

DEALBOOK NEWSLETTER

Why Bill Gates Is Worried About Bitcoin

It's all about the carbon footprint.

By Andrew Ross Sorkin, Jason Karaian, Michael J. de la Merced, Lauren Hirsch and Ephrat Livni

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“Bitcoin uses more electricity per transaction than any other method known to mankind,” Bill Gates noted. Yuri Gripas/Reuters

‘It’s not a great climate thing’

Bitcoin is continuing to climb — its price is now above \$54,000, giving it a market cap of more than \$1 trillion — and draw more fans in corporate America. But skeptics are increasingly asking whether it's worth the huge environmental cost, Andrew writes in his latest column.

“Bitcoin uses more electricity per transaction than any other method known to mankind,” Bill Gates told Andrew, adding, “It’s not a great climate thing.” Studies note that the annual carbon emissions from the electricity generated to mine and process the cryptocurrency equal the amount emitted by New Zealand or Argentina. (There are disagreements over how big the industry’s carbon footprint is, but no one disputes that it’s big.) And given the way Bitcoin works, the more popular it becomes, the larger its carbon footprint grows.

That is creating a tension within the business community:

- Companies are increasingly adopting Bitcoin, whether by allowing customers to conduct transactions on their platforms using the cryptocurrency or by investing in it directly.
- But companies and investors are also focusing more and more on climate change. And just as shareholders are pushing companies to reduce their carbon footprints and exposure to fossil-fuel companies, they might raise similar concerns about Bitcoin.
- That conflict is readily apparent in BlackRock, which has started to “dabble” in Bitcoin investing, but has also become a leading advocate for companies reducing carbon emissions.

The pressure is on to make Bitcoin greener. Jack Dorsey, whose Square is a high-profile adopter, has pledged \$10 million to invest in cleaner Bitcoin mining technologies. And companies like Seetee plan to focus on building Bitcoin mining operations using renewable energy.

- Mr. Gates left open the door to having his mind changed. He told Andrew, “If it’s green electricity and it’s not crowding out other uses, eventually, you know, maybe that’s OK.”

HERE'S WHAT'S HAPPENING

The C.D.C. blesses unmasked gatherings (if you're vaccinated). The agency said that inoculated people in America could meet in small groups without face masks or social distancing. In other reopening news: Millions of students in England returned to school yesterday, and New York City will reopen its 488 public schools on March 22.

A potential Biden banking regulator nominee is ruled out. Michael Barr, who had been seen as the likely pick to lead the Office of the Comptroller of Currency, is now out of the running, Bloomberg reports. He was opposed by progressives who see him as too moderate and are wary of his work for cryptocurrency