



October 2, 2026

VIA EMAIL

Ruth Groff, Town Supervisor
Members of the Town Board
Town of Lansing
29 Auburn Road
Lansing, New York 14882

Re: Lake Hawkeye Data Campus

Supervisor Groff and Members of the Town Board:

I observed Tuesday evening's Special Town Board meeting remotely. I was disappointed by how far we appear to have moved from what should be our shared objective: responsibly redeveloping the former Cayuga power plant in a way that benefits Lansing.

We recently introduced Pace Ralli, a highly regarded project development professional, hoping a new representative might be received with less hostility and help establish a constructive dialogue. Instead, Pace was booed while attempting to speak and reportedly confronted after the meeting and told to leave town.

We respect every resident's right to oppose our project. But personal hostility and intimidation discourage constructive participation, particularly from residents who hold different views.

Like many of you, we have read the extensive commentary on social media. Beyond the personal attacks and hearsay, what strikes me is the number of incorrect assumptions about our project, our intentions and our commitments in other communities. Legitimate concerns deserve answers. But speculation, however frequently repeated, should not become the basis for public policy.

TeraWulf only succeeds if the communities in which we operate succeed. That principle guides our approach to development, and I believe it is worth making a genuine effort to restore it to our discussions.

I want to clarify several important facts.

Our investment and commitment

In August 2025, TeraWulf committed \$98 million in prepaid rent to secure an 80-year ground lease at the former Cayuga power plant. We have since invested substantial additional resources in engineering, environmental studies and project development.

We made that investment based on the site's existing industrial infrastructure and the land-use framework in place when we began development. We are long-term investors in energy and digital infrastructure, not speculative developers pursuing a short-term opportunity. We will not abandon our development plans for the property or sell our interest.

Water, noise and electricity

Our original press release referenced the former power plant's water-intake infrastructure. That was a drafting mistake on our part. We appreciate the sensitivity surrounding water use in Lansing, should have been clearer and take responsibility for that mistake.

Residents and activists seized on that language as a supposed "gotcha" moment before our site plan application had even been submitted. The suggestion that it somehow exposed our true, undisclosed intentions ignores the engineering behind our closed-loop cooling system, the operating system Board members observed firsthand at Lake Mariner and the actual design subsequently submitted to the Town.

Lake Hawkeye will not rely on Cayuga Lake water for operational cooling.

We have also commissioned project-specific acoustic studies and developed noise-mitigation measures.

We recognize the community's concerns about electricity supply and rising costs. To address those concerns, we are developing plans to co-locate power generation at Lake Hawkeye, with the objective of generating more electricity than our data centers consume and becoming a net supplier to the grid.

That strategy is also responsive to New York's stated objective of expanding electricity supply while maintaining reliability and affordability. The site's existing electrical infrastructure, combined with our energy expertise, presents an opportunity to contribute to that effort.

These are matters that can be independently evaluated. We welcome that scrutiny and are prepared to meet appropriate, enforceable standards.

Taxes

Let me also be unequivocal: **TeraWulf is not seeking preferential tax treatment, tax abatements or exemptions for Lake Hawkeye. We intend to pay our fair share.**

We have seen historical tax disputes involving the former Somerset power plant cited as evidence of how TeraWulf intends to operate in Lansing. That situation involved distinct circumstances surrounding the retirement of a coal-fired power plant, historical tax obligations and a negotiated settlement.

We will address the Somerset history separately. It deserves an explanation based on facts and circumstances, not speculation or assumptions about TeraWulf's current intentions in Lansing.

Evaluate the project before deciding its future

Nearly a year ago, several Board members visited Lake Mariner and observed our operations firsthand. We have repeatedly offered additional meetings, technical presentations and site visits. Yet fundamental questions about our project remain unresolved in the public discussion, despite the engineering, studies and regulatory processes available to answer them.

What does an outright ban accomplish that a rigorous, evidence-based evaluation of Lake Hawkeye cannot?

If water is the concern, independently verify our cooling design. If noise is the concern, evaluate our acoustic studies or commission your own. If electricity supply and costs are the concern, assess our proposed generation strategy and its potential impact on the grid and ratepayers. Apply the same approach to traffic, environmental performance and emergency response.

Establish reasonable, enforceable standards and hold us accountable for meeting them. If the Board believes particular impacts cannot be adequately addressed, it should explain that conclusion based on evidence. That is the purpose of a thorough project review.

A prohibition should follow such an evaluation, not replace it.

Our preference is to invest in Lansing, not in disputes

I recognize that relations between TeraWulf and parts of the Lansing community have deteriorated. We want to improve communication and demonstrate how this project can benefit the Town. But constructive engagement requires participation from both sides.

TeraWulf has made a substantial investment in this property, and our 80-year lease reflects our long-term commitment. As CEO of a publicly traded company, I have a fiduciary responsibility to protect that investment and our property rights. We will pursue the avenues available to fulfill that responsibility. I would, however, much rather direct our capital and employees' time toward productive development and meaningful community investment than years of legal proceedings.

A request for a balanced and informed discussion

Tuesday's Special Town Board meeting provided an extensive opportunity for residents opposed to Lake Hawkeye to express their views. We respect their right to do so. But the Board should also have an opportunity to hear the facts behind our project, particularly given the amount of misinformation that has circulated largely unchallenged.

We propose a publicly noticed informational session at which the third-party engineers, technology providers and other technical experts working on Lake Hawkeye can address the principal misconceptions about the project and answer questions from the Board and its advisers.

To be clear, this would not be a Planning Board review or an attempt to circumvent the established approval process. Its purpose would be to correct misinformation, explain the

proposed technology and provide factual answers to the concerns that have dominated the public discussion.

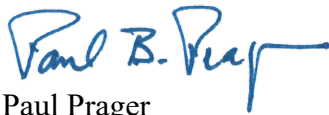
The public would be welcome to observe, but we would ask that the session focus on questions from the Board and its advisers rather than another open public comment period, consistent with the Town's legal obligations.

If the Board can dedicate a special meeting to hearing opposition to Lake Hawkeye, surely it can provide a comparable opportunity to hear from the technical experts responsible for the project.

Decisions of this magnitude should be based on accurate information and a clear understanding of what we are actually proposing. A publicly noticed informational session would give the Board and the community that opportunity without interfering with the established Planning Board review process.

We only win if Lansing wins. We believe Lake Hawkeye can create lasting economic value while meeting the environmental and community standards residents expect. We remain committed to finding a constructive path forward and hope the Board will agree that an informed discussion is a reasonable place to start.

Sincerely,



Paul Prager
Chief Executive Officer
TeraWulf Inc.