

Forum:[Hack Forums](#)

Thread: [Bitcoin miner Marathon reports Q2 loss of \\$191.6 million due to Energy](#)

shredder - August 8, 2022, 10:17 pm

In short Proof-Of-Work shortcomings are at play again. Miners need a "green light" from the government to turn on their miners, sounds like a centralized network to me. Imagine not being able to secure a network because the government told you so.

https://www.theblock.co/post/162165/bitcoin-miner-marathon-reports-second-quarter-net-loss-of-191-6-million?utm_source=twitter&utm_medium=social

SIM-1169085 - August 9, 2022, 12:42 am

I wouldn't say they require a green light from the government.

The only reason they're shutting down is because of high demand of electricity especially in the summer time with these hot heat waves not because the government is trying to control the miners or centralize the system.

The miners also agreed to shutting down if there were electricity shortages prior to this happening.

Best thing for the miners to do is diversify the states where they mine at.

The network is still being validated successfully right this moment, even if they took out one mining operation many more continue to validate the network. They will never shut all of our miners down. That's why we're decentralized.

SUI-3183372 - August 9, 2022, 6:47 am

(Aug 9, 2022 12:42 AM)Chomies Wrote: [\[CITE\]](#) I wouldn't say they require a green light from the government. (Aug 9, 2022 12:42 AM)Chomies Wrote: [\[CITE\]](#) The miners also agreed to shutting down if there were electricity shortages prior to this happening. Who'd they make this agreement with?

(Aug 9, 2022 12:42 AM)Chomies Wrote: [\[CITE\]](#) The only reason they're shutting down is because of high demand of electricity especially in the summer time with these hot heat waves not because the government is trying to control the miners or centralize the system. The reason why sounds benign enough, for now...

Realistically any government asking you to turn off your miner for any reason should be alarming.

(Aug 9, 2022 12:42 AM)Chomies Wrote: [\[CITE\]](#) Best thing for the miners to do is diversify the states where they mine at. I'dk why you'd want to be in the US at all right now as a miner or really any crypto focused company. Very hostile environment right now, not a lot of certainty.

SIM-1169085 - August 9, 2022, 8:43 am

(Aug 9, 2022 06:47 AM)BV1 Wrote: [\[CITE\]](#) Who'd they make this agreement with?

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The agreement is with the state or The Electric Reliability Council of Texas if supply runs low miners will shut down to decrease demand and keep the grid functioning.

This is the agreement before miners began operation in Texas.

Really this is just Anti Bitcoin propaganda. There are no major issues with centralization here.

We cannot act like the government is here at the throat of our Bitcoin miners. It's simply not true.

shredder - August 9, 2022, 9:17 am

(Aug 9, 2022 08:43 AM)Chomies Wrote: [\[CITE\]](#) The agreement is with the state or The Electric Reliability Council of Texas if supply runs low miners will shut down to decrease demand and keep the grid functioning.

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We cannot act like the government is here at the throat of our Bitcoin miners. It's simply not true. There are multiple issues here.

Issue 1:

Quote:The agreement is with the state or The Electric Reliability Council of Texas if supply runs low miners will shut down to decrease demand and keep the grid functioning.

- Agreement with the state or a council that is directly controlled by the state is not centralized? What would happen if the miners ignored the agreements? We all know what would happen.

Issue 2:

Why is it even offline in the first place? PoW is highly inefficient and has been proven time and time again to collapse even at the slightest energy shortages. Who would have guessed power-hungry machines by the tens of thousands are unsustainable? This will be a failure point for network security.

Ethereum Beacon chain has been uninterrupted despite all climate and energy concerns since it's launch in December 2020.

<https://beaconcha.in/charts/blocks>

Issue 3:

Miners were essentially bribed to be offline, does this not negate the incentive model Bitcoin was

built upon? If the state can outmatch the block incentives, this means the entire network is effectively useless. Why mine, government can pay more.

SUI-3183372 - August 9, 2022, 9:35 am

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Really this is just Anti Bitcoin propaganda. There are no major issues with centralization here.

We cannot act like the government is here at the throat of our Bitcoin miners. It's simply not true. While OP may be anti-Bitcoin, I don't think the topic that we're discussing is anti-Bitcoin at all. Being aware of, and wary of, your adversaries, even if they aren't currently acting adversarial, is very important.

In this instance we can see good faith between the miners and whatever parties they may be dealing with to protect Texas' power grid, but I feel like I'd be crazy to not see how quickly this good faith can be lost and simple asks turn into [strong-armed] demands, both in Texas and in other circumstances that are yet to happen.

I'm pro-bitcoin, there is no part of me that wants to see Bitcoin fail or hindered. I simply have zero trust that the government wouldn't act in their interests when the time is right.

Migos - August 9, 2022, 9:48 am

(Aug 9, 2022 12:42 AM)Chomies Wrote: [\[CITE\]](#) I wouldn't say they require a green light from the government.

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Makes complete sense, also all the miners need to is keep updating there energy sourcing , IE> Solar / wind ect im sure in the coming years wont be dependent on grids.

shreder - August 9, 2022, 9:49 am

(Aug 9, 2022 09:35 AM)BV1 Wrote: [\[CITE\]](#) While OP may be anti-Bitcoin, I don't think the topic that we're discussing is anti-Bitcoin at all. Being aware of, and wary of, your adversaries, even if they aren't currently acting adversarial, is very important.

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I'm pro-bitcoin, me stating the shortcomings is merely to make it stronger.

SIM-1169085 - August 9, 2022, 9:53 am

(Aug 9, 2022 09:17 AM)shreder Wrote: [\[CITE\]](#) There are multiple issues here.

Issue 1:

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The issue isn't with the government or centralization.

I think you have a debatable argument over sustainability though, but ultimately it's not had any effect on the Bitcoin Network. The network stands strong and decentralized still.

The problem here is that the demand for power is exceeding the supply.

Power is so cheap in Texas but when demand rises with no supply so do prices inevitably hurting our Bitcoin miners profitability. We need our miners to be taken care of for the work they're doing and in a sense the state has come in and done just that by paying the miners to stay offline. The state makes a lot of money from miners so essentially they've come into an agreement that benefits them both otherwise we wouldn't have miners in Texas.

The state won't just pay them to stay offline forever though. The plan is for the miners to eventually go back to producing when demand for electric decreases.

Also just wanted to add if the Bitcoin miners did continue the mine during these high usage times.

Prices for electricity would rise for the citizens of the Great state of Texas and the reputation of bitcoin would suffer from the view of the public. I don't think I have to explain why this is bad for the business.

Anyways I believe long term you won't have the same sustainability issues things will get more efficient this is only the beginning.

Omniscient - August 9, 2022, 10:33 am

Miners will go where the electricity is cheap and regulations have minimal impact on business. That's free market. It could moving from one State to another. Or maybe it's moving to El Salvador.

I like Andreas's take on the energy consumption of Bitcoin and free market forces.

Marvelous - September 21, 2022, 11:47 am

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RsGoldKing - September 21, 2022, 11:52 am

isnt mining bitcoin relatively proportional to hashrate, if so then it's good new. That nothing changes :D

SIM-1169085 - September 21, 2022, 12:05 pm

(Sep 21, 2022 11:47 AM)Marvelous Wrote: [\[CITE\]](#) Well at least BTC is decentralized during winter.. for now.

It's decentralized either way.

shredder - September 26, 2022, 11:24 am

(Sep 21, 2022 12:05 PM)Chomies Wrote: [\[CITE\]](#) It's decentralized either way.
Do you mine?

SIM-1169085 - September 26, 2022, 12:35 pm

(Sep 26, 2022 11:24 AM)shredder Wrote: [\[CITE\]](#) Do you mine?
No.