. As stated by the operator/owner in the CUP they
would not even be living on the property and thus if an issue arises as outlined here
it could take days or weeks to resolve.

Noise pollution

- After a crypto currency mine was built in <u>Murphy, NC</u>, more than 30 percent of the readings from that mine exceeded 60 decibels high enough that if they were in Washington, D.C., they would violate the city's daytime residential noise ordinances.
- A mining operation is run twenty-four hours a day, seven days a week, 365 days a
 year for these powerful computers to perform the complex computations needed to
 "mine," or create digital currencies. And those noise-generating computers are kept
 cool by huge fans. One neighbor to the mine in NC described it saying it's "like a jet
 that never leaves."

Energy consumption

- It takes around 10 minutes to mine just one Bitcoin. The <u>Digiconomist's Bitcoin Energy Consumption Index</u> estimated that one bitcoin transaction takes 1,449 kWh to complete, or the equivalent of approximately 50 days of power for the average US household.
- Is there a maximum amperage or KVa usage for residential housing per code? The amperage listed on the Conditional Use Permit Application is a 1200 amp transformer. That would indicate much higher electrical requirements than needed

Valley County Planning & Zoning,



We are property owners in The Willows on Grouse Knoll Place Lot 8 and have learned of the Conditional Use Permit application submission for a crypto currency mining operation at 219 Ashton Place. We are strongly opposed to the approval of CUP 22-47 and have listed our concerns (similar to most surrounding residents/property owners) below.

- Allowing a commercial operation in a residential, rural/ranching zone is out of place
- Noise levels will be disruptive to residents and wildlife. The applicant describes the noise level as
 minimal for one unit, but how many units are proposed? How many fans are proposed as well? When
 the sounds of the day quite the constant noise will be more prevalent and disruptive. Here are a few
 articles speaking to the noise factors as well as the worry of chronic illness and developmental issues.

https://www.washingtonpost.com/business/interactive/2022/cryptocurrency-mine-noise-homes-nc/ Glencoe neighbors voice concern about noise coming from cryptocurrency mine - KSTP.com Evewitness News A group of moms stopped a crypto mine from building next to an N.C. school – Southerly (southerlymag.org)

- This will no doubt drive up the power costs to all surrounding residents, as well as power disruptions to Idaho Power. Please see article supporting energy cost
- While the applicant states the risk of fire is low and there are CO2 extinguishers on site, applicant also states this is a remotely run operation and once set up no one will be on site. So, if there is a fire who will engage the extinguishers? In the proposed location there a number of structures very nearby that would be at risk.

<u>The Energy Cost of Cryptocurrency | ENERGY STAR</u> and article on Idaho Power concerns https://www.eastidahonews.com/2022/09/could-crypto-miners-raise-your-electricity-bills-idaho-power-says-yes-what-to-know/

- Typically the mining operations expand once a location is established, so if this approved will the applicant have to go through this process again to expand? Is Valley County going to allow other operations like this? Is this a precedent Valley County is ready to set?
- What if any environmental impact reports have been done and are those a factor in the decision?
 This application not only affects Jug Mountain Ranch, but is in the neighborhood of The Willows as well and hopefully all residents of both developments and all surrounding residents have had proper notification

We strongly oppose the approval of CUP 22-47 and would like to make sure our opinion as well as other residents are heard. We are not able to attend the December 8th meeting in person, but plan to attend via the Zoom/Virtual link.

Christi Millett & Kevin Capps

13761 Grouse Knoll Pl McCall, ID 83638

November 30. 2022 To Cynda Herrick, Valley County Planning & Zoning, and Staff. I request a solid NO! on all aspects of C.U.P. 22-47 Cryptocurrancy Sile at 219 Ashfon Lane. This site has been in operation without going thry the process or protocol, violating personal properties physically and audibly, and not seeming to care. There are many aspects to be considered on technical and lawful reason why this should not be allowed; ever. There are others that will be presenting in defail to these issues. Do the night thing for the land owners, neighbors, and community - JUST SAY NO! with longerns, Jynn Cewinski Mc/all 117

Cryptomining in the Jughandle residential Area

From: r

Sent: Wednesday, November 30, 2022 3:46 PM
To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: Cryptomining in the Jughandle residential Area

I would like to oppose the suggested approval for a Crypto mine location at 219 Ashton Lane. Crypto mining is not compatible with the location stated with its numerous homes on small acreages. The potential noise and massive electrical energies needed to produce a product of very questionable value negate any possible benefits to our area. There are several commercial locations in the area which could accommodate such a risky undertaking without the detrimental effects of commercialization to our residential living.

Wayne Solomon 11 Flicker Rd, McCall 83638

CUP 22-47 Cryptocurrency Site

From: Julie McFarlane-Platt <

Sent: Wednesday, November 30, 2022 3:52 PM
To: Cynda Herrick <cherrick@co.valley.id.us>
Subject: CUP 22-47 Cryptocurrency Site

Hello Planning and Zoning Commission Members,

As a resident of Jughandle Estates, I am strongly opposed to this proposed project. I was absolutely shocked that anyone would consider a commercial/industrial endeavor of this sort in a quiet residential, agricultural area, right next to a beautiful golf course.

It takes very little research to realize the scourge these mines become to many rural areas, with the greatest concern being noise pollution. The proximity of this mine to my neighborhood and Jug Mountain Ranch will certainly impact hundreds of people's quality of life. As precedent, a somewhat recent CUP for a special events venue less than a quarter mile away from this project was denied due to noise concerns. The acoustics of this area have to be experienced to believe, sound travels both up from the pasture land below and down from the top of the neighborhood. No amount of sound modification will work.

A facility that must continuously run, and be cooled, using immense amounts of electricity is cause for fire concern. Jughandle Estates already has a high fire danger and a light westerly wind would have any fire running into our neighborhood instantly.

Cryptocurrency mines are unsustainable. They use huge amounts of electricity (1,449 kilowatt hours to mine a single bitcoin, as much as an average household uses in 13 YEARS), and they produce large amounts of electronic waste our transfer station can not accept.

Lastly, cryptocurrency mines do not create jobs. This facility would have owners who do not even live in Valley County. There is no positive contribution for this type of business, just negative impacts to a large surrounding area's residents, recreation, livestock, wildlife, and the environment. Cryptocurrency peaked in 2021, since then investors have lost two trillion dollars. There is no reason for Valley County to dabble in an imploding industry at the cost of its residents.

I urge commissioners to deny this CUP, it's a terrible fit for its location and for anywhere in Valley County. It is irresponsible to the present and would-be property owners to allow this wholly selfish endeavor to happen.

Thank you for your consideration.

Julie McFarlane-Platt 53 Silver Fox Trail McCall. ID Ms. Cynda Herrick Planning & Zoning Director P.O. Box 1350 Cascade, ID 83611

Dear Ms. Herrick,

In the 30 years I've owned a home and property in Jughandle Estates I've never been so compelled to write to the P&Z as I am now with regard to the proposed Cryptocurrency Site (CUP 22-47) located at 219 Ashton Lane. The CUPs that have been approved in Valley County over the past 5 years is like nothing I've ever seen in this area. While I understand we are experiencing unprecedented growth in the region, it seems that there is little regard for the environment and community who neighbor these types of developments.

VIA EMAIL TO: cherrick@co.vallev.id.us

This particular cryptocurrency mining business is considered industrial and if I'm not mistaken, from Farm to Market Road at Ashton Lane heading East to as far as Jug Mountain as you can go, is solely residential single family homes or lots for proposed SF homes. There are no industrial operations in this area for that reason alone.

My objections to this project are based on the feedback I've received from people with experience in crypto mining, friends who work for Idaho Power, and the common issues I've read in research studies and articles where homeowners have actual experience living near crypto mining facilities. Those issues are first and foremost noise related even with the efforts of sound proofing. In addition, the energy usage from high powered computers and cooling systems constantly running will put a strain on our power grid. Not to mention adding a fire hazard to an already dangerous fire region. WPA is encouraging us to thin our properties in Jughandle Estates to reduce the fuel and create better access areas for emergency fire vehicles and crews, so I don't see how it's OK to allow a property nearby to install such hazardous materials that require a cooling system and said fire extinguishers? The application is also somewhat vague as to how they will gain access to the internet, but if it's through Ziply Fiber then we will all definitely suffer. At present, if there are more than a few extra vacation homes in Jughandle Estates or Jug Mountain Ranch that are occupied using the internet in addition to the full-time residents, the internet fails regularly and it is impossible for anyone to stream anything even if hard-wired. Also, not clear is whether there will be a person living full time on the property who is monitoring and supervising such equipment.

Thank you for taking the time to consider my opinions and again, I strongly disapprove of this property being used as a cryptocurrency mining site.

Sandi Sheehy 145 Jughandle Drive McCall, ID 83638

CUP 22-47/ Bitcoin Cryptocurrency Mine

From: Kristi Pedersen

Sent: Wednesday, November 30, 2022 2:52 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: Re: CUP 22-47/ Bitcoin Cryptocurrency Mine

Dear Valley County Planning and Zoning Team:

We are writing to register our concern about the application for a cryptocurrency site on 219 Ashton Rd. After investigating concerning bitcoin mines, I would state that they would be incompatible in a residential area because of the noise they produce due to the extreme amount of electricity, fans and cooling equipment they utilize.

This proposed mine is also ten feet from the equipment controlling our Jug Mountain Estate subdivision water well. Because of the newness of this industry we are probably not aware of the detrimental effects this could have on our pump and water.

It appears more and more communities are restricting this industry due to impact on the people living around them. The noise is similar to a jet engine starting up according to reports we have received. We love to hear the sandhill cranes in our valley all summer long and we wonder if the noise will have an effect on them.

We are also concerned that the applicant, who lives elsewhere has decided to utilize lax zoning regulations in Valley county to introduce this into our residential area. We wonder if Ada County (where this individual is showing as his residence) is allowing this in their residential zones?

The PUC is trying to limit the impact on our power grid to this type of industry in Idaho. We have attached two Idaho PUC rulings concerning this industry which also details the impact of this industry on the community. China has now shut all cryptomining down so apparently they are setting up where there are lax rules and cheap energy (welcome to Idaho).

Case No. IPC-E-21-37 Order No. 35428

Idaho Power Tariff Schedule 20- High Density Load

Thank you for considering our concerns and please deny this CUP.

Sincerely,

Kristi and Eric Pedersen Jug Handle Estates Subdivision 16 Flicker Road McCall, ID. 83638

Idaho Public Utilities Commission

From: Kristi Pedersen

Sent: Wednesday, November 30, 2022 2:58 PM
To: Cynda Herrick <cherrick@co.valley.id.us>
Subject: Re: Idaho Public Utilities Commission

Below are the links to the Before mentioned sites mentioned in my previous email concerning cryptomining .

Below are links to access the Commission Final Order in Case No. IPC-E-21-37 and Idaho Power's Tariff. In the Tariff you will find Schedule No. 20.

Case No. IPC-E-21-37
Order No. 35428
https://puc.idaho.gov/Fileroom/PublicFiles/ELEC/IPC/IPCE2137/OrdNotc/20220615Final Order No 35428.pdf

Idaho Power Tariff:
Schedule 20 - High Density Load
https://puc.idaho.gov/Fileroom/PublicFiles/ELEC/IPC/General/Otariff/Idaho%20Power%20Company.pdf

Kristi Pedersen



BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

•	
OF IDAHO POWER COMPANY FOR)	
AUTHORITY TO ESTABLISH A NEW)	
SCHEDULE TO SERVE SPECULATIVE) ORDE	ER NO. 35428
HIGH-DENSITY LOAD CUSTOMERS)	

On November 4, 2021, Idaho Power Company ("Company") applied to the Commission for authority to establish a new schedule to serve speculative high-density customers—specifically, large-scale cryptocurrency mining operators ("HDL Customers"). Application at 1.

On December 1, 2021, the Commission issued a Notice of the Company's Application and Notice of an Intervention Deadline. Order No. 35276. The Industrial Customers of Idaho Power ("ICIP") and 2140 Labs, LLC ("2140 Labs") intervened. Order No. 35276.

On February 2, 2022, the Commission issued a Notice of Modified Procedure and set public comment and Company reply deadlines. Order No. 35308

On April 12, 2022, Commission Staff ("Staff") and 2140 Labs filed comments to which the Company replied.

With this Order, we approve the Company's Application.

APPLICATION

The Company reported that it had recently received increased prospective HDL Customer interest of approximately 1,950 megawatts ("MW") in the last few months—an additional load that, if interconnected with the Company's system, would exceed its ability to serve total system load during the summer. In addition, the Company explained that recent restrictions on cryptocurrency mining in China, coupled with the Company's favorable rates, open parcels of land in its service area, and high reliance on clean, hydroelectric power had created a resurgence of interest in cryptocurrency mining in the Company's service area. *Id.* at 4. The Company pointed to the drastic rise in the price of bitcoin (a type of cryptocurrency) between mid-2017 and the end of 2019. The Company asserted that from the end of 2017 through 2020, as the price of bitcoin declined from its December 2017 peak, "new market entrants canceled development of large-scale projects or declared bankruptcy with electric service providers listed as creditors and owed multimillions of dollars." *Id.* at 9.

The Company stated its concern that increasing electricity demand due to cryptocurrency operations coupled with limited capacity would likely constrain its ability to meet peak demand until at least 2026. The Company expressed additional concern that it would acquire new resources to meet demand that would ultimately become stranded when the economics of cryptocurrency changed. *Id.* at 14. Thus, the Company proposed implementing a new Schedule 20 to mitigate risks inherent to HDL Customers while meeting its obligation to reliably serve all customers.

The Company explained that attributes of cryptocurrency mining operations were: (1) high energy use and load factor; (2) the ability to relocate and disaggregate equipment to obtain favorable rates; (3) volatile load growth and load reduction; (4) sensitivity to short-term economic signals or volatility; and (5) lack of demonstrated financial viability. Application at 3.

The proposed Schedule 20 would incorporate three modifications to Schedule 9's (Large General Service) and Schedule 19's (Large Power Service) rate design including: (1) fully interruptible service during the summer peak season between 1:00 p.m. and 11:00 p.m. Monday through Friday; (2) a proposed reallocation of the portion of cost-of-service derived summer generation capacity costs currently collected in an on-peak demand charge; and (3) a proposal to "price energy at a marginal cost in all pricing periods, based on Avoided Cost Averages as listed in . . . the Company's most recently acknowledged Integrated Resource Plan." *Id.* at 14-15.

STAFF COMMENTS

Staff supported the Company's overall proposal. However, Staff recommended that once the Company had experience dealing with HDL Customers under Schedule 20, the Company address Staff's concerns and ensure that HDL Customer costs and benefits were appropriately allocated in the next general rate case. Staff Comments at 2.

Staff noted that Schedule 20 is designed to: (1) minimize the risk of stranded assets by treating HDL Customers' demand as non-firm and requiring interruptible service during summer On-Peak Hours to avoid the need to invest in resources to meet their capacity needs; (2) ensure Schedule 20 customers' share of demand-classified cost is being fully recovered throughout the year, as a result of Schedule 20 requirements for interruptible service during summer On-Peak hours; and (3) recover energy costs using marginal cost energy rates. *Id*.

Staff's comments focused on the following five areas: (1) cryptocurrency mining risk; (2) interruptible/non-firm service; (3) pricing and recovery of energy-related cost; (4) pricing and recovery of demand-related cost; and (5) an accounting treatment for Schedule 20.

1. Cryptocurrency Mining Risk

Staff believed it was reasonable for the Company to proactively mitigate risks inherent to cryptocurrency mining by establishing the proposed customer class. Although Staff noted that no entity is currently pursuing the large-scale cryptocurrency mining operations described in the Company's Application in the Company's service area, Staff believed it was probable that customers who would qualify under Schedule 20 would seek to obtain service from the Company in the future.

2. Interruptible/Non-firm Service

Staff stated the proposed interruptible service in Schedule 20 minimized stranded-asset cost risk by reducing the Company's need to acquire additional capacity to serve HDL Customers. Staff pointed out that "[r]equiring non-firm treatment is a reasonable approach for a customer class whose members are high-risk and whose combined loads may lack the stability necessary to minimize stranded-asset cost risk." *Id.* at 4. After reviewing the proposed interruptible service requirements and available options for obtaining non-interruptible service, Staff concluded that the mandatory interruptible service feature struck a reasonable balance between stranded asset risks and the Company's obligation to meet customer demand.

Staff noted the parameters and methods for determining the scope of interruptible service to minimize stranded-asset cost risk in this case were based on similar parameters and methods recently approved to determine curtailment for demand response participants in Case No. IPC-E-21-32. Staff further noted that HDL Customers who desire non-interruptible service can enter special contracts allowed for customers requiring an excess of 10 Megawatts ("MW"), reduce their capacity to qualify for service under a different schedule, or obtain electric service elsewhere.

Staff believed that, ultimately, the parameters for interruptible service should be carefully reviewed in the next general rate case or after Schedule 20 customers are established and data has been collected to determine the amount, frequency, and timing of interruptions in service that occur. *Id.* at 4. Staff also recommended that after it gains further experience with these

customers, the Company consider the potential for HDL Customers with loads less than 10 MW to be eligible for special contracts.

3. Pricing and Recovery of Energy-Related Cost

Staff noted the Company's current customers' energy rates are based on embedded average costs derived from a test year. *Id.* at 6. To determine the energy rates for Schedule 20 customers, however, the Company proposed using the Avoided Cost Averages ("ACA") in the Company's Integrated Resource Plan ("IRP") as a marginal cost of energy. The Company currently uses an embedded average cost rate structure for its current customer classes. Staff noted there must be a level of stability within each customer class under the embedded cost rate structure to ensure each customer's cost-of-service allocation remains relatively stable between rate cases. If the assumption held true that the Schedule 20 customer class lacks stability, Staff agreed that a marginal energy rate was appropriate since it is based on the cost of the next increment of electricity beyond what is needed by the Company's core customers. *Id*.

That said, Staff was concerned with using an avoided cost rate not derived from a test year and not currently used for any other customer rates. Thus, while Staff agreed in principle to using the ACA in the Company's IRP for Schedule 20 energy rates as proposed, it recommended the Company consider alternative methods, including a marginal energy cost rate derived from a test year in preparation of the next general rate case.

4. Pricing and Recovery of Demand-Related Cost

Staff stated that Schedule 20's demand charges were based on Schedules 9 and 19 rate designs. *Id.* Staff noted that Schedules 9 and 19 both have an On-Peak Demand charge that charges customers for their highest 15 minutes of use during On-Peak hours only during summer months. Staff supported the Company's proposal to reallocate cost of service derived summer generation capacity costs from the On-Peak Demand charge to the standard Billing Demand charge to ensure Schedule 20 customers paid their fair share for use of the Company's system.

5. Accounting Treatment

Staff supported the Company's proposed treatment of Schedule 20 energy costs, revenue, and usage in the Power Cost Adjustment ("PCA"). Staff noted, however, that additional analysis was needed to determine how Schedule 20's costs, benefits, and loads were incorporated into base rates. Staff recommended the Company meet with Staff prior to the next general rate case to examine how Schedule 20 should be incorporated.

STAFF RECOMMENDATIONS

Staff recommended the Commission approve the Schedule 20 customer class as filed and authorize implementation prior to the start of the June 15 to September 15 interruption period. Staff also recommended the Commission order the Company to file conforming tariffs.

Within five years from the date the Company commences service to customers under Schedule 20, Staff recommended the Company evaluate:

- 1. Assumptions regarding the risks and need for mandatory interruptible service;
- 2. The need for non-interruptible service through special contracts or other options for customers with loads below 10 MW; and
- 3. The need for marginal cost-based rates.

Prior to developing the next general rate case filing, Staff recommended the Company:

- Evaluate and compare other methods for determining a marginal cost of energy in addition to the use of Avoided Cost Averages in the IRP for the Schedule 20 energy rate; and
- Collaborate with Staff after re-evaluating Schedule 20 cost assignment based on usage characteristics and system requirements and assign cost and benefits incorporating interruption requirement parameters.

2140 LAB COMMENTS

2140 Labs contended there was no need to create a new Schedule as there were no new or existing customers who would qualify under Schedule 20. 2140 Lab's Comments at 1-2. 2140 Labs further contended that the Company's research regarding cryptocurrency was scant and too selective. *Id.* at 2. Specifically, 2140 Labs argued that—when cryptocurrency mining user load was compared to residential user demand and cryptocurrency's price fluctuation was compared to other markets (e.g., Gold, S&P 500, and oil) over a longer time span—the Company's assertions that cryptocurrency load was inconsistent and unpredictable, and that its price was highly volatile were inaccurate. *Id.* at 3. 2140 Labs also argued that cryptocurrency mining operations entailed a host of economic development opportunities.

Based on the above arguments, 2140 Labs requested the Commission consider renaming Schedule 20 as "Emerging Industry" rather than "Speculative High-Density Load." *Id.* at 4. 2140 Labs averred that the word "speculative" had negative connotations and, moreover, did not aptly

describe cryptocurrency operations. In sum, 2140 Labs suggested that renaming Schedule 20 would benefit Idaho by positioning it as a blockchain-friendly state. *Id.* at 4.

COMPANY REPLY COMMENTS

The Company stated it supported Staff's recommendations. The Company pointed to the recent example of a large-scale cryptocurrency mining operation breaking its contract and quickly relocating to a different service area to meet clean energy goals and other corporate goals. Company Reply Comments at 3. The Company stated that cryptocurrency miners' stated interest in using shipping containers which are easily movable to different service areas, and the potential that current technological advances in cryptocurrency could reduce electricity demand by 99.9 percent create a real potential for the incurrence of stranded asset costs.

The Company agreed with 2140 Lab's assessment that cryptocurrency mining load operates at a consistent and predictable load, but that "it cautions the risk of conflating the cryptocurrency miners' high load factor with transitory load and the associated stranded cost risks [the Company] seeks to mitigate." *Id.* at 6.

In conclusion, the Company requested the Commission approve the Company's Application and authorize implementation of Schedule 20 prior to the start of the June 15 to September 15 interruption period.

FINDINGS AND DISCUSSION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-502 and 61-503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and 61-503.

The Commission has reviewed the record, including the Application, Staff and the intervenor comments, and the Company's reply comments. We find that the Company's creation of a new electric service schedule to provide service to potential HDL Customers is a reasonable approach to proactively mitigate potential stranded asset costs to its core customers. Based on our review, we find it fair, just, and reasonable to approve the Application.

While there are no customers currently seeking service under Schedule 20, we encourage the Company to continue to evaluate assumptions regarding the risks and need for mandatory interruptible service, the need for non-interruptible service through special contracts or other options for customers with loads below 10 MW, and the need for marginal cost-based rates. Before it develops and files its next general rate case, we direct the Company to evaluate and compare other methods for determining a marginal cost of energy in addition to the use of ACA in the IRP for setting the Schedule 20 energy rate. We further direct the Company to collaborate with Staff after the Company evaluates cost assignments based on usage characteristics and system requirements under Schedule 20 and then assign cost and benefits incorporating interruption requirement parameters.

We appreciate the comments of 2140 Labs and its optimism that cryptocurrency mining operations will bring a host of economic development opportunities to Idaho. However, at this time, we decline to rename Schedule 20 to "emerging industry."

ORDER

IT IS HEREBY ORDERED that the Company's Application is approved as filed. We authorize the Company to establish a new customer classification applicable to HDL Customers operating in a speculative industry and approve implementation of Schedule 20—Speculative High-Density Load for HDL Customer effective as of the file stamp of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See Idaho Code § 61-626.///

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th day of June 2022.

ERIC ANDERSON, PRESIDENT

JOHN CHATBURN, COMMISSIONER

OHN R. HAMMOND JR., COMMISSIONER

ATTEST:

Jan Noriyuki

Commission Secretary

I \Legal\ELECTRIC\IPC-E-21-37 New Schedule\orders IPCE2137 Final m doc

CUP 22-47 Crypto Currency Mining Site

From: Trevor Brown

Sent: Wednesday, November 30, 2022 2:53 PM To: Cynda Herrick <cherrick@co.valley.id.us> Subject: CUP 22-47 Crypto Currency Mining Site

Good Day,

My name is Trevor Brown, I live at 434 Wilhelm Creek Ct. McCall, ID 83638. I am a full time resident and my home is within approximately 400 yards of Mr. Galenko's property. I would like to officially record my OPPOSITION of this conditional use permit. Let me explain why I oppose this CUP.

First let me say that I am an advocate for land owner rights and believe that people should have the rights to use their property for what they wish, however where that stops is when the use can negatively effect surrounding property owners. I have done quite a bit of research of my own on the process and effects of crypto mining. From what I understand the two biggest problems are excessive power used and noise of the cooling fans needed to keep the computers from over heating. First and most concerning, the power issue could effect a huge amount of people living in the McCall/Donnelly area. Anyone that has lived here for any time knows that we have a weak power grid trying to support the massive growth we have seen in Valley County. Not to mention the slow response to problems when they do occur. Just the other day we had an auto accident on Highway 55 that knocked out power to the area and I have heard some people were out of power for up to 6 hours. In the winter we can't have people out of power. This project would only put more stress on a fragile system. Secondly, I have ready many first hand testimonials from people living near one of these "mining operations" and they all say it is a CONSTANT HUMMING coming from the property 24/7/365. I live 400 yards away from the property and I enjoy sitting in my back yard and enjoying the sounds of nature. If I wanted to hear noise all day and night I would have built on the freeway in Boise, but I didn't. I see these both as being legitimate reasons to DENY this permit.

I wish Mr. Galenko the best and hope he finds a location somewhere that will be beneficial to his business and that does NOT impede on the rights of the people around him....but this property is NOT it.

Please DENY this CUP. Thank you and have a great day!



opposition to crypto mining site

From: Ted Corporandy

Sent: Wednesday, November 30, 2022 2:54 PM **To:** Cynda Herrick <cherrick@co.valley.id.us> **Subject:** opposition to crypto mining site

Dear Planning and Zoning Director Herrick

We are writing you to oppose the request (C.U.P. 22-47) to implement a Crypto Currency Mining Industrial site at 219 Ashton Lane, McCall. We were STUNNED to learn that this is even a consideration. There are a number of reasons why this should not be allowed, such as risk to and negative impact on local wildlife and environment, noise, fire potential, and more. What we find equally disturbing is the <u>massive</u> energy requirement for such an endeavor. What infrastructure is there to support this? How will it affect local residents? The fact the people proposing this do not live in the community and want to "operate" it remotely is a red flag. They have zero interest in the community and are only concerned with padding their bank accounts at the expense of the locals who have to live with the disaster they will create.

A crypto currency mining industrial site is incompatible and inappropriate for this area and more suited for an industrial section of Boise. We are vehemently opposed to this proposed crypto currency mining site.

Ted and Stephanie Corporandy 101 Jughandle Drive McCall, ID 83638

CUP 22-47 Crypto Currency Mining Site

From: Heather T. Hering

Sent: Wednesday, November 30, 2022 3:17 PM
To: Cynda Herrick <cherrick@co.valley.id.us>
Subject: CUP 22-47 Crypto Currency Mining Site

Hello Commissioners,

My name is Heather Hering-Brown, I live at 434 Wilhelm Creek Ct. McCall, ID 83638. I am a full time resident and my home is within approximately 400 yards of Mr. Galenko's property. I would like to officially record my OPPOSITION of this conditional use permit. Let me explain why I oppose this CUP.

Although I am an advocate for land owner rights and believe that people should have the rights to use their property for what they wish, however when the use can negatively affect the surrounding property owners I would have to say I am adamantly opposed to such uses. My husband and I have done quite a bit of research regarding the process and effects of crypto mining and from what I understand the two biggest problems are excessive power used and noise from the cooling fans needed to keep the computers from overheating.

I feel the power issue could negatively affect a huge amount of people living in the McCall/Donnelly area and not just those of us directly around the project. Anyone that has lived here for any time knows that we have a weak power grid trying to support the massive growth we have seen in Valley County. Not to mention the slow response to problems when they do occur. On November 13th there was an auto accident on Highway 55 in Lake Fork that knocked out power to the area from Lake Fork to Donnelly. Our power was out for approximately 2 hours however some in Donnelly were without power for much longer which is a major concern this time of year. I feel this project would only put more stress on an already struggling system.

Secondly, I have read many first hand testimonials from people living near one of these "mining operations" and they all say it is a CONSTANT HUMMING coming from the property 24/7/365. I live 400 yards away from this proposed project and I enjoy sitting in my back yard and enjoying the sounds of nature and listening to the golfers. Living on a golf course you realize how sound travels and while the homes near this project were being built, we could hear the contractors, their music and their tools loud and clear in our back yard.

I see these both as being legitimate reasons to DENY this request for CUP.

I wish Mr. Galenko the best and hope he finds a location somewhere that will be beneficial to his business and that does NOT impede on the rights of the people around him....but this property is NOT it.

Please DENY this CUP.

Heather Hering Brown

RE: CUP 22-47 Cryptocurrency Mining Site located at 219 Ashton Lane, McCall Idaho

Dear Valley County Planning and Zoning Members

I am writing this letter in opposition to the proposed CUP application noted above. As a full time resident and homeowner in Valley County I think that I have heard everything now. If you have been following the cryptocurrency market and recent collapse I am surprised that this get rich scheme is trying to come to our community to take advantage of our relatively low tax rate and inexpensive electricity. I also find it hard to believe that the applicant would not use his property to maximize his investment and only use a small fraction of his footprint to harvest Bitcoins. This is further confirmed in his application that he expects to use \$4000 per month of electricity. If you are aware, Bitcoins are "mined" using small shoe box sized computers. Multiple iterations of these are used in combination to maximize the yield. These machines generate a lot of heat and require continuous cooling via high powered fans that typically run 24 hours a day and create a high pitched hum that has been shown to effect wildlife such as migration patterns, bird nesting etc. not to mention the effect on the surrounding neighbors.

Top down estimates of the consumption of electricity cryptocurrency mining in the United States in in excess of 27.4 million tons of Carbon Dioxide (CO2) between mid 2021 and 2022, roughly 3 x as much as the largest coal plant in 2021 as noted in publication by the Sierra Club Environmental Law Program "The Energy Bomb: How Proof of Work Cryptocurrency Mining Worsens the Climate Crisis and Harms Communities Now".

A Fact Sheet published by the White House on September 8, 2022 citing the implication of "Climate and Energy Implication of Crypto-Assets in In the United States. They cited a University of New Mexico research published in Scientific Journal stating that the climate damage over the past 5 years has averaged 35% peaking at 82% of its market value production. In comparison the production of gold has a climate impact of only 4% of its market value. Backers of cryptocurrency compare the mining of Bitcoin to that of gold which it clearly exceeds in its impact environmentally. The publication went on to say that the "currency's" disproportionate harm to the climate comes from its reliance on the computing process to verify transactions called "proof of work mining". This study estimates that 10 miners utilize 8,640 KW hours which is 5 x that of a typical residential home. At his estimate of \$4000 per month with a little bit of math estimates that he would be using at least 20 x the energy production of a typical residential home.

Our neighborhood is zoned residential and has no place to allow this type of business. This can not be allowed in our community and would set a dangerous precedent that may impact all residents in our county and our environment. I respectfully request that this CUP be denied

Sincerely

Richard McChrystal

4622 332nd Ave SE Fall City, WA 98024

November 29, 2022

Reference: C.U.P. 22-47 Cryptocurrency Site

Cynda Herrick, AICP, CFM Planning & Zoning Director PO Box 1350 Cascade, ID 83611

Dear Ms. Herrick:

We are writing to state our **opposition** to the approval of the above referenced application for a conditional use permit.

We recently purchased a building lot at 433 Wilhelm Creek Court with the intent to build a home on this site within the next year. After reading a few articles in the <u>Washington Post</u> and <u>Inside Bitcoin</u>, we are very concerned about the noise level. From what we understand, a single machine can create noise levels of 70-90 decibels, comparable to the sound of loud traffic or a noisy restaurant. Even though the applicant has promised to address the noise, will there be some sort of **noise monitoring** requiring the applicant to stay under a certain decibel level? If the application is approved, will the approval be limited to one machine, or is there a potential to add more machines? More machines, more noise!

In addition, the noise and potential fire risk will certainly have some sort of negative environmental impact on the surrounding residents and wildlife.

We purchased our property in this location, as it is quiet, peaceful, and with many recreational opportunities nearby, including golf, hiking, fishing, and skiing. This seems so out-of-character for what draws people to this area.

We believe that approval of the crypto mining operation will open "Pandora's Box", and there will be no stopping other crypto miners from coming to the valley, where there is an abundant power supply and little or no zoning regulations for this type of activity.

We urge the Commission to reject this application and set a precedent to discourage future crypto mining applicants.

Respectfully,

Marlund (Rook) Simchuk

Cynthia Simchuk

11/30/22 Donald Gulliksen Sue Erickson 320 Ashton Ln. McCall, ID 83638

Ms. Cynda Herrick Planning and Zoning Director PO Box 1350 Cascade, ID 83611 cherrick@co.valley.id.us

RE: C.U.P. 22-47

Dear Ms Herrick and members of the P&Z Commission

We would like for the Planning and Zoning Commission to research and consider the impact to the local residents that live near the proposed cryptocurrency mining operation.

Please consider the following.

- 1. Crypto mining is energy intensive and requires a considerable amount of power that can significantly increase a utility's overall electrical load. The mining process requires electricity to power and cool the equipment
- 2. Over time miners need to increase the computational power of their rigs. Thus, cryptocurrency miners need to constantly invest, upgrade and replace their dedicated mining rigs increasing power demands.
- 3. Water supply can be affected by the operation.
 - 4. Crypto mining operations typically bring in very little additional economic benefits in the form of jobs or ancillary business to a local economy.
 - 5.Potential occupancy of the site should be examined in regard to building codes.

Thank you very much for considering the above.

Sincerely, Donald Gulliksen Sue Erickson

Opposition letter to CUP 22-47 Cryptocurrency Site

From: Kim Crane

Sent: Wednesday, November 30, 2022 4:47 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: Opposition letter to CUP 22-47 Cryptocurrency Site

To Whom It May Concern:;

Please accept this letter as OPPPOSITION to the proposed cryptocurrency operation being proposed.

By now, you've heard from many of the very concerned neighbors and citizens that this is an ill placed industrial operation. We think that if any one of you had this proposed operation near them in their neighborhood, they would vote it down as it just does not fit this area.

There are better places with better fit for this operation, so please listen to your neighbor's concerns and vote no on this Conditional Use Permit.

Thank you for your time.

Sincerely,

Geoff and Kimberly Crane 13759 Grouse Knoll Mccall, Idaho 83638

CUP 22-47

From: Wilson Quarre <

Sent: Wednesday, November 30, 2022 5:27 PM To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: CUP 22-47

Cynda,

PLEASE SEND THIS ON TO THE VALLEY COUNTY PLANNING & ZONING COMMITTEE.

We OPPOSE CUP 22-47.

Crypto Mining will significantly increase Valley County electricity rates, over time. Not initially but eventually it will happen. Find a cheap electric grid and exploit it.

The congress is concerned enough about the impacts on the electricity usage by crypto mining to be considering legislation and policy standards to minimize the impacts on it as well as other aspects of our environment.

Regarding the energy requirements for crypto mining, following are some facts from the whitehouse.gov web site entitled "FACT SHEET: Climate and Energy Implications of Crypto-Assets in the US".

- •"From 2018 to 2022, annualized electricity usage from global crypto-assets grew rapidly, with estimates of electricity usage doubling to quadrupling. As of August 2022, published estimates of the total global electricity usage for crypto-assets are between 120 and 240 billion kilowatt-hours per year, a range that exceeds the total annual electricity usage of many individual countries, such as Argentina or Australia. This is equivalent to 0.4% to 0.9% of annual global electricity usage, and is comparable to the annual electricity usage of all conventional data centers in the world." The installation of a crypto-mining facility in our midst is bound to drive up our electricity bills, but by how much nobody can say. Are you willing to fund this type of business? Will the approval of this CUP mean additional mining facilities will be encouraged to move here?
- "Besides purchased grid electricity, crypto-asset mining operations can also cause local noise and water impacts, electronic waste, air and other pollution from any direct usage of fossil-fired electricity, and additional air, water, and waste impacts associated with all grid electricity usage. These local impacts can exacerbate environmental justice issues for neighboring communities, which are often already burdened with other pollutants, heat, traffic, or noise."

None of these air, water, and waste impacts are required by the county, nor are they addressed in the CUP. Shouldn't we be concerned about them? What impact could this have on people living in the Jug Mountain area and surrounding homes? On the city of McCall? On the entire Valley County? On our electric bills?

Do Not Allow this mining operation to exist and pass a law prohibiting others from coming into Valley County (Similar to the No restaurant franchisees)
Regards,
Peggy Wiley
Wilson C. Quarré

140 Pearson Lane McCall, Idaho 83638

C.U.P. 22-47 / Public comment

From:

Sent: Wednesday, November 30, 2022 5:28 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: C.U.P. 22-47 / Public comment

Cynda Herrick, AICP, CFM Planning & Zoning Director P.O. Box 1350 Cascade, ID 83611

Dear Cynda,

My name is Natalie Davis, I do not currently reside in Valley County but own property at Jug Mountain Ranch fairly close to the proposed Cryptocurrency Site at 219 Ashton Lane. I do not know anything about cryptocurrency mining but a quick Google search brought up the following Headlines:

"A neighborhood's cryptocurrency mine: Never-ending noise"

These are fairly alarming headlines to see with just one search. We would eventually like to build a home and spend more time than we currently do in McCall. I would hate to see development of that nature that would change the peaceful atmosphere that we love about the community. This type of development

sounds like it would be better suited in a much more industrial area. I personally object to the proposal.

Sincerely,

Natalie Davis
Property owner, 230 Little Pond Court, McCall, ID 83638

[&]quot;Noisy Bitcoin Mining Driving People Insane In Quebec"

[&]quot;Bitcoin Mining is Drowning out the Sound of Niagara Falls"

[&]quot;Bitcoin Mining Noise Drives Neighbors Nuts"

[&]quot;Norwegian town wants 'noisy' Bitcoin miner out"

CUP 22-47

From: Katie Olivier

Sent: Wednesday, November 30, 2022 9:36 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: CUP 22-47

Dear P & Z,

I would like you to vote no for the CUP 22-47. We do not want the noise or pollution and energy usage that this operation will cause and use.

McCall is a wonderful community and it needs to stay rural and quiet.

Thank you for your time.

Katie Olivier and Carolyn Filbin

Crypto mining

From: (null)

Sent: Wednesday, November 30, 2022 4:56 PM **To:** Cynda Herrick <cherrick@co.valley.id.us>

Subject: Crypto mining

Dear Planning and Zoning Director,

I am writing to strongly oppose the request (C.U.P. 22-47) to implement a Crypto Currency Mining Industrial site at 219 Ashton Lane, McCall. Our opposition is based on a multitude of factors including, power grid issues, wildlife, noise, fire danger and negative effects on local residents etc...

Thank you,

Kathy Grabiel 19 Jughandle Dr. McCall, Idaho

C.U.P. 22-47

From: Clay Wright < Sent: Thursday, December 1, 2022 12:27 PM

To: Cynda Herrick <cherrick@co.valley.id.us>

Subject: C.U.P. 22-47

Ms. Herrick:

My name is Clay Wright and I reside at 260 Finn Church Lane, Mccall, which is less than a mile from the proposed crypto currency mining site. I just learned of this proposal last night and I cannot state strongly enough my vehement opposition to this proposed usage.

- 1. This is clearly a business/industrial/commercial use of the parcel in question. There is no residence on the property and the existing building is planned to be used to house servers for the purpose of cryptocurrency mining. This is clearly a violation of the current zoning for the area. If this project is allowed to go forward it will establish precedent for allowing further commercialization of the surrounding area..
- 2. Cryptocurrency mining places extraordinary demand on the electrical grid, and often results in increasing rates for electric power customers due to the requirements for increased generation and transmission to meet the increasing loads on the power grid.
- 3. Cryptocurrency mining provides no benefits to the local economy. All mining rewards/profits flow exclusively to the "miners", resulting in no economic benefit to the community.
- 4. Cryptocurrency mining is environmentally unsound.
- 5. Cryptocurrency is currently an unregulated "business" and provides an avenue for criminal money laundering.

I have included a number of passages from scientific and economic publications that provide supporting evidence of the above comments. Please give a resounding NO to this proposal.

Smithsonian Magazine

"We find several instances between 2016-2021 where Bitcoin is more damaging to the climate than a single bitcoin is actually worth," Jones says in a <u>statement</u>. "Put differently, Bitcoin mining, in some instances, creates climate damages in excess of a coin's value. This is extremely troubling from a sustainability perspective."

Carbon emissions for mining a single bitcoin rose from 0.9 tons in 2016 to 113 tons in 2021—a 126-fold increase. The industry's annual carbon footprint is comparable to Greece's, per <u>Digiconomist</u>. And in 2020, Bitcoin used 75.4 terawatt hours of electricity—more than Austria (69.9) or Portugal (48.4).

But the environmental impact of mining this cryptocurrency doesn't just come from its emissions. "In addition to energy use, you have to consider hardware use and e-waste," says <u>Alex de Vries</u>, a digital currencies researcher at the Vrije Universiteit Amsterdam in the Netherlands who was not involved with the new research, to *Popular Science*.

The equipment used for mining is highly specialized—it is only used to mine bitcoins, de Vries tells *Popular Science*. Therefore, the computing chips are obsolete within just a year

and a half, then they become trash. A single Bitcoin transaction creates about 400 grams of e-waste, which equates to 2.44 iPhone 12 devices, according to Digiconomist, which de Vries founded.

Bitcoin miners deploy thousands of high-powered computers to solve complex mathematical equations; when they succeed, the miners earn a bitcoin. Annual electricity use attributed to bitcoin mining roughly equals the consumption of Belgium, according to the University of Cambridge Bitcoin

Electricity Consumption Index.

But crypto has a dirty little secret that is very relevant to the real world: it <u>uses a lot</u> of <u>energy</u>. How much energy? Bitcoin, the world's largest cryptocurrency, <u>currently consumes an estimated 150 terawatt-hours</u> of electricity annually — more than the entire country of Argentina, population 45 million. Producing that energy emits some <u>65 megatons of carbon dioxide</u> into the atmosphere annually — comparable to the emissions of Greece — making crypto a significant contributor to global air pollution and climate change.

CLIMATE, ENERGY COLUMBIA CLIMATE SCHOOL

Cryptocurrency's Dirty Secret: Energy Consumption

BY JEREMY HINSDALE | MAY 4, 2022

WIRED MAGAZINE JULY 20, 2022

Crypto Is Straining the Power Grid. Congress Wants to Rein It In Senator Elizabeth Warren and others are recommending regulations for crypto-mining operations as carbon emissions and consumer electricity bills soar in the US.

The <u>Digiconomist's Bitcoin Energy Consumption Index</u> estimated that one bitcoin transaction takes 1,449 kWh to complete, or the equivalent of approximately 50 days of power for the average US household.

Office of Science and Technology Policy

FACT SHEET: Climate and Energy Implications of Crypto-Assets in the United States - Sep 8, 2022 The United States is estimated to host about a third of global crypto-asset operations, which currently consume about 0.9% to 1.7% of total U.S. electricity usage. This range of electricity usage is similar to all home computers or residential lighting in the United States.

Besides purchased grid electricity, crypto-asset mining operations can also cause local noise and water impacts, electronic waste, air and other pollution from any direct usage of fossil-fired electricity, and additional air, water, and waste impacts associated with all grid electricity usage. These local impacts can exacerbate environmental justice issues for neighboring communities, which are often already burdened with other pollutants, heat, traffic, or noise. The growth of energy-intensive crypto-asset technologies, when not directly using clean electricity, could hinder the ability of the United States to achieve its National Determined Contribution under the Paris Agreement, and to avoid the most severe impacts of climate change.

Earth Justice, Oct 18, 2022

In September, three major research organizations published new reports about the cryptocurrency mining industry, adding to the growing body of work proving just how detrimental the opaque and little-regulated industry is to the climate, local communities, and public health.

These new papers all reach the same conclusion as the recent groundbreaking report from the White House Office of Science and Technology Policy (OSTP): cryptocurrency mining is incompatible with federal and local emissions reductions goals, impacts local communities negatively, and it cannot continue unabated.

What is the threat of Bitcoin and money laundering and what is being done to stop it?

In the United States, businesses that transmit money, such as PayPal, Western Union, and MoneyGram, must comply with the regulations adopted by the U.S. Treasury Department. The Treasury Department's Financial Crimes Enforcement Network (FinCEN) and anti money-laundering unit are concerned that Bitcoin is operating outside of these regulations, even though it is effectively carrying on the same type of business, just using Bitcoins instead of a nationally recognized fiat currency.

The problem, of course, is that one can convert anything of value, including fiat currency, into Bitcoins simply by bartering or buying them. As a result, one could easily sell illegal services or products strictly for Bitcoins, or purchase large amounts of the digital currency with regular fiat currency, then transmit the digital currency offshore and either exchange it for more illegal products and services or convert it to another nation's fiat currency and deposit it into a bank. Through this process, one either avoids handling actual currency or simply converts it to fiat currency out of the country where the transaction will not be noted by the government and the associated criminal activity is less likely to be detected.