

Virtual Currency Mining Registration with the Public Utility Commission of Texas

September 11, 2024 Carlos Carrasco, Victor Salazar

PRACTICES Energy Regulatory, Energy, Power and Natural Resources

The Public Utility Commission of Texas (Commission) proposed a new rule that would require certain virtual currency mining facilities to register with the Commission. Under the proposed rule, a person operating a virtual currency mining facility must register the facility as a large flexible load, if its load is greater than 75 megawatts (MW) and its interruptible load is 10 percent, or more, of the actual or anticipated annual peak demand of the facility.

If a virtual currency mining facility began receiving retail electric service prior to the effective date of the rule, the facility's operator must register the facility with the Commission no later than Feb. 1, 2025, and renew its registration by March 1 of each calendar year. However, persons operating virtual currency mining facilities that meet the proposed rule's requirements and become operational after the effective date of the proposed rule would be required to register the facility with the Commission no later than one working day after the facility begins receiving retail electric service.

The Commission's proposed rule is a result of the Texas Legislature's adoption of section 39.360 of the Public Utility Regulatory Act (PURA)¹ during the 2023 session of the Legislature. Among other things, the rule requires registrants to provide:

- The registrant's legal business name
- The name of its corporate parents
- The name of its principals
- All business names of the registrant
- The virtual currency mining facility's demand for electricity
- The anticipated peak electric demand from the facility for each year of the five-year period beginning on the date of the facility's registration
- The percentage of the load that is interruptible
- The actual peak load and total power consumption for the prior calendar year
- Whether the facility has on-site backup generation and the nameplate capacity of such backup generation.

Following the proposed rule's adoption, an operator of a virtual currency mining facility may be subject to administrative penalties for failing to register a facility with the Commission.

The public is invited to file comments on the proposed rule by Sept. 26, 2024. A full copy of the rule can be found on the Commission's Interchange under Project No. 56962, *Proposal for Publication of New 16 TAC §25.114*. For more information about the proposed rule, please contact one of the attorneys listed below.

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016 (PURA).