MONTHLY ENERGY MARKET INTELLIGENCE

ENERGY MARKET UPDATE

Near-term power prices are easing from summer highs, but structural power premiums remain elevated while Northeast winter gas basis signals growing regional risk.

AT A GLANCE · NYMEX SETTLEMENT, AUGUST 27, 2026

PROMPT · SEP-26	12-MONTH STRIP	CAL 2027 GAS	PJM DOM–COMED CAL 27 SPREAD
$2.907	$3.171	$3.324	$53.85/MWh
▲ $0.185 MOM	▼ $0.036 MOM	▼ $0.057 MOM	▲ WIDENING

Gas in $/MMBtu, power in $/MWh. Actual price is determined at the time of execution.

Power Prices Normalize as Winter Gas Risk Builds

The September settlement marks a shift away from peak summer pricing. Near-term PJM power eased as seasonal demand moderated, while the Henry Hub prompt firmed modestly to $2.907/MMBtu, up $0.185 on the month but still $0.935 below a year ago. The 12-month strip is nearly unchanged at $3.171, and Cal 2027 eased to $3.324. National gas is the best supplied it has been heading into a heating season in years.

The risk has moved from the fuel to the region. Henry Hub winter contracts fell on the month, yet January 2027 Algonquin Citygate basis is bid at $17.64/MMBtu over Henry Hub, and ISO-NE Hub on-peak peaks at $189.20/MWh in January. Inside PJM, the Dominion premium over COMED widened again to $53.85/MWh for Cal 2027, a spread set by load and deliverability rather than by fuel.

HOW THE MARKET MOVED SINCE LAST MONTH

PROMPT GAS	12-MO STRIP	CAL 2026	CAL 2027	PJM DOM CAL 27
$2.725	$3.162	$3.501	$3.381	$104.42
$2.907	**$3.171**	**$3.520**	**$3.324**	**$104.97**
▲ 6.7%	▲ 0.3%	▲ 0.5%	▼ 1.7%	▲ 0.5%

PRIOR FIGURE SHOWN ABOVE CURRENT, AS PUBLISHED IN THE AUGUST 2026 REPORT. GAS IN $/MMBTU; POWER IN $/MWH ON-PEAK.

NATURAL GAS

Henry Hub prompt pricing firmed modestly while the winter strip eased. The Sep-26 contract closed at $2.907/MMBtu, up $0.185 on the month but down $0.935 year over year. Winter contracts moved the other way: December 2026 fell $0.151 to $3.581/MMBtu and January 2027 fell $0.231 to $3.979/MMBtu, reflecting a national supply picture that continues to build inventory ahead of the heating season.

> The 12-month strip sits at $3.171/MMBtu against $3.162 in the August report and is down $0.756 year over year.

> Cal 2027 is priced at $3.324/MMBtu, down $0.574 from a year ago, while Cal 2028 at $3.711 and Cal 2029 at $3.710 carry a modest back-end premium.

> Northeast winter basis is where the risk sits: Algonquin Citygate averages $14.16/MMBtu over Henry Hub across December to February, versus $0.16 in summer 2027.

POWER

Near-term power eased with seasonal demand while the forward curve held its structural premium. Locational spreads inside PJM remain the defining feature: Cal 2027 on-peak in DOM is $104.97/MWh against $51.12/MWh in COMED, a gap driven by large-load growth rather than fuel. In the Northeast, winter shapes dominate, with ISO-NE Hub and NYISO Zone J both pricing heating-season on-peak power well above shoulder levels.

> PJM DOM Cal 2027 on-peak of $104.97/MWh is roughly double COMED at $51.12/MWh in the same strip.

> ISO-NE Hub prices winter on-peak at $164.37/MWh against $57.26/MWh for Sep-26.

> NYISO Zone J Cal 2027 on-peak is $86.25/MWh, with the December to February window at $146.67/MWh.

HISTORICAL AVERAGES

$/MMBTU, CALENDAR-YEAR SETTLEMENT

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

FORWARD PRICING

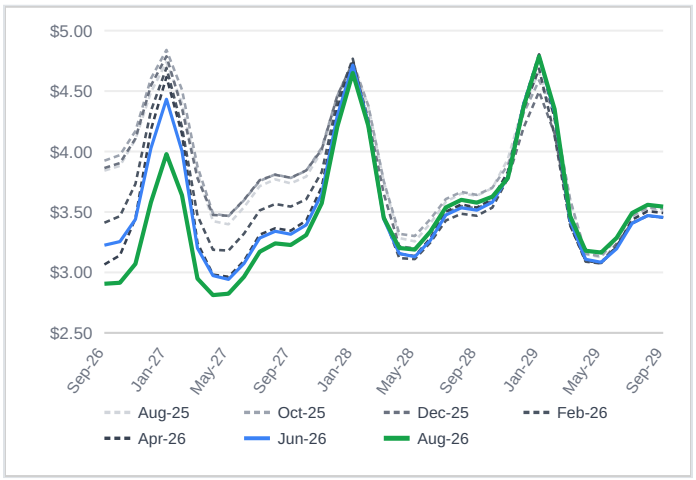
HENRY HUB, $/MMBTU

CONTRACT	CURRENT	MOM	YOY
Sep-26	**$2.907**	$0.185	($0.935)
Oct-26	$2.914	$0.145	($0.968)
Nov-26	$3.071	$0.052	($1.030)
Dec-26	$3.581	($0.151)	($0.911)
Jan-27	$3.979	($0.231)	($0.761)
Feb-27	$3.638	($0.194)	($0.764)
Mar-27	$2.949	($0.062)	($0.873)
Apr-27	$2.813	($0.050)	($0.611)
May-27	$2.824	($0.037)	($0.574)
Jun-27	$2.964	($0.031)	($0.576)
Jul-27	$3.171	($0.030)	($0.543)
Aug-27	$3.240	($0.025)	($0.530)
12-Month Strip	**$3.171**	($0.036)	($0.756)
Cal 2026	**$3.520**	$0.058	($0.961)
Cal 2027	**$3.324**	($0.057)	($0.574)
Cal 2028	**$3.711**	$0.027	($0.097)
Cal 2029	**$3.710**	($0.002)	$0.028

PROMPT MONTH HIGHLIGHTED. CAL 2026 AND CAL 2027 ARE FULL 12-MONTH (JAN TO DEC) CALENDAR-YEAR AVERAGES.

NYMEX FORWARD CURVES

AUG-25 TO AUG-26 BY CONTRACT SETTLEMENT DATE



SEVEN NYMEX SETTLEMENT VINTAGES OVER THE SEP-26 TO SEP-29 DELIVERY WINDOW.

CURVE SHAPE

The front of the curve firmed while winter eased, flattening the seasonal spread. January 2027 remains the only pronounced peak at $3.979, now $1.072 above the Sep-26 prompt, down from a wider gap last month. The back of the curve is essentially flat, with Cal 2028 at $3.711 and Cal 2029 at $3.710.

WINTER PEAK · JAN-27

$3.979

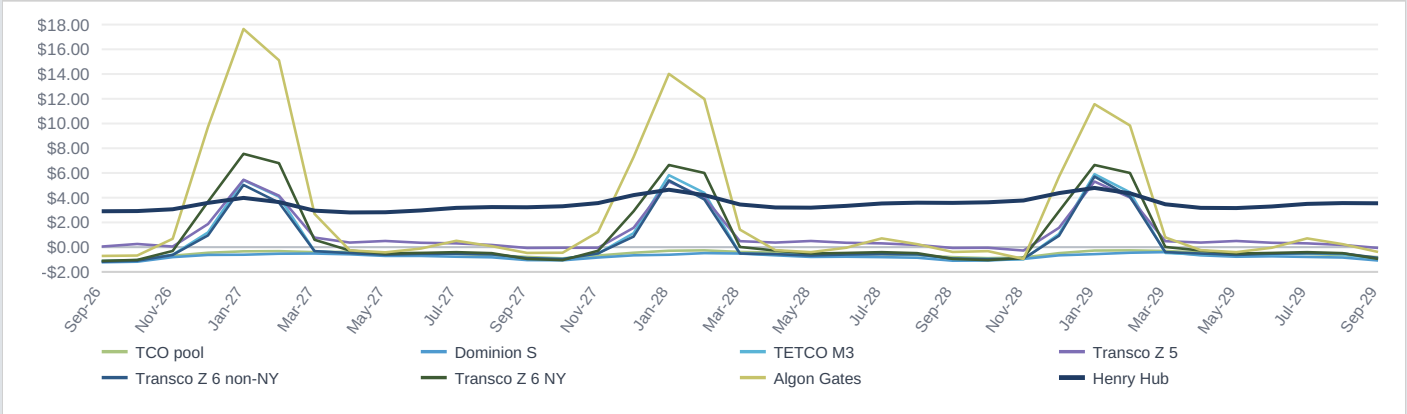
BACK OF CURVE · CAL 2028

$3.711

Regional Basis: East and West Forward Strips

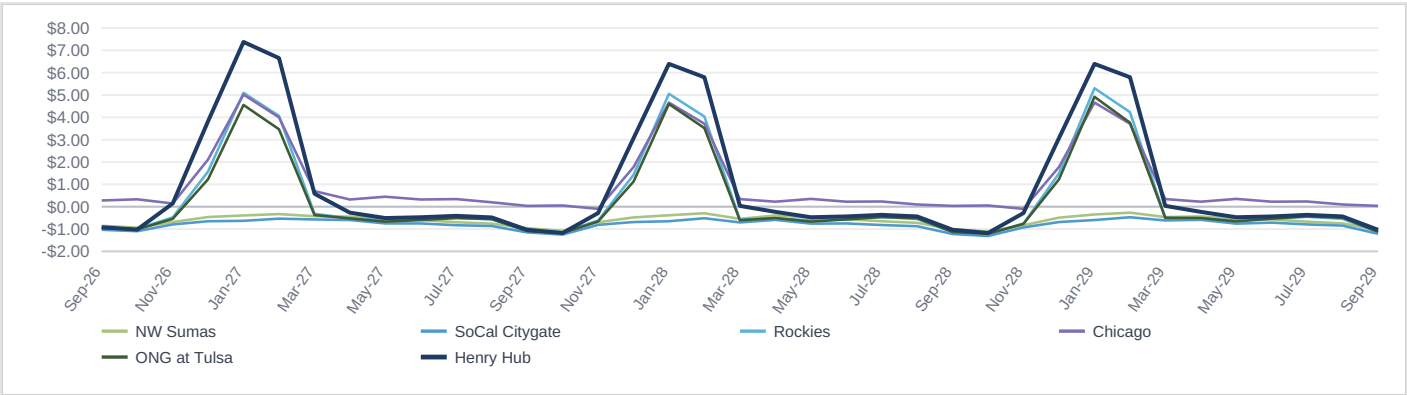
Basis is the delivered premium or discount to Henry Hub at each trading point, and it is where local constraints show up in a customer's all-in gas cost. Henry Hub is plotted as its absolute forward price for reference; every other series is a differential to it.

EAST — AS OF 08/27/2026



MONTHLY FORWARD BASIS TO HENRY HUB ($/MMBTU), EAST REGION. HENRY HUB SHOWN AS ITS ABSOLUTE FORWARD PRICE FOR REFERENCE; ALL OTHER HUBS ARE BASIS DIFFERENTIALS.

WEST — AS OF 08/27/2026



MONTHLY FORWARD BASIS TO HENRY HUB ($/MMBTU), WEST REGION.

EAST TRADING POINTS

TCO POOL	Columbia Gas Transmission pool, Appalachia
DOMINION SOUTH	Southwest Pennsylvania Marcellus supply
TETCO M3	Texas Eastern zone M3, mid-Atlantic delivery
TRANSCO Z5	Virginia and the Carolinas
TRANSCO Z6 NON-NY	Philadelphia and New Jersey
TRANSCO Z6 NY	New York City delivered gas
ALGONQUIN GATES	New England delivered gas

WEST TRADING POINTS

NW SUMAS	Pacific Northwest at the Canadian border
SOCAL CITYGATE	Southern California delivered gas
ROCKIES	Rockies production area
CHICAGO	Chicago citygate
ONG AT TULSA	Oklahoma and the Mid-Continent
HENRY HUB	NYMEX benchmark, shown as the reference line

PJM DOM · CAL 2027

$104.97/MWh

▲ $0.55 VS AUG

NYISO N.Y.C.-J · CAL 2027

$86.25/MWh

▲ $0.27 VS AUG

ISO-NE HUB · CAL 2027

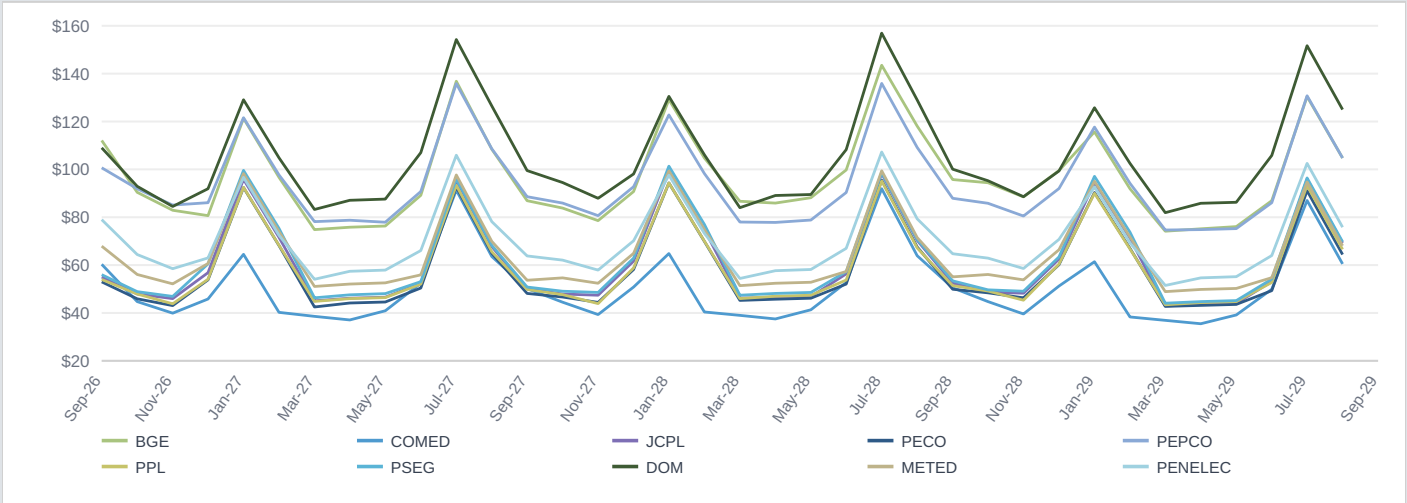
$89.44/MWh

▲ $0.53 VS AUG

> Winter carries a distinct reliability premium: ISO-NE Hub forwards peak at $189.20/MWh in Jan-27 and NYISO N.Y.C.-J at $169.60/MWh, roughly double their Cal 2027 averages of $89.44 and $86.25.

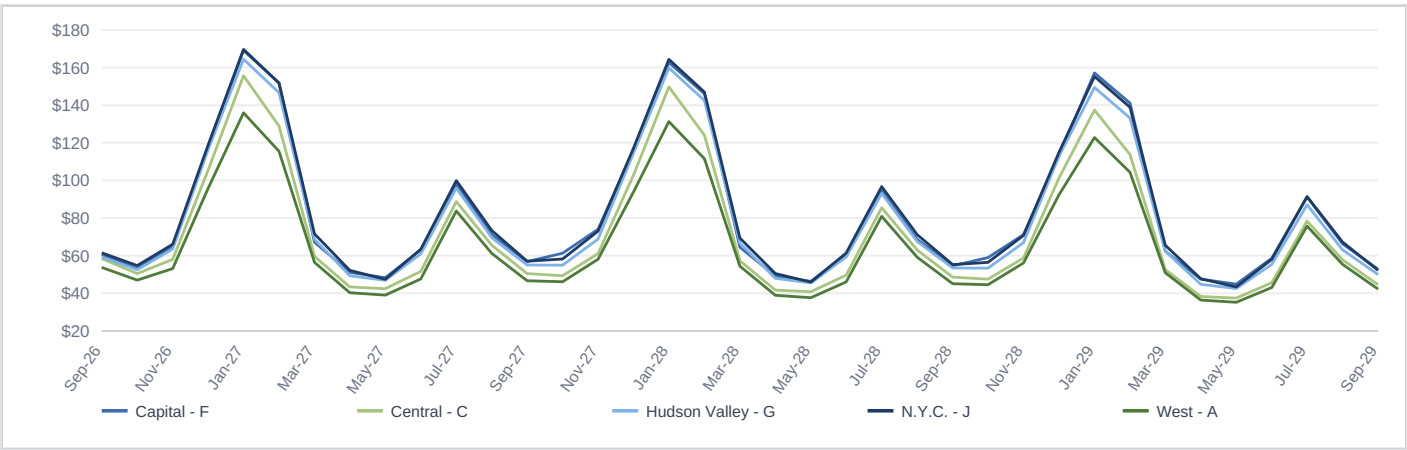
PJM

AS OF 08/27/2026



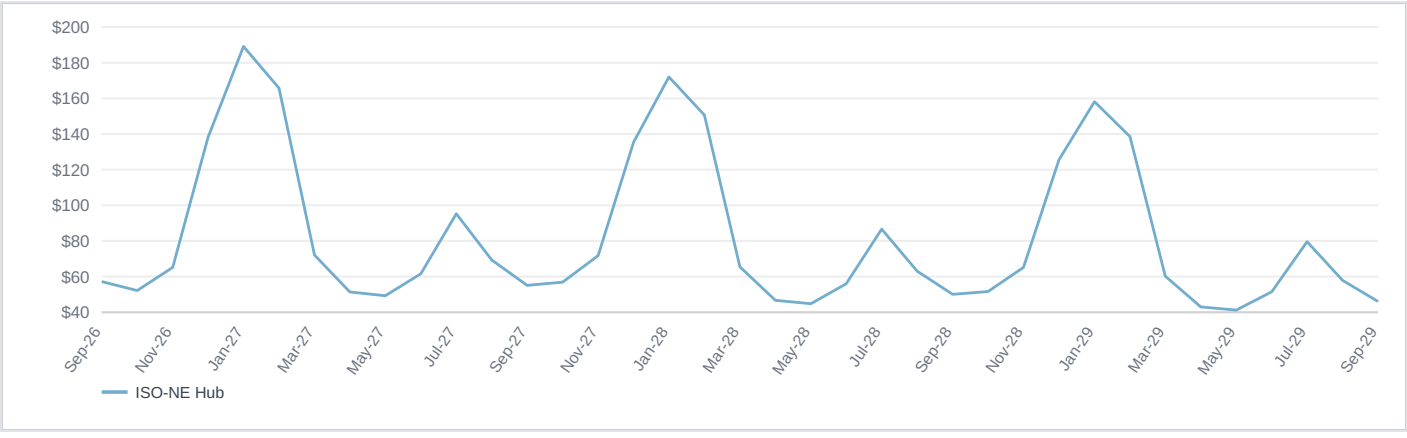
NYISO

AS OF 08/27/2026



ISO-NE

AS OF 08/27/2026



BULLISH AND BEARISH FACTORS INTO FALL AND WINTER

What is pulling gas and power in each direction as the heating season approaches.

The September curve splits cleanly. National gas is the best supplied it has been in several years heading into a heating season, and that shows up in a Henry Hub winter strip that eased on the month. Regional power and delivered gas tell a different story, where capacity scarcity, large-load growth and pipeline constraints keep premiums intact. The factors below are grouped by direction, with the gas and power transmission channel identified for each.

THE CENTRAL TENSION

Storage enters winter at its highest level since 2016, while New England delivered gas prices a record premium

JAN-27 HENRY HUB
$3.979

JAN-27 ALGONQUIN BASIS
+$17.64

BULLISH FACTORS

Northeast pipeline constraints reprice the heating season

Gas: the binding constraint into New England and New York City is pipeline capacity, not supply. January 2027 Algonquin Citygate basis is $17.64/MMBtu over Henry Hub and TETCO M3 is $5.42, while upstream Appalachian supply hubs stay at a discount (TCO pool -$0.34, Dominion South -$0.61). The premium is structural, not transient: January 2028 Algonquin basis is still $14.02. Power: gas sets the marginal price in both ISOs through the winter, so that basis flows straight into power. ISO-NE Hub on-peak averages $164.37/MWh from December to February against $57.26/MWh for Sep-26, and NYISO Zone J averages $146.67/MWh. During last winter's prolonged January cold snap, Algonquin cash traded near $122/MMBtu, which is the tail these forwards are hedging.

PJM capacity scarcity moves to a backstop procurement this month

Power: the 2028/2029 Base Residual Auction cleared at the FERC-approved cap of $325/MW-day across the footprint and fell 6,831 MW short of the reliability requirement, the third consecutive capped auction. PJM has filed to run a one-time Reliability Backstop Procurement opening at the end of September and closing in October, with results expected in early December ahead of the 2029/2030 auction. Capacity is a separate bill line from energy, but the scarcity it signals is already embedded in the forward energy curve. Gas: the resources most able to clear a near-dated procurement are gas-fired, which supports firm transportation demand and term gas burn in the Mid-Atlantic.

Large-load growth keeps locational power premiums structural

Power: the DOM zone prices Cal 2027 on-peak at $104.97/MWh against $51.12/MWh in COMED. That spread is a load and deliverability signal rather than a fuel signal, since both zones burn the same gas. Gas: rising data center load pulls through more gas-fired generation year round, and gas-fired output is expected to keep growing into 2027 as coal retires, adding a demand floor that dampens the price relief record storage would otherwise deliver.

BEARISH FACTORS

Storage enters winter at a record level

Gas: inventories are forecast to reach roughly 3,985 Bcf at the end of October, about 5% above the five-year average and the highest level heading into a winter since 2016. Henry Hub is expected to stay below $3.00/MMBtu until November. The curve agrees: December 2026 fell $0.151 on the month, January 2027 fell $0.231 and February 2027 fell $0.194. Power: a well supplied Henry Hub caps the fuel component of every forward power price outside the constrained Northeast, which is why PJM western zones such as COMED remain anchored near $51.12/MWh.

Record production and softer LNG feedgas demand

Gas: production is running at record levels while LNG feedgas has been trimmed by export terminal maintenance, with third quarter LNG exports averaging about 16.5 Bcf/d. That combination is the direct cause of the year-over-year decline across the curve, with Cal 2027 down $0.574 to $3.324/MMBtu. Power: cheaper delivered gas improves gas-fired heat rate economics against coal, adding effective supply into the stack and easing scarcity pricing in shoulder months.

A strong El Niño tilts heating season weather risk lower

Gas: forecasters carry a very strong El Niño through the 2026/2027 winter, a pattern that historically skews the eastern heating season milder and reduces the odds of the sustained multi-week cold that drives Northeast basis to its extremes. Milder weather would leave the record October inventory largely intact into spring. Power: the same outcome would keep the ISO-NE and NYISO winter shapes from settling anywhere near where they are currently bid, and would pressure the back of the curve, where Cal 2028 at $3.711/MMBtu and Cal 2029 at $3.710/MMBtu already sit close to each other.

WHY THE CURVE SPLITS

The split is rooted in where the constraint sits. Nationally there is no scarcity: production is at record levels, storage is forecast to reach roughly 3,985 Bcf at the end of October, about 5% above the five-year average and the highest heading into a winter since 2016, and LNG feedgas has been trimmed by export terminal maintenance. That is why Henry Hub winter contracts fell this month, with December 2026 down $0.151 and January 2027 down $0.231.

Regionally the constraint is pipeline capacity, and no amount of Gulf Coast storage relieves it. Appalachian supply sits at a discount (-$0.34 at TCO pool for January 2027) while delivered New England gas carries a $17.64/MMBtu premium in the same month. Power inherits that directly, because gas sets the marginal price in both Northeast ISOs through the heating season. The practical consequence is that a fuel hedge and a regional hedge are now two different decisions.

KEY TAKEAWAYS

01 **Separate the fuel call from the regional call.**
Henry Hub enters winter with storage at its highest level since 2016, but Algonquin January basis of $17.64/MMBtu means a New England buyer is not exposed to that national picture. Hedge the two independently.

02 **The winter shape carries the risk, not the annual average.**
ISO-NE Hub averages $164.37/MWh on-peak from December to February against a Cal 2027 average of $89.44/MWh. Budgeting from the calendar strip understates January and February exposure materially.

03 **Locational spreads inside PJM now rival the commodity itself.**
DOM at $104.97/MWh versus COMED at $51.12/MWh for Cal 2027 is a larger swing than any plausible move in Henry Hub. Zone matters more than fuel for siting and contracting decisions.

04 **Shoulder season is the window to act.**
The 12-month strip at $3.171/MMBtu is down $0.756 year over year and the back of the curve is near flat. For clients with fall renewal dates, current levels price in neither a cold winter nor a resolution of Northeast constraints.

ENERGY PROCUREMENT & ADVISORY

Rise Energy Services helps commercial and industrial buyers translate these curves into a coverage strategy: timing, tenor, and structure matched to each site’s load and risk tolerance.

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SOURCES. Forward and settlement pricing: S&P Global Commodity Insights Regional Market Summary and Forward Strip Browser; NYMEX Henry Hub settlements. Storage, production, LNG and generation outlook: U.S. Energy Information Administration Short-Term Energy Outlook, August 2026. Capacity market: PJM Interconnection 2028/2029 Base Residual Auction results, July 14 2026, and Reliability Backstop Procurement filing, July 31 2026. Winter gas and power conditions: ISO New England Winter 2026 Quarterly Markets Report. Seasonal outlook: NOAA Climate Prediction Center ENSO diagnostic discussion, August 2026.