

APPLICATION TO THE DEPARTMENT OF NATURAL RESOURCES AND
ENVIRONMENTAL CONTROL FROM STARWOOD DIGITAL VENTURES FOR A
STATUS DECISION REGARDING PROJECT CZA-448SD TO DETERMINE
APPLICABILITY OF THE COASTAL ZONE ACT TO THIS PROJECT SUBMITTED BY:
PEGGY S [REDACTED], [REDACTED] JANUARY
2026

[REDACTED]

The League believes that the Starwood project is not only subject to the requirements of the Coastal Zone Act (CZA), but that, in several instances, it appears to be in violation of this Act. We believe DNREC should find this project, due to its heavy industrial characteristics, to be a heavy industrial use. At a minimum, it must be a regulated industry. In 1971 when the CZA was voted into law data centers didn't exist at **remotely** the scale that we see them today. Yet, though the CZA says nothing about data centers, it is very clear that environmental safeguards and economic impact are essential elements of CZA implementation and must be carefully considered when evaluating this greatly expanded industry. The spirit and intent of the CZA must be considered in evaluating any technology not in wide use at the time the law was enacted.

The "Purpose" of the CZA succinctly shares the law's spirit and intent: **"It is, therefore, the declared public policy of the State to control the location, extent and type of industrial development in Delaware's coastal areas. In so doing, the State can better protect the natural environment of its bay and coastal areas and safeguard their use primarily for recreation and tourism. Specifically, this chapter seeks to prohibit the construction of new heavy industry in its coastal areas beyond the heavy industry use sites defined in this chapter."** We believe that Project Washington is a heavy industry.

We find that at least five aspects of the Starwood project are problematic in terms of the CZA and merit a careful review by the Department.

1. Excessive harmful air emissions from the backup diesel threaten the health of neighboring residents.
2. Noise associated with data centers has the potential to harm people both physically and mentally.

3. Particular caution must be exercised regarding the wetlands on the site, because they are already in a degraded state.
4. The project's immense size, including a need for 1.2 GW electrical capacity, will not only cause such use to trigger higher rates for the area's ratepayers, but it will also exacerbate an electricity shortage already identified by the grid manager. Because ratepayer costs are projected to climb as a result of the data center, "economic issues" come into play.
5. Several features of the data center lead one to the logical conclusion that it is a "heavy industry," and therefore not permitted in the coastal zone.

Harmful emissions

The CZA, in Section 7004, specifically requires that various air pollutants that may result from the proposed activity be considered..

The applicant says that emissions of particulate matter from testing of the diesel engine backup power are 2,000 lbs. per day and .99 tons per year.¹. If one were to compute the worst case scenario required by the EPA, at 500 hours of usage, the result would be 25 tons of PM1.25 emissions per year..²

The World Health Organization sets a limit of annual average concentrations of PM2.5 that should not exceed 5 miligrams/m³, while 24-hour average exposures should not exceed 15 miligrams/m³ more than 3 - 4 days per year.³ The WHO says that "fine particulate matter of 2.5 micrometres or less in diameter, is the most dangerous pollutant because it can penetrate the lung barrier and enter the blood system, causing cardiovascular and respiratory disease and cancers. It affects more people than other pollutants and has health impacts even at very low concentrations."

Alan Greenglass, Delaware MD and head of the Mid-Atlantic Alliance of Climate and Health, told the author in an email: "When it comes to human health there is no safe level of PM2.5 exposure. While levels are now much lower than 30 years ago they are still causing more suffering from asthma, heart disease, pregnancy complications, and even worsened outcomes from Covid. And if we again increase fossil fuel use to meet electricity and transportation needs we will only cause more PM2.5 and more bad health problems."⁴

¹ Project Washington, Starwood Digital Ventures, "Application for a Coastal Zone Act Status Decision," October 30, 2025. <https://documents.dnrec.delaware.gov/Admin/Public-Notices/CCE20250425/status-decision-application.pdf>

² Glesen, Greg, "How bad are power outages in Delaware? Here's where one study ranks the First State," *News Journal*, August 17, 2025. <https://www.delawareonline.com/story/news/2025/08/17/how-bad-are-power-outages-in-delaware/85655766007/#>

³ World Health Organization. "Air Quality Guidelines." September 2021.

WHO Air Quality Guidelines, September 2021.
[https://www.c40knowledgehub.org/s/article/WHO-Air-Quality-Guidelines?language=en_US#:~:text=The WHO air quality guideline \(AQG\) states,ug/m annual mean, 25 ug/m 24-hour mean](https://www.c40knowledgehub.org/s/article/WHO-Air-Quality-Guidelines?language=en_US#:~:text=The%20WHO%20air%20quality%20guideline%20(AQG)%20states,%20ug/m%20annual%20mean,%2025%20ug/m%2024-hour%20mean)

⁴ Greenglass, Alan, private email, January 12, 2026.

It is not known the precise level of PM2.5 that would reach nearby neighborhoods from the proposed data center, though it would be altogether appropriate for DNREC to explore this data prior to giving Starwood a “pass” on its possibility of a pollutant widely known to be unusually harmful to human health.

Other harmful emissions noted in the application include:

- Nox (25 tons/year)
- CO (17 tons/year)

These emissions would, of course, be greatly multiplied were there to be an extended blackout, due either to extreme weather (increasing as climate change worsens), or to energy shortages, likely to occur due to scarcity of energy generation on the grid. This latter possibility is not considered on the application.

Noise Pollution

The CZA, in Section 7004, specifically requires that various noise pollutants that may result from the proposed activity be considered..

There are two types of unwanted noise associated with data centers.

One is the data center’s continual low hum, emitted 24/7 from the cooling operations. Though not always physically harmful to nearby residents, it is often reported as deleterious to their quality of life.⁵ A journalist inquiring in a Loudoun County, VA, neighborhood, found similar results.⁶ Sleep is disrupted and stress and even heart disease can follow from exposure to a constant noise, according to the Center for Disease Control.⁷

Another sound culprit is the low range of noise from data centers. Information supplied by the applicant says that testing of the backup diesel motors will be about 20 hours per year. The units are rated at 70 decibels from 23 feet at any point. They say that this is roughly comparable to the amount of noise coming from a vacuum cleaner or from a gasoline-powered car driving at 60 miles per hour. These figures put the data center operations within legal limits, but misleading, given that sound testing of this sort usually filters out low (and high) sounds because most people are not sensitive to sound in

⁵ Joint Legislative Audit and Review Commission, “Data Centers in Virginia,” 2023. <https://jlarc.virginia.gov/landing-2024-data-centers-in-virginia.asp>

⁶ WUSA9, “What’s All the Data Center Noise About?” April 7, 2023. <https://www.wusa9.com/article/news/verify/verify-whats-all-the-data-center-noise-about/65-0a695ecf-9eac-44bc-93f8-9fd7f4bbfd88>

⁷ Center for Disease Control, “Too Loud! Too Long!”, February 2017. <https://www.cdc.gov/vitalsigns/pdf/2017-02-vitalsigns.pdf>

these ranges.⁸ Roughly 2.5% of the population has a severe aversion to low sounds; this percentage is usually ignored when decisions are made regarding the permitting of commercial activity in the low ranges, according to the same source.

Watershed and Wetlands Context Requires Heightened Scrutiny

The project site is in the Red Lion watershed. DNREC's own wetland condition reporting states: "Overall, the Red Lion watershed's wetlands received a D+ for their health score," citing common stressors including buffer disturbances from agriculture, roads, and development.⁹

Delaware has also adopted a Total Maximum Daily Load regulation for the Red Lion Creek watershed, requiring reductions in nonpoint nitrogen, phosphorus, and enterococcus loads.¹⁰

These published baseline conditions matter because they support a common-sense conclusion: DNREC should not treat stormwater, wetland buffers, and incremental degradation as secondary issues. In a degraded watershed with established pollutant-load reduction obligations, DNREC should require quantified stormwater performance, enforceable long-term operations/maintenance, and monitoring sufficient to avoid further degradation and to prevent any net increase in pollutant loading to Red Lion Creek and associated wetlands.

Immense scale of the project suggests that Project Washington is "heavy industry"

Section 7003 prohibits heavy industry: "heavy industry uses of any kind not in operation on June 28, 1971, are prohibited in the coastal zone." Project

Washington will need 1.2 GW of electrical energy to keep its operations going. 1.2 GW is the capacity of the *upper end* of the size for which DNREC is allowed to pursue an offshore wind project for Delaware. At winter peak, the state of Delaware uses only double that amount, at 2.4 GW.¹¹ Marcus Beal, Vice President of Governmental and External Affairs, Delmarva, said that last winter Delmarva was just one failure from curtailment. He said that was the closest Delmarva had come to curtailment in ten years.¹² Yet, with such a meager store, Delmarva is expected to add 50% additional energy output?! Whether or not there is enough energy to power Project Washington is not a concern of the Coastal Zone Act. What *does* concern the Act is the magnitude of

⁸ Leventhal, H.G. "Low Frequency Noise and Annoyance," April-June 2004, Noise and Health. https://journals.lww.com/nohe/fulltext/2004/06230/low_frequency_noise_and_annoynce.6.aspx#:~:text=An approximate estimate is that group which generates many complaints

⁹ 2020 Red Lion Watershed Wetland Health Report Card

<https://documents.dnrec.delaware.gov/Admin/DelawareWetlands/Documents/RedLionWatershed/RedLionReportCardfinal.pdf>

¹⁰ Administrative Code, Title 7, DNREC. <https://regulations.delaware.gov/AdminCode/title7/7424>

¹¹ Hansen, Sen. Stephanie, Remarks at Spotlight Delaware Conference, January 7, 2026.

¹² Beal, Marcus, Remarks at Spotlight Delaware Conference, January 7, 2026.

the scale of this project; this sheer immensity alone suggests that the data center is heavy industry, and, as heavy industry, it is not allowed to build in the coastal zone.

Additional aspects of a “heavy industry” size include:

- a 6.1 million ft. sq. footprint, or the equivalent of about 106 football fields.
- 11 data-center buildings.
- 504 diesel generators and 12 house generators (totaling 516)

The attorney general of Kentucky has declared data centers to be “industrial buildings.”¹³ In Kosciusko Co., Indiana, data centers have been ruled “heavy industrial.”¹⁴ Williams County, N. Dakota says that data centers are “heavy industry.”¹⁵ Adams County, Nebraska, says that data centers are “industrial.”¹⁶

Economic issues

Section 7004 requires that economic issues be considered in deciding if a project should be located in the coastal zone. In addition to the significant energy consumption, the data center will result in a substantial increase in ratepayer costs. These increased costs will be a result of data center operation and infrastructure improvements, confirmed by examination of rate increases associated with data centers already in operation. Ratepayer costs will rise for two reasons: The enormous increase in electricity traveling along the wires will require additional poles, additional substations, etc. Furthermore, when electricity gets scarce, the prices rise, not only for the data center, but also for the homeowner.¹⁷ Due to the influx of data centers, in Ohio, monthly rates have risen by \$16 per month, and by \$18 a month in western Maryland.¹⁸ The Pew Center, responsible for this data, refers to a study by Carnegie-Mellon University that estimates that data centers could increase the average central and northern Virginia electricity bill by 25% by 2030. Assuming an average additional electricity cost at the low end of these estimates, say \$16, and 344,000 Delaware

¹³ Gerstner, Grant, “Data centers qualify as industrial buildings, attorney general says,” The Oldham Era, September 10, 2025. https://www.pmg-ky1.com/oldham_era/news/data-centers-qualify-as-industrial-buildings-attorney-general-says/article_d8219e59-63ca-53b5-b03c-e16d68bfe0a5.html#

¹⁴ Adkins, Liz, “County APC Approves Adding Data Centers To Zoning Ordinance,” Inkfree News, February 5, 2025. https://www.inkfreenews.com/2025/02/05/county-apc-approves-adding-data-centers-to-zoning-ordinance/?utm_source=chatgpt.com

¹⁵ Williams County Board of Commissioners, Ordinance No. 2024-01-02 https://ndlegis.gov/assembly/69-2025/testimony/HIBL-1239-20250128-30588-A-HYMER_KAMERON.pdf

¹⁶ Resolution No. 2123-08-15-03. <https://adamscountyne.gov/images/PDFS/PlanningZoning/DataCenterRes.pdf>

¹⁷ Reed, Rachel, “How Data Centers May Lead to Higher Electricity Bills,” Harvard Law Today, September 21, 2025. <https://hls.harvard.edu/today/how-data-centers-may-lead-to-higher-electricity-bills/#:~:text=Peskoe>: There are two ways, that are paid by everyone.

¹⁸ Leppert, Rebecca, “What we know about energy use at U.S. data centers amid the AI boom,” Pew Research Center,” October 24, 2025. <https://www.pewresearch.org/short-reads/2025/10/24/what-we-know-about-energy-use-at-us-data-centers-amid-the-ai-boom/#how-could-data-centers-affect-americans-electricity-bills>

Delmarva customers,¹⁹ in just one month Delawareans would pay \$5,504,000 in *additional* rates. Many would say that this \$5 million+ monthly price tag gives the current application for a status decision a clear economic significance.

The fact that the legislature could not have contemplated the current magnitude of data centers when the CZA was enacted does not exempt data centers from regulation consistent with the statute's spirit and intent. Extensive legal records document numerous AI applications that were entirely unforeseen when the governing statutes were originally enacted.²⁰

We have addressed five problem areas in the application:

1. Excessive harmful air emissions from the backup diesel threaten the health of neighboring residents.
2. Noise associated with data centers has the potential to harm people both physically and mentally.
3. Current degradation of wetlands should not endure further impositions.
4. Because ratepayer costs are projected to climb as a result of the data center, "Economic issues" come into play.
5. The project's immense size, an enormous electricity demand, and a prodigious number of diesel generators lead us to identify the data center as a "heavy industrial" use.

The League of Women Voters of Delaware urges the Secretary of the Delaware Department of Natural Resources and Environmental Control to advance the project to the permitting stage unless and until it determines the proposal is clearly eligible under existing law, and that it recognizes the project's scale and unresolved statutory questions as grounds for heightened scrutiny.

¹⁹ Mueller, Sarah, "'Real, economic pressures': Delmarva Power customers feel the squeeze as electricity and gas rates keep climbing," December 22, 2025 WHYY. <https://whyy.org/articles/delmarva-power-delaware-electricity-gas-utility-bills/#:~:text=The%20energy%20company%20serves%20344,000%20residential%20and%20nonresidential%20customers%20in%20the%20state>

²⁰ Tone, Tyler, "AI is new — the laws that govern it don't have to be," The Fire, March 28, 2025. <https://www.thefire.org/news/ai-new-laws-govern-it-dont-have-be#:~:text=The%20application%20of%20existing%20laws,%22undertook%20the%20violative%20act.%22>