RISE ENERGY SERVICES

NOVEMBER 2025

ENERGY MARKET UPDATE

NATURAL GAS, POWER, AND WINTER WEATHER & HEATING DEGREE DAY OUTLOOK

Mixed Winter Sentiment: Softer Gas, Stronger Power Forwards

November forward markets reflect mixed sentiment heading into winter. Natural gas prices trended lower as updated forecasts called for a milder 2025-26 heating season, while forward power prices strengthened across all major ISOs amid regional congestion, firm capacity pricing, and continued fuel cost pass-through. National HDD projections remain slightly below the 2016-2025 average and roughly in line with last winter's mild conditions.

Natural Gas Summary

Forward Henry Hub prices eased through November, with the December 2025–March 2026 strip **averaging near $3.20–$3.35/MMBtu**, down roughly $0.10–$0.20 from October. The prompt curve flattened as revised weather models indicated a delayed start to winter and **reduced heating load expectations.** Storage levels near **3.82 Tcf**, well above the five-year average, continued to cap upside momentum, while production held steady near **104 Bcf/d**.

Regional hubs followed suit but displayed distinct basis trends. Transco Zone 6 NY and Algonquin Citygate both declined slightly on a month-over-month basis yet **maintained strong winter premiums**, trading $1.50–$2.00/MMBtu above Henry Hub for January delivery due to pipeline constraints and regional reliability risk. Chicago Citygate forwards **slipped by $0.10–$0.15,** while SoCal Border and PG&E Citygate remained **relatively unchanged** amid mild Western demand and steady hydro generation.

The overall gas forward structure remains weather-sensitive but **fundamentally balanced**. Ample storage, robust supply, and softening demand are limiting volatility despite incremental LNG exports holding near **14 Bcf/d**. Traders continue to monitor production response and late-December temperature shifts as key variables for near-term direction.

Power Summary

Forward on-peak power **prices increased across major ISOs** in November as rising electricity **demand outpaces new generation** additions, tightening regional reserve margins heading into winter. In PJM West, winter 2025–26 forwards traded around $58–$60/MWh, **up 3–4% month-over-month**, supported by firm load growth and a narrower capacity compared to prior winters. NYISO Zone J (NYC) experienced similar gains, with forwards averaging $72–$74/MWh, reflecting **elevated peak load** expectations, **limited new supply** additions, and **reduced transmission** flexibility into the city.

ISO-NE Mass Hub saw the **sharpest movement,** with January–February forwards climbing to $85–$90/MWh, nearly **8–10% higher** than October levels. The increase reflects regional fuel deliverability risk and ongoing gas infrastructure constraints. Forward premiums in ISO-NE continue to represent the system's exposure to **cold-weather reliability events**..

In contrast, Western markets remained **comparatively stable**. CAISO forwards traded near $50–$52/MWh, supported by consistent renewable output and subdued load growth.

Power market fundamentals remain **regionally bifurcated:** the East faces structural capacity and deliverability constraints, while the West benefits from balanced supply, mild weather, and renewable integration.

RISE ENERGY SERVICES

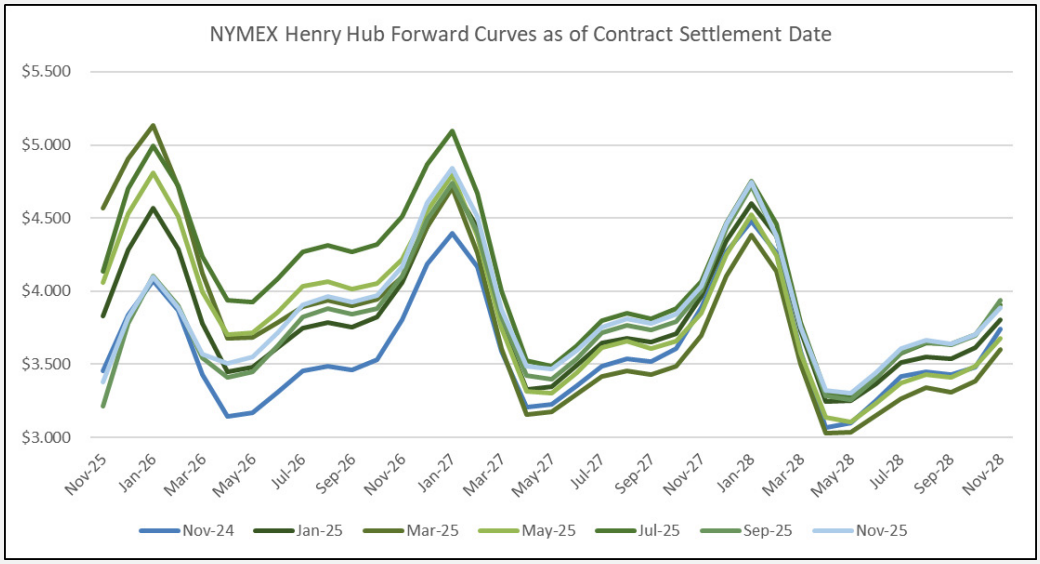
NATURAL GAS

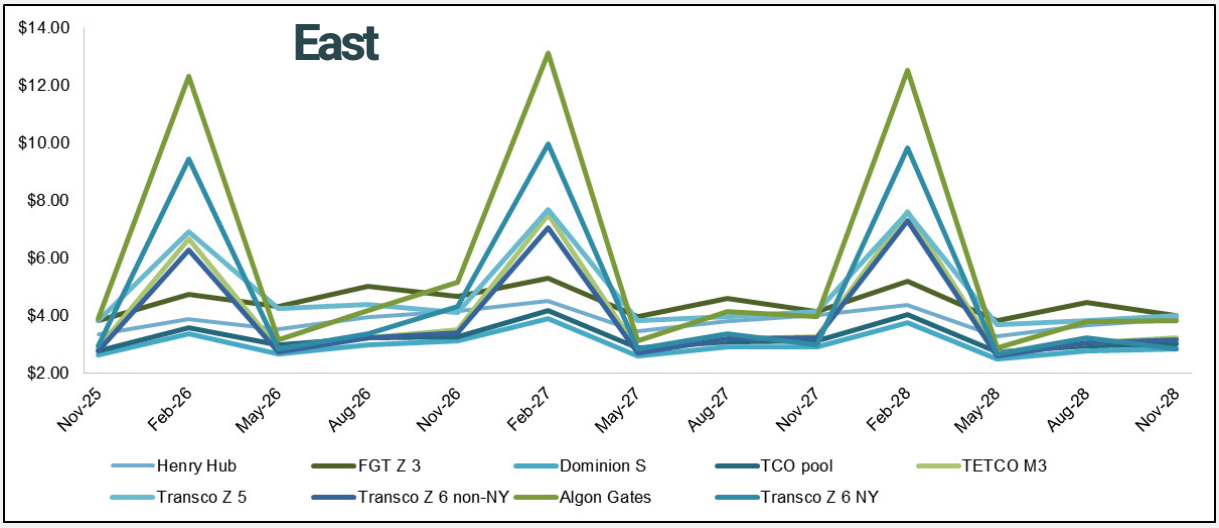
Forward Natural Gas Prices ($/MMBtu)

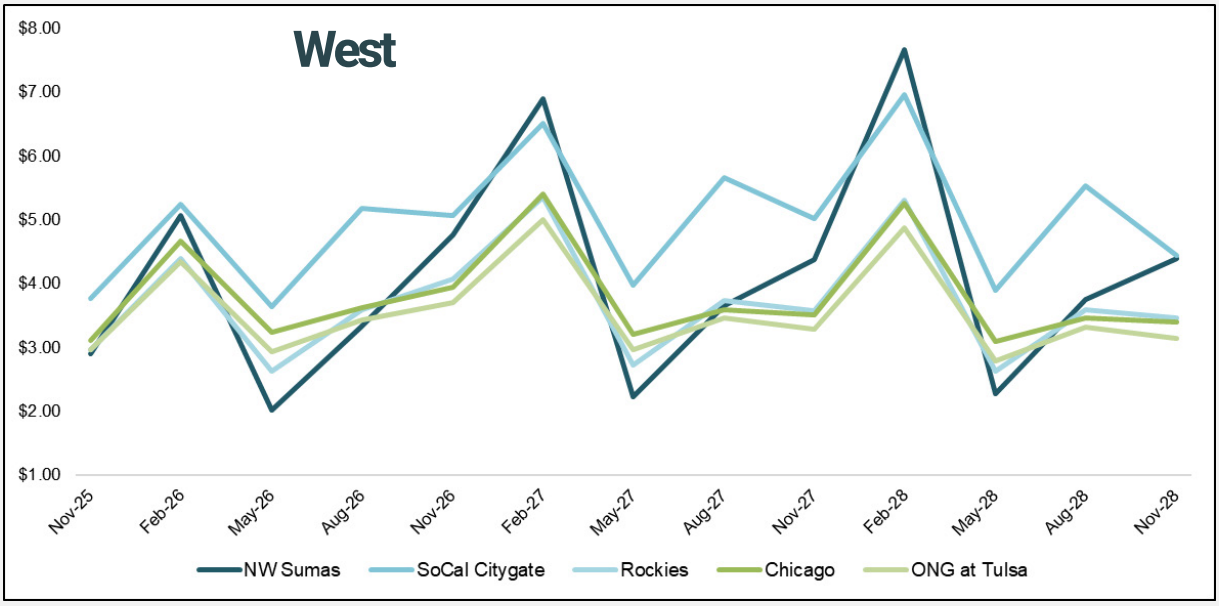
Historical Prices

2021	$	3.842
2022	$	6.645
2023	$	2.737
2024	$	2.269

	Current	MoM	YoY
Nov-25	$ 3.376	$ 0.170	$ (0.078)
Dec-25	$ 3.815	$ (0.025)	$ (0.022)
Jan-26	$ 4.095	$ (0.070)	$ 0.022
Feb-26	$ 3.889	$ (0.075)	$ 0.020
Mar-26	$ 3.572	$ (0.035)	$ 0.144
Apr-26	$ 3.504	$ 0.031	$ 0.361
May-26	$ 3.550	$ 0.044	$ 0.382
Jun-26	$ 3.717	$ 0.048	$ 0.410
Jul-26	$ 3.906	$ 0.043	$ 0.453
Aug-26	$ 3.963	$ 0.056	$ 0.473
Sep-26	$ 3.924	$ 0.058	$ 0.461
Oct-26	$ 3.970	$ 0.059	$ 0.440
12 month Strip	$ 3.773	$ 0.025	$ 0.256
Cal 2026	$ 3.989	$ 0.027	$ 0.329
Cal 2027	$ 3.876	$ 0.044	$ 0.267
Cal 2028	$ 3.784	$ 0.024	$ 0.197
Cal 2029	$ 3.669	$ (0.006)	$ 0.173

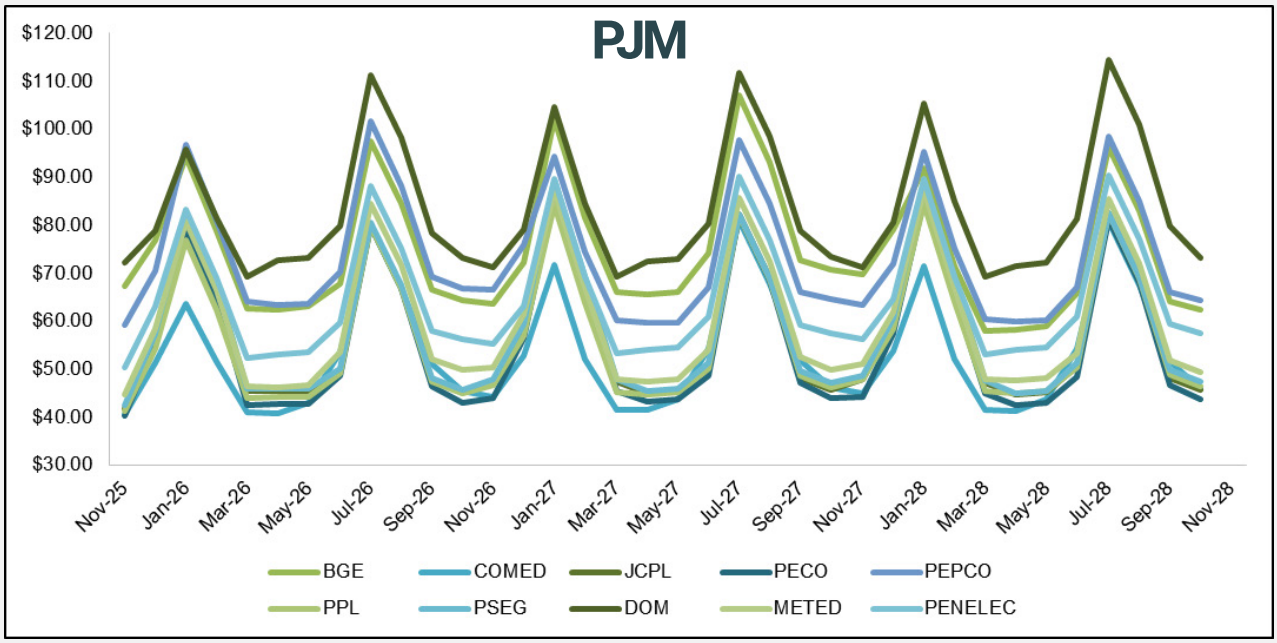


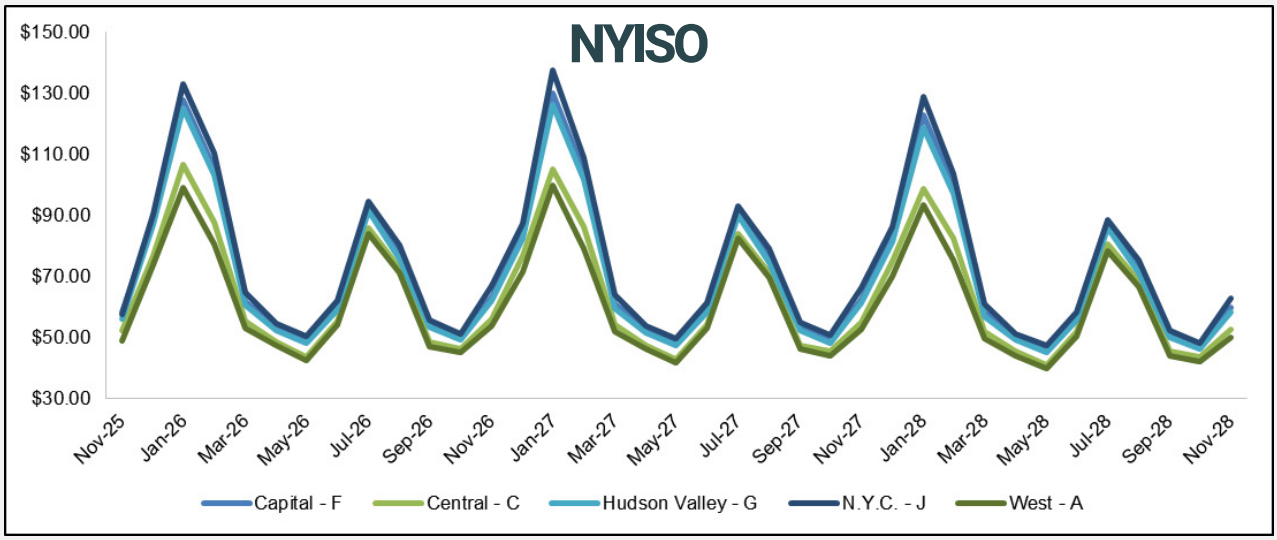


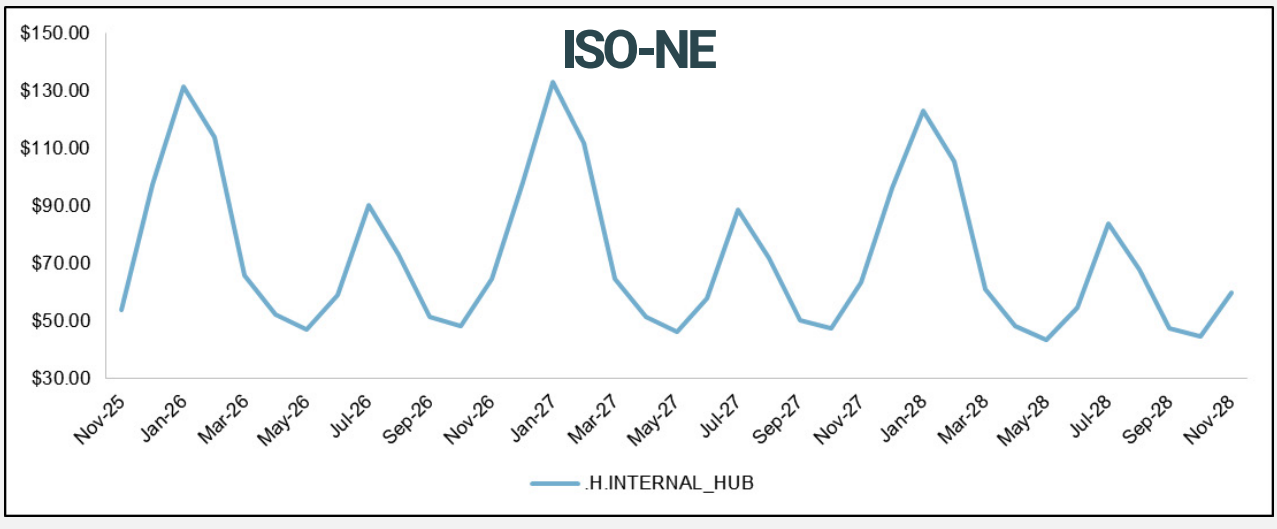


POWER

Forward On-Peak Power Prices ($/MWh)



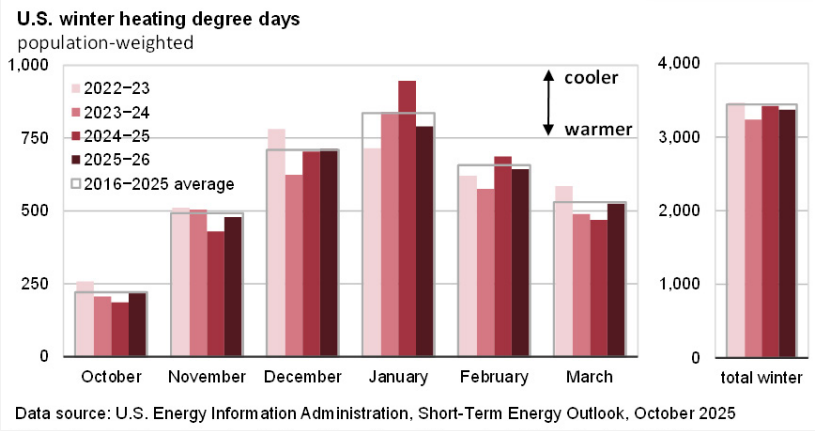


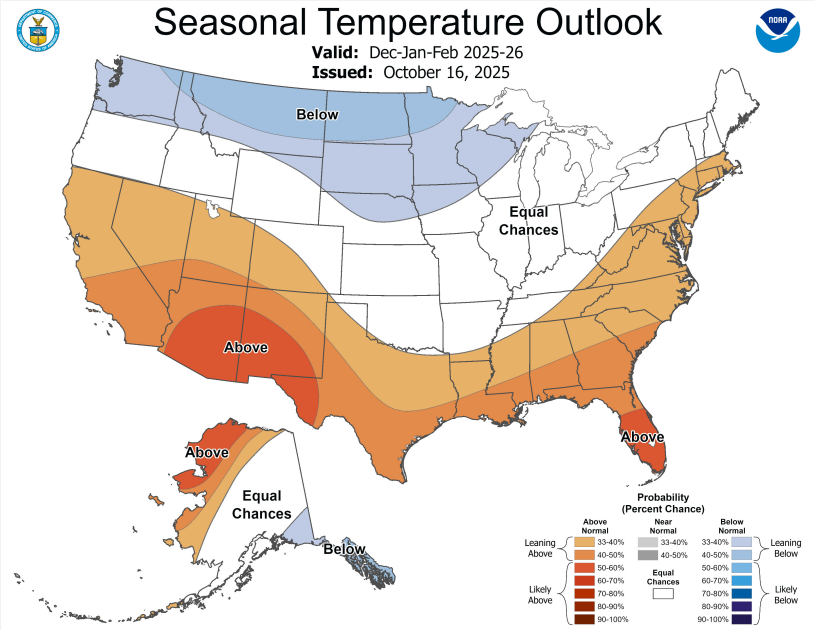


RISE ENERGY SERVICES

Winter Weather & Heating Degree Day Outlook

Forecasts





These projections suggest incrementally higher heating energy use, particularly early in the season, but **not a dramatic shift in overall demand.** Overall, the pattern favors a cooler North–warmer South split, implying modest national heating demand with potential for short-lived cold-driven **volatility in northern markets.**

Heating Degree Day (HDD) Forecast:

EIA projects a **slightly cooler 2025–26 winter** compared with last year but still close to average long-term norms:

- **Total HDDs (Nov–Mar):** ~3,150, about 3% higher year over year.
- **Fourth quarter 2025:** 9% more HDDs than the same period in 2024, led by a colder October (19% above last year, matching the 10-year mean).
- HDDs remain slightly below the 2016–2025 average, indicating another **relatively mild winter historically.**

Seasonal Temperature Forecast:

NOAA's outlook for December 2025–February 2026 points to a mixed but **generally mild winter**, shaped by a lingering El Niño-to-neutral pattern:

- Colder-than-normal conditions are likely across the northern Rockies, northern Plains, and Upper Midwest, supporting **stronger regional heating demand.**
- Above-normal temperatures dominate the southern and eastern U.S., **limiting overall national heating loads.**
- The central corridor shows near-normal probabilities, while the Pacific Northwest may lean cooler and wetter.

Market Implications

- **Natural Gas:** A cooler start to winter should lift heating demand modestly, but ample storage and strong production keep fundamentals balanced. Expect limited upside in natural gas prices, with potential regional spikes during cold snaps in the Midwest or Northeast.

- **Power:** Cooler northern temperatures may support winter peak loads in MISO, PJM, and ISO-NE, while southern warmth tempers national demand. Power forwards remain firm on regional congestion and capacity pricing, even if gas prices stay stable.