

AMENDMENT TO THE RULES COMMITTEE PRINT

118-33

OFFERED BY MR. HUFFMAN OF CALIFORNIA

Add at the end the following:

1 **SEC. 609. STUDY ON IMPACT.**

2 (a) IN GENERAL.—The Commodity Futures Trading
3 Commission and the Securities and Exchange Commission
4 shall jointly carry out a study, in consultation with the
5 Administrator of the Environmental Protection Agency,
6 the Administrator of the Energy Information Administra-
7 tion, the Federal Energy Regulatory Commission, and the
8 head of any other Federal agency the Commodity Futures
9 Trading Commission and the Securities and Exchange
10 Commission determine appropriate, on the environmental
11 impacts of digital asset mining in the United States.

12 (b) STUDY REQUIREMENTS.—The study required
13 under subsection (a) shall include—

14 (1) the number and location of any existing or
15 planned qualifying digital asset mining operation;

16 (2) the amount of greenhouse gas emissions
17 and other air pollutants that are—

18 (A) released by an onsite energy source;

19 and

1 (B) attributable to offsite-generated elec-
2 tricity, steam, heat, or cooling provided to a
3 qualifying digital asset mining operation;

4 (3) the anticipated increase of new, and expan-
5 sion of existing, qualifying digital asset mining oper-
6 ations;

7 (4) the potential impacts of electric energy con-
8 sumption by qualifying digital asset mining oper-
9 ations, including by prolonging the use of fossil fuel
10 generators, on the ability of the United States to
11 achieve the greenhouse gas emission reductions nec-
12 essary to keep global warming below 1.5 degrees
13 Celsius compared to pre-industrial levels;

14 (5) the ecological impacts, including ecological
15 impacts associated with electronic waste generation
16 and the use or discharge of cooling water, caused by
17 qualifying digital asset mining operations;

18 (6) the potential public health impacts due to
19 the reduced air and water quality and increased
20 water stress on communities near qualifying digital
21 asset mining operations;

22 (7) the potential public health impacts from
23 greenhouse gas emissions released by qualifying dig-
24 ital asset mining operations;

1 (8) the potential public health and ecological
2 impacts from noise generated by qualifying digital
3 asset mining operations;

4 (9) the amount of electric energy consumed by
5 each qualifying digital asset mining operation, in-
6 cluding the time of use of electricity and the poten-
7 tial grid stress posed by the power load of the quali-
8 fying digital asset mining operation;

9 (10) the source of electric energy consumed by
10 each qualifying digital asset mining operation;

11 (11) the aggregated energy-use statistics and
12 greenhouse gas emissions statistics for qualifying
13 digital asset mining operations in the United States;

14 (12) an analysis of energy use and greenhouse
15 gas emissions by type of consensus mechanism;

16 (13) an analysis of demand-response programs
17 negotiated between qualifying digital asset mining
18 operations and electric utilities;

19 (14) an analysis of potential rate-design meas-
20 ures that could be implemented by State and local
21 regulators to reduce the energy consumption and de-
22 pendence on fossil fuel energy sources of digital
23 asset mining operations;

24 (15) a geospatial assessment of the extent to
25 which digital asset mining operations are located

1 within environmental justice communities, as defined
2 by the Administrator or within the Climate and Eco-
3 nomic Justice Screening Tool of the Council on En-
4 vironmental Quality; and

5 (16) an identification of, and recommendations
6 for, best practices for data types, data sources, and
7 methodologies for accurately measuring, modeling,
8 and tracking the environmental impacts of digital
9 asset mining operations in the United States in the
10 future.

11 (c) PUBLIC COMMENT.—Before conducting the study
12 required by subsection (a), the Commodity Futures Trad-
13 ing Commission and the Securities and Exchange Com-
14 mission shall provide an opportunity for public comment
15 and advice relevant to conducting the study.

16 (d) REPORT TO CONGRESS.—Not later than 18
17 months after the date of enactment of this Act, the Com-
18 modity Futures Trading Commission and the Securities
19 and Exchange Commission shall submit to the Congress,
20 and publish on the public websites of the Commodity Fu-
21 tures Trading Commission and the Securities and Ex-
22 change Commission, a report that contains the results of
23 the study required by subsection (a).

24 (e) DEFINITIONS.—In this section:

1 (1) AIR POLLUTANT.—The term “air pollutant”
2 has the meaning given the term in section 302 of the
3 Clean Air Act (42 U.S.C. 7602).

4 (2) CONSENSUS MECHANISM.—The term “con-
5 sensus mechanism” means a process to achieve
6 agreement among network participants on the cur-
7 rent state of a blockchain.

8 (3) DIGITAL ASSET MINING.—The term “digital
9 asset mining” means the process of performing com-
10 putations to generate a digital asset or digital com-
11 modity, such as mining, validating, staking, or other
12 activity tied to generating or mining a digital asset
13 or digital commodity.

14 (4) POWER LOAD.—The term “power load”
15 means the amount of electrical power, in megawatts,
16 that can be consumed by a qualifying digital asset
17 mining operation.

18 (5) QUALIFYING DIGITAL ASSET MINING OPER-
19 ATION.—The term “digital asset mining operation”
20 means—

21 (A) an individual digital asset mining facil-
22 ity that has a power load that is greater than
23 or equal to 5 megawatts; or

24 (B) multiple digital asset mining facilities
25 that—

1 (i) are owned by the same company;

2 and

3 (ii)(I) each have a power load that is

4 less than 5 megawatts; but

5 (II) have a cumulative power load

6 that is greater than or equal to 5

7 megawatts.

