

Green credentials lift Ethereum prices

The price of Ethereum has jumped 10% to recover to its highest level in two months after the [cryptocurrency](#) announced testing work was under way to make using the [coin](#) more efficient.

The move, scheduled for September, will see the digital asset transfer from what's known as a proof-of-work to a proof-of-stake mechanism, which consumes less energy and is set to make using the coin much cheaper.

The announcement has enthused environmentally conscious investors as pressure grows on the [crypto](#) world to bolster its [ESG](#) credentials, amid a jump in energy prices that has sent crypto mining costs soaring.

In July, US firm [Compass Mining was forced to fire 15% of its workforce](#) and slash executive pay by 50% as part of a package of cost-cutting measures to "recalibrate" because of the "recent market downturn and anticipated future market conditions."

Global [Bitcoin](#) mining, which continues to use an energy-intensive proof-of-work mechanism, consumes more electricity than the entire population of Argentina, racking up an estimated 150 terawatt-hours per year according to estimates from the University of Cambridge.

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Last year, Tesla boss Elon Musk announced it would stop accepting Bitcoin as payment after the billionaire said mining the coins consumes too much fossil fuel-generated electricity. Musk has since expressed his support for using Dogecoin.

Despite the gains, the Ethereum price remains 45% down on the start of the year. It has a total market cap of £187 billion, well down from a peak of £450 billion in November 2021.