

## Bitcoin Mining, Renewable Energy and ESG – What You Learn Will Surprise You, With Special Guest Ben Kincaid, Founding Partner of Bridger Solutions

Podcast | Bracewell Crypto Bits

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On this episode of Crypto Bits, Ben Kincaid, a founding partner of Bridger Solutions, joins hosts [Seth DuCharme](#) and [David Shargel](#) to discuss crypto mining, including public perceptions and its place in the future of the energy transition.

**I think most of our audience probably has a pretty good grasp on what crypto mining is, but for those who don't, could you give us just a few high-level points?**

Bitcoin, which is what we're mining, and now the industry is going to collapse down into almost only bitcoin, is the cryptocurrency that is mined using what's called a proof of work mechanism. At a high level, what that is, is the use of energy that passes through now purpose-built computer processors distributed, decentralized, all over the world wherever they are attached to electricity in order to secure the monetary network so that what I send to you and what you send to me and then send to a friend or to someone in China that you don't even know, is a real transaction that represents the value that was agreed upon originally. You need energy to do that, which is processing power to cross this huge network of processors which are competing to be the first to secure the latest block of transactions on that ledger. A block of transactions in the bitcoin network happens about every 10 minutes. There's a lot more there in technical aspects, but hopefully that's helpful.

**Can you give us an explanation of when Bridger was launched and why?**

I come from a background in the Foreign Service and spent the last 15 years or so working primarily overseas. I skipped around the North Africa, Central Africa, Middle East, South Asia, and along the way met the two co-founders, Jake and

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John. They were both in the Special Forces community and we were working on a number of projects actually in a couple of different places, first in Afghanistan and then more recently in Africa. When we were working in Africa, we realized that we were all interested, at least at the surface level, in crypto and what was happening in and around that ecosystem I think it was Jake who said then the market just crashed. This is early 2020. He sparked my interest and so I bought two Bitcoin when it was around \$5,000 and really had no idea what this thing was. Maybe it was something that was interesting to watch and then trade. But that is how I dipped my toe in and I pretty quickly got whisked down the crypto bitcoin rabbit hole with lots of weird bumps along the way, exploring other cryptocurrencies.

**A lot of our clients and a lot of the marketplace is focused these days on the concept of ESG, which is the principles and values that reflect an importance on corporations focus on environmental, social or governance issues. What's your view on whether companies can mine or can you expand further on the renewable point and still maintain or advance these ESG goals?**

Bitcoin mining has gotten a bad rap simply because it consumes energy. If you're not convinced that there is an intrinsic value proposition in bitcoin itself that consumes energy, then that's a poor use of energy. But in terms of the market incentives that the bitcoin ecosystem is putting in place around the Bitcoin mining part of the ecosystem, what I strongly believe we're going to see is a quickening of the energy transition away from, not eradicating, but away from and toward renewable energy and renewable energy sources. Bitcoin miners and mining companies are getting squeezed and you can't just plug into anything and make a profit. It's determined in large part by the cost per kilowatt hour, as well as the bitcoin price. What we're seeing unfolding right now is this market incentive to push bitcoin miners to lowest cost energy possible, and that lowest cost energy is almost always renewable energy.

**If you step back from the clear focus and mission that you've identified to try to be successful with what you're doing with Bridger Solutions, do you see particular risks in that landscape that our audience might be interested in?**

It's not an easy time to try to convince folks to invest in crypto and in your projects with all the headlines that are going on. There are snake pits and risks everywhere. But with the collapse of FTX and now that we're learning about what Sam Bankman-Fried was up to all along, it really exposes to the broader world what are the opportunities for fraud and scams in this space.

And essentially, you've got and I'm going to be a little bit provocative and what I'm about to say is maybe not 100% the case, but it's very close. You've got Bitcoin and you've got something like 22,000 other cryptocurrencies. Most of which are what I would call an affinity scam. Then it becomes a Ponzi in most

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cases along the way. This isn't the case with all coins. But I would say it's like 99 percent of those 22,000 other cryptos in the ecosystem.

Have questions about crypto mining? Email [Seth DuCharme](#) and [David Shargel](#).

*The opinions expressed in this podcast are those of the speakers and do not necessarily reflect the viewpoint of their institutions or clients.*