RISE ENERGY SERVICES

FEBRUARY 2026

ENERGY MARKET UPDATE

NATURAL GAS, POWER, AND POLICY & REGULATORY DEVELOPMENTS

Natural Gas and Power Markets Reprice Sharply Higher

February is set to mark one of the most dramatic price revisions of this winter. Market attention shifted from mild expectations in January to a full blown risk repricing as a powerful winter storm swept across much of the United States, bringing freezing temperatures, record low readings, widespread snow, and severe stress on energy infrastructure.

The impact showed up clearly in market pricing: natural gas and power forward curves moved sharply higher relative to January levels, and spot prices reached levels not seen in years as supply constraints and demand surges intersected across regions.

Natural Gas Summary

Natural gas prices surged amid extreme winter weather, driven by strong heating demand and disruption to production and delivery. U.S. natural gas futures reflected historic gains in late January as temperatures plunged and infrastructure froze. Prices reached three year highs, with the February 2026 contract settling around **$7.46/MMBtu**, a level not seen since 2022 and a dramatic jump from earlier in the season.

The speed and scale of the move showed how abruptly market expectations reset. The February Henry Hub contract **increased by $3.47/MMBtu** month over month, representing one of the sharpest single month gains of the winter and confirming that pricing shifted from surplus confidence to scarcity risk in a matter of weeks.

Power Summary

Power markets also reflated sharply in February as generators struggled to secure fuel and meet elevated load. In parts of the Eastern Interconnection, including PJM and portions of ISO-NE, generation outages surged as frigid conditions constrained gas-fired plants, forcing greater reliance on oil and other fuel sources.

Forward power curves for winter months showed marks substantially above January levels, with peak pricing in many hubs moving back toward well over **$150-$200/MWh** for winter peak periods. This revaluation reflects both elevated expectations for tight supply during extreme conditions and increased risk premiums as system operators grappled with delivery challenges.

Why the February Move Was So Intense

The repricing was not solely a market fluctuation, it was driven by real weather and system stress factors:

- A powerful winter storm and bomb cyclone brought heavy snow, sustained freezing temperatures, and widespread infrastructure strain from the Southeast to the Northeast.
- Extreme cold persisted into second weeks in parts of the South and Mid-Atlantic, stressing both fossil fuel and grid operations.
- Utilities and system operators reported significant generation outages as gas supply tightened and fuel switching increased, pushing coal generation higher as backup.

These conditions combined to shift market focus from expected winter moderation to worst case risk scenarios, with prices responding accordingly.

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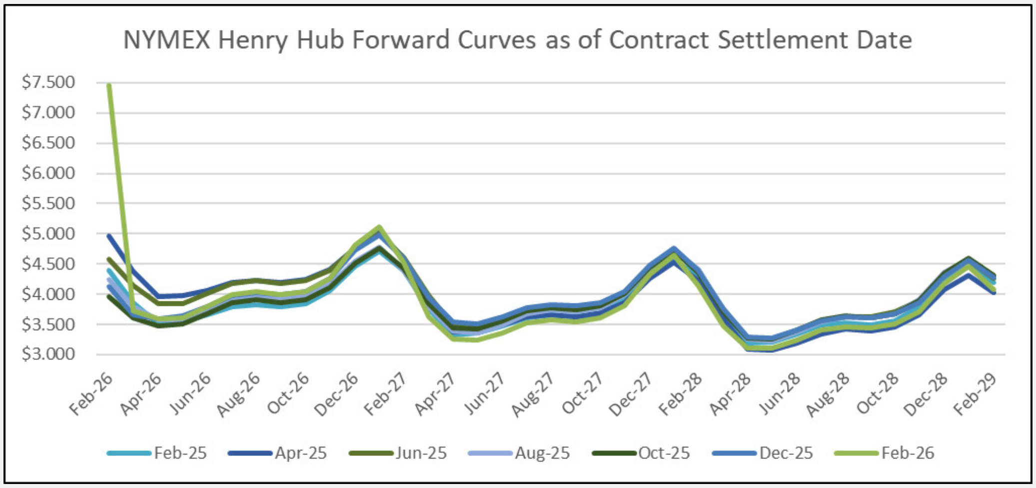
NATURAL GAS

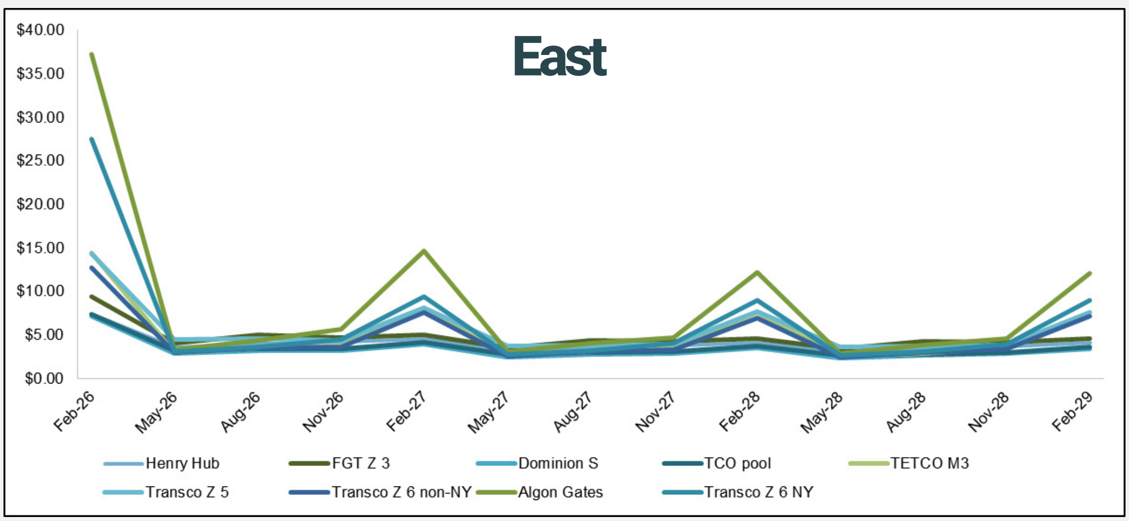
Forward Natural Gas Prices ($/MMBtu)

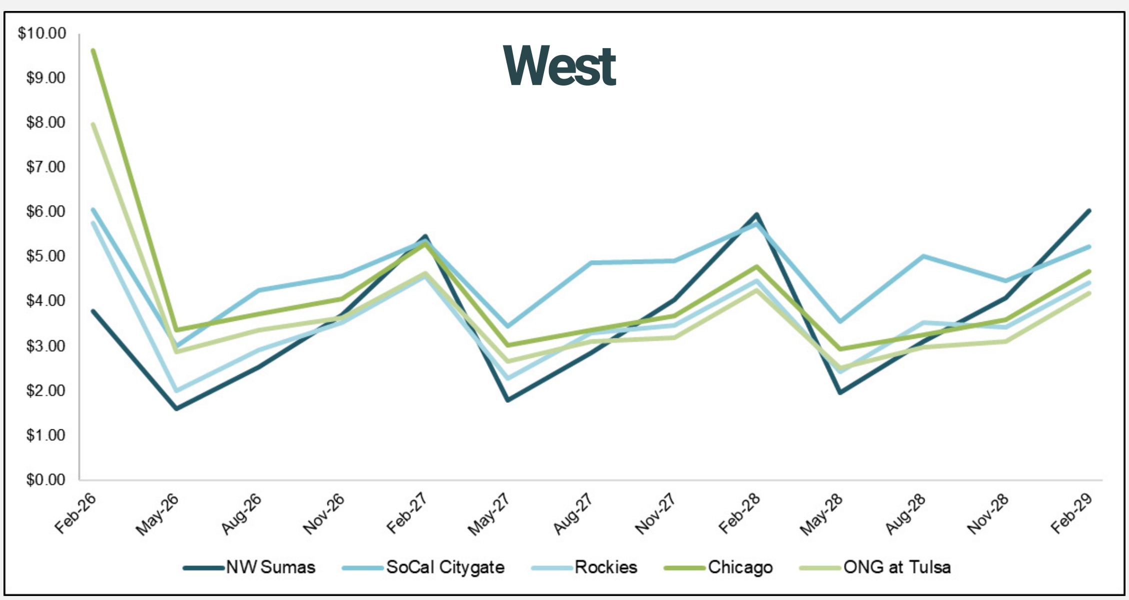
Historical Prices

2022	$ 6.645
2023	$ 2.737
2024	$ 2.269
2025	$ 3.427

	Current	MoM	YoY
Feb-26	$ 7.460	$ 3.474	$ 3.074
Mar-26	$ 3.732	$ 0.370	$ (0.128)
Apr-26	$ 3.590	$ 0.236	$ 0.075
May-26	$ 3.614	$ 0.202	$ 0.077
Jun-26	$ 3.786	$ 0.183	$ 0.123
Jul-26	$ 3.992	$ 0.162	$ 0.203
Aug-26	$ 4.036	$ 0.145	$ 0.211
Sep-26	$ 3.998	$ 0.135	$ 0.207
Oct-26	$ 4.051	$ 0.146	$ 0.202
Nov-26	$ 4.259	$ 0.152	$ 0.200
Dec-26	$ 4.808	$ 0.262	$ 0.348
Jan-27	$ 5.115	$ 0.327	$ 0.404
12 month Strip	$ 4.370	$ 0.483	$ 0.416
Cal 2026	$ 4.334	$ 0.497	$ 0.417
Cal 2027	$ 3.792	$ (0.137)	$ (0.025)
Cal 2028	$ 3.619	$ (0.093)	$ (0.079)
Cal 2029	$ 3.614	$ 0.011	$ 0.044







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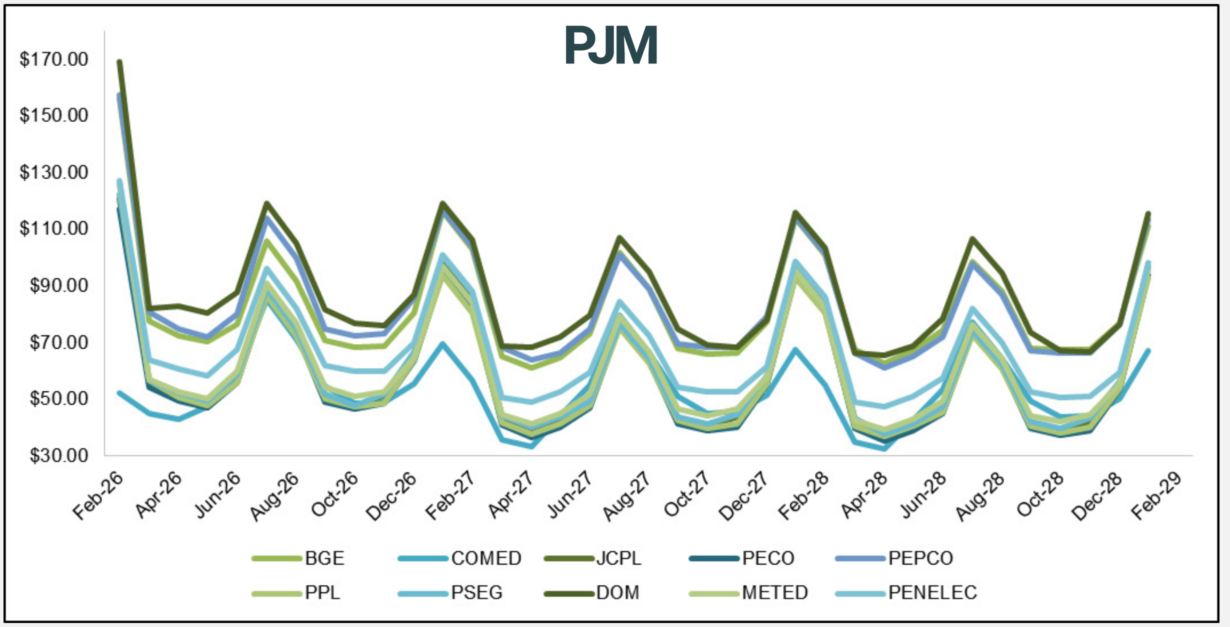
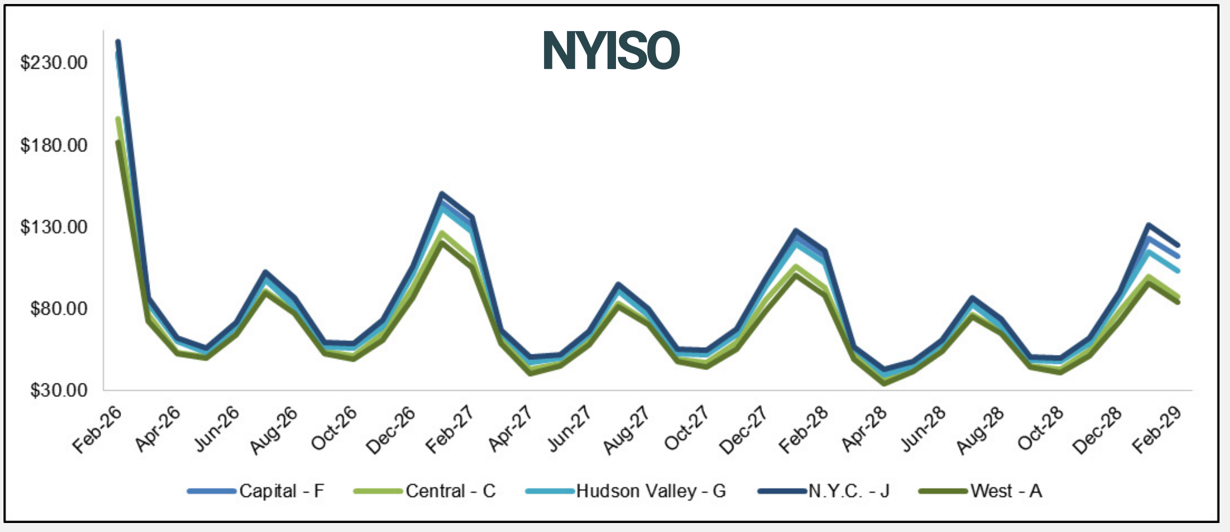
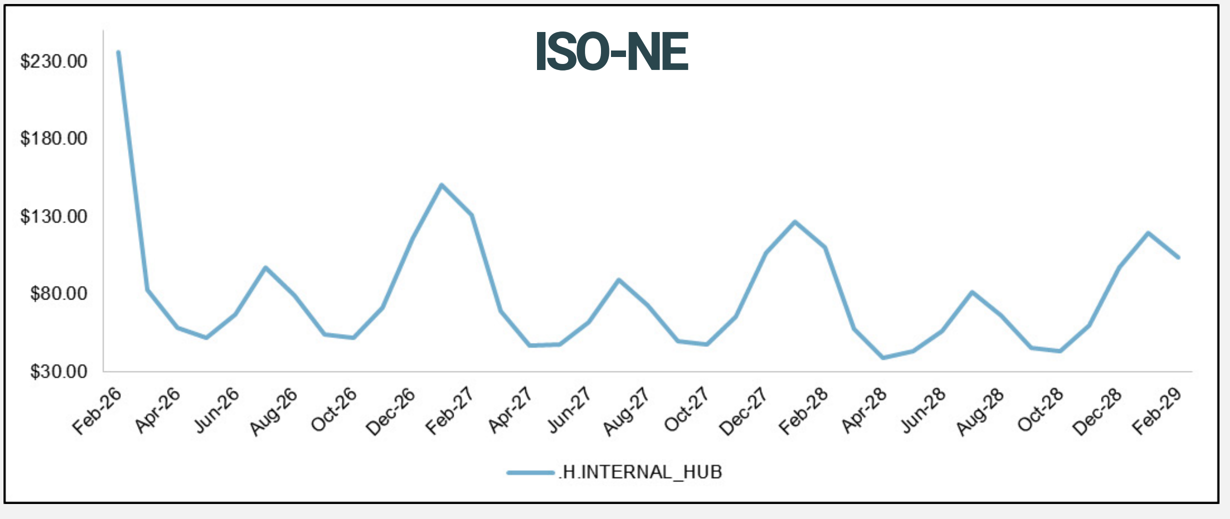
POWER

Forward On-Peak Power Prices ($/MWh)







POLICY & REGULATORY DEVELOPMENTS

Policy attention, regulatory activity, and investor focus continue to converge around large load growth and affordability. Recent developments reinforce growing uncertainty around how new demand is served, how costs are allocated, and how quickly regulatory processes can respond as demand expectations accelerate.

Policy Pressure Builds Around Load Cost Responsibility

Federal officials and a bipartisan group of governors have encouraged PJM to explore a one time emergency auction to procure new generation dedicated to data center demand. The proposal would allow large loads to secure long term power purchase agreements tied to new builds, shifting cost responsibility away from the broader system.

While the initiative would require PJM action and FERC approval, it signals increasing openness to changes in how large loads are integrated into capacity markets. The discussion highlights potential future shifts in capacity procurement, interconnection treatment, and long term power sourcing expectations within PJM.

Regulatory Activity Accelerates Across U.S. Utilities

Electric and gas utility regulatory activity remains elevated heading into February, with decisions expected in at least 11 pending rate cases across multiple jurisdictions. Filing activity is also expected to remain strong as utilities seek recovery for capital investments tied to reliability, infrastructure expansion, and demand growth.

Nearly 90 rate cases remain pending nationwide, representing approximately 15 billion dollars in requested net rate increases. The volume and pace of activity point to sustained pressure on regulatory timelines, rate outcomes, and assumptions around capital recovery over the near to medium term.

Affordability Concerns Enter Earnings and Policy Discourse

Despite generally strong fourth quarter utility earnings expectations, affordability concerns linked to data center development are increasingly shaping management commentary, investor sentiment, and political response. Analysts point to growing scrutiny of demand forecasts, cost recovery approaches, and the risk of overbuilding tied to uncertain load realization.

Recent political actions related to rate increases and a broader focus on bill impacts suggest affordability is becoming a more prominent factor in regulatory and investment discussions. This adds another layer of risk consideration as capital plans continue to expand.

Key Takeaways

- Rising demand is shaping policy, regulatory, and investment decisions across energy markets.
- Cost responsibility for new generation and infrastructure remains unresolved and subject to change.
- Regulatory timelines and outcomes are likely to remain pressured as case volumes stay elevated.
- Affordability considerations are emerging as a visible constraint on capital recovery and market design.
- These factors collectively support continued volatility in pricing and longer term capacity planning assumptions.