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From: EMLI EAED Electricity Policy EMLI:EX <electricity.policy@gov.bc.ca>
Sent: May 17, 2023 1:44 PM
To: CRD Mailbox
Subject: Letter from Les MacLaren Regarding Cryptocurrency Mining - REF #: 118763
Attachments: 118763_Cariboo_Cryptocurrency_Mining_Notification_Letter.pdf

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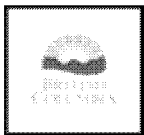
Hello,

Please see the attached letter from Les MacLaren, Assistant Deputy Minister of the Electricity and Alternative Energy Division regarding the development of a policy governing the connection of cryptocurrency mining projects to electricity systems in B.C.

As indicated in the letter, we are hoping to hear back by June 7, 2023, if your Regional District is interested in participating in the Engagement on a Permanent Policy Framework for Cryptocurrency Mining. Please distribute this letter to the most appropriate members of your Regional District to participate in this engagement and provide their contact information.

Thank you.

Regards,



Electricity Policy Branch
Electricity and Alternative Energy Division
Ministry of Energy, Mines and Low Carbon Innovation
Email: electricity.policy@gov.bc.ca



May 17, 2023

Ref: 118763

Cariboo
180 North 3rd Avenue, Suite D
Williams Lake, BC
V2G 2A4

Dear Cariboo Regional District:

On behalf of the Ministry of Energy, Mines, and Low Carbon Innovation (Ministry), I am writing to invite you to participate in a province-wide engagement with municipalities and regional districts to inform the development of a policy governing the connection of cryptocurrency mining projects to electricity systems in B.C. The Ministry is also engaging with First Nations, industry, and utilities on this issue.

Cryptocurrency mining in B.C.

Cryptocurrency mining is the process where specialized computers that are connected to the internet solve complex mathematical problems for a specific cryptocurrency (e.g., Bitcoin) and receive payment in the form of that cryptocurrency. Cryptocurrency mining projects typically consume electricity to power these specialized computers and can range in size from a few megawatts connected to the electricity distribution system to much larger facilities connected to the electricity transmission system.

B.C.'s clean, affordable electricity has attracted unprecedented interest from cryptocurrency miners. While BC Hydro welcomes new load and has available energy to use strategically for electric vehicles, heat pumps, clean technology, and industry, the unchecked growth of cryptocurrency mining operations in B.C. could make it more difficult to meet electrification goals in support of CleanBC and keep rates low for customers. To preserve B.C.'s electricity supply, while giving government and BC Hydro sufficient time to engage with stakeholders and First Nations to develop a permanent framework for any future cryptocurrency mining operations, a temporary suspension of new cryptocurrency mining connections to BC Hydro's grid was implemented.

In December 2022, a temporary (18-month) suspension on BC Hydro connecting new cryptocurrency mining operations to the electricity grid was put in place to provide time for the development of a permanent policy that balances First Nations' and the public's interests with the commercial interests of BC Hydro and cryptocurrency mining operations. The temporary suspension does not affect cryptocurrency mining projects that are already connected, or projects that are very close to connecting (signed Facilities Study Agreement). No new cryptocurrency projects may enter the queue or initiate the process of connection with BC Hydro during the suspension period.

Development of a policy framework for cryptocurrency mining connections in B.C.

The development of a policy governing the connection of cryptocurrency mining projects to electricity systems in B.C. is likely to influence the conditions under which future cryptocurrency mining projects could be permitted to connect to electricity systems in B.C.

Although the temporary suspension on BC Hydro connecting new cryptocurrency mining operations did not apply to utilities other than BC Hydro, a permanent policy may extend to all utilities within B.C.

The Ministry is committed to engaging with municipalities and regional districts to seek feedback on the development of a permanent policy regarding cryptocurrency mining connections to the electricity system. The Ministry is interested in information on potential opportunities or impacts a permanent policy governing the connection of cryptocurrency mining operations could pose to your municipality. The feedback gathered will be used to inform Provincial decisionmakers' future deliberations on this policy.

The engagement process

The engagement will be conducted through virtual or in-person workshops and held in two stages:

1. An initial discussion in which we share information about cryptocurrency mining in B.C. and our preliminary thinking about policy options, and ask for your early comments on potential opportunities and impacts of these; and
2. A second discussion in which we share refined policy options, informed by the first discussion, and ask for your feedback on these options.

The Ministry will be seeking feedback from municipalities and regional districts at both stages of the engagement through open discussion in the workshops and written submissions.

All information provided by stakeholders through this engagement process will be treated in accordance with the *Freedom of Information and Protection of Privacy Act*.

Based on your interest in further engagement, the follow-up e-mails will provide more information about the process and how you can participate.

We invite you to participate in an engagement process for municipalities and regional districts on a permanent policy framework for cryptocurrency mining. If you would like to participate, please indicate this interest by sending an email to electricity.policy@gov.bc.ca by June 7, 2023.

Thank you, and we look forward to our dialogue.



Les MacLaren
Assistant Deputy Minister