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## Guide: Something You Need to Know About Ethereum Gas

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<https://www.btcc.com/en-US/academy/crypto-basics/guide-something-you-need-to-know-about-ethereum-gas>

Over time, NFTs have become more and more popular. It is more important than ever to understand their construction and functionality. Opensea is one of the most popular NFT markets. Its users and transaction volume are increasing throughout 2021 and continue to increase in 2022. NFT space is still growing because most people don't know what NFT is, but the activity of the community is disproportionate. Today, most NFTs are created on the [Ethereum](#) blockchain and are known for a very common and frustrating defect, namely gas costs.



### Have You Heard of Ethereum Gas Fee

Ethereum gas fee is the transfer fee required to complete a transaction on the Ethereum blockchain. Each transaction has a block containing data. Only a limited amount of data can be processed within the block, so miners must choose which transactions they process first.

As Ethereum is a decentralized blockchain, it relies on many servers or computers around the world to provide the necessary level of computing power to complete transactions. The cost is not always the same because it depends on supply and demand.

Miners are people who provide the necessary computing power for Ethereum blockchain. At the same time, they set the price of gas charges according to the cost of providing services. The more data a contract or transaction has, the higher its gas cost, because it requires more computing power to execute.

The existence of gas charges is to improve the security of each transaction. While low gas charges mean cheaper prices for users, they also mean lower security because it is easier for external actors to manipulate the blockchain. The gas fee is paid in Ethereum's native currency Ethereum (ETH). Gas prices are expressed in Gwei. Each Gwei equals 0.000000001 eth.



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## Why is Ethereum Gas So Expensive?

Ethereum gas prices depend on demand. The more people use applications built on Ethereum, the more they need the miners' computing power to execute contracts.

This is because the more people you use, the more data you need to process. This bodes well for Ethereum because it means a lot of interest, but it will also become expensive for ordinary users who want to complete the transaction.

The standard limit of Ethereum transaction gas fee is 21000 grams. For more complex transactions, such as smart contracts, the cost will be higher.

If you want your deal to be completed faster by miners, you can add gas. The amount of unused gas will be returned to you by Ethereum.

However, if you set it too low, your transaction may be rejected and lose your eth. Users can also set the maximum amount of gas they are willing to pay, and they can also tip miners.

## Difference Between Etheruem Gas Fee and Bitcoin Gas Fee

Both Ethereum and bitcoin are built on the blockchain. Since the blocks in the blockchain can only hold a specific amount of data, miners choose the blocks they want to process according to their rewards and priorities.

The cost of bitcoin congestion will also increase. If there is a shortage of miners or increased activities, the cost will rise. This has happened in both Ethereum and bitcoin in the past. Different solutions have been proposed.

Bitcoin's lightning network is an example. Lightning network is a layer 2 protocol designed to

increase the number of transactions that bitcoin can handle so that its cost will be lower. The gas cost of Ethereum also depends on the amount of network processing, but because Ethereum blockchain is established as a platform for multiple use cases, the data to be processed is diverse and large. Ethereum plans to overcome this problem through eth 2.0, which is a major upgrade of Ethereum's working method.