The Friday Burrito

Ask Me No Questions

Vol. XXVI #32
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"None of the great discoveries was made by a 'specialist' or a 'researcher'."

Martin H. Fischer

"No one wants to hear the truth if it isn't what they want to hear."

Aaron Brown

"Why not put a tax on carbon emissions. It would raise a lot of money, it would reduce the environmental damages in the future, it would solve so many problems, and it would be a much more constructive thing to do than to think about raising the income tax."

Robert F. Engle

I dedicate today's Burrito to the men and women who protect our country as members of the military. It would be nice if troops, ammo, and weapons weren't needed to keep the peace, but how many times have we been reminded of late that it's not possible on planet earth? It's a tough pill to swallow. It reeks of pessimism, fatalism, and a feeling of helplessness. Yet, those who serve our country are at the ready to put it all on the line if the occasion calls. Thank you for your service.

Are We Better or Worse Off?

A reader sent me a recent Op Ed that ran in the Canadian publication National Post about the progress civilization has made as a backdrop to counter the negative news that drowns us. The opinion piece written by Bjorn Lomborg and Jordan Peterson* had thought-provoking ideas that I have been pondering for the last two weeks. For example, they state: "*Media-driven fear demoralizes us — particularly when we're young — and engenders terrible political decisions by crippling our ability to do better.*" It demoralizes the old like me, too. I just can't wear comfortably a suit stitched with optimism given the awful headline events around the world plus the ongoing tragedy of the presidential prelims in the U.S. that point to two candidates both of whom I think have made our country worse off rather than better. Is it hopeless to wipe the candidate slate clean and start over? Another day, perhaps.

The authors also present this nugget: "*Analysis of media content across 130 countries from 1970 to 2010 indicates that the emotional tone has dramatically and consistently become more negative. Negativity sells, but it informs badly.*" Maybe. The same thesis was advanced by NYT columnist Nicholas Kristof on the last day of 2022: "*Human beings have a cognitive bias toward bad news (keeping us alert and alive), and we journalists*

* Bjorn Lomborg is president of the Copenhagen Consensus and visiting fellow at Stanford University's Hoover Institution. Jordan B. Peterson is professor emeritus at the University of Toronto and author of "Maps of Meaning," "12 Rules for Life" and "Beyond Order."

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Western States Ticker

CAISO YTD Renewables Curtailment.

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As of 10/21/23: 2,544,513 MWh
As of 10/31/22 2,356,685 MWh

% of solar and wind output curtailed:

YTD as of Oct. 2023 4.48%
YTD as of Oct. 2022 4.32%

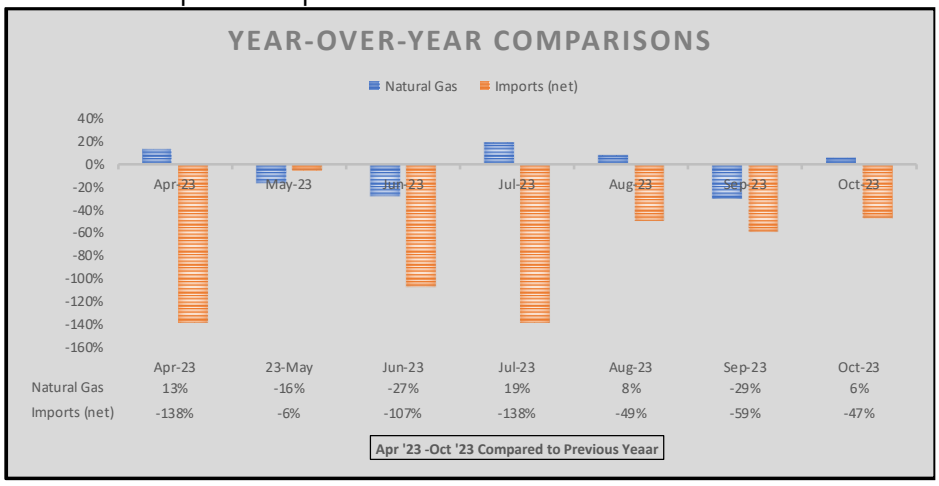
reflect that: We report on planes that crash, not planes that land. We highlight disasters, setbacks, threats, and deaths, … But a constant gush of despairing news can be paralyzing … Until the pandemic, I wrote an annual column arguing that the previous year was the best in human history. I can't do that this year. But I can suggest that broadly speaking, much is going right and this may still be the best time ever to be alive."

Both opinion pieces build upon the "life is good" theme reminding readers of advances over the last century in human health, and more recently the explosion in digital technology, and many other positive items such as the following from Lomborg and Peterson: " *Last summer, for example, forest fires made headlines, but coverage largely failed to mention that the annual burned global area has been declining for decades, reaching the lowest level ever last year. Likewise, deaths from droughts and floods fill the front pages, but we don't hear that deaths from such climate-related disasters have declined 50-fold over the past century.*" You dig?

So, what are we to believe about the world and our place in it? Do we pick and choose our outlook either negative or positive, or would that be too naïve? As for me, I can't help but feel down. I am disappointed in the human condition and see little hope of improvement however one wishes to measure that fuzzy metric. I will lean on my personal sources of happiness that come from family, friends, and personal health. Enjoy locally and despair globally.

CAISO Gas Burn and Net Imports for October

The CAISO dispatched more energy in October fueled by natural gas than it did for the same month last year. Net imports to the CAISO were down, as they have been each month due to the rise in midday power exports that are subtracted from the gross power imports. Below is the chart for the last six months comparing 2023 to 2022 for monthly gas burn and net power imports.



What we believe…

Competition yields lower electricity rates. Stable and transparent rules and regulations promote private investment.

Private investors, rather than utilities, will spend money on new power plants and transmission facilities if they can earn a return that is balanced with the risks.

Private sector investment results in lower average prices without risking consumers' money.

However, when IOUs do the investing, the risks to them are minimal or non-existent because ratepayers cover all the costs.

Overcapacity lowers electricity spot market prices; yet retail rates can increase in this case due to full cost-of-service regulation.

Markets work best when there are many buyers and sellers.

At-risk money will be put to investment where markets exist that are well regulated and yield credible price.

And what we should do …

Believe in ourselves.

Encourage creation of independent, multi-state regional transmission organizations that coordinate policies with respective state utility commissions.

Support rules for resource adequacy that applies uniformly among all load-serving entities.

Enforce competitive solicitations by utilities for purchasing either thermal or renewable power.

There are many factors that make year-over-year comparisons move either up or down. However, since I started tracking this data last December the upswing in monthly gas burn has been marked.

Last month the increase in natural gas fueled energy in CAISO was 6%. The magnitude of falloff in net imports has been incredible … a 47% drop was the second lowest decline since last December, therefore quite modest compared to the other months except for last May.

Renewables curtailments year-to-date October 31 was almost 5% of all the wind and solar energy relative to that which was produced plus what could have been generated had there not been any curtailments. Although the battery storage fleet continues to grow, a slight uptick in curtailments remains the trend.

Texas Voters Pass Measure to Encourage More Gen in ERCOT

Hailed as the legislative solutions to grid resiliency, Texas voters this week overwhelming approved Prop 7. What does it do, and how might it reflect on things in California? The analysts at Bank of America Securities (BofAS) described the measure that will, "*Create a Texas Energy Fund to support the development of dispatchable generation resources. The successful proposition supports low interest loans and*

Continue on Next Page

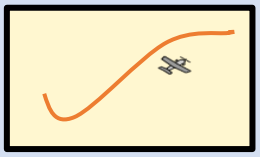
Support choice among retail electricity customers.

Lobby for core/non-core split of retail customers.

Advocate against policies that limit, through bid mitigation, merchant returns on investment that are comparable to utility returns.

Ramping up the Power Curve

Dan Richard



Continuing the 50th Anniversary of the Arab Oil Embargo

In the last column, we saw that after a decade-long process to implement PURPA, the California Public Utilities Commission sought new power resources through an auction process where independent generators – both renewable and gas-fired – competed against proxy utility power plants for the right to offer capacity. To the utilities' dismay, the independents' bids were cheaper across the board. Southern California Edison successfully pushed the CPUC to cancel the auction and buy out the contract bids.

(By the end of the decade, California would regret not having the 3500 MW of power projects that were deemed "not needed" in 1993.)

However, a fuse had been lit. Large electric customers, primarily steel and cement producers, were putting pressure on the CPUC and Legislature because of high costs of power. The CPUC's policies of protecting utility financial integrity during the soaring inflation period of the 70s and 80s, through mechanisms like balancing accounts, kept utilities solvent but at a high cost to customers. The Commission had already begun considering alternative regulatory structures, issuing an impactful policy document named the Yellow Book, signaling a willingness to restructure the utilities and look at greater competition.

The industry and the Commission noted the dramatically lower costs of combined cycle plants proposed in the BRPU auction. Those plants promised power costs well below industrial rates fattened by the overruns on the major nuclear plant construction and overabundance of expensive independent power contracts of the 1980s. The influential large consumers began a loud push for direct access to generation. In a follow up policy document known as the Blue Book, the staff recommended a dramatic shift in regulatory structure, including allowing direct access to provide competitive downward pressure on rates, having seen from the auction that marginal costs were substantially below average energy costs.

That left the question of what to do about the embedded, potentially stranded costs of utility nuclear plants and independent power contracts. Both the Commission and the Legislature turned their attention to that question in the mid-1990s.

The Yellow Book and Blue Book are still fascinating reading.

grants for new and existing resources." The fund will be Texas-sized in that $7 billion will be loaned for all types of goodies. Extreme-weather resiliency costs, you know.

Houston Chronicle business reporter Chris Thomlinson opined in his column last month prior to the state vote that Prop 7, "*Would create the Texas Energy Fund and turn the Public Utility Commission into a commercial bank handing out $7.2 billion in low-interest loans so companies will build natural gas power plants*." The kicker is that generation asset owners in ERCOT neither want nor need the loans. Thomlinson reported that industry representatives told the Texas legislature (where the TEF originated) that, "*Finding financing is not the problem with building new power plants; it's the low returns and uncertain future that discourage investment.*" California also has a money pool for adding or maintaining generation, but it isn't clear how that money will be used. It's certainly not a capital loan fund. It may be used to support the aging natural gas generation fleet along the Southern California coast. However, the aims of the California reserve remain murky.

I asked Alison Silverstein who helps me understand things ERCOT how the newly approved fund might play out. She had a lot to say about items that I didn't know before: "*Prop 7 is a mixed bag. If it's intended to improve power system reliability, then it's a big fat waste of Texas taxpayers' money. Financing low cost loans and completion bonuses for new gas plants and existing gas plant modernization in ERCOT violates the fundamental principles of ERCOT's energy-only market design. Some gas plants will get capital cost subsidies and other investors and technologies won't. And although the Texas Energy Fund (TEF) stated purpose is to improve resource adequacy by building new plants, built-in process delays (including possibly transmission availability) will assure that nothing new comes online before 2026-27, and there's no guarantee that plant owners won't shut down older plants in order to manipulate market shortages and prices before and after the TEF-beneficiary plants come online.*

"It won't help the Texas customers and taxpayers who've subsidized shiny new gas plants in ERCOT if the gas production, delivery, and pricing systems fail yet again in a future winter storm. The only good thing about the TEF is that it sets aside $1.8 billion to fund the design and subsidize acquisition (up to $500/kw capacity) of solar-storage-fossil combo backup power packages for critical facilities across Texas, to enable them to operate in islanded mode for at least 48 hours without refueling or recharging from the grid."

I'm disappointed with Texas' low-interest fund a la Prop 7. I agree with the asset owners in Texas that financing isn't the real problem. Regulatory uncertainty and the specter of ultra-low wholesale power prices due to the overhang of renewable generation capacity are bigger problems.

Speaking of Texas and Hydrogen …

A recent media story about the Lone Star State's new love affair with hydrogen as the clean energy fuel of the future struck me as odd. I mean, there's lots going on in Texas over and above the Rangers winning this year's World Series (My man, Bruce Bochy, four-time ring bearer). Texas Representative Randy Weber publicly stated that hydrogen is not a threat to "our" Gulf Coast. Well, yeah, if the hydrogen uses as a feedstock natural gas, then hydrogen producers in Texas and Louisiana of course would love to make it.

According to an article in the WSJ entitled, "The Green Fuel That Even Red America Loves", it said, "*In a polarized energy debate that often pits renewables and their Democratic backers against fossil fuels and Republican interests, hydrogen is emerging as a big-tent fuel.*" Make that a revival tent. Further, "*Many environmentalists warn that the flexibility could end up hurting the climate by prolonging the use of oil and gas. But it is also a reason for hydrogen's bipartisan appeal.*"

I think the term of art to describe the type of hydrogen alluded to in the news piece is Blue Hydrogen because the energy source is fossil based to separate the H from either O_2 in water or the carbon chain in methane. If renewables provide the energy, then it would be called Green Hydrogen. Not surprising, some critics of Blue

Hydrogen have noted the difference, such as Robert Bullard, a professor at Texas Southern University: "*If you're not using total renewables [in the production of hydrogen], then you're doing less than' what's needed.*"

I'm mystified about the clamor for Blue Hydrogen other than it is a way to grab government grants to subsidize a supposedly clean energy product that really isn't all that clean absent carbon sequestration. Definitely it boosts the future prospects of oil and gas exploration-and-production companies that are worried about their value chain being disrupted.

Things In the People's Republic of California

Proprietary Study of Resource Adequacy (RA) Prices in California

I remember a time before there was a Resource Adequacy requirement. It was long ago, and well after the CAISO started operations in 1998. As I recall, the first RA discussions were about a mechanism to fill in the missing money for generators that were only receiving marginal cost (if that) and assure the state that sufficient generation would be available on extremely hot days. RA was an afterthought.

No longer is that the case. We know the reasons so I won't belabor them here. RA capacity used to be cheap, especially for system areas … like $1/kW-month and local was maybe a buck or two more. Those days are long gone. RA capacity for both system, local, and flexible capacity is costly. Because there is only a bilateral market for the product, prices are indicative when mentioned. I depend on hearsay reports about RA prices hitting $20/kW-month, $30/kW-month, and higher. Each transaction is masked from public view.

The folks at Gridwell Consulting, who I have referenced many times because Carrie Bentley is the lead consultant for the WPTF CAISO Committee, have developed a proprietary 80-page report with an RA price forecast that includes the following elements:

1. Implementation of the forthcoming RA compliance paradigm called Slice of Day (SoD … with all due apologies to my U.K. readers)
2. Application of the forthcoming use of Exceedance Value instead of Effective Load Carrying Capability (ELCC) to set the qualifying RA capacity for wind and solar (as has been the case for many years, the qualifying capacity for RA compliance is different from that used at the CPUC for Integrated Resource Planning).
3. Application of SOD qualifying RA capacity to 4-hour battery energy storage systems.

I won't give away the punchline of their research, but I will share some of the observations the team made in their study, below.

If you haven't been keeping up with the SoD developments over the last 18 months, then here are some of the important differences from today's program. First, next year will be the "test" year to try out the new structure for 2025. Expect a holy mess. Second, the new concept changes the assessment of RA sufficiency from a monthly peak load plus reserves, to 24-hourly loads for each month. Therefore, since the load shape(s) of each load-serving entity is different, that means the RA requirement for each hour of the month's day is also different. And, finally, storage RA can only be qualified if the Load Serving Entity (LSE) also shows excess capacity on their RA plan to "charge" the battery. Sad to say (or SoD to say?), RA is a complex topic and these changes may be necessary for California—although other markets have pursued other approaches that are at least simpler from an LSE compliance perspective.

The first thing one has to appreciate about the SoD and its related PRM is to understand what the CPUC has done. For that, I turned to Gregg Klatt, lead consultant of the WPTF CPUC Committee. He said, "*In its February 2023 decision on Slice-of-Day implementation, the Commission directed staff to develop a "calibration tool" (fancy term for an Excel workbook) to "convert the results" of annual LOLE studies into PRMs for the SOD framework. Using the most recent iteration of that tool, staff has calculated a PRM for the 2024 Test Year of 6.2%. That is, staff plugged a CEC load forecast and a reliable resource portfolio into the tool, identified the smallest reserve margin in September, and called it the PRM. But since they haven't released much in the way of supporting data, it's anyone's guess whether a 6.2% PRM for 2024 would in fact result in the procurement of a reliable RA portfolio across all months.*" To establish a price forecast for RA capacity, the team at Gridwell developed a base case plus several scenarios to account for the paradigm change in RA requirements, and the likely PRM ranges for which LSEs will have to comply (a single PRM number applied to each hour).

I asked Carrie to comment on the hurdles of undertaking an RA price forecast. She wrote: "*To make things even more challenging, getting an average annualized RA price is now almost impossible even with a PRM established. Our new methodology uses the capacity margin at a system level of the most constrained slice-of-day hour assuming storage is perfectly optimized – and then our price forecast has to account for the fact that storage absolutely will not be perfectly optimized between LSEs. Further, the value of RA capacity to the system may or may not align with the value of capacity to any individual LSE given their existing portfolios and load shapes. Our research walks through all this in detail to ultimately give a picture of how the slice-of-day RA market will compare to our existing peak RA market.*"

Parties interested in procuring a copy of Gridwell's proprietary forecast should contact Carrie Bentley by clicking here.

ENERGYGPS

Grand Phunk Salsa a la EnergyGPS

Topping off SoCal Citygate while Bottoming out SP15

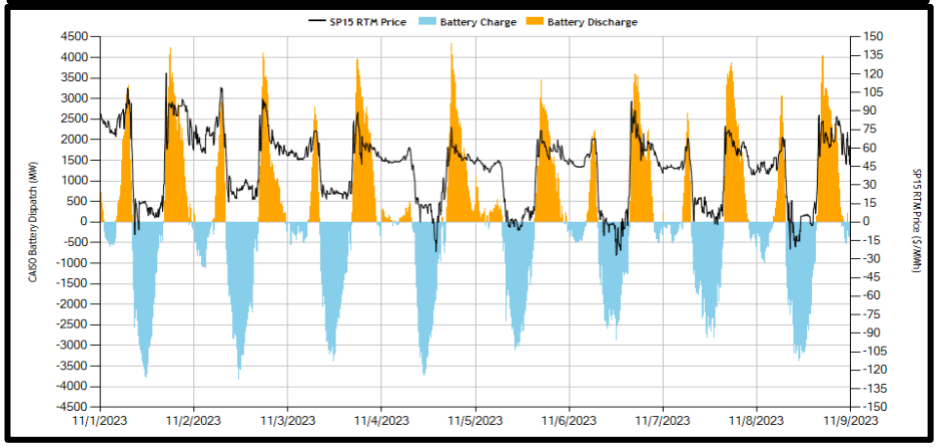
The Op Ed below is from the team at EnergyGPS with Jeff Richter as the lead writer. EnergyGPS covers the intersection of renewables and wholesale markets in its "Renewable Monthly Report," which is part of the EnergyGPS eCommerce Platinum Plus package. For more information, email sales@energygps.com.

California continues to be the leading market for battery storage by a long stretch. While this is mostly driven by regulatory mandate, the merchant pricing coupled with resource adequacy value comes close to sufficient margin to finance a battery. Over the past two years, we have seen the capacity more than double with maximum hourly charging reaching 3.5 GW while discharge volume topped 5.0 GW over the summer and routinely tops the 4.0 GW level.

The image below displays hourly battery dispatch in the CAISO over the past eight days with the charging highlighted by the light blue area and the discharge represented by the orange shaded area. The black line represents the SP15 Real-Time hourly settles as a reference to how the market pricing dynamics are playing out.

Our [CAISO Daily Battery Dashboard] has the battery fleet dispatch that is clearly following the energy price signal – charging when prices are low and discharging when they are high. When we first started looking at the battery penetration within the California market, we coined the term TB, which stands for Top/Bottom. We break it down into the TB1-4 where TB1 takes the highest price throughout the day (top) and subtracts out the lowest price (bottom). We then move to TB2, which does the same math for the second highest/lowest hourly prices and so on through TB4. Clicking on the link above delivers a recent dashboard where the opening table not only includes the simple average of the TB4 bins but also a Gen-Weighted Arbitrage calculation that serves as a gauge for how an 'average' battery profile is capturing the optimal TB4 daily value.

Figure 1 | CAISO Real-Time Battery Charge/Discharge Hourly Profile



Speaking of improvements to fully optimize the grid, the California market has developed a puzzling "top" and "bottom" price of its own (independent of batteries). SoCal Citygate cash gas prices are the highest in the West. Meanwhile, SP15 CAISO auction clearing prices are the lowest of the major western hubs. It seems odd that the highest valued gas hub in the West carries the lowest power price. In fact, up until this week, the regions with the lowest spot gas prices carried a power premium over that of California.

Figure 2 | CAISO Heavy Load Day-Ahead Auction Result Breakdown

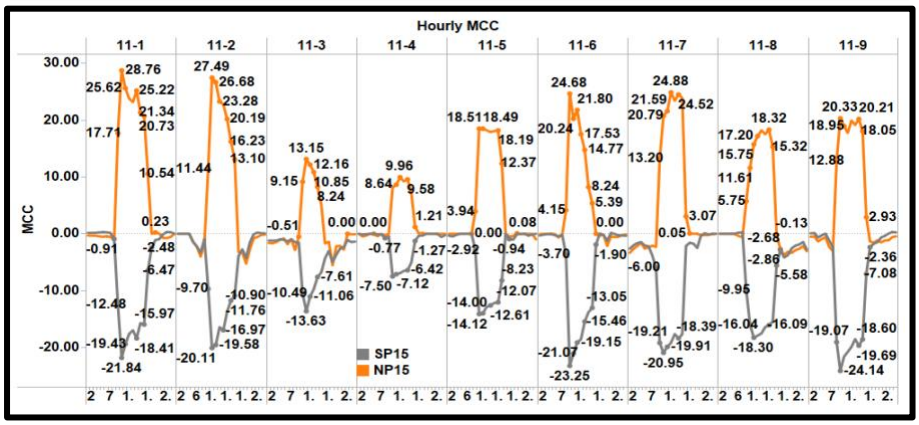
	Prices						Spreads			Gas			Heat Rates (Socal CG)					
	Auction LMP		Carbon		Energy		SP-NP						Auction LMP		Carbon		Energy	
Flow Date	NP	SP	NP	SP	NP	SP	LMP	CARB	ENE	PG CG	SOCAL	SOCAL CG	NP	SP	NP	SP	NP	SP
Wed 11/1	84.72	59.76	19.58	13.43	65.14	46.34	-24.96	-6.15	-18.80	6.40	3.39	6.53	13.25	9.16	3.06	2.06	10.18	7.10
Thu 11/2	74.63	56.46	17.83	11.60	56.80	44.86	-18.18	-6.24	-11.94	6.09	3.49	7.33	12.25	7.70	2.93	1.58	9.32	6.12
Fri 11/3	65.62	56.37	16.58	11.33	49.04	45.04	-9.25	-5.25	-4.00	5.62	3.20	7.53	11.68	7.48	2.95	1.50	8.73	5.98
Sat 11/4	53.39	47.88	14.50	11.47	38.89	36.41	-5.51	-3.03	-2.47	5.09	2.75	5.99	10.49	8.00	2.85	1.92	7.64	6.08
Sun 11/5	51.69	37.23	14.12	8.90	37.57	28.33	-14.46	-5.22	-9.24	5.09	2.75	5.99	10.15	6.22	2.77	1.49	7.38	4.73
Mon 11/6	67.86	51.50	18.67	12.45	49.19	39.05	-16.35	-6.22	-10.14	5.09	2.75	5.99	13.33	8.60	3.67	2.08	9.66	6.52
Tue 11/7	58.47	38.97	16.84	7.30	41.64	31.67	-19.50	-9.53	-9.97	4.74	1.76	8.28	12.33	4.71	3.55	0.88	8.78	3.83
Wed 11/8	58.52	41.92	19.31	8.75	39.22	33.17	-16.61	-10.56	-6.05	3.85	1.64	7.21	15.21	5.82	5.02	1.21	10.19	4.60
Thu 11/9	69.21	47.57	22.76	10.77	46.45	36.80	-21.64	-11.98	-9.65	3.87	2.03	6.47	17.88	7.35	5.88	1.67	12.00	5.69
11/2-11/9	62.42	47.24	17.58	10.32	44.85	36.92	-15.19	-7.25	-7.93	4.93	2.55	6.85	12.91	6.98	3.70	1.54	9.21	5.44
11/1-11/30	64.90	48.63	17.80	10.67	47.10	37.96	-16.27	-7.13	-9.14	5.09	2.64	6.81	12.95	7.23	3.63	1.60	9.32	5.63

CAISO Auction Results

Spot NG Prices

There are several factors that play into the pricing dynamic as the market fundamentals in each region range from weather, hydro, ongoing maintenance, and specific renewable volume that needs to find a home via the transmission grid. We have discussed the SP15 discounted price and its impact on the hourly solar profile over the past few months in our [Renewable Monthly Report].

Figure 3 | CAISO Day-Ahead Marginal Cost of Congestion (MCC)



Finally, the chart to the left illustrates for November 1 through November 9 where midday congestion continues to percolate within the day-ahead market. The binding transmission constraint continues in the real-time market as well. Southern California Citygate gas started the week off trading with an $8.00 handle and finished the

weekend off slightly above $6.00 all the while SP15 has averaged $47.24 or $16.27 under that of NP15 across the heavy load.

Recipes and Shout Outs

Chicken Parmesan with Chef Laura Manz

"*When one of our west coast energy compadres complained that there are no restaurants serving decent chicken parmesan on the west coast, I was enthusiastic in my reply that making it yourself is straightforward. Homemade sauce, thoughtfully prepared chicken cutlets and melted mozzarella come together in a perfect comfort food.*"

Prepare the sauce: Marinara sauce should be simple and tomato-forward. Start by heating olive oil in a medium sized saucepan. When the oil begins to shimmer, add 1 Tbsp. of tomato paste. Stir and cook the paste until it beings to turn to a brownish brick color, being careful not to burn it. Add two cloves of minced garlic and sauté for another minute. Turn the heat to low and add a 28-oz can of whole tomatoes and a tsp. of dried oregano. Cook until the tomatoes break down, using a wooden spoon to break the tomatoes apart.

Prepare chicken cutlets by pounding chicken breast until it is about ½" thick and season liberally with salt and pepper. Heat a frying pan with about ¼" cooking oil, such as canola oil. Make sure the oil is hot enough by dropping in a little water or a few breadcrumbs and add the cutlets when the oil sizzles. Prepare a breading using 1 cup Panko breadcrumbs and ¼ cup grated parmesan cheese. Dredge the chicken in flour, dip the cutlets in beaten egg, then the breadcrumb mix. Cook on each side until golden and cooked through.

Layer the ingredients into a baking pan starting with a layer of sauce, then layer in the cutlets, add another layer of sauce, then top with a layer of thinly sliced dry mozzarella cheese, then add a little more sauce. Cook at 350° until the cheese begins to bubble. Serve immediately with a topping of chopped basil.

Great recipe, Laura. Make that chopped basil "fresh from the backyard garden". Or buy a basil plant at any grocery store. I tell you, there is nothing more aromatic than fresh chopped basil garnished on a hot entrée such as chicken parm.

Your stories are below. Have a wonderful weekend especially if you are taking one extra day off for Veteran's Day. Be safe. We'll do it again next week.

gba

Odds & Ends (_!_)

If you selected the meat-filled Burrito, then here are your stories. Make them last because there won't be a Burrito next week:

A Guy Goes Into a Store

A guy goes into a store and tells the clerk, "I'd like some Polish sausage."

The clerk looks at him and says, "Are you Polish?"

The guy, clearly offended, says, "Well, yes I am. But let me ask you something. If I had asked for Italian sausage would you ask me if I was Italian?

Or if I had asked for German bratwurst, would you ask me if I was German?

Or if I asked for a kosher hot dog would you ask me if I was Jewish?

Or if I had asked for a taco would you ask if I was Mexican? Would ya, huh? Would ya?"

The clerk says, "Well, no."

" And if I asked for some Irish whiskey, would you ask if I was Irish?"

" Well, I probably wouldn't."

With deep self-righteous indignation, the guy says, "Well, all right then, why did you ask me if I'm Polish just because I ask for Polish sausage?"

The clerk replies, "Because this is Home Depot."

A Christmas Story

I remember my first Christmas adventure with Grandma. I was just a kid. I remember tearing across town on my bike to visit her on the day my big sister dropped the bomb: "There is no Santa Claus," she jeered. "Even dummies know that!"

My Grandma was not the gushy kind, never had been. I fled to her that day because I knew she would be straight with me. I knew Grandma always told the truth, and I knew that the truth always went down a whole lot easier when swallowed with one of her "world-famous" cinnamon buns. I knew they were world-famous because Grandma said so. It had to be true. Grandma was home, and the buns were still warm. Between bites, I told her everything. She was ready for me. "No Santa Claus?" she snorted. "Ridiculous! Don't believe it. That rumor has been going around for years, and it makes me mad, plain mad. Now, put on your coat, and let's go."

"Go? Go where, Grandma?" I asked. I hadn't even finished my second world-famous cinnamon bun.

"Where" turned out to be Kerby's General Store, the one store in town that had a little bit of just about everything. As we walked through its doors, Grandma handed me ten dollars. That was a bundle in those days.

"Take this money," she said, "and buy something for someone who needs it. I'll wait for you in the car." Then she turned and walked out of Kerby's.

I was only eight years old. I'd often gone shopping with my mother, but never had I shopped for anything all by myself. The store seemed big and crowded, full of people scrambling to finish their Christmas shopping. For a few moments I just stood there, confused, clutching that ten-dollar bill, wondering what to buy, and who on earth to buy it for. I thought of everybody I knew: my family, my friends, my neighbors, the kids at school, the people who went to my church. I was just about thought out, when I suddenly thought of Bobby Decker. He was a kid with bad breath and messy hair, and he sat right behind me in Mrs. Pollock's grade-two class.

Bobby Decker didn't have a coat. I knew that because he never went out to recess during the winter. His mother always wrote a note, telling the teacher that he had a cough, but all we kids knew that Bobby Decker didn't have a cough; he had no coat. I fingered the ten-dollar bill with growing excitement. I would buy Bobby Decker a coat!

I settled on a red corduroy one that had a hood to it. It looked really warm, and he would like that.

"Is this a Christmas present for someone?" the lady behind the counter asked kindly, as I laid my ten dollars down.

"Yes, ma'am," I replied shyly. "It's for Bobby."

The nice lady smiled at me.

I didn't get any change, but she put the coat in a bag and wished me a Merry Christmas.

That evening, Grandma helped me wrap the coat in Christmas paper and ribbons (a little tag fell out of the coat, and Grandma tucked it in her Bible) and write, "To Bobby, From Santa Claus" on it. Grandma said that Santa always insisted on secrecy. Then she drove me over to Bobby Decker's house, explaining as we went that I was now and forever officially one of Santa's helpers.

Grandma parked down the street from Bobby's house, and she and I crept noiselessly and hid in the bushes by his front walk. Then Grandma gave me a nudge. "All right, Santa Claus," she whispered, "get going." I took a deep breath, dashed for his front door, threw the present down on his step, pounded his doorbell and flew back to the safety of the bushes and Grandma.

Together we waited breathlessly in the darkness for the front door to open.

Finally it did, and there stood Bobby. Fifty years haven't dimmed the thrill of those moments spent shivering, beside my Grandma, in Bobby Decker's bushes. That night, I realized that those awful rumors about Santa Claus were just what Grandma said they were: ridiculous. Santa was alive and well, and we were on his team.

I still have the Bible, with the tag tucked inside: $19.95.