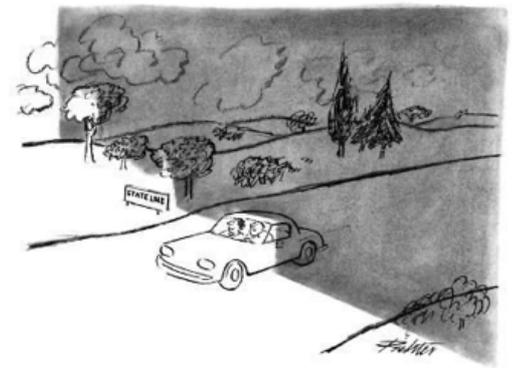


There's been a lot of talk about Bitcoin these days -the cryptocurrency that some are suggesting will replace cash, gold and even unseat the US dollar as the international reserve standard. No one knows if any of this is true, but the probability of it continuing even in its present form, part currency/part commodity/part security is unlikely. And less so because of the inherent volatility of Bitcoin, which makes it unsuitable as a medium of exchange, but because of the carbon footprint that it leaves behind. Here's some stats from the EPA which will certainly raise some eyebrows:



*"They have very strict anti-pollution laws in this state."*

- \*\$1 billion in Bitcoin purchases is equal to 1.2 million cars driven over the course of a year.
- \*\$1 billion in Bitcoin purchases is equal to the yearly energy consumption of 632k homes.
- \*\$1 billion in Bitcoin purchases is equal to 12.7 million barrels of oil consumed.
- \*\$1 billion in Bitcoin purchases is equal to 1.4 coal fired power plants per year.

Comparatively, we do not find many other human activities that have a higher carbon footprint per dollar of inflow. The link [here](#) further makes this point by comparing the number of kilowatt hours (kWh) that Bitcoin consumes every year to sunny Portugal. The energy consumption of the Iberian sun destination is approximately 47 billion kWh annually. This translates to about 50 million Bitcoin transactions. Currently, there are roughly \$1.25 quadrillion (a quadrillion is a million billions by the way) every year in our global economy. Using Bitcoin to facilitate this would be unworkable and produce more carbon than all other human activities combined.



A 12 hour flight from London to Hong Kong releases three tones of carbon dioxide in the atmosphere, while Bitcoin produces *nine million times this much*. Why is this you ask? it's because tens of million of computers around the globe are "mining" Bitcoin 24/7 by solving complex mathematical calculations. The amount of energy that Bitcoin consumes is about one-quarter of the electricity that we consume here in Canada every year. If Bitcoin were a country, it would rank ahead of Argentina, Ukraine and even Sweden in terms of total energy consumption. Click [here](#) for more on this.

There has been a great awakening recently when it comes to sustainable energy production and consumption, and cryptocurrencies (of which Bitcoin is the undisputed poster child) simply don't align with this. Producing anything that leaves behind a massive carbon footprint is as welcome as blood diamonds. If I were to wager a bet as to the future of cryptocurrencies, I would say their future looks promising -but in the form of Central Bank backed electronic currency that can be created effortlessly and with a cost to the environment that is negligible. Unless current cryptocurrencies can find a way of lowering their carbon footprints, the number of steps ahead of them is far fewer than the current price of Bitcoin suggests.

Be safe, be well!

Martin  
519-546-5088