SIERRA CLUB
MICHIGAN CHAPTER

Re: Opposition to HB 4510-4513

On behalf of our 150,000 Sierra Club members and supporters in Michigan, I am writing in opposition to HB 4510-4513. Cryptocurrency can feel abstract and complicated—only about one to two percent of Americans actually use it for transactions, but the impacts of cryptocurrency mining are very real. Across the country, it's driving up energy costs, straining water supplies, and disrupting rural communities. Michigan now faces a choice: whether to open the door wider to crypto mining or to protect our communities, ratepayers, and natural resources first.

What Crypto Mining Is and Why It Matters

Cryptocurrency like Bitcoin is created through a process called "mining." Miners compete to solve complex math problems using massive banks of computers that run nonstop, 24 hours a day. Every 10 minutes or so, one miner somewhere in the world wins a small amount of Bitcoin—and then the race starts all over again.

The problem is that race consumes staggering amounts of energy. Estimates show Bitcoin mining alone now uses as much electricity as some mid-sized countries, about 2-3% of total U.S. energy consumption. That's roughly the equivalent of having added an additional U.S. state to the grid over just the last three years. This has huge implications for the electric grid as a whole. That's power that could otherwise support homes, businesses, or clean industries right here in Michigan.

Real Impacts on Communities

Crypto mining doesn't happen in cyberspace; it happens in large, warehouse-sized facilities filled with thousands of computers and cooling systems. These operations offer very few long-term jobs, but they bring major downsides:

- **Higher electric bills** for everyone else on the grid, as miners drive up demand and strain local infrastructure. By some estimates, crypto mining is costing ratepayers $1 billion more each year.[1]
- **Crypto mining does not drive renewable energy transformation.** Proponents claim that mining is spurring new renewable development and stabilizing the grid. But clean energy allocated to cryptocurrency mining doesn't actually do anything to decarbonize the grid, and there are few mining facilities that are building renewables to even power their own operations, let alone send to the grid.[2]
- **Huge water consumption for cooling**, on the scale of hundreds of thousands of households per year nationwide.[3]

[1] Tong, T., Hoog, B., Chuang, J., & Luo, T. (2023, September 27). The key takeaways from our PJM, MISO and ERCOT seasonal outlook webinars. *Wood Mackenzie*. November 5, 2025, https://www.woodmac.com/news/opinion/the-key-takeaways-from-our-pjm-miso-and-ercot-seasonal-outlook-webinars/

[2] DeRoche, M., Fisher, J., Thorpe, N., & Wachspress, M. (2022, September). The Energy Bomb: How Proof-of-Work Cryptocurrency Mining Worsens the Climate Crisis and Harms Communities Now. https://earthjustice.org/wp-content/uploads/energy_bomb_bitcoin_white_paper_101322.pdf

[3] de Vries, A. (2024). Bitcoin's growing water footprint. *Cell Reports Sustainability*, *1*(1), 100004. https://doi.org/10.1016/j.crsus.2023.100004

- **Constant noise pollution** from industrial cooling fans, which can be heard hundreds of feet away, disrupting nearby homes and wildlife.[4]
- **They do not create jobs.** Cryptocurrency has been touted as a job creator by industry proponents, but reality has proven otherwise. The facilities house computers and equipment, not offices. A crypto mine in Rockdale, Texas, that promised to create over 300 jobs created only 14 before being scaled back. This is just one example of many![5]

Crypto miners tend to target rural and low-cost energy areas, often in small towns near substations or water sources—exactly the kinds of communities that make up much of Michigan.

What the Bills Do, and What They Don't

HB 4510 would allow Michigan's public pension systems to invest in cryptocurrency through exchange-traded products. The problem is, it does so without any safeguards. There are no risk caps, no climate or environmental due diligence, and no transparency requirements. That means our public funds, retirement funds, could be exposed to a highly volatile, unregulated market that also contributes to real-world environmental harm.

HB 4511 establishes a so-called "Crypto Bill of Rights," designed to protect the right to own and use cryptocurrency. But the language goes much further; it could strip local and state authorities of the power to regulate crypto mining or data centers. In practice, that could prevent local governments from enforcing noise limits, zoning restrictions, or water-use rules that communities rely on to protect themselves. It shields crypto activity from regulation without establishing any basic standards.

HB 4512 proposes to let crypto mining take place at abandoned oil and gas wells, claiming it would use vented methane for energy. But the reality is, this bill incentivizes and prioritizes fossil fuel extraction first, over actually capping the well and stopping any methane leakage. There are no requirements for verifying methane reductions, and no protections for neighbors from noise, light, or truck traffic. In other states, similar projects have been little more than a rebranding of fossil fuel extraction, without the environmental oversight. It also allows information be confidential and not subject to disclosure under the Freedom of Information Act (FOIA).

HB 4513 The bill offers tax incentives for those same projects but includes no clawbacks if companies violate the rules. With HB 4512, the bill's design needs to protect taxpayers with stronger bonding requirements and ensure that any new use doesn't re-create "orphan" liabilities or other environmental hazards under a different guise and ultimately leaving liability up to the taxpayers.

Lessons from Other States

Michigan isn't the first state to wrestle with these issues. In Arkansas, lawmakers initially passed a pro-crypto bill, only to discover the flood of noise, energy strain, and community backlash that followed. Within a year, the same legislature, Republicans and Democrats alike, reversed course and passed new restrictions.[6] Granbury, Texas, where the local Republican Party is supporting residents in their fight against a crypto company. New York has gone further, enacting a moratorium on certain crypto mining projects to study their environmental impacts. Across the country, from Appalachia to Texas, communities are uniting in a bipartisan grassroots movement to demand transparency, accountability, and local control.

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[4] DeRoche, M., Fisher, J., Thorpe, N., & Wachspress, M. (2022, September). The Energy Bomb: How Proof-of-Work Cryptocurrency Mining Worsens the Climate Crisis and Harms Communities Now. https://earthjustice.org/wp-content/uploads/energy_bomb_bitcoin_white_paper_101322.pdf

[5] Deroche, M., & Elkin, J. (2025, February 21). How much do we subsidize cryptocurrency mining's electricity use? No one knows. Earthjustice. November 5, 2025, https://earthjustice.org/experts/mandy-deroche/how-much-do-we-subsidize-cryptocurrency-minings-electricity-use-no-one-knows

[6] Earley, N. (2024, May 4). Sanders signs bills to require crypto mining permits, restore local authority to issue regulations: Arkansas Democrat gazette. The Arkansas Democrat-Gazette. https://www.arkansasonline.com/news/2024/may/03/sanders-signs-bills-to-require-crypto-mining/

The Sierra Club is neither opposed to nor supportive of cryptocurrency as a concept —our concerns lie with the highly energy- and water-intensive practice, its impact on ratepayers, our grid, clean energy goals, and the lack of transparency and accountability these bills provide.

In Conclusion

Crypto mining might sound like a high-tech innovation, but its costs are paid in Michigan electricity bills, Michigan water, and a lack of state and local oversight. These bills, as written, open the door to unchecked mining while removing the very protections communities need.

I urge this committee to either significantly amend these bills or reject them until there are clear, enforceable safeguards for our ratepayers, environment, and local governments. Michigan should lead with caution, not follow other states down a costly path of regret.



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