Iran bans cryptocurrency mining for four months to stave off blackouts

Iran is temporarily banning cryptocurrency mining after some of the country's major cities experienced repeated blackouts. President Hassan Rouhani said that the ban would last until September 22nd.

The country has experienced summer blackouts in years past, and while the current round of outages is mostly being blamed on a drought that's affecting the country's ability to generate hydroelectric power, it seems that the Iranian government is eager to cut down on any aggravating factors. Power-hungry cryptocurrency mining operations, for instance.

According to the *BBC*, Iran operates a program where Bitcoin miners must register with with the government, pay extra for electricity, and sell their coins to the central bank. President Rouhani stated that the legal mining operations in the country consume around 300MW a day; Iran's state-owned grid operator, Tavanir, reportedly claimed a more conservative daily usage of 209MW. Either number is small compared to the 2,000MW that *Al Jazeera* reports is used by illegal miners, which reportedly make up 85 percent of the country's operations. The deputy minister of electricity and energy even told one news organization that miners were using the free electricity afforded to mosques to run mining operations.

President Rouhani seemed to joke about how much mining was unlicensed in the country, saying that "everybody has a few miners laying around and are producing Bitcoins," though he also said that the unlicensed miners were the reason for the

ban, which will apply to all mining in the country. According to the *BBC*, the licensed mining operations have already voluntarily shut down.

While it could be argued that those who were already breaking the law may not be likely to stop because the government told them to, Iran has been cracking down on the unlicensed operations, enlisting spies to track them down. Tavanir also provides rewards for reporting people who are mining illegally.

Crypto observers outside Iran will likely want to keep an eye on the price of Bitcoin to see how (or if) it reacts to an estimated 3.4 to 4.5 percent of the network's mining capability being thrown into jeopardy. Bitcoin has had a turbulent time recently, as India and parts of China look to ban it, and as Tesla has stopped accepting the cryptocurrency, citing environmental concerns.

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