



SUMMER OUTLOOK

2026





SUMMER U.S. NATURAL GAS MARKET SEES GROWING DEMAND MET BY INCREASING SUPPLY, BUT FLAT IMPACT ON PRICES

- **RECORD PRODUCTION:** Supply is expected to rise 4.4 Bcf/d to 117 Bcf/d
- **RECORD DEMAND:** Demand is forecasted at 108.7 Bcf/d – roughly 6.3% increase over last summer
- **EXPORTS CONTINUE TO DRIVE GROWTH:** LNG exports projected to increase by 4.3 Bcf/d to 19.9 Bcf/d
- **STORAGE LEVELS OK:** Storage is forecast to enter summer near 1.9 TCF, almost 5% above the five-year average. But, end-of-summer injection inventories are projected to finish near 3.7 TCF, slightly below the historical range.
- **WEATHER:** A wildcard to watch

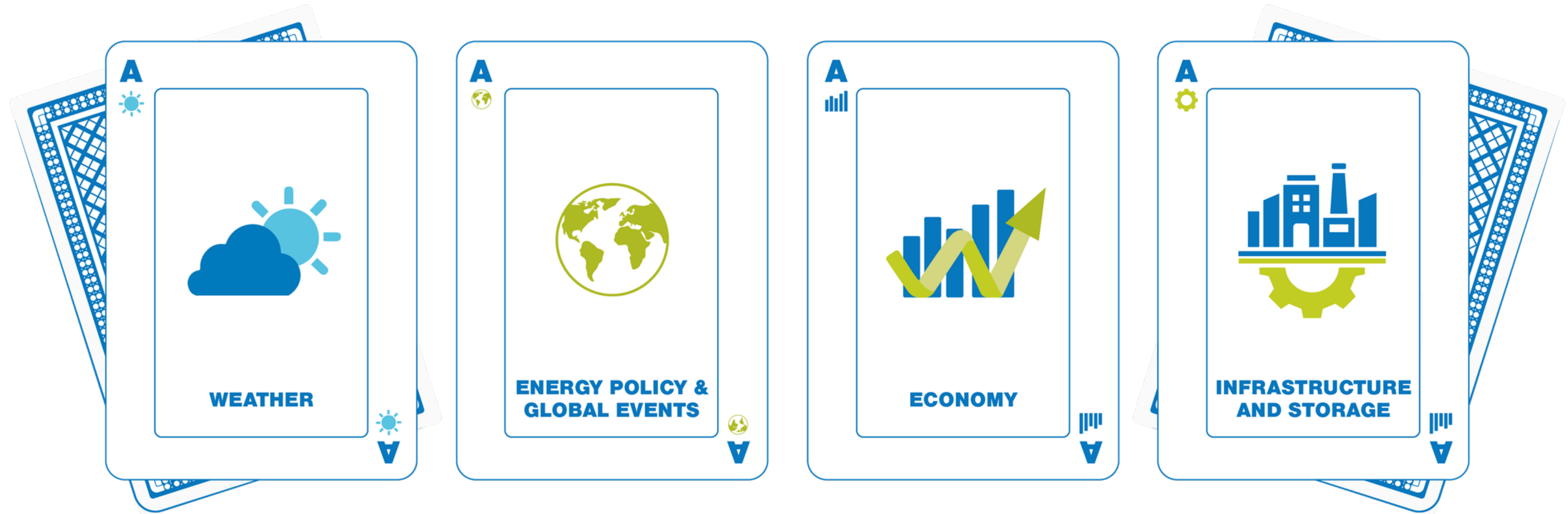
WHAT TO EXPECT: — Flat Market Pressure

SUMMER OUTLOOK WILDCARDS

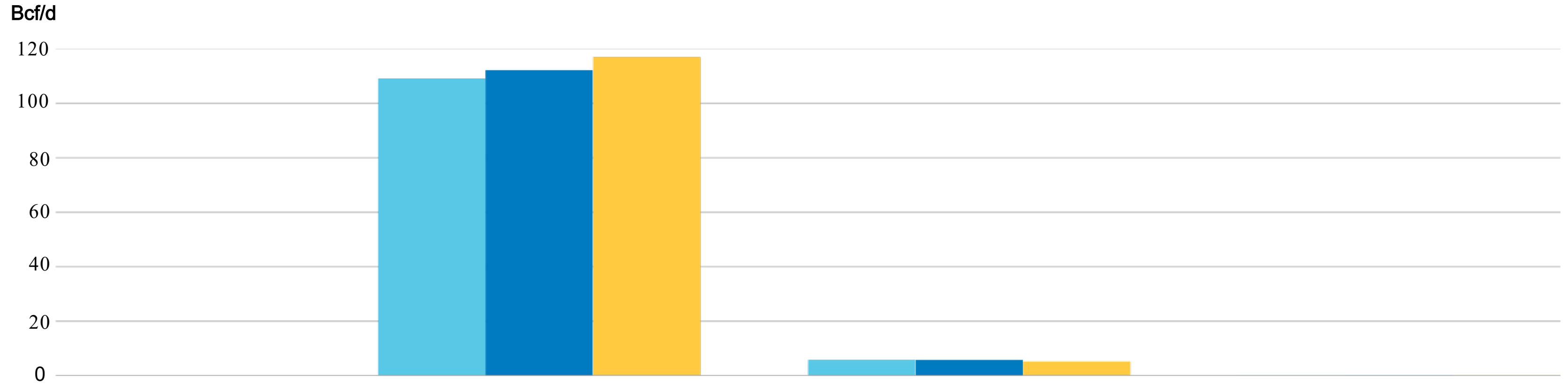


Unexpected weather swings and economic surprises could all impact supply-demand balances and pricing.

Staying alert to exports, summer forecasts, and industrial activity will be critical to navigating the season successfully.



TOTAL SUMMER 2026 SUPPLY FORECAST - 117 BCF/D



	TOTAL PRODUCTION		NET CANADIAN IMPORTS		LNG IMPORTS
● 3 YEAR AVERAGE (Bcf/d)	109.1		5.7		0.1
● SUMMER 2025 ACTUAL (Bcf/d)	112.6		5.7		0.1
● SUMMER 2026 PROJECTED (Bcf/d)	117		5.2		0.1

SOURCE: Energy Ventures Analysis

▼ DOWNWARD MARKET PRESSURE





This summer, U.S. natural gas production is set to reach record highs , supporting both domestic needs and rising LNG exports.

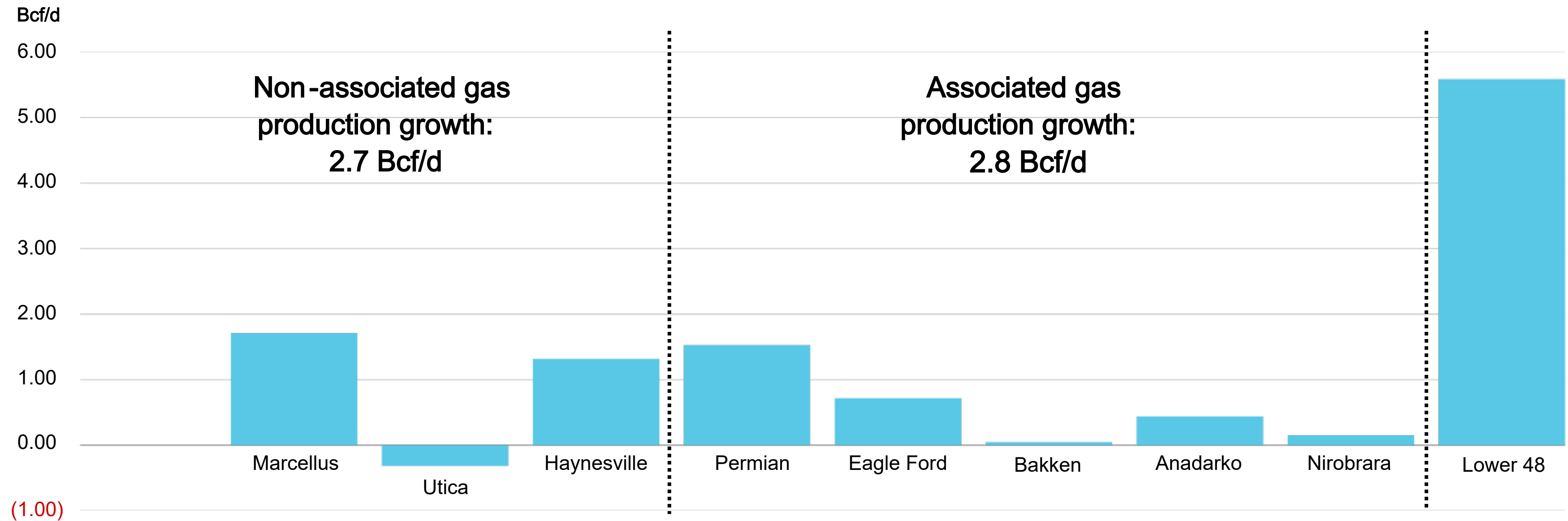
This increase in supply is a direct reflection of producer innovation, investment and increased efficiencies.





YEAR-OVER-YEAR PRODUCTION CHANGE BY BASIN

(Actuals for Winter 24/25 vs Winter 25/26)



SOURCE: Energy Ventures Analysis





Understanding these basin-level shifts helps explain why supply is stable but sensitive to regional dynamics, infrastructure availability and prices.

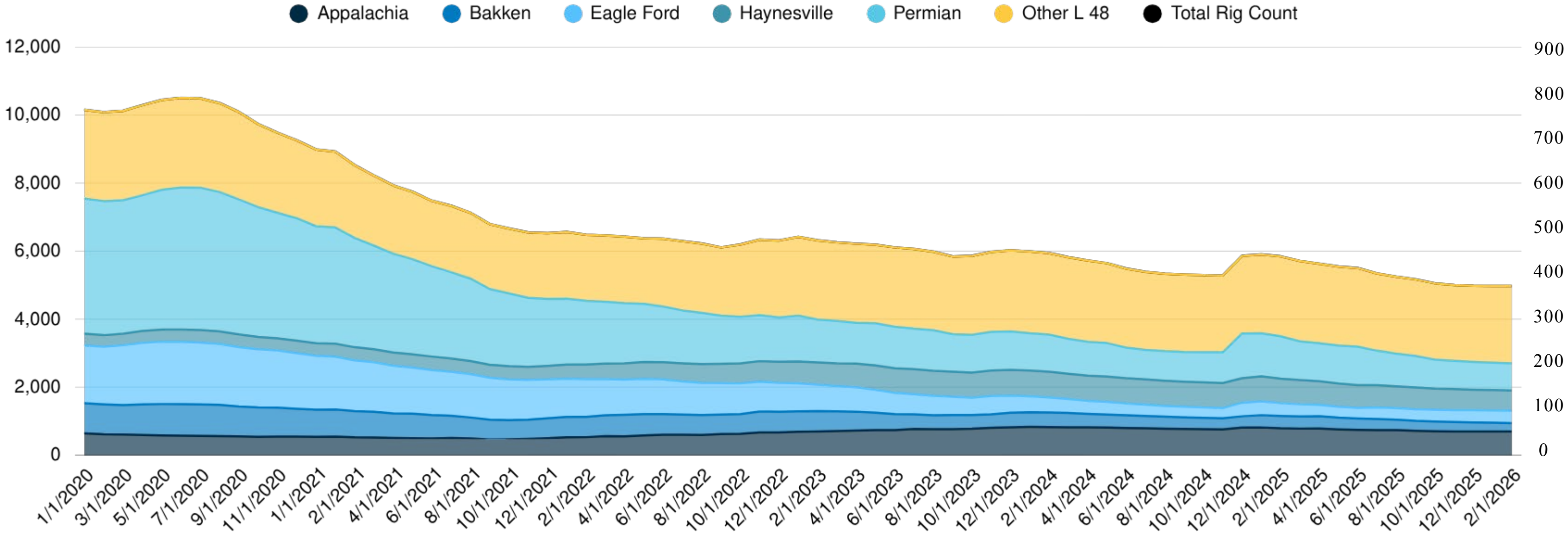
GAINS: Both non-associated gas and associated gas equally increased production, roughly 2.7-2.8 Bcf/d

CHANGE: This increase in associated gas is a stark contrast to 2024 when non-associated gas declined 1.8 Bcf/d as weak forward price curves dampened drilling commitments across the Marcellus and Haynesville

OVERALL PRODUCTION GROWTH: Nearly tied between natural gas and oil activity



DRILLED BUT UNCOMPLETED WELLS (DUCs)



SOURCE: Energy Ventures Analysis





From the Ukraine conflict-driven DUC inventory highs in 2022-23, producers are projected to enter Summer '26 with flexibility to ramp output .

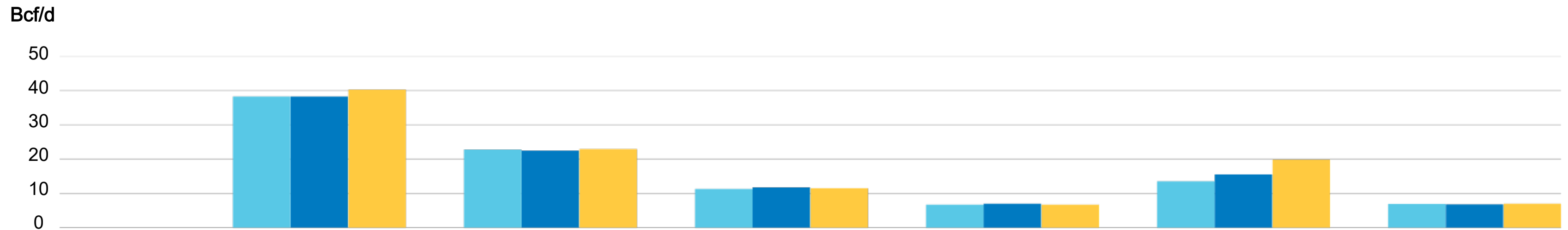
However, with many basins seeing sustained drawdowns, meaningful supply response may increasingly require new drilling commitments and the higher capital expenditure that comes with them.



DEMAND: INCREASE FROM LNG EXPORTS, POWER BURN, AND INDUSTRIAL DEMAND.



Summer 2026 Forecast: 108.7 Bcf/d | ~6.3% increase over last summer | 8.7% increase over the last three summers



	POWER BURN	INDUSTRIAL	RES/ COMM	NET MEXICO EXPORTS	LNG EXPORTS	OTHER
● 3 YEAR AVERAGE (Bcf/d)	38.3	22.8	11.4	6.8	13.6	7
● SUMMER 2025 ACTUAL (Bcf/d)	38.3	22.5	11.8	7.1	15.6	6.9
● SUMMER 2026 PROJECTED (Bcf/d)	40.3	23	11.6	6.8	19.9	7.1

SOURCE: Energy Ventures Analysis

UPWARD MARKET PRESSURE





Total natural gas demand is projected to increase by 6.4 Bcf/d this summer.

LNG exports will lead the growth, adding 4.3 Bcf/d as new liquefaction capacity comes online.

Power burn and industrial demand will contribute an additional 2.4 Bcf/d.

Exports remain the dominant growth driver, underscoring the U.S.'s pivotal role in global energy markets.



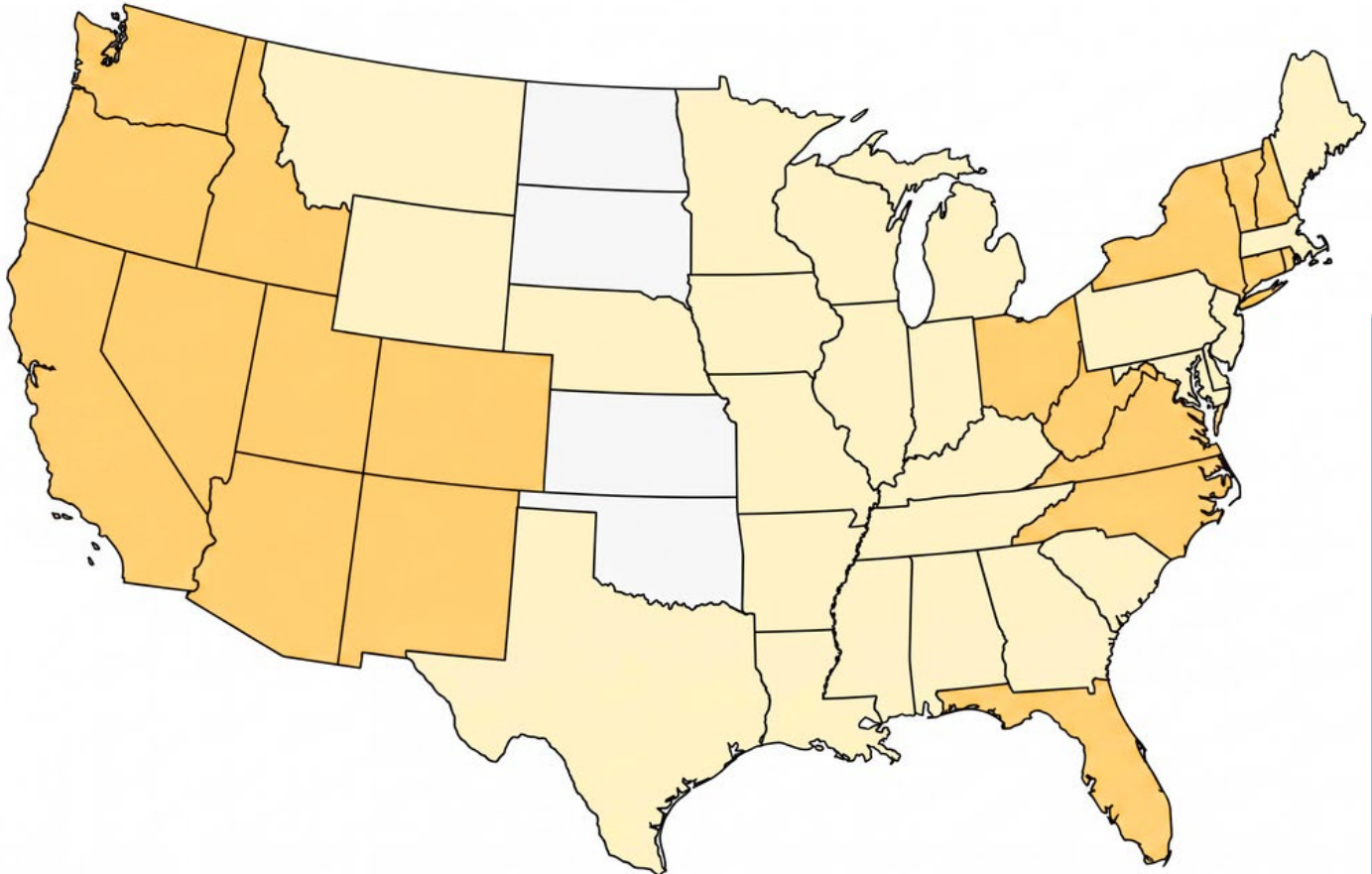
DEMAND: SUMMER COOLING SEASON WEATHER



LAST SUMMER (2025 ACTUAL)
1,320 Cooling Degree Days (CDDs)

THIS SUMMER (2026 FORECAST)
1,256 Forecasted CDDs

4.8% cooler than last summer | 3.6% cooler than the last three summers

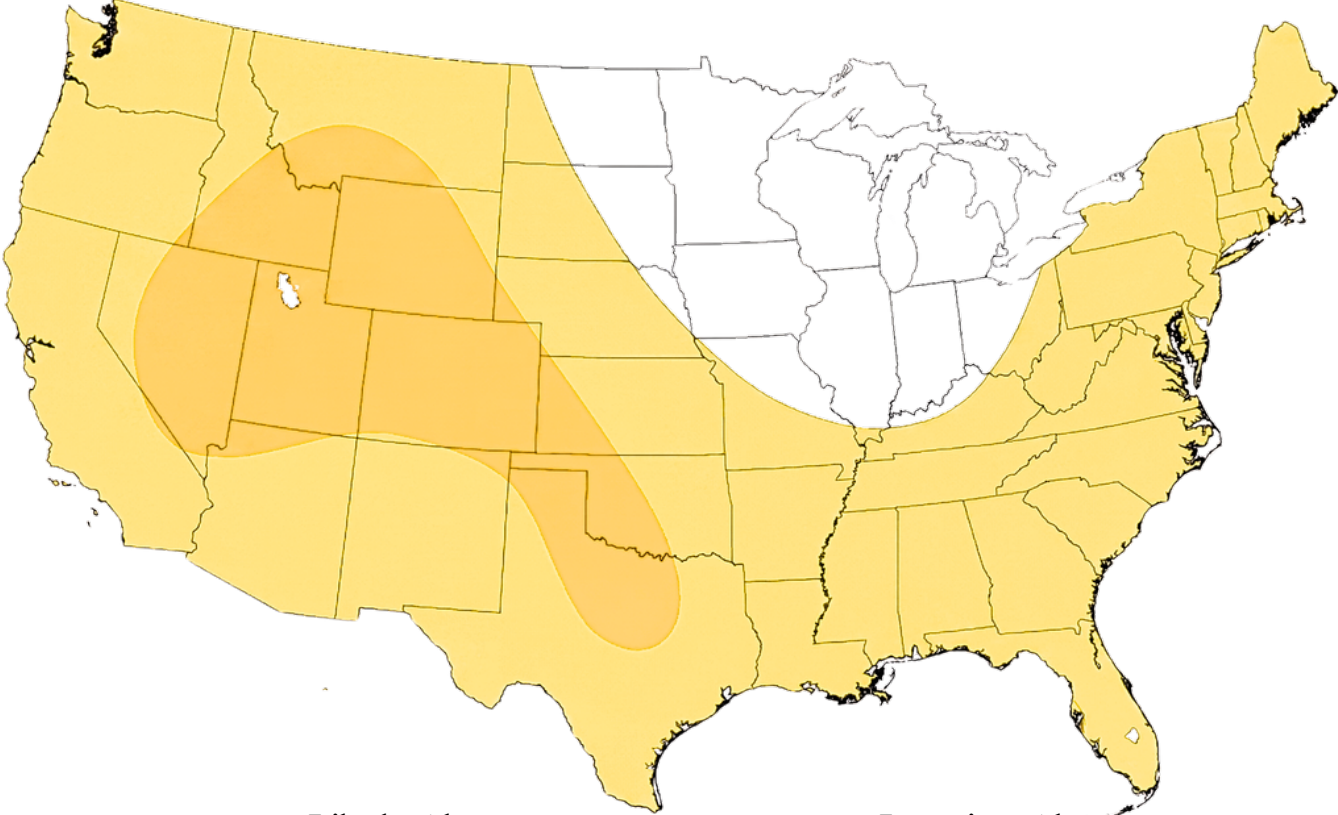


Much Above Average Temperatures
 Above Average Temperatures
 Average Temperatures

1,320 CDDs
Actual
Summer 2025



1,256 CDDs
Forecasted
Summer 2026



Likely Above Average Temperatures
 Leaning Above Average Temperatures
 Equal Chances Above or Below Average Temperatures

FLAT MARKET PRESSURE

SOURCE: CDDs: Energy Ventures Analysis/ Weather: National Oceanic and Atmospheric Administration





Summer weather will be an important factor in market balance.

Weather is a wildcard as hotter or colder weather could impact electricity demand and availability of generation.



DEMAND: ECONOMY



Summer Season	2025 ACTUAL	2026 FORECAST
GDP	4.4%	2.2%
INDUSTRIAL PRODUCTION INDEX	101.6%	103.2% (by year end)
UNEMPLOYMENT	4.2%	4.4% - 4.6%
CORE CPI	2.9%	3.2%
CONSUMER EXPECTATION INDEX	57.2	68

SOURCE: Energy Ventures Analysis , Bureau of Economic Analysis, Deloitte, Federal Reserve, Bureau of Labor Statistics, J.P.Morgan, Conference Board, University of Michigan

FLAT MARKET PRESSURE





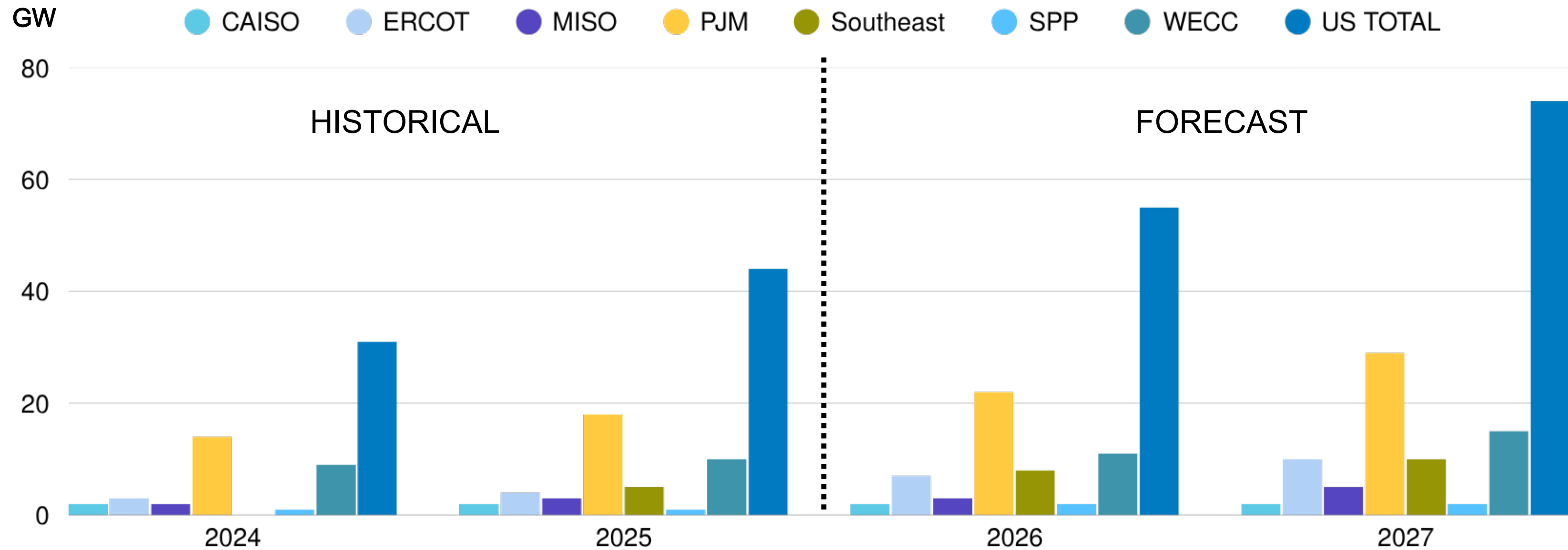
Economic fundamentals present a mixed picture for industrial demand.

Forecasts show a decrease in GDP and a small increase in unemployment. However, the consumers expectation index, Core CPI and industrial production utilization are slated for an increase.

These mixed signals emphasize the economic uncertainties felt by consumers and businesses.



NEW AND GROWING DEMAND: DATA CENTERS



SOURCE: Energy Ventures Analysis

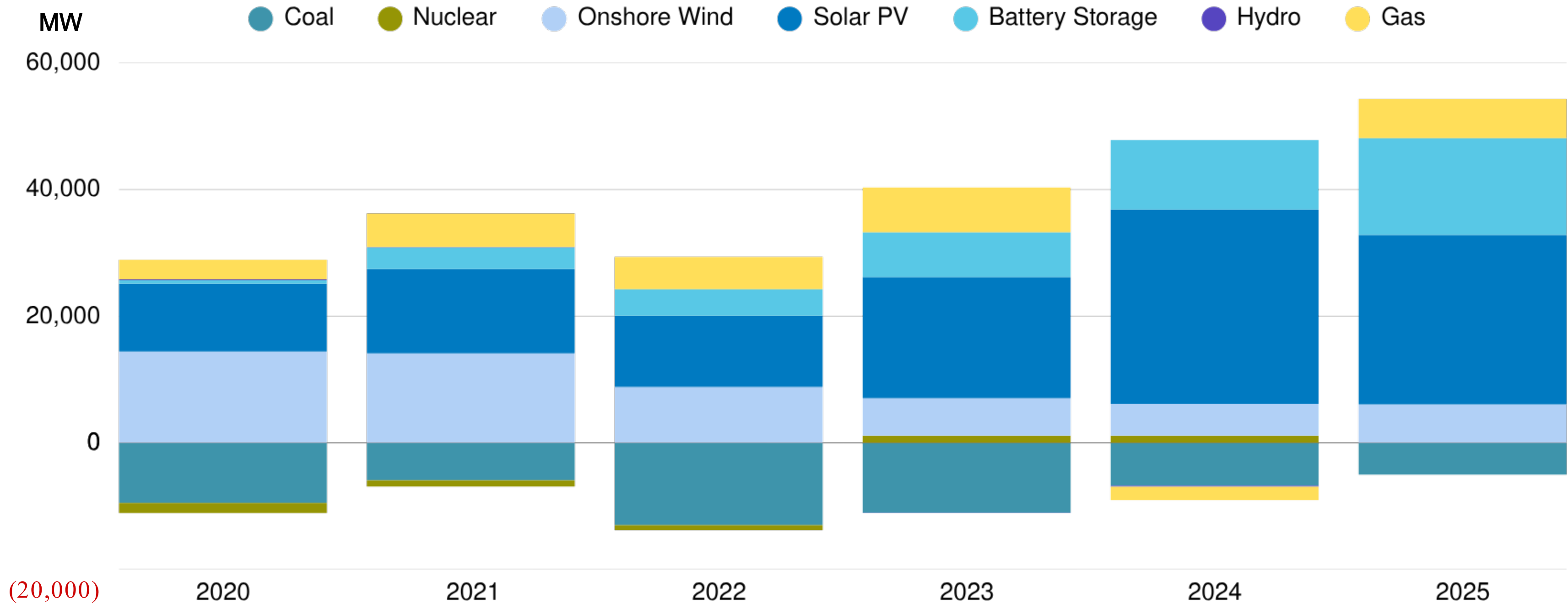




Energy demand for data centers is growing rapidly.

Existing and projected demand for data centers continues to grow, with an expected increase from 44 GW in 2025 to 55 GW in 2026 – a 25% single year increase – before reaching 74 GW by 2027.

SHIFT IN GENERATION BY FUEL TYPE



SOURCE: Energy Ventures Analysis



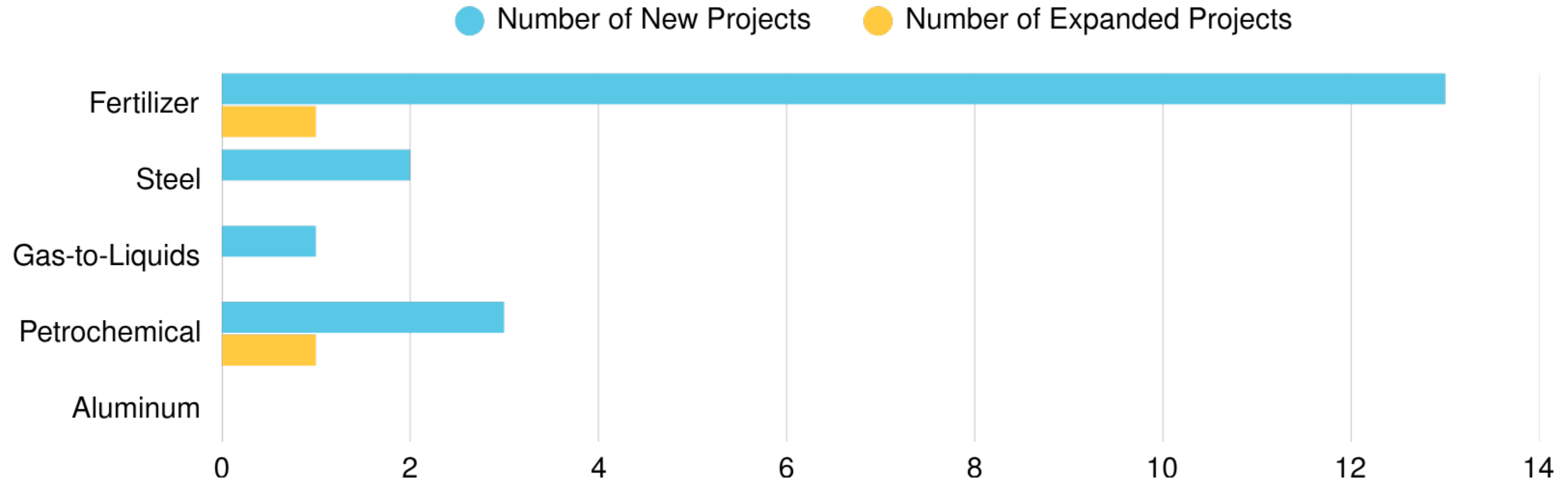


Natural gas continues to be the backbone of reliable electricity generation.

While utility-scale solar PV additions remain the leading new capacity source at 26.8 GW in 2025, **gas has added over 42 GW net since 2018** , with cumulative coal retirements topping 80 GW, structurally widening the reliability gap.



INDUSTRIAL DEMAND: 21 New and Expanded Projects by 2030



SOURCE: Energy Ventures Analysis





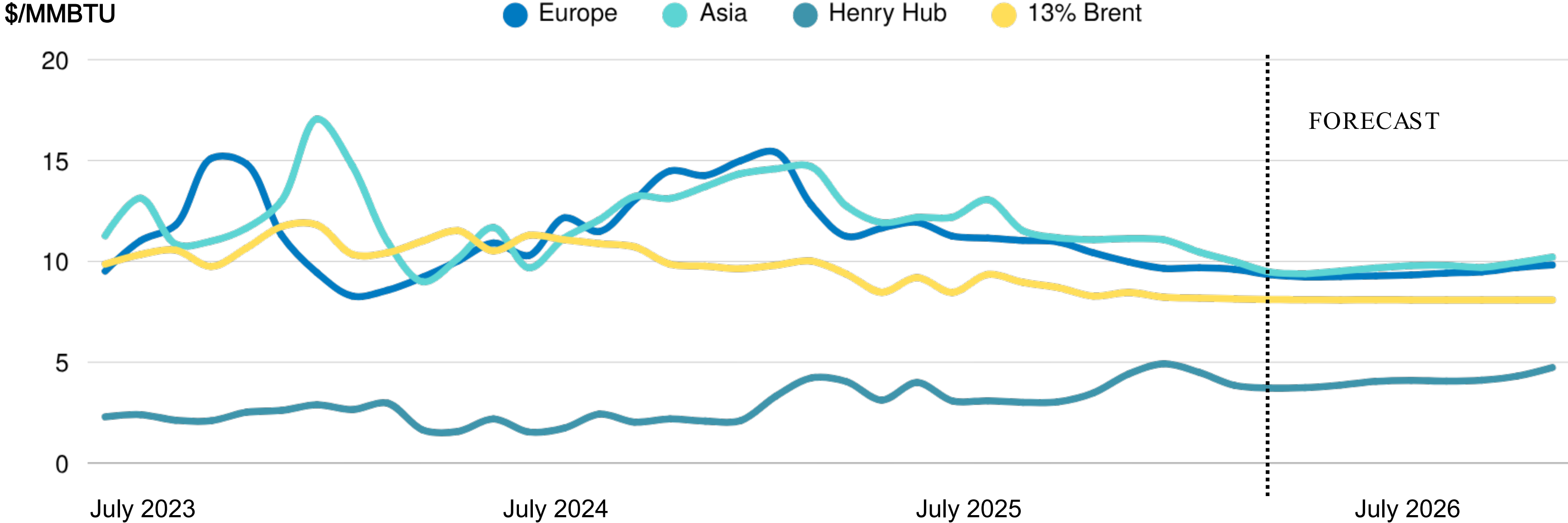
Industrial natural gas demand remains high, holding steady as the second -highest demand sector, only lower than power burn.

The inventory of permitted and announced industrial projects points to a structurally stronger demand environment ahead. **Twenty-one projects slated to come online** between 2026 and 2030 are expected to **deliver an additional 2 Bcf/d and \$44.3 billion in capital investment**.

Strong domestic supply and competitive prices will continue to support growth in the industrial sector.



U.S. NATURAL GAS VS INTERNATIONAL PRICES



SOURCE: Energy Ventures Analysis



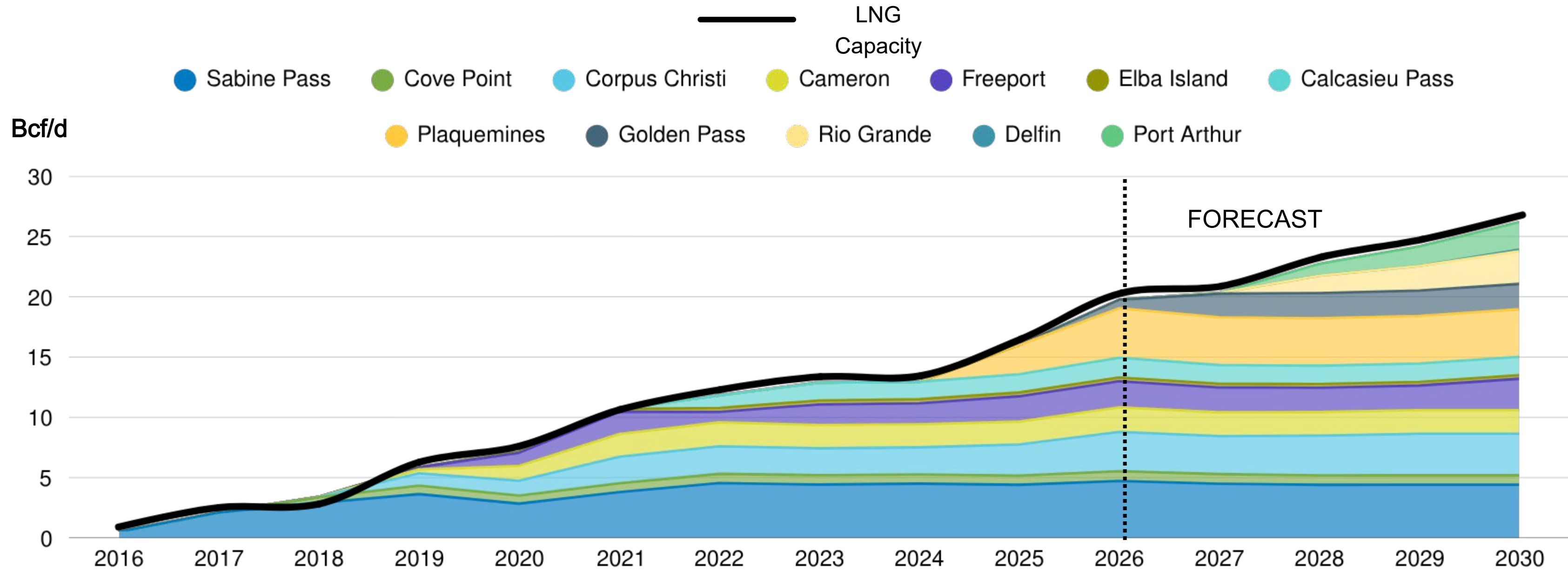


U.S. natural gas remains cost -competitive.

Prices at Henry Hub have stayed well below European and Asian benchmark prices.



LNG EXPORT CAPACITY



SOURCE: Energy Ventures Analysis





U.S. LNG remains a cornerstone of international energy security , meeting global demand with reliable volumes.

The U.S. LNG project development curve reflects a decade of sustained capacity investment, with total capacity approaching ~20 BCFD by the end of 2026.



DEMAND: STORAGE



SUMMER SEASON Period-to-period change	LAST SUMMER 2025	THIS SUMMER 2026
START OF SUMMER INVENTORY	1,785 Bcf	1,890 Bcf
COMPARED TO THE 5-YEAR AVERAGE	3% Below	5% Above
AVERAGE DAILY STORAGE INJECTIONS	9.91 BCFD	8.28 BCFD
END OF SUMMER INVENTORY	4,028 Bcf	3,662 Bcf
WORKING NATURAL GAS STORAGE DESIGN CAPACITY (EIA)	4,671 Bcf	4,671 Bcf

SOURCE: Energy Ventures Analysis

 UPWARD MARKET PRESSURE





U.S. natural gas storage is projected to end summer 2026 near 3,662 Bcf, a 10% decline year-over-year.

Broader power sector growth and incremental data center load, as well as rising LNG exports, will tighten balances.

At 8.28 Bcf/d, average daily injection rates are notably tighter than summer 2025's 9.91 Bcf/d. Despite starting the injection season above 2025 levels, **end-of-summer inventories are expected to sit ~106 Bcf below the 5-year average.**



OVERALL: FLAT MARKET PRESSURE ON NATURAL GAS PRICES COMPARED TO LAST YEAR.



This summer, the U.S. natural gas market faces a balancing act: surging supply vs. rising demand vs. filling storage. While production is strong, price pressure could arise from wildcards.

Structural growth for U.S. natural gas continues, driven by LNG exports, industrial demand and power burn, including data center expansion. But, it should give the greater energy industry pause that we're entering a relatively "normal" summer cooling season with tight supply-demand dynamics.

The U.S. has abundant supplies of natural gas that can meet growing demand. However, to ensure a resilient and reliable energy future, we need more infrastructure which is why NGSA has been advocating for reforms at the federal level to streamline and speed up the permitting process for all fuel types. Supply is not the issue, infrastructure is.





WHO WE ARE

- NGSA represents major producers and suppliers of domestic natural gas. Founded in 1965, it includes 12 integrated and independent member companies.
- We are the only national natural gas association representing producers and suppliers with a dedicated focus on downstream issues.
- We promote the benefits of competitive natural gas markets, resulting in reliable and efficient transportation and delivery, increased supply and demand.
- NGSA includes the Center for LNG.

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