



Forget Bitcoin: Dogecoin, Ethereum, and Cardano Have Lower Mining Costs!

Description

The cryptocurrency markets have taken a beating after Elon Musk tweeted about Bitcoin's high mining costs. The price of one Bitcoin has fallen by 30% at the time of writing. Comparatively, Ethereum, which is the second-largest cryptocurrency in terms of market cap, is also down 25% from all-time highs.

Musk had tweeted, "We are concerned about rapidly increasing use of fossil fuels for Bitcoin mining and transactions, especially coal, which has the worst emissions of any fuel. Cryptocurrency is a good idea on many levels and we believe it has a promising future, but this cannot come at great cost to the environment."

In early 2021, Musk announced **Tesla** bought \$1.5 billion worth of Bitcoin, and it will use the digital currency as a mode of payment. Last week, the mercurial CEO asked his **Twitter** followers if the company should accept Dogecoin as payments instead. In a regulatory filing, Tesla also disclosed it sold 10% of its Bitcoin holdings.

Does this mean Tesla will now look at other cryptocurrencies as a mode of payment for its vehicles? Let's take a look at a few of them that have a lower mining cost compared to Bitcoin.

Ethereum consumes 62.56 kilowatt hours per transaction

Bitcoin uses 707 kilowatt hours (kwh) per transaction. Comparatively, this figure for Ethereum is 62.56. The cryptocurrencies with the lowest kwh per transaction are as follows:

- **Ripple:** Known as the real-time gross settlement system, Ripple is basically a currency exchange and remittance network. It has gained popularity with banks and several financial institutions, which has increased its market cap to \$54 billion. Ripple uses just 0.0079 kwh per transaction.
- **Dogecoin:** Created as a meme currency, [Dogecoin](#) is now the fifth-largest digital currency in the world with a market cap of \$62.2 billion. This crypto is up a staggering 24,000% in the past year. Dogecoin uses 0.12 kwh per transaction
- **Cardano:** A little-known cryptocurrency, Cardano consumes 0.5479 kwh per transaction. It's a proof-of-stake (PoS) blockchain platform that operates on its network called ADA, which can be used for direct value transfer. This cryptocurrency aims to resolve issues that face blockchain

adoption that include interoperability and scalability via the development of design principles.

Cardano is a PoS blockchain, which means it uses a fraction of the mining power compared to proof of work blockchains such as Bitcoin. In the last week, Cardano has gained over 20% in market cap and is now the fourth-largest digital currency.

Recently, Revuto, a start-up that operates in the blockchain space, [concluded a \\$1.7 million private round](#) to deliver subscription payments on Cardano. It is the first decentralized application to launch on the Cardano blockchain and is likely to demonstrate Revuto's network ability to support high transaction volumes at a low cost. Multiple blockchain investors participated in the round which was led by BlackDragon VC.

The Foolish takeaway

While the prices of Bitcoin have fallen rapidly in the last week, volatility is something that has always been associated with cryptocurrencies. The massive influx of institutional investments in the crypto space is expected to drive widespread adoption of this asset class in the upcoming decade.

If you are a Canadian investor looking to enter this highly disruptive space, you can purchase ETFs such as **Purpose Bitcoin ETF** and **CI Galaxy Ethereum ETF**; they will give you exposure to the two largest cryptocurrencies in the world. However, it is advisable to invest as much as you can afford to lose due to the lack of regulation and tremendous volatility surrounding this space.

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