

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA  
FIRST JUDICIAL DISTRICT AT JUNEAU

ALASKA ELECTRIC LIGHT AND POWER )  
COMPANY )

Plaintiff, )

v. )

ALASKA INDUSTRIAL DEVELOPMENT )  
AND EXPORT AUTHORITY )

Defendant. )

Case No. 1JU-25-\_\_\_\_CI

**VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND  
INJUNCTIVE RELIEF**

Plaintiff Alaska Electric Light and Power Company (hereinafter “AELP”), by and through undersigned counsel, hereby files this Complaint against Defendant Alaska Industrial Export and Development Authority (hereinafter “AIDEA”), and alleges the following:

**I. INTRODUCTION**

1. This suit challenges AIDEA’s stated intention to unilaterally sell Renewable Energy Certificates (“RECs”) associated with the Snettisham Hydroelectric Project (“Snettisham” or “Project”) output (“Snettisham RECs”). AIDEA is the owner of Snettisham but sold the entire capability of Snettisham to generate and transmit electric power to AELP.

September 11, 2025

2. Attached to this Complaint are the PSA (attached hereto as “Exhibit A”), the letter from AIDEA to AELP dated August 13, 2025, regarding AIDEA’s intent to sell the Snettisham RECs (attached hereto as “Exhibit B”), and a letter from the Snettisham “Independent Consultant” dated September 9, 2025, declining to make a determination regarding the Snettisham REC dispute between the parties (attached hereto as “Exhibit C”).

## II. PARTIES

3. Plaintiff AELP is an Alaska electric utility corporation registered with the State of Alaska and organized under AS 10.25, with its principal place of business located at 5601 Tonsgard Court, Juneau, Alaska 99801.

4. Defendant AIDEA is a public corporation of the State of Alaska and a political subdivision within the Department of Commerce, Community, and Economic Development, created under AS 44.88.020, with offices at 813 W. Northern Lights Blvd., Anchorage, Alaska 99503.

## III. JURISDICTION AND VENUE

5. This Court has jurisdiction to enter the declaratory judgments sought herein pursuant to AS 44.62.300(a) and AS 22.10.020(g).

6. This court has jurisdiction to issue the injunctive relief sought herein pursuant to AS 22.10.020(c) and Alaska R. Civ. P. 65.

VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF

*AELP v. AIDEA*

September 11, 2025

7. Venue is proper in the First Judicial District pursuant to AS 22.10.030 and Alaska R. Civ. P. 3(c). The claims arise from actions that will take place within the First Judicial District.

#### IV. GENERAL ALLEGATIONS

##### A. Snettisham Hydroelectric Project

8. The Snettisham hydroelectric power plant is located roughly 28 miles south of Juneau, Alaska, and provides 76% of the electric power within the Juneau area.<sup>1</sup>

9. Notable users of the electricity generated at Snettisham include the City and Borough of Juneau, the Greens Creek mine (owned by the Hecla Greens Creek Mining Company), the Snettisham Fish Hatchery (owned by the State of Alaska, Department of Fish and Game and operated by Douglas Island Pink and Chum, Inc.), and cruise ships from the Holland America Line N.V. and Princess Cruise Lines, Ltd. that rely on hydroelectric energy purchases for shore power during docking.<sup>2</sup> For many of these users, it is highly important that they may legitimately claim that they are 100% powered by green energy provided by AELP.

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<sup>1</sup> See generally Snettisham Hydroelectric Facility Fact Sheet, available at: [https://www.aidea.org/Portals/0/PDF%20Files/PFS\\_Snettisham.pdf](https://www.aidea.org/Portals/0/PDF%20Files/PFS_Snettisham.pdf).

<sup>2</sup> *Id.*

VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF

*AELP v. AIDEA*

September 11, 2025

10. Originally built in 1973, the Snettisham hydroelectric power plant, associated 44-mile transmission line, and Thane operations center were transferred from federal ownership to state ownership in 1998.<sup>3</sup>

11. AIDEA acquired the Snettisham facility on behalf of the state essentially for financing purposes.

**B. Agreement Between AELP and AIDEA**

12. AELP and AIDEA executed the Agreement for the Sale and Purchase of the Electric Capability of the Snettisham Hydroelectric Project (“PSA”) on July 15, 1998.

13. Under the PSA, AIDEA sold, and AELP purchased, “all the Capability of the Project.”<sup>4</sup> “Capability of the Project” is defined as “the *entire capability* of the Project to generate and transmit Electric Power at any and all times, including periods when the Project is inoperable, is curtailed, is not operating, in each case in whole or in part for any reason whatever.”<sup>5</sup>

14. As a result, AELP, and ultimately its customers, are responsible for all costs of Snettisham, including debt service, operations, maintenance, capital expenditures, planning, and administrative costs, regardless of whether Snettisham is in

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<sup>3</sup> See Pub. L. 104-58 (Nov. 28, 1995).

<sup>4</sup> PSA Recital D, page 1 (Exhibit A at 4).

<sup>5</sup> PSA § 1 (emphasis added) (Exhibit A at 5).

1 service.<sup>6</sup> AELP is also required to reimburse AIDEA for any costs AIDEA incurs with  
2 regards to Snettisham.<sup>7</sup>

3 15. Under the PSA, AIDEA's responsibilities are "primarily those related  
4 to Project finance, as distinct from Project operations."<sup>8</sup>

5 16. AIDEA has further defined its role regarding Snettisham as:

6 AIDEA in its primary responsibility to provide financing will  
7 initially "own" (i.e., obtain title to) the power production,  
8 transmission, and all other facilities and assets. AELP,  
9 however, will exercise dominion and control over the project,  
10 and otherwise exercise *the attributes of an owner, operator,*  
11 *manager, and controller of the hydroelectric project.*<sup>9</sup>

12 AIDEA is allowed to "sell or exchange property or facilities constituting part of the Project  
13 when and as directed by [AELP]" if permitted under subsection 7.7.2(a) of AIDEA's  
14 Resolution No. G98-09, Snettisham Power Revenue Bond Resolution, dated  
15 July 22, 1998.<sup>10</sup> AIDEA may also "take other actions with respect to any part of the Project  
16 permitted [under subsection 7.7.2(a)] when and as directed by [AELP]."<sup>11</sup>

17 17. Section 7.7.2(a) allows AIDEA to sell or exchange property or  
18 facilities constituting part of Snettisham provided:

19 (i) it shall determine that such property or facilities are not  
20 useful in the operation of [Snettisham], or (ii) it shall file with

21 <sup>6</sup> See PSA § 6 (Exhibit A at 18-19).

22 <sup>7</sup> See PSA § 6(c)(i)(C) (Exhibit A at 19).

<sup>8</sup> PSA Recital E, page 1 (Exhibit A at 4).

<sup>9</sup> AIDEA Petition at 5, filed in Docket U-98-021 on Feb. 1, 1998 (emphasis added).

<sup>10</sup> PSA § 8(d) (Exhibit A at 23).

<sup>11</sup> *Id.*

VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE  
RELIEF

AELP v. AIDEA

September 11, 2025

the Trustee a certificate of an Authorized Officer of [AIDEA] stating that the fair market value of the property or facilities sold or exchanged does not exceed \$500,000 or (iii) if such fair market value exceeds \$500,000 it shall file with the Trustee an opinion of the Independent Consultant stating that the sale or exchange of such property or facilities will not impair the ability of [AIDEA] to comply during the current or any future Fiscal Year with the provisions of Section 7.12.

Section 7.7.2(a) also requires the proceeds of any sale or exchange to either be used to “acquire other property necessary or desirable for the safe or efficient operation of [Snettisham]” or “be deposited in the Renewal and Replacement Fund and be credited against any Renewal and Replacement Fund Contribution required for the current or any future Fiscal Year.”<sup>12</sup>

18. The Renewal and Replacement Fund is “exclusively for Project purposes, including payment or reimbursement of the Cost of Project Repairs and associated engineering, construction, and administration costs” and is maintained by AELP.<sup>13</sup>

19. AIDEA’s Bond Resolution states that “the Authority shall not create or cause to be created any encumbrance, lien or charge on the Project, and no part of the Project shall be sold, leased, mortgaged or otherwise disposed of” except under certain limited circumstances.<sup>14</sup>

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<sup>12</sup> Bond Resolution § 7.7.2(a) (Exhibit A at 91)

<sup>13</sup> Project Sale Agreement § 7.16 (Exhibit A at 163).

<sup>14</sup> See Bond Resolution § 7.7.2 (Exhibit A at 91).

VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF

*AELP v. AIDEA*

September 11, 2025

20. In addition, the O&M Agreement states that AIDEA “is not expected to possess, develop, or contract for significant Project-related operational expertise or capabilities.”<sup>15</sup>

### C. Renewable Energy Certificates

21. A REC is “a market based instrument that represents the property rights to the environmental, social, and other non-power attributes of renewable electricity generation.”<sup>16</sup> A REC is “issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource.”<sup>17</sup> A REC includes several data attributes, including the renewable fuel type, renewable facility location, and utility to which the project is interconnected.<sup>18</sup> RECs play a role in accounting, tracking, and assigning ownership to renewable electricity generation and use.<sup>19</sup> On a shared grid, they are the instrument that consumers must use to substantiate renewable electricity use claims.<sup>20</sup>

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<sup>15</sup> See O&M Agreement § 1 (Exhibit A at 178) (definition of “Reimbursable Administrative Costs”).

<sup>16</sup> United States Environmental Protection Agency, Renewable Energy Certificates, EPA.GOV, (Mar. 21, 2025), <https://www.epa.gov/green-power-markets/renewable-energy-certificates-recs>.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> 137 Harv. L. Rev. at 938-39.

<sup>20</sup> See Renewable Energy Certificates, EPA.GOV.

VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF

*AELP v. AIDEA*

September 11, 2025

22. RECS are a creation of state property law.<sup>21</sup> However, Alaska has no such law.<sup>22</sup> It is generally “recognized that RECs represent the *renewable, environmental and/or social attributes of renewable electricity generation* to the owner, along with the legal right to claim usage of that renewable electricity.”<sup>23</sup>

23. When generating renewable energy on-site or purchasing it through an off-site power purchase agreement, entities have the option of holding or selling the RECs.<sup>24</sup> In terms of marketability, RECs can be “sold either separately from the electricity they are associated with (often referred to as ‘unbundled’ RECs) or with the electricity they are associated with (often referred to as ‘bundled’ renewable energy).”<sup>25</sup> A REC is retired when the owner “claim[s] usage of the renewable generation represented by the REC.”<sup>26</sup>

24. AELP has not created, owned, or sold Snettisham RECs.

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<sup>21</sup> See, e.g., *Wheelabrator Lisbon, Inc. v. Conn. Dep’t of Pub. Util. Control*, 531 F.3d 183, 186 (2d Cir. 2008) (“Generally speaking, RECs are inventions of state property law[.]”).

<sup>22</sup> Senate Bill No. 179, “An Act relating to the establishment of a renewable portfolio standard for regulated utilities; and providing for an effective date,” was introduced by the Senate Rules Committee by request of the Governor on Feb. 4, 2022, but was not enacted. If enacted, the bill would have defined renewable energy credits and regulated the sale and use of the credits.

<sup>23</sup> Center for Resource Solutions, *The Legal Basis for Renewable Energy Certificates*, Ver. 2.0 (April 2023) at 3-4, <https://resource-solutions.org/wp-content/uploads/2015/07/The-Legal-Basis-for-RECs.pdf> (emphasis added).

<sup>24</sup> See 137 Harv. L. Rev. at 939. (“Therefore, renewable electricity generators create (and can sell) two products with each MWh of power generated – one MWh of electricity and one REC. RECs are necessary to track renewable energy use because, once electricity comes on the grid, it is impossible to distinguish one generator’s electricity from another’s.”).

<sup>25</sup> *The Legal Basis for Renewable Energy Certificates* at 4.

<sup>26</sup> *Id.* at 3.

VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF

*AELP v. AIDEA*

September 11, 2025



**D. Events Leading to Dispute Between AELP and AIDEA**

25. AIDEA first broached the subject of selling the Snettisham RECs on a telephone call between Randy Rauro (AIDEA) and Alec Mesdag (AELP) on January 7, 2025. This was followed up via e-mails exchanged between Mr. Rauro and Mr. Mesdag from January 21, 2025, to January 23, 2025.

26. On August 13, 2025, AIDEA e-mailed AELP and stated that “[a]s the owner of Snettisham AIDEA in turn owns the RECs that exist as the result of power generated from the facility.”<sup>27</sup>

27. In this email, AIDEA stated that it had “contracted with Greenlight Energy Group LLC, to sell the RECs associated with Snettisham.”<sup>28</sup>

28. AIDEA gave AELP thirty (30) days, or until September 12, 2025, to express an interest in purchasing the RECs.<sup>29</sup>

29. AIDEA stated that after September 12, 2025, it would instruct Greenlight Energy Group LLC to sell the RECs on the open market.<sup>30</sup>

30. AIDEA further noted its intent to use the proceeds “to retain a process engineer to assess power production at Snettisham and assess if opportunities may exist

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<sup>27</sup> See Exhibit B at 2.

<sup>28</sup> *Id.*

<sup>29</sup> *See id.*

<sup>30</sup> *See id.*

1 for, with minimal additional investment, increasing or enhancing power generation at the  
2 facility.”<sup>31</sup>

3 31. On August 19, 2025, AELP provided AIDEA with a Notice of Dispute  
4 pursuant to Section 18(b) of the PSA.

5 32. Both AELP and AIDEA submitted written statements regarding the  
6 dispute to the Independent Consultant on September 2, 2025.

7 33. On September 9, 2025, the Independent Consultant declined to  
8 participate in the matter, stating that the essence of the matter was a legal dispute.<sup>32</sup>

9 34. Section 18(c) of the Power Sales Agreement states that “[i]f the parties  
10 do not mutually agree to resolve the issue or dispute through binding arbitration, then either  
11 party may file suit in an Alaska State Court of competent jurisdiction to obtain a *de novo*  
12 review of the issue or dispute.”<sup>33</sup>

13 **E. Concurrent litigation before the Regulatory Commission of Alaska**

14 35. Concurrent with the dispute resolution process and this subsequent  
15 lawsuit between AELP and AIDEA, Hecla Greens Creek Mining Company (“HGCMC”)  
16 and AIDEA are parties to a formal complaint filed by HGCMC against AIDEA before the  
17 Regulatory Commission of Alaska (“RCA”).<sup>34</sup> The complaint in front of the RCA is

18 \_\_\_\_\_  
19 <sup>31</sup> *Id.*

20 <sup>32</sup> *See* Exhibit C.

21 <sup>33</sup> Exhibit A at 35.

22 <sup>34</sup> *See* Docket U-25-035 (<https://rca.alaska.gov/RCAWeb/Dockets/DocketDetails.aspx?id=99b4878e-eb9e-4469-8004-a841adadcca7>).

VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE  
RELIEF

*AELP v. AIDEA*

September 11, 2025

1 regarding alleged violations of AIDEA's tariff and certificate of public convenience and  
2 necessity.

3 36. AELP is not a party in the docket.

4 **V. FIRST CLAIM**

5 **(Anticipatory Breach of Contract)**

6 37. Paragraphs 1 through 36 are incorporated herein as if fully set forth.

7 38. In its August 13, 2025, letter to AELP, AIDEA clearly stated its intent  
8 to claim ownership of the Snettisham RECs, despite having sold the entire capability of  
9 Snettisham, including the ability to create, own, and sell RECs, to AELP.

10 39. In its August 13, 2025, letter to AELP, AIDEA clearly stated its  
11 intention to sell the Snettisham RECs, without direction from AELP, in direct violation of  
12 the PSA.

13 40. In its August 13, 2025, letter to AELP, AIDEA stated its intention to  
14 use the proceeds to retain a process engineer instead of depositing the proceeds into the  
15 Renewal and Replacement Fund as required by the Bond Resolution.

16 **VI. SECOND CLAIM**

17 **(Anticipatory Breach of Covenant of Good Faith and Fair Dealing)**

18 41. Paragraphs 1 through 40 are incorporated herein as if fully set forth.  
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21 VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE  
22 RELIEF

*AELP v. AIDEA*

September 11, 2025

1                   42. All contracts in Alaska include the covenant of good faith and fair  
2 dealing.<sup>35</sup>

3                   43. A reasonable person would not, and could not, believe that AIDEA's  
4 claims to ownership of the RECs are fair.

5                   44. AIDEA has failed to act in objective good faith.

6                   **VII. THIRD CLAIM**

7                   **(Declaratory Judgment, AS 22.10.020(g))**

8                   45. Paragraphs 1 through 44 are incorporated herein as if fully set forth.

9                   46. The ownership of the Snettisham RECs is the underlying basis for all  
10 of AELP's causes of action.

11                  47. A declaratory judgment regarding the ownership of the Snettisham  
12 RECs would afford relief from the uncertainty, insecurity, and controversy giving rise to  
13 the current proceeding.

14                  **V. PRAYER FOR RELIEF**

15 WHEREFORE, AELP prays for the following relief:

16                  a. A judgment declaring that AELP has the legal right to create, own,  
17 and sell the Snettisham RECs;

18                  b. A judgment declaring that AIDEA does not have the legal right to  
19 create, own, and sell the Snettisham RECs;

20 \_\_\_\_\_  
21 <sup>35</sup> See *Laybourn v. City of Wasilla*, 362 P.3d 447, 457 (Alaska 2015).

1 c. A judgment declaring that AIDEA's statement that it owns the  
2 Snettisham RECs is an anticipatory breach of contract;

3 d. A judgment declaring that AIDEA's statement that it intends to sell  
4 the Snettisham RECs is an anticipatory breach of contract;

5 e. A judgment declaring that AIDEA's statement that it intends to hire a  
6 process engineer using the proceeds from the sale of the Snettisham RECs is an anticipatory  
7 breach of contract;

8 f. A judgment declaring that AIDEA's claim that it owns the Snettisham  
9 RECs is an anticipatory breach of the covenant of good faith and fair dealing;

10 g. Injunctive relief enjoining AIDEA from selling, transferring, or  
11 otherwise disposing of any Snettisham RECs;

12 h. An award of costs and reasonable attorneys' fees; and

13 i. Such other additional relief as the Court deems just and proper.

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21 VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE  
22 RELIEF

*AELP v. AIDEA*

September 11, 2025

1                    RESPECTFULLY SUBMITTED this 11th day of September, 2025, at  
2 Anchorage, Alaska.

3                    KEMPEL, HUFFMAN AND ELLIS, P.C.  
4                    Counsel for Alaska Electric Light and Power  
5                    Company

6                    By: /s/ Dean D. Thompson  
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21                    VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE  
22                    RELIEF  
                    *AELP v. AIDEA*  
                    September 11, 2025

**VERIFICATION**

I, Alec J. Mesdag, say on oath or affirm that I have read the foregoing document, and believe all statements made in this document are true.

  
Alec J. Mesdag

Subscribed and sworn to before me  
this 11<sup>th</sup> day of September, 2025.

  
Notary Public



VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE  
RELIEF

*AELP v. AIDEA*

September 11, 2025

**CERTIFICATE OF SERVICE**

This is to certify that on this 11<sup>th</sup> day of September, 2025, a true and correct copy of the foregoing was filed electronically and mailed and emailed to:

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By: /s/ Becki Alvey

Becki Alvey, Paralegal

VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE  
RELIEF

*ALP v. AIDEA*

September 11, 2025