

5 December 2025

Open Letter to TeraWulf CEO Paul B. Prager

Dear Mr. Prager,

Cayuga Lake Environmental Action Now (CLEAN) is writing to share local concerns about a proposed TeraWulf data center development at the former Cayuga Power Plant site in the Town of Lansing, New York. This project is a non-starter; you should not attempt to locate it in Tompkins County.

1. Consideration of Alternate Sites

We urge TeraWulf to relocate the proposed data center to one of your existing industrial sites—such as Somerset, NY, or Abernathy, TX—where the necessary infrastructure may already be in place, community opposition is lower, and regulatory obstacles will be less.

2. Environmental Impact and SEQR Requirements

The proposed 183-acre Cayuga site is not zoned for data center use and presents substantial environmental challenges. The parcel is 55% forested, contains 12% wetlands, and includes a 10%–15% slope in the Phase 1 area. The site also carries a long history of industrial contamination. Given present and potential environmental risks at the site, a full Environmental Impact Statement (EIS) under New York’s State Environmental Quality Review Act (SEQR) is both appropriate and necessary. In addition, New York’s recently amended Freshwater Wetlands Act and implementing regulations will likely pose a substantial impediment to the proposed siting of this facility.

3. Contamination and Remediation Concerns

The larger 434-acre Cayuga property includes a 42-acre coal combustion and industrial waste landfill containing toxic metals such as arsenic, chromium, cadmium, mercury and selenium. The SPDES permit does not authorize Cayuga Operating Company to discharge pollution from the coal ash landfill or the associated sedimentation pond into groundwater or to convey pollutants via groundwater into waters of the United States.

The proposed Phase 1 construction area lies immediately downgradient from this unlined landfill and the associated sedimentation pond. Any soil disturbance in this area risks mobilizing contaminants and could create new environmental liabilities requiring significant remediation measures.

4. Community History and Commitment to Legal Protections

Tompkins County has a long, well-documented history of defending environmental and land-use safeguards through legal action when necessary. Past efforts—such as the community’s successful opposition to the Bell Station nuclear project in the 1960s and Crestwood Midstream’s gas storage proposal on Seneca Lake (2015–2018)—demonstrate the seriousness with which residents protect their environment. The 37-year vacancy of the contaminated Ithaca Gun site underscores the consequences of inadequate remediation planning.

As you know, on October 22, 2025, the Town of Lansing Code Enforcement Officer entered an interpretation that data centers are not a permitted use within those parts of the town zoned industrial/research (IR).

Whether or not a variance is granted, there is already strong interest in pursuing an extended political campaign and appropriate legal avenues to prevent this project.

5. Noise and Water-Use Concerns

The analysis of noise data provided to date lacks credibility and does not inspire confidence that noise impacts from the full build-out have been adequately assessed. Similarly, conflicting public statements by TeraWulf officials about water withdrawals or usage—at both the Cayuga and Lake Mariner sites—raise broader doubts about long-term environmental stewardship. The DEC cannot extend a water withdrawal permit when incorrect, misleading data have been submitted.

Despite assurances that only the Fire Department has access to Lake Ontario water at your Lake Mariner facility, water withdrawal records filed with the DEC indicate your Lake Mariner facility withdrew and returned to Lake Ontario 0.95B to 4B gallons of water annually during 2021-2024. Town of Somerset Board minutes indicate you plan to build a new water tower that will be used only during the summer months with all water being returned to the lake. Any TeraWulf data center at a Cayuga site poses unacceptable risks to Cayuga Lake.

6. Corporate Conduct and Community Engagement

Your October 29, 2025, presentation to the Town of Lansing was unfortunate. Your tone was condescending. You singled out two Town Board members in an aggressive manner. You declined to answer questions from a local journalist. Relentless FOIL requests and a we-are-about-to-sue-you posture are off-putting to say the least. Unlike Easton or Barker, we do not roll-over on command in Tompkins County.

Your description of Lansing and Tompkins County as economically depressed was inaccurate. Tompkins County has enjoyed consistent population growth over the past 50 years and currently supports approximately 47,000 jobs—anchored by a robust knowledge-driven economy that includes Cornell University, Ithaca College, Transonic, Incodema3D, and IMR, among others. While you are claiming a TeraWulf data center would create 100 full-time jobs, we note that your Lake Mariner facility reportedly employed [only 22 people as of October 2024](#), two years after the facility opened.

7. Concerns About Corporate Control and Risk Exposure

TeraWulf has accumulated an estimated \$1.5–\$2.2 billion in debt while competing in a volatile sector dominated by far larger players. TeraWulf's long-term stability is already in doubt.

Your presentations and the so-called Independent Assessment of the project lack any mention of investor IRR, EBITDA, payback period, cash flow projections, capex margins, or likely clients. Will tenants pay wholesale colocation rent? What is the PPA or price of power? What is the margin between energy cost vs. compute-hosting revenue? Would this be hyperscale (e.g., AWS/

GCP/Meta) or HPC research hosting? Tompkins County residents' energy costs would increase by how much?

Your COO explained that colocation clients—not TeraWulf—would decide what servers and CPUs they would install and what work they would do in the proposed Cayuga buildings. If a large client, such as G42, were to request once-through cooling water from Cayuga Lake or announced commencement of bitcoin mining, TeraWulf would feel obligated to comply.

8. Recommendations

TeraWulf should relocate its proposed data center and battery farm projects from Tompkins County.

Cayuga Operating Company should:

- Remove the Power Plant buildings and remediate all contamination at the site
- Establish an environmental bond with the Town of Lansing to guarantee funding for any future decommissioning or remediation.
- Donate the non-landfill, non-solar part of the property to a conservation entity for possible addition to the Cayuga Shores Wildlife Management Area. Residents and visitors to the region would all benefit. Leave town on a good note.

Conclusion

The proposed Cayuga data center raises substantial environmental, regulatory, and community concerns. It will be vigorously and successfully opposed.

Proceeding at Cayuga places the project—and TeraWulf's broader market position—at significant risk.

We respectfully ask that you reconsider the location of this project in light of these factors.

Sincerely,

Cayuga Lake Environmental Action Now (CLEAN)