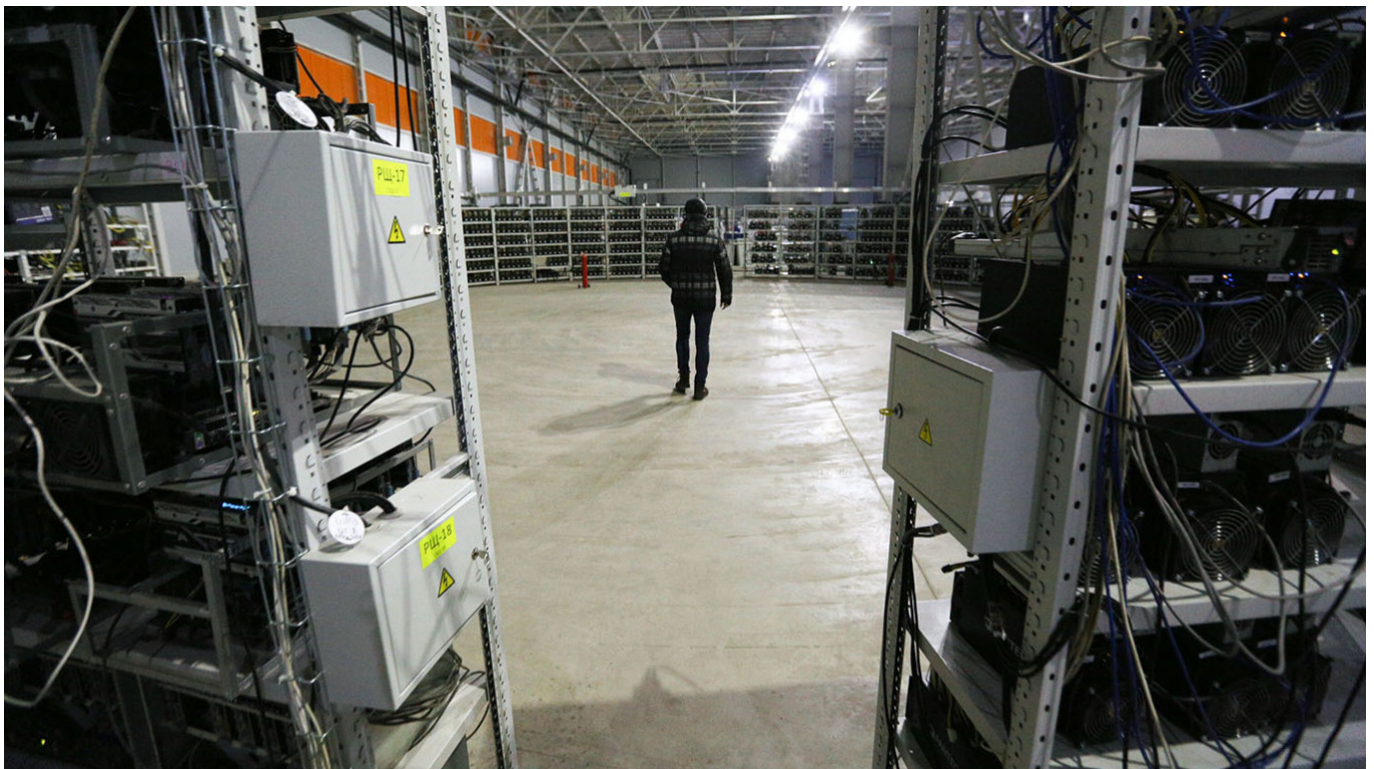


# Putin Warns of Blackouts From 'Uncontrolled' Crypto Mining

July 17, 2024



A mining farm in Moscow. **Kirill Zykov / Moskva News Agency**

President Vladimir Putin [warned](#) on Wednesday that unregulated cryptocurrency mining risks overloading Russia's electrical grid and causing widespread power outages.

"An uncontrolled increase in electricity consumption for mining cryptocurrencies can lead to power shortages in certain regions," Putin told senior government officials at a meeting focused on the economy.

Russia's Energy Ministry estimates that crypto mining consumes on average 16 billion kilowatt-hours per year — or almost 1.5% of Russia's total electricity consumption.

"The figure continues to go up," Putin said, listing the relatively cheap cost of electricity in Russia and access to equipment as some of the factors leading to an increase in crypto mining.

Despite its restrictive laws on cryptocurrencies, Russia was the world's [second-largest](#) crypto mining country after the United States in 2023. The previous leaders, China and Kazakhstan,

have restricted crypto mining activities in recent years.

**Related article:** [A Viral Telegram Game Promises Crypto Coins for Clicks. What's the Catch?](#)

Investigative journalists recently named the North Caucasus republic of Dagestan — which has been gripped by [lengthy blackouts](#) largely due to aging infrastructure — as the “[capital](#)” of crypto mining in Russia.

Putin on Wednesday shared the [concerns](#) of regional authorities that mining farms could leave “new businesses, residential areas and social facilities with supply disruptions, and put on hold promising investment and infrastructure projects.”

The Kremlin leader said he had ordered tax and tariff regulations for miners and called for a federal law to address the issue, which appears to have taken on renewed importance amid [sweeping power outages](#) in southern Russia on Tuesday.

In 2020, Putin signed a law that legalized cryptocurrencies as digital financial assets but banned their use from paying for goods and services. Russia [established](#) the blockchain-based “Digital Ruble” as a new form of legal tender in 2023.

Last week, Russian lawmakers moved to [legalize](#) crypto mining while banning the circulation of cryptocurrencies in Russia.

Original url:

<https://www.themoscowtimes.com/2024/07/17/putin-warns-of-blackouts-from-uncontrolled-crypto-mining-a85745>