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On the way to greener paths?

Chia Farming as an alternative blockchain technology

Frankfurt, October 2021. What if there were resource-saving alternatives to the most popular solutions in information technology today? To put it simply, this would open more doors for more sustainable action. Blockchain is undoubtedly one of those technologies that everyone is currently talking about. It is often based on so-called mining, which is very computationally intensive and relies on special and expensive hardware components with high energy consumption. "In contrast, chia farming, as a new blockchain technology, is characterised by more ecological features. Instead of power-intensive CPU or GPU calculations, chia farming primarily uses hard disk storage as a validation mechanism for blockchain transactions," Jerome Evans, founder and CEO of firstcolo and diva-e Datacenters GmbH, describes the green alternative. "In addition, Chia farming sets itself apart in that any free disk space can become a node of the network - which in turn leads to much greater decentralisation." The most prominent new cryptocurrency that takes advantage of these farming benefits is called Chia.

The crux: resources

Bitcoin has established itself as probably the most well-known cryptocurrency. Within this concept and in the context of mining the proof of work mechanism is used to validate and generate new blocks and transactions. In the process, miners solve increasingly complex computational tasks, so-called block challenges, with the help of computing power. "The consequence: With every Bitcoin mined, the energy demand increases. In combination with the effort required for the large number of transactions, the energy costs reach unimaginable heights," the blockchain expert explains. Annually, the consumption of Bitcoin miners is over 100 terawatt hours, which is over a hundred times higher than that of Chia. In contrast to Bitcoin, the new cryptocurrency works differently and relies on the previously described storage space instead of computing power - Proof of Space is the name of the concept. "This gives anyone the opportunity to get hold of digital coins by adding free capacity to Chia's storage network. These are then used to create new storage plots. In a nutshell, this means that everyone who provides storage has a share in Chia's success," the CEO adds. Because of this feature, Chia is often talked about as a democratic alternative to Bitcoin. But how does it look like in reality?

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Time is a factor

In fact, providing storage space allows anyone to receive Chia in return. Nevertheless, the fewer terabytes interested parties can contribute, the longer they have to wait on average for their earnings - with only one terabyte, the average waiting time quickly reaches a two-figure period of years. "That's why the term 'democratic' lags a bit, because not everyone has the same opportunities. Large crypto farms provide gigantic amounts of storage, take the cryptocurrency and thus extend the average waiting period for the rest of the interested parties," Evans cautions. "Alternatively, smaller farmers, even without a high investment, can join a so-called pool. Here, each member receives a secure payout, which is based on the amount of storage provided. Because of the storage required as a counterpart, however, hard disks play a major role. These are much cheaper than high-performance processors and therefore interesting for a larger number of end users. This is why Chia will become more relevant in the future," he adds. Since the used systems also require much less electricity than those for mining conventional cryptocurrencies, they cause less costs overall and can be described as more ecological - in other words, on the way to greener paths.

Further information about diva-e Datacenters GmbH can be found under first-colo.net.

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As an operator of data centres in Germany, firstcolo, based in Frankfurt am Main, provides its customers with the highest level of service quality. In addition to classic colocation and the rental of server systems, firstcolo's range of services also includes storage-on-demand solutions, backup solutions and cloud services. firstcolo is part of the diva-e Group, which, as the leading transactional experience partner in Germany, has over 20 years of industry expertise in the digital world. Around 800 diva-e Group employees in 13 offices in 8 different locations take care of the needs of the wide-ranging customer base, which includes a large pool of industries from technology, retail and healthcare. In addition to large and well-known companies such as FC Bayern Munich, Siemens, Mister Spex, Audi or Sky, many other renowned customers are among them.