

## Sukhumi electricity distribution

For years, Abkhazia has suffered from seasonal blackouts every winter. While the authorities blame cryptocurrency miners, experts say the problem goes much deeper.

Power outages are a winter tradition in Abkhazia. Abkhazia's electricity supply depends on water levels in the hydroelectric power plant on the River Ingur (Enguri), which is jointly managed by Abkhazian and Georgian staff. During winter, these are critically low, as the mountains are covered with snow and very little water reaches the dam.

Every February since 2015, Abkhazian authorities have announced restrictions on energy consumption. In some years the restrictions have lasted a month while in others just a couple of weeks. During such times, the lights can be off for two to four hours a day.

This winter, the situation has escalated.

In early December, power lines, transformers, and electrical systems throughout Abkhazia began to burn out as the grid became overloaded. In early December, half of Sukhum (Sukhumi), Abkhazia's capital and largest city, was left without electricity after the equipment at one substation caught fire.

"The reason for this is the network load due to the illegal connection of equipment for mining cryptocurrencies", says Ruslan Kvarchiya, director of operational and technological management at state power distribution firm Chernomorenergo.

As the system burnt, intermittent restrictions were immediately introduced throughout Abkhazia for six hours a day. In parallel, the authorities began investigating illegal connections to the power grid.

Cryptocurrency mines have become the largest consumers of electricity in Abkhazia. The authorities, aware of the problem, banned large-scale mines back in 2016 leading them to simply connect to the grid illegally.

Officers from the Department for Combating Economic Crimes, and even special forces, raided facilities where illegal mining was taking place. But all they could legally do was to switch the devices off and to seal them with a paper seal. As soon as the officers leave, the mining resumes.

Abkhazian President Aslan Bzhaniya has put forward a new draft law to put a stop to this cat-and-mouse game. The bill provides penalties of ?1 million-?5 million (\$13,000-\$67,000) for illegal use of electricity. The bill would criminalise the theft of more than a megawatt of electricity and allow for the confiscation of mining equipment if it were reconnected to the grid.



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The law passed its first reading in parliament on 2 February and will be finalised in its second reading.

"If it wasn't for the fact that Russia supplies Abkhazia with energy, there would be no hunt for miners", the owner of one small cryptomine who asked to remain anonymous, told OC Media.

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