



The intense energy requirements of Bitcoin-use in the city will be met with geothermal and kinetic energy | Photo source Dmitry Demidko on Unsplash

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## GEOTHERMAL ENERGY TO POWER NEW CRYPTOCURRENCY-BASED CITY

GOVERNMENT & DEFENCE

### The zero emissions city will not charge any income, property or municipal taxes

**Spotted:** El Salvador's President Nayib Bukele recently announced the country's plans to build an entirely new urban area based on cryptocurrency Bitcoin. Called Bitcoin City, the planned development will be at the base of the Conchagua volcano. Bordered on the other side by the sea, the coastal location allows for the strategic use of both geothermal and kinetic energy for power and electricity.

The announced plans include using value added tax to pay for the currency issued to the city for its initial build, as well as to fund municipal costs associated with the running of its public infrastructure. The country is investing \$150 million in the cryptocurrency with Bitfinex announced as the exchange that will manage the bonds. Blockchain technology provider Blockstream will issue \$1 billion worth of bonds backed by Bitcoin.

The geothermal energy from the volcano will power both the city itself, and the intense energy demands from using the cryptocurrency in large volumes. The country is already running a pilot Bitcoin mine near another volcano, and recognised the currency as legal tender in September 2021.

Springwise has also spotted other cities, including [Seoul](#), introducing local cryptocurrencies, as well as projects encouraging the use of cryptocurrencies by using them as incentives, like a [browser](#) that pays users with its own version to watch ads.

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## **Takeaway:**

Some have expressed concerns that El Salvador's plans include a lack of transparency around the running of the city, with critics pointing to recent suggestions of potential collusion between the government and several of the country's most powerful gangs. With foreign investment a stated goal of the project, there could be significant risk in local communities being priced out of true participation in the economic growth. Advocates of the plan point to the exciting nature of experimenting with the powers of cryptocurrency and helping the push for its acceptance as a global currency.