

From: Amy R [REDACTED]
To: [CZA, Program \(MailBox Resources\)](#)
Cc: [REDACTED]
Subject: Public Comment: Starwood Digital Ventures Request for Status Decision DNREC Notice No. CCE20250425
Date: Monday, January 12, 2026 1:14:23 PM
Attachments: [REDACTED]

January 12, 2026

To: CZA_Program@delaware.gov

From: Amy R [REDACTED]
[REDACTED]

Re: Starwood Digital Ventures Request for Status Decision
DNREC Notice No. CCE20250425

The Application for a Coastal Zone Act Status Decision submitted to DNREC for Project Washington, Starwood Digital Ventures, describes a **project that is prohibited by Title 7 Admin Code 101 Regulations Governing Delaware's Coastal Zone** for the following reasons:

1. The application is incomplete because it does not directly delineate the square acreage of the tank farm needed for this project. The application does not include a description of the footprint required to accommodate the 516 diesel fuel tanks, even though the size of the tank farm is critical to the Secretary's ability to make a decision on the applicability of the Coastal Zone Act to the project. The issue of the size of the tank farm required for this project must instead be inferred through calculation.

Page 9 of the application describes the "core functions of the data center campus" as activities that are "uses not regulated", according to Section 5 of Coastal Zone Act Regulations. The list provided includes "5.1.2 Warehouses or other storage facilities, not including tank farms." The planned 516 double-walled 5,020-gallon diesel fuel belly tanks with a footprint of 12' x 39.5' are omitted from this description in a manner that obfuscates the required infrastructure and appears to be intentionally misleading.

Without a complete application, that is clear on the required infrastructure, the Secretary is unable to make the determination that is required under the law. This application for status decision should therefore be rejected by the Secretary as incomplete.

2. The project is prohibited because the application describes a project that would exceed the maximum permissible 5 acres tank farm, and therefore constitutes a new heavy industry use.

The application describes the intent to install 516 double-walled 5,020-gallon diesel fuel

belly tanks with a footprint of 12' x 39.5' (page 13). Each tank will therefore require 474 sq ft; 516 tanks will require 244,584 sq ft, which, at 43,560 sq ft/acre, is 5.6 acres. This does not include any space between the tanks, including service roads, nor any protected margin or safety barriers around the assembled tanks.

CZA Regulations prohibit tank farms that are greater than 5 acres in size as a new heavy industry use:

§ 4.9 Any new tank farm greater than 5 acres in size not associated with a manufacturing use is prohibited as a new heavy industry use.

Title 7 Delaware Code Chapter 70 Coastal Zone Act prohibits “the construction of a new heavy industry in its coastal areas beyond the heavy industry use sites defined in this chapter.” The application must therefore determine that this project is prohibited in the Coastal Zone because the application describes a new heavy industry use.

3. CZA Regulations are not adequate to assess the status decisions application because regulations do not define a tank farm, and therefore do not enable the Secretary to make a determination on how to define a tank farm as contiguous or non-contiguous. CZA Regulations do not require any tank farm to be contiguous for the prohibitions to apply. There is no location in the Delaware Code nor any DNREC Regulations that require tank farms to be contiguous in order to be regulated (Title 7 Admin Code 1351 and 1352, and Title 7 Del Code Ch 74 and 74A). Even if these tanks are distributed across the site, their cumulative size described in the application will exceed the maximum permissible size in CZA Regulations.

In order for the Secretary to make a full determination on the status decision that is not arbitrary or capricious, the CZA regulations must be amended to define a tank farm, and to make a determination on whether tank farms are able to include contiguous or non-contiguous tanks. Without such a specification in regulations, the Secretary must accept that non-contiguous tanks are acceptable as a tank farm, and reject the project as a new heavy industry use.

4. The application describes a non-manufacturing use. Without an associated manufacturing use, a tank farm greater than 5 acres is prohibited. § 4.9 of the CZA Regulations only allow new tank farms greater than 5 acres in size that are associated with a manufacturing use. The application repeatedly states that the site will not include manufacturing as defined under the Coastal Zone Act. As a result, the use is prohibited.

Denial of the project as manufacturing is stated in the application in the following locations:

Page 7: “Proposed activities at the site do not include manufacturing or

transformation of substances into new products as defined under the Coastal Zone Act.”

Page 8: “4.5 Will the proposed project meet the following definition of “Manufacturing” as found in the Coastal Zone Act: “Manufacturing means the mechanical or chemical transformation of organic or inorganic substances into new products, characteristically using power driven machines and materials handling equipment, and including establishments engaged in assembling component parts of manufactured products, provided the new product is not a structure or other fixed improvement.”

Yes

No ”

Page 8: “The proposed data center is a new, specialized technology facility that will not manufacture any products and there are currently no existing manufacturing operations at the location. There will be no mechanical or chemical transformation of organic or inorganic substances into new products at the data center and no assembly of component parts into manufactured products. Data that is stored in systems at the facility will be conveyed, securely and efficiently, through networks to businesses and organizations to support mission critical operations and various 8 applications within the digital economy.”

5. CZA Regulations are not adequate to assess the status decisions application, as they do not adequately define when back-up emergency and stand-by power generation for emergency needs fulfills the requirements of a non-regulated use.

The application describes “Emergency generators will be operated only in the case of required maintenance and testing and emergency to assure that operations are maintained during periods of power loss” (page 9). However, Coastal Zone Act Regulations describe backup power generation as a “Use Not Regulated” only under the following conditions.:

5.1.8 Back-up emergency and stand-by source of power generation to adequately accommodate emergency industry needs when outside supply fails.

DNREC regulations do not adequately define how to interpret “when outside supply fails.” Does this mean a total blackout? Does this mean when power supply is variable and unable to provide the 100% reliability that is required by the data center? The circumstances under which supply failure occurs has tremendous implications for the Coastal Zone and is critical to understanding the applicability of this provision and should therefore be defined in CZA Regulations.

In summary, I ask the Secretary to either fully reject the application for status

decision as incomplete for its failure to describe the full size required for the tank farm, or to determine that the project is a new heavy industry prohibited in the Coastal Zone because the project (1) contains a tank farm greater than 5 acres, (2) does not include a manufacturing use to render the tank farm permissible, and (3) is misleading about the tank farm. In addition, I ask the Secretary to promulgate changes to the Coastal Zone Act that define “tank farm” and “when outside supply fails.”