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Canada's Hydro Quebec unable to meet demand from digital currency miners

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MONTREAL (Reuters) - Canada's largest utility, Hydro Quebec, is reviewing its commercial energy strategy after being inundated with demand from global digital currency miners rushing to the province to benefit from political stability and low energy prices.

Hydro Quebec will not have the long-term capacity to meet all the anticipated demand, a company spokesman said, after the utility's potential mining projects more than doubled in a week to 70.

Bitcoin mining consumes large quantities of energy because it uses computers to solve complex math puzzles to validate transactions in the cryptocurrency, which are written to the blockchain, or digital ledger.

The first miner to solve the problem is rewarded in bitcoin and the transaction is added to the blockchain.

Expectations of a crackdown in China, one of the world's biggest sources of cryptocurrency mining, on the sector has made energy-rich Quebec an attractive site for companies, and its chief executive is now receiving queries on his LinkedIn profile.

Bitmain Technologies, operator of some of the largest mining farms in China, is among the companies searching for sites in Quebec. Others include Japan's GMO Internet Inc ([9449.T](#)), but it has not yet taken a decision on whether to start operations in the province, a source familiar with the matter said. A GMO company spokeswoman declined to comment.

"We are receiving dozens of demands each day. This context is prompting us to clearly define our strategy," said Hydro Quebec spokesman Marc-Antoine Pouliot by phone.



"We won't be able to power all the projects that we're receiving," he said, while stressing that Hydro Quebec is not automatically refusing entrepreneurs. "This is evolving very rapidly so we have to be prudent."

Hydro is also keen on attracting data centers, which generate more employment than bitcoin mines.

According to Hydro Quebec, the province estimates it will have an energy surplus equivalent to 100 terawatt hours over the next 10 years. One terawatt hour powers 60,000 homes in Quebec during a year.

A shortage of sites in Quebec with the necessary electric capacity has prompted several entrepreneurs to break down their projects into smaller investments, said Laurent Feral-Pierssens, executive director, emerging technologies at KPMG Canada.

“This is the tip of the iceberg, as only a fraction of the initiatives have reached out to Hydro Quebec yet,” said Feral-Pierssens, who works with digital currency miners that want to open operations in the province.

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