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Will Ethereum Merge Delay Affect NFTs?

Ethereum Merge, or Ethereum 2.0, has been delayed once again. According to Ethereum developer Tim Beiko, [The Merge is unlikely to happen in June, but it could be a few months after June](#). In the tweet, he emphasizes that we are definitely in the final chapter of Ethereum Proof of Work.

This announcement generated mixed reactions from the community. Miners, on one hand, would like more time to mine more ETH. Twitter user and ETH miner @TripleSack wants to know if the miners will be left out to dry as The Merge approaches. As a response, Tim strongly suggested that the miner should not invest in any more equipment at this point. On the other hand, there are many stakeholders that remain bullish and anticipate the Ethereum 2.0 launch.

What Exactly Is Ethereum Merge?

Ethereum is currently one of the largest blockchain networks, and is also home to tons of blockchain projects. This includes DeFi protocols, games, metaverse projects, and of course, NFTs.

However, the [PoW](#) consensus mechanism has gathered many criticisms over the years, one being the environmental impact of mining ETH. According to Digiconomist, Ethereum's current footprint is equivalent to the Netherlands' entire energy consumption. This is clearly not sustainable.

The Merge was previously known as 'The Docking'. It essentially refers to merging the current Ethereum Mainnet with the beacon chain proof-of-stake system. When it finally merges, there will be a full transition from the existing PoW system to a PoS system.

Consequently, it eliminates the need for energy-intensive mining, and instead secures the network

using staked ETH. Also, it will significantly reduce ETH issuance, where ETH becomes net deflationary. As of now, it is set to be around Q3/Q4 2022.

While many blockchain projects start with PoS right off the bat, Ethereum needs to incorporate its full history into the new system. Therefore, the team is working hard to establish a safe merge, instead of a quick merge. The latest merge testnet, Kiln, is already live, where Uniswap, Blockdaemon, and others have started testing efforts. There were several implementation issues during the PoS transition, which is part of the reason for the delay.



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Stepping Forward

Nevertheless, The Merge is only the beginning of this transition. After Ethereum 2.0 is live, withdrawing staked ETH will temporarily be halted. In addition, planning efforts for 'Shanghai', the next Ethereum update, are ramping up.

Sadly, Ethereum gas fees will continue to be an issue for NFT enthusiasts even in Ethereum 2.0. Although, 'Shanghai' may include a reduction in Layer 2 gas fees, which comes from the amortized gas costs of L1 data storage.

As a side note, if you're looking for an in-person meetup, the team is in Amsterdam for Devconnect next week.