From: Mike W[redacted]
To: CZA, Program (MailBox Resources)
Cc: [redacted]
Subject: Project CZA-448SD from Starwood Digital Ventures - Review and Comment
Date: Friday, January 9, 2026 9:49:32 AM
Attachments: [redacted]

We are providing the attached review and comments on the Starwood Digital Ventures "Request for Status Decision" published on Dec. 10, 2025.

Thank you for the opportunity to comment on this potentially precedent-setting proposed project. If you have any questions or need further information concerning our comments please contact:

Michael [redacted] W[redacted], [redacted]
[redacted]

Secretary Greg Patterson
CZA_Program@delaware.gov
Coastal Zone Act Program
Delaware Department of Natural Resources and Environmental Control
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Attention: Coastal Zone Act Program, Delaware Department of Natural Resources and Environmental Control (DNREC)

Re: Opposition to Starwood Digital Ventures Request for CZA Status Decision – New Castle County (Project CZA-448SD)

We submit this public comment in opposition to Project CZA-448SD, the status determination application for Starwood Digital Venture's "Project Washington." We strongly support a finding that this project constitutes a "heavy industry use" and vehemently oppose the applicant's assertion that a 1.2-gigawatt data center campus qualifies as a "non-regulated use" under the Delaware Coastal Zone Act (CZA).

1. The proposed use is not exempt under Coastal Zone Act precedent

Since its inception in 1971, the Coastal Zone Act (CZA), codified at 7 Del. C. Ch. 70, has served as the primary mechanism for balancing the preservation of the state's most sensitive natural resources with the economic pressures of industrial expansion. DNREC precedent requires strict construction of exemptions, particularly in New Castle County, where the Coastal Zone Act has functioned as a critical safeguard against expansion of industrial uses into the coastal zone. Starwood Digital Ventures' proposal represents a new, infrastructure-intensive use, not a continuation of a lawful pre-1971 activity. The application of an 'office building' or 'warehouse' analogy fails as a mischaracterization of the project's physical and environmental reality.

Non-regulated uses are typically reserved for commercial establishments that do not possess the "potential to pollute" at an industrial scale. Project Washington, with a power demand of 1.2 gigawatts (enough to power approximately one million homes) dwarfs any traditional commercial or office development in Delaware's history.

Data centers and related facilities are not listed as exempt uses. Data centers include extensive supporting systems, including:

- **High-voltage electrical transmission and substations**
- **Energy-intensive cooling infrastructure**
- **Large-scale, continuous power consumption**
- **Backup power generation and fuel storage**

Each of these elements independently triggers Coastal Zone Act concerns and defeats any claim of exemption.

2. Statutory alignment with "Heavy Industry Use"

Under 7 Del. C. § 7002(d), a heavy industry use is defined as one characteristically involving more than 20 acres and employing equipment that has the potential to pollute when malfunctions or human errors occur. This proposed industrial facility would transform raw electrical energy and/or diesel fuel into high-value data signals through servers.

- **Physical Scale**: The proposed project encompasses 580 acres, which is 29 times the statutory threshold of 20 acres for heavy industry. For context, this footprint is larger than 12 of the 14 Coastal Zone "grandfathered" sites recognized as heavy industry. It is legally inconsistent to classify a 5.1-acre chemical plant as heavy industry while exempting a 580-acre data center campus.
- **Infrastructure Density**: The application specifies the installation of 516 industrial-scale diesel emergency generators and five massive substations. This is equivalent to a large fossil-fuel power plant. Each of these 3-megawatt (MW) generators is roughly the size of a typical railroad diesel-electric locomotive. Hosting the equivalent of 516 idling or operational locomotives on a single coastal site creates an industrial profile that cannot be reconciled with the definition of an office park.
- **Electrical generation capacity:** The proposal includes electric generation capacity of 1.53 GW. This would be a large utility-scale facility far larger than any back-up industrial power generation envisioned in Delaware coastal regulations. The massive power demand of the proposed facility is likely to result in frequent operation of the back-up generators when an adequate supply of power is unavailable on the commercial grid. Utility-scale power plants are "heavy industry" and are a prohibited use.
- **Tier 4 diesel generators:** It is laudable that the applicant plans to use tier 4 generators which are less polluting than lower tier generators. However, we note that, unlike lower tier generators, tier 4 generators are considered suitable by EPA for prime power generation. In contrast, EPA considers tier 2 and 3 generators to only be suitable for backup or emergency standby power. Therefore, the tier 4 generators might be used more frequently or for longer periods in pseudo-emergencies when commercial power is unavailable at a profitable price.
- **Fuel storage and use**: The applicant will use 516 storage tanks each holding over 5000 gallons of diesel fuel. Thus, the proposed facility includes a large-scale tank farm storing over 2,500,000 gallons of diesel fuel which is a prohibited use within the coastal zone.

3. The "Potential to Pollute" mandate

The CZA requires the Secretary to consider the capacity for a project to cause adverse impacts through air and water pollution, noise, and heat.

- **Atmospheric Impacts:** Filling, testing, and emergency operation of 516 Tier IV diesel generators would release a massive plume of pollutants of concern including diesel vapor and unburnt fuel, nitrogen oxides (NOx), particulate matter (PM2.5), and carbon monoxide (CO). Routine testing of these generators all but ensures that a subset may be operating at any given time.
- **Water Pollution:** The 516 tanks, diesel generators, and associated pumps and pipes create a clear potential to pollute surface and groundwater. This potential exists during normal operations from accidental spills during filling, and leaking generators, pipes, or tanks. This potential to pollute is of special concern during coastal storms due to wind and storm surge events.
- **Hydrological Strain:** The applicant appears to be underestimating their water consumption. The developer's water use claim of 13.5 million gallons per year likely only accounts for the "initial fill-up" and fails to consider the losses from evaporation and blowdown replacement necessary for cooling a 1.2-gigawatt load. Independent estimates suggest the facility would annually consume between 4.35 and 4.75 billion gallons of water. This would threaten the integrity of the Red Lion Watershed, which already carries a distressed D+ rating.
- **Acoustic Pollution:** The cooling systems required for a 1.2-GW load generate low-frequency noise (LFN) that is difficult to attenuate with standard buffers. LFN has been linked to nightmares, migraines, and cardiovascular stress from smaller data center hubs like those in Northern Virginia. This poses a direct risk to the health of residents in nearby communities like Rutledge and Monterey Farms, which are located as close as 500 feet from the facility.
- **Heat:** Water used for cooling is heated and in a closed-loop system can be released in blowdown, leaks and purges. Release of heated water into ecosystems causes adverse impacts to aquatic life.
- **Coastal Storms and Sea Level Rise**: The proposed facility potential to pollute would increase sharply during coastal storms, and this risk is expected to increase over the design life of the project from rising sea level and climate change. These risks have not been addressed by the applicant and may never be considered if the facility is found to be a non-regulated use.

4. Emergency operation

The status decision application and earlier documents submitted to New Castle County fail to account for the impact of the project during emergency operations.

- **Emergency definition:** The applicant fails to specify the conditions under which the diesel generators would be utilized. Would a high price for grid-supplied power trigger an emergency? Specifically, what lack of availability of grid-supplied power constitutes an emergency?
- **Massive Fuel Consumption:** The campus will house a total of 516 industrial-scale diesel generators. According to the manufacturer specifications included in the application, these units have a combined fuel consumption rate of 2.5 million gallons per

day at 100% load. That rate requires complete daily refilling of all 516 diesel storage tanks.

- **Traffic analysis:**The developer's application and previous public meeting presentation assert that data centers generate "*de minimis*" truck traffic and that "very few truck deliveries" are expected during normal operations. Consequently, their minimal traffic analysis in their Status Decision Application and traffic analysis report submitted to New Castle County focused on employee shifts rather than industrial supply chain needs, and their status application only mentions employee shift change traffic impacts. This ignores traffic from operation of standby and emergency power generation.
- **Emergency Logistical Strain:** When commercial power is unavailable or during a sustained grid failure, generators are required to run at full capacity. At full generating capacity without resupply, the onsite fuel supply would be exhausted in approximately 24 hours. The application fails to consider the delivery traffic that would result during full capacity power generation.
- **Tanker traffic:** A standard fuel tanker truck typically carries between 8,000 and 9,000 gallons; based on this, a continuous emergency operation would require at minimum of 278 to 313 heavy tanker daily round trips to the facility to maintain fuel levels.
- **In summary:** The developer's assertion that the facility would be a quiet "office-like" environment, completely overlooks the heavy-industrial logistics, traffic, and air pollution required to keep a 1.2-gigawatt electrical generation system running during a power crisis.

5. Economic effects

The Coastal Zone Act mandates that the Secretary consider the "economic effect" of a proposed use, including its impact on state and local governments. If a project's energy demand results in a net economic loss for the state's residents through higher utility costs, it fails the "correct balance" test established in the Act's purpose. Delaware is currently an "import zone" for electricity, meaning the state's internal generation is insufficient to meet peak demand. The addition of a 1.2-gigawatt load from Project Washington would consume a massive portion of the regional grid capacity managed by PJM Interconnection.

The introduction of such a large load without corresponding increases in generation capacity has several second-order effects:

- **Transmission Congestion:** Increased demand on existing lines can lead to congestion charges that are passed on to all ratepayers.
- **Capacity Auction Costs:** The price of ensuring reliable power for the state is set by PJM auctions; adding 1.2 GW of demand could significantly drive up these costs.
- **Ratepayer Burdens:** Delaware legislators have expressed concern that Delaware families could see electricity bill increases of $60 to $100 per month to subsidize the infrastructure upgrades required for hyperscale data centers.

6. If Not prohibited Outright Then Full Coastal Zone Act Permitting Is Required

If DNREC determines the project is not prohibited outright, it must require full Coastal Zone Act permitting, including:

- **Public notice and a hearing accessible to New Castle County residents;**
- **Evaluation of impacts to air quality, water resources, and climate;**
- **Assessment of energy demand and grid reliability in northern Delaware;**
- **Consideration of secondary and off-site impacts, including transmission and generation requirements.**

A status decision alone cannot lawfully substitute for this level of review.

7. Conclusion

Classifying Project Washington as a non-regulated use would set a dangerous precedent, allowing massive energy-intensive developments to bypass the environmental safeguards (such as Environmental Impact Statements and mandatory offsets) that have protected Delaware's coastal areas since 1971.

It is unreasonable to classify this massive project as anything other than a "Heavy Industrial Use."

The "Environmental Impacts" section of the applicant's Status Decision Application (pages 21-25) is wholly inadequate. At a minimum, a full environmental impact assessment combined with public review and public input is required.

Deploying 516 locomotive-sized generators in the Coastal Zone is not an "office" activity; it is a centralized power-generation and industrial-processing event that demands the highest level of regulatory scrutiny.

Because the "nature and extent" of this project are characteristically industrial, the Secretary must determine that it is a regulated use requiring, at minimum, a Standard Coastal Zone Permit, if not a total prohibition as a new heavy industry.

Thank you for your careful consideration of these comments and for preserving the integrity of the Coastal Zone Act to protect New Castle County's coastal communities and resources.

Sincerely,

Michael [redacted] W[redacted]

Ann [redacted]