

Natural Gas Market Outlook: Summer 2026

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About AGA

The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 79 million residential, commercial and industrial natural gas customers in the U.S., of which 94 percent — more than 74 million customers — receive their gas from AGA members. Today, natural gas meets more than one-third of the United States' energy needs.



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State of Play in 2026



Record Gas Demand

- Industrial reshoring
- Growing electric power requirements
- LNG exports
- New consumers



Record Gas Supply

- Production at all-time high
- Future supply at record high
- Commodity prices relatively low and stable



Affordability Advantage

- Small driver of inflation vs. housing, food
- Retail natural gas rates 3-5x lower than electric



Proven Resilience

- Met record sustained demand during Fern
- Production more stable
- Storage vital for peak demand



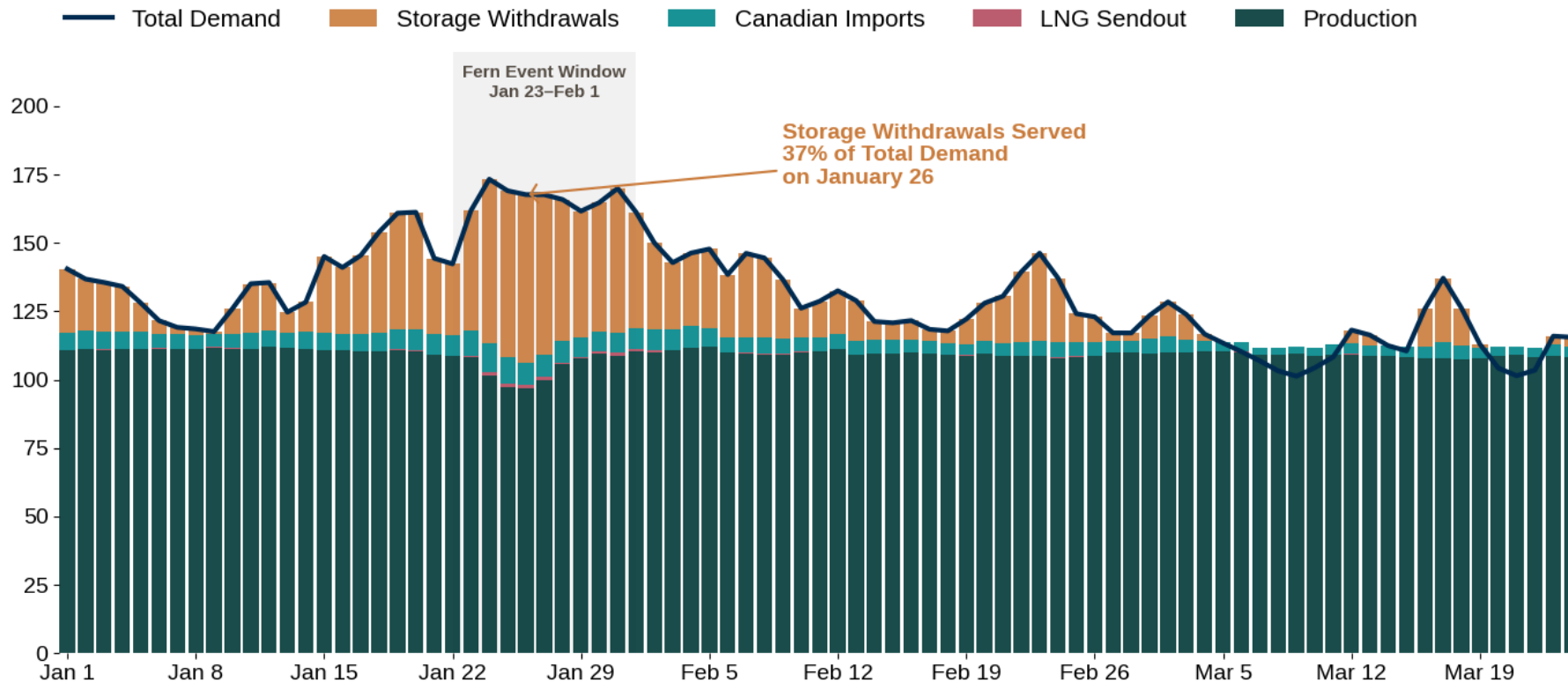
Need to Build

- Pipeline and storage additions needed
- Permitting reform is key

The natural gas system met record sustained demand this winter

Natural Gas Supply and Demand

Critical Role of Natural Gas Storage in Balancing Winter Supply & Demand
U.S. lower 48, Bcf per day | Winter Storm Fern



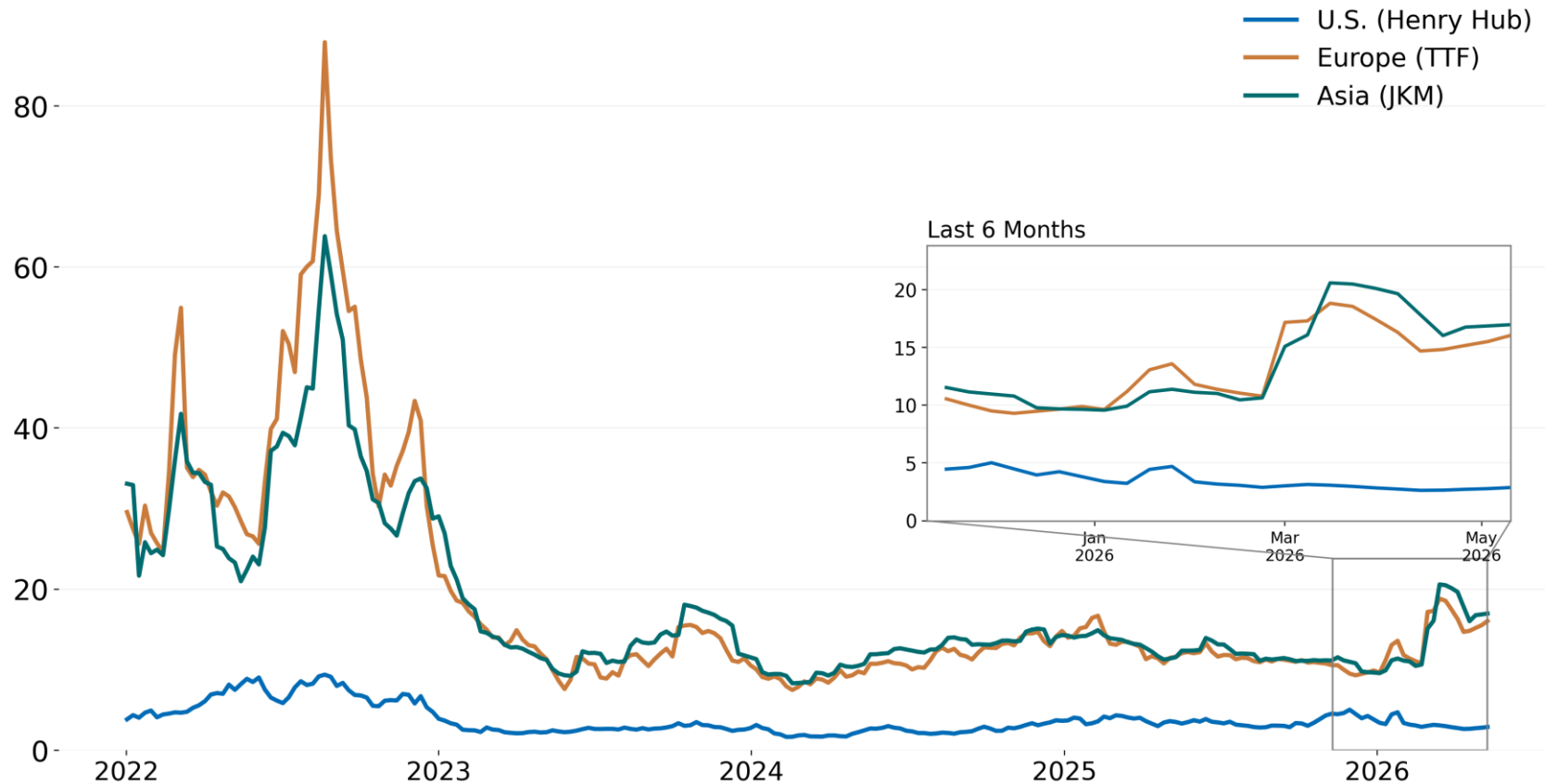
Source: S&P Global Energy, ©2026 by S&P Global Inc., Chart: American Gas Association, Data as of Apr 06, 2026, Subject to Revision

Note: Production represents dry gas production minus the balancing item. On withdrawal days, storage is added to the stack. On injection days, the amount by which displayed supply exceeds demand reflects net injections into storage.

European and Asian prices have jumped sharply due to LNG supply disruptions and tight inventories in the EU. U.S. pricing remains relatively unaffected by these developments.

U.S., Asian, and European Weekly Natural Gas Prices (\$/MMBtu)

Global gas prices

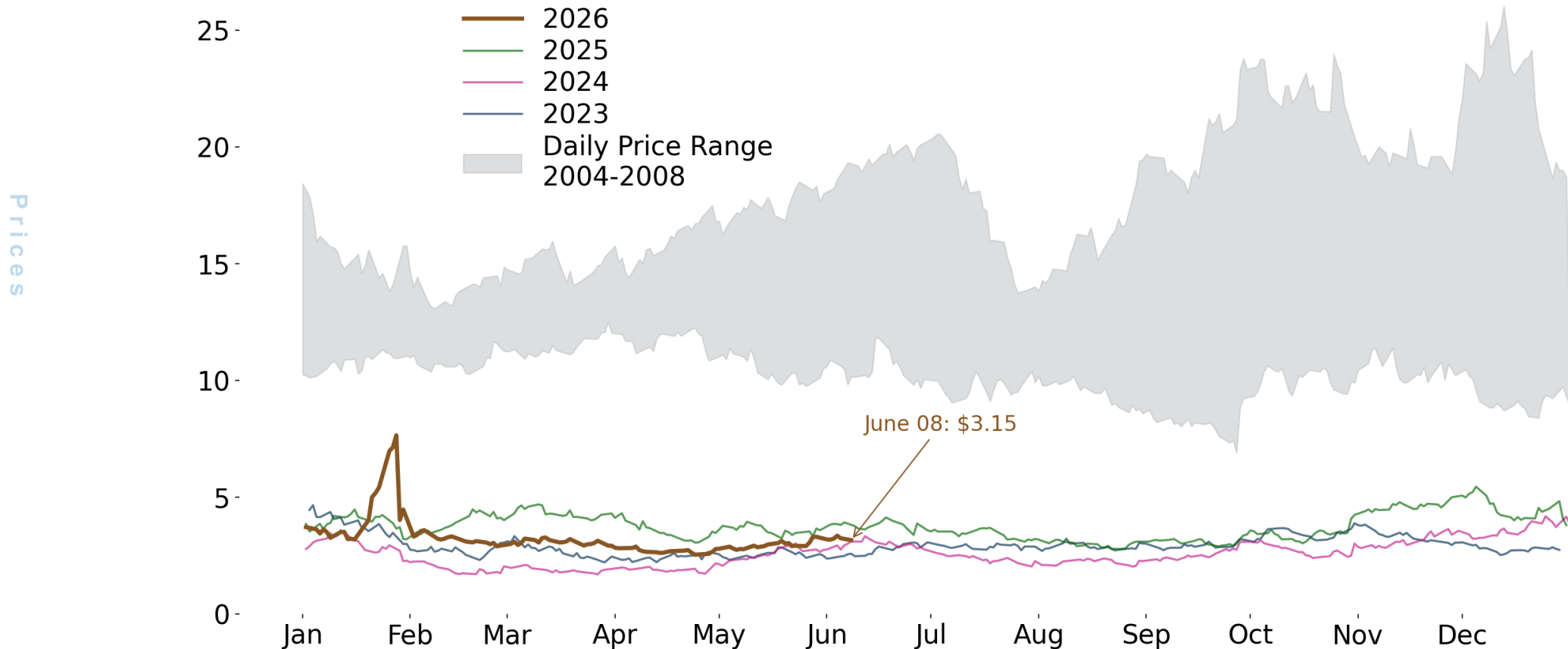


Source: Rystad Energy, Chart: American Gas Association, Data as of May 14, 2026, Subject to Revision

Inflation-adjusted prices are much lower compared to history

Natural gas futures prices

Natural Gas Prices Daily Prompt-Month Futures, Henry Hub
Inflation Adjusted (Apr-2026 USD/MMBtu)



Source: S&P Global Market Intelligence; FRED (CPIAUCNS), Chart: American Gas Association, Data as of Jun 08, 2026, Subject to Revision

From Summer Outlook to Winter Readiness

Summer conditions will set the stage for winter

How this season's market setup carries through injection season into the winter starting point



Summer Market Setup

- ✓ Domestic demand higher
- ✓ Power demand higher
- ✓ Production on the rise
- ✓ Prices low and stable



Injection Season Implications

- ✓ Stronger storage refill
- ✓ Weather and demand key uncertainties
- ✓ Strong production

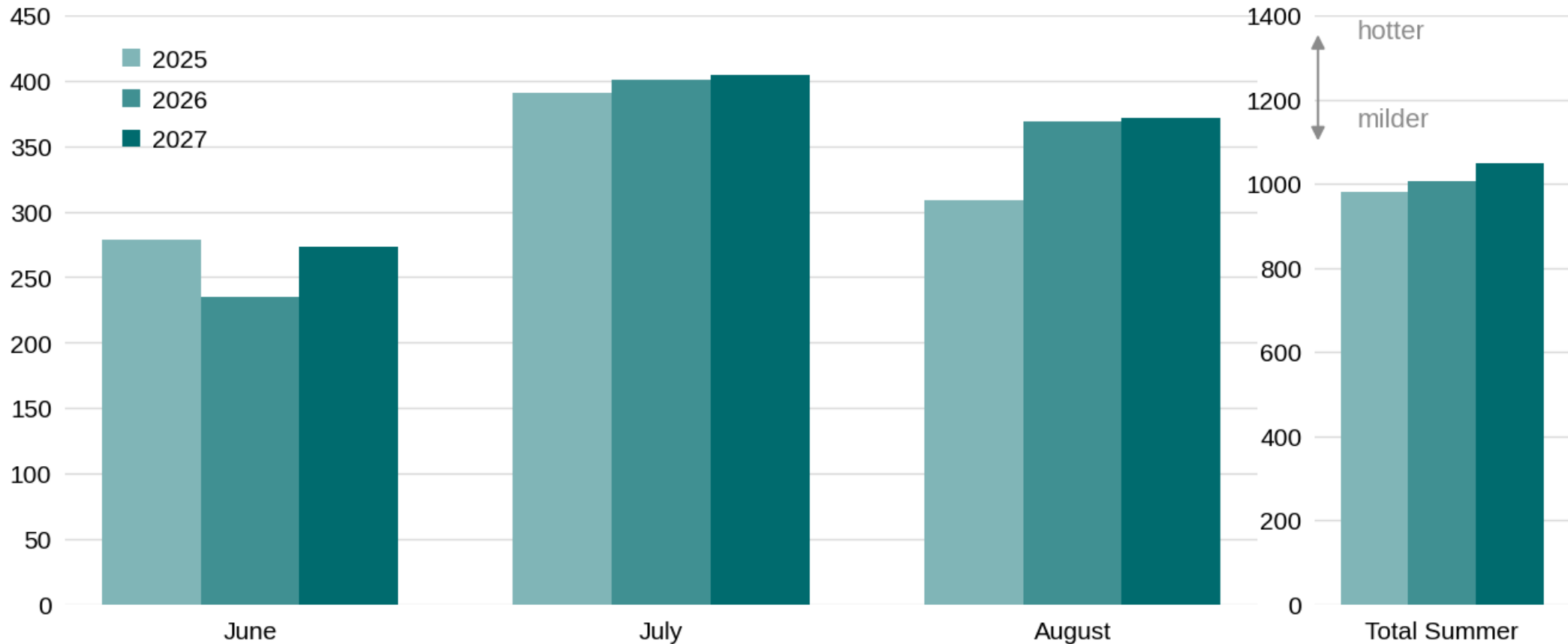


Winter Starting Point

- ✓ Storage level at end of October
- ✓ Production trajectory into Q4
- ✓ Price level at the start of winter

Summer 2026 expected to be nearly 3% warmer

U.S. Population-Weighted Cooling Degree Days

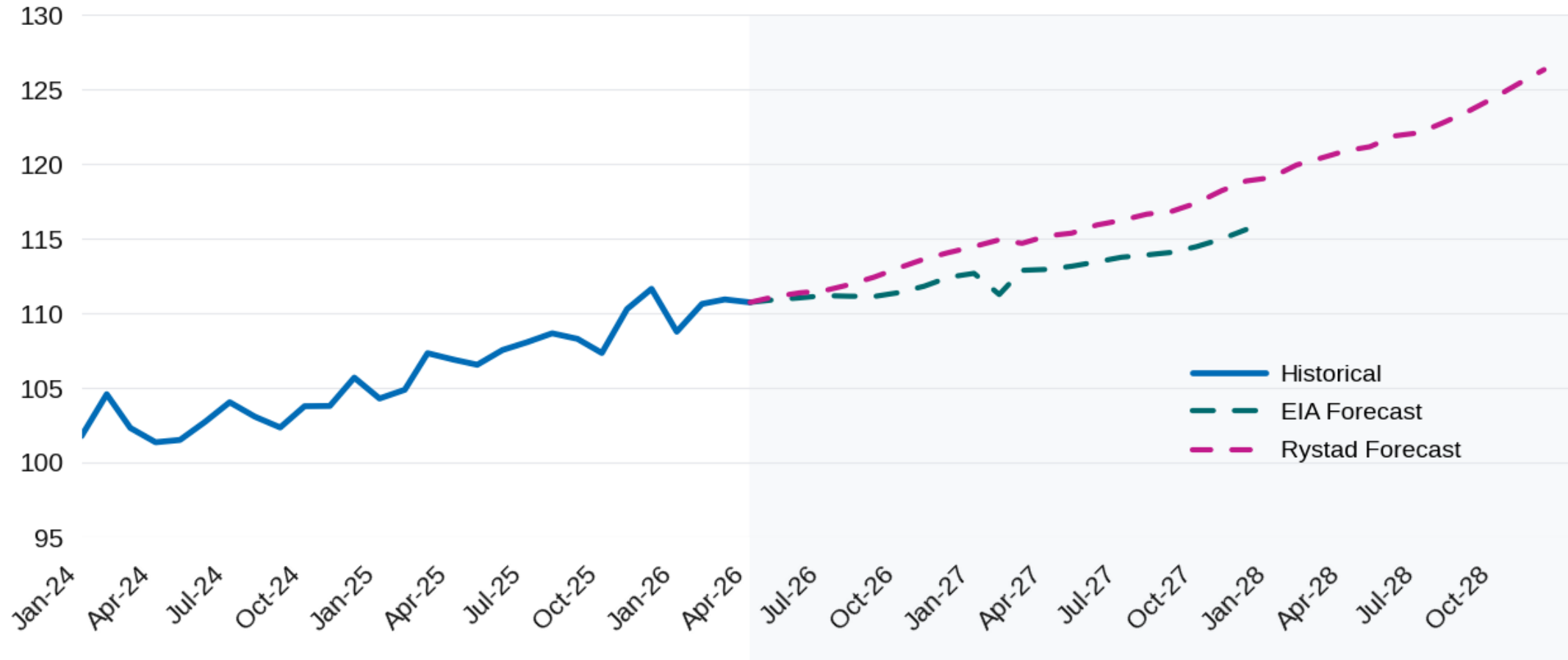


Source: U.S. Energy Information Administration, June 2026 Short-Term Energy Outlook. Chart: American Gas Association. Subject to revision.
Total summer reflects June–August.

Production expected to rise from last summer

U.S. Dry Natural Gas Production Forecast

Bcf per day

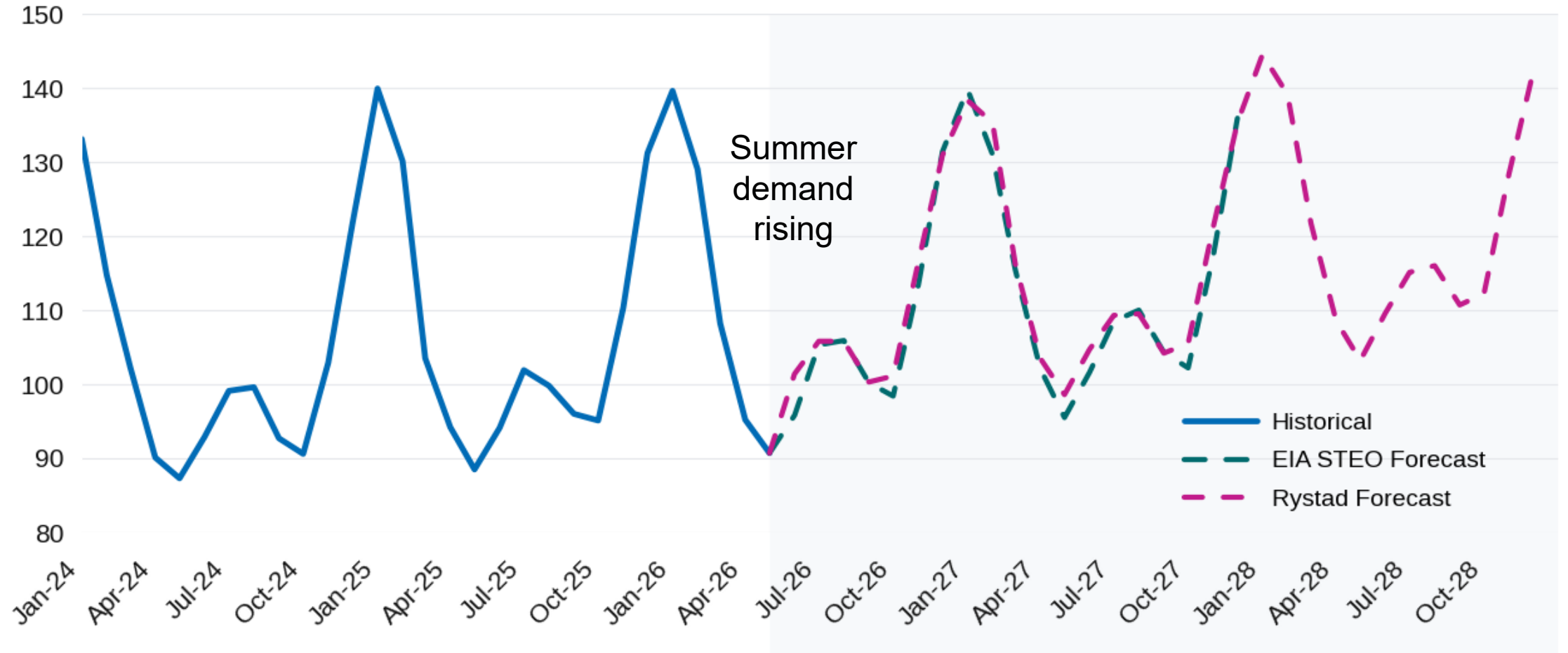


Source: U.S. Energy Information Administration Short-Term Energy Outlook, June 2026, and Rystad Energy North American Gas Market Report, May 2026.
Chart: American Gas Association. Data as of June 11, 2026. Subject to revision.

Total demand (including LNG exports) expected to move higher

U.S. Total Natural Gas Demand Forecast

Bcf per day

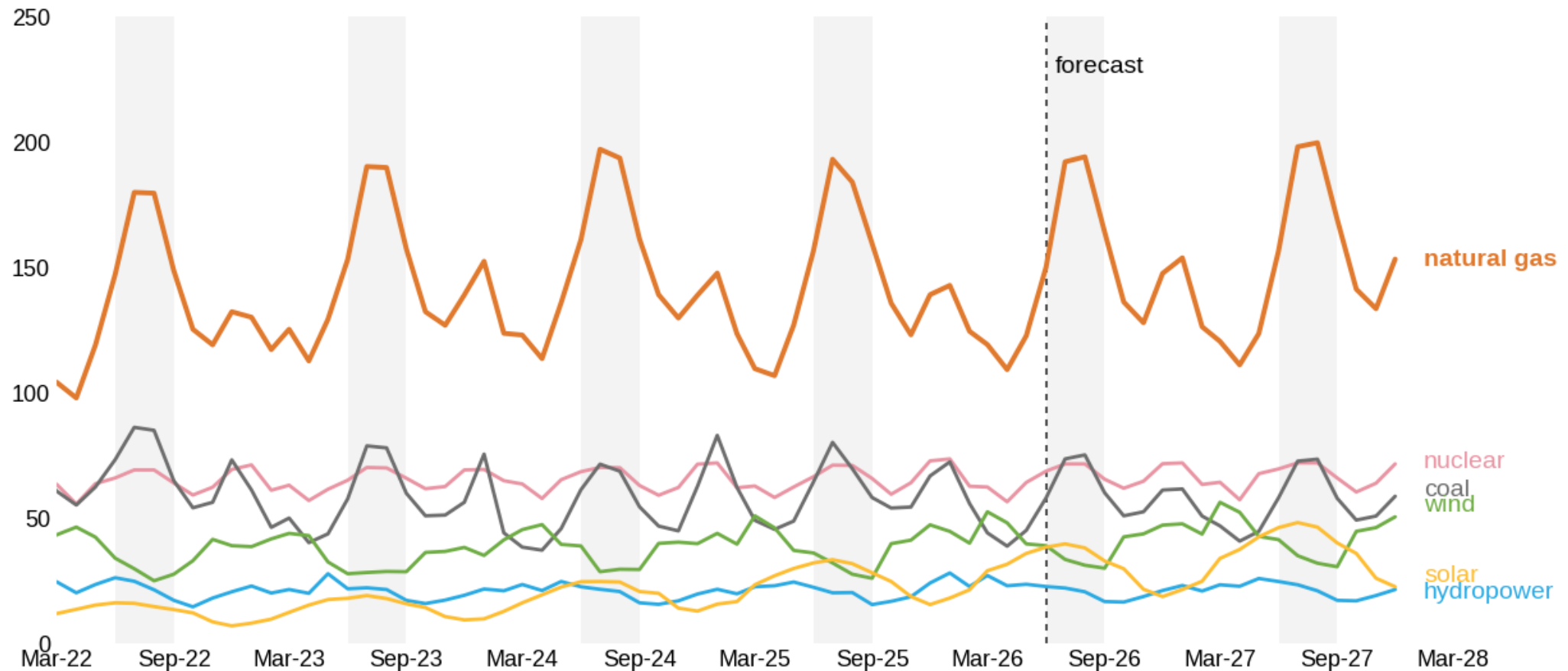


Source: U.S. Energy Information Administration Short-Term Energy Outlook, June 2026, and Rystad Energy North American Gas Market Report, May 2026.
Chart: American Gas Association. Data as of June 11, 2026. Subject to revision.

Electric power demand is expected to grow; natural gas remains primary fuel source

U.S. monthly electric power sector generation by energy source

Terawatthours

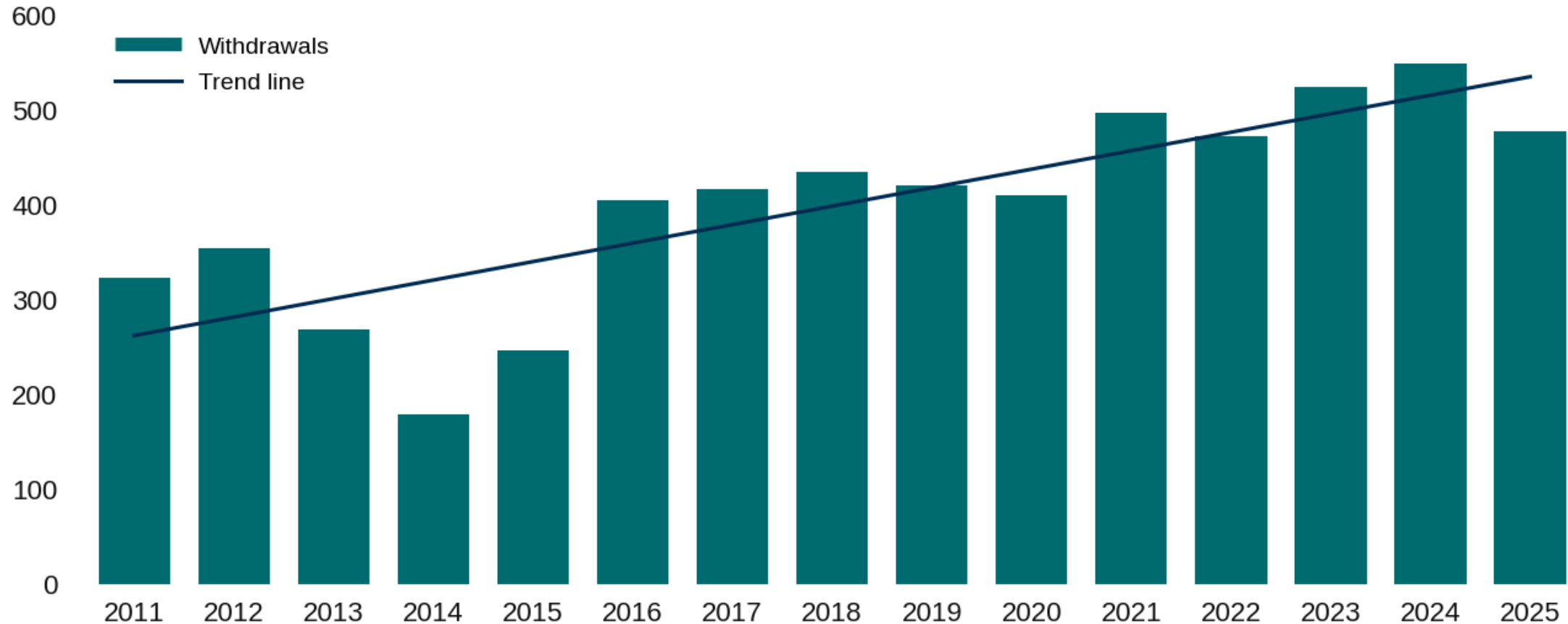


Source: U.S. Energy Information Administration, Short-Term Energy Outlook, June 2026; Chart: American Gas Association. Shaded areas show June–August.

Rising summer withdrawals from underground storage

Lower-48 Summer Withdrawals from Underground Storage

Billion cubic feet (Bcf)

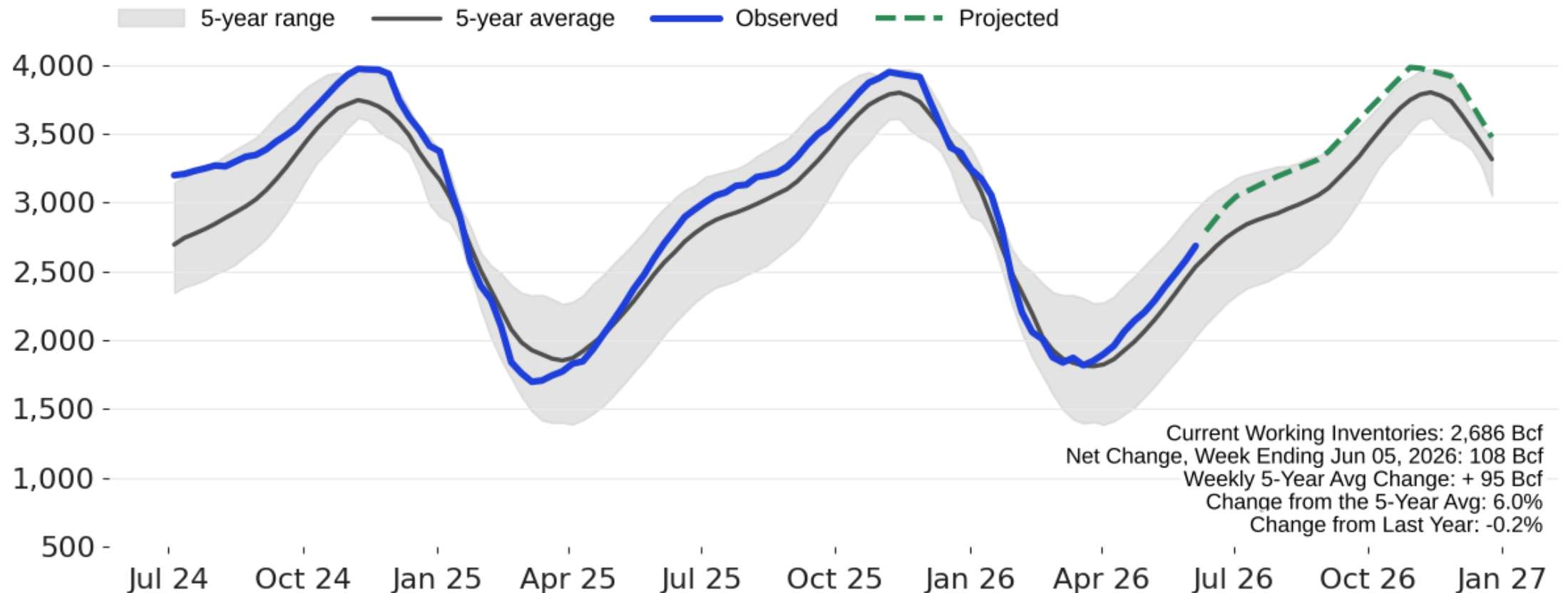


Source: U.S. Energy Information Administration. Chart: American Gas Association. Subject to revision.
Summer withdrawals represent the months of June, July, and August of each year.

Storage is the backbone of energy system reliability during both the summer and winter

U.S. Lower-48 Working Gas in Underground Storage

Billion cubic feet



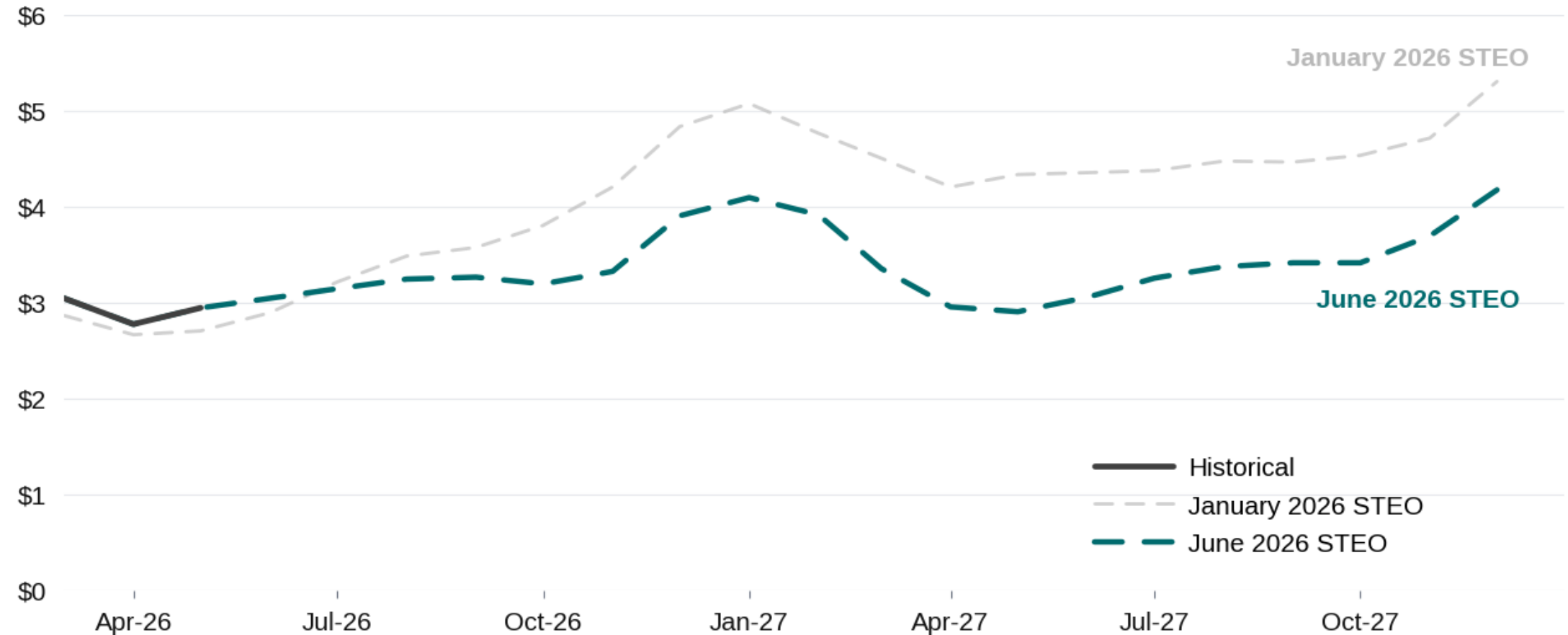
Source: U.S. Energy Information Administration, June 2026 Short-Term Energy Outlook. Chart: American Gas Association. Data as of Jun 11, 2026. Subject to revision.

Note: Shaded region shows the five-year range aligned to the reporting period; projections reuse current five-year stats where needed.

Strong supply and storage outlook weighs on price expectations

Henry Hub Spot Price Forecast

\$/MMBtu



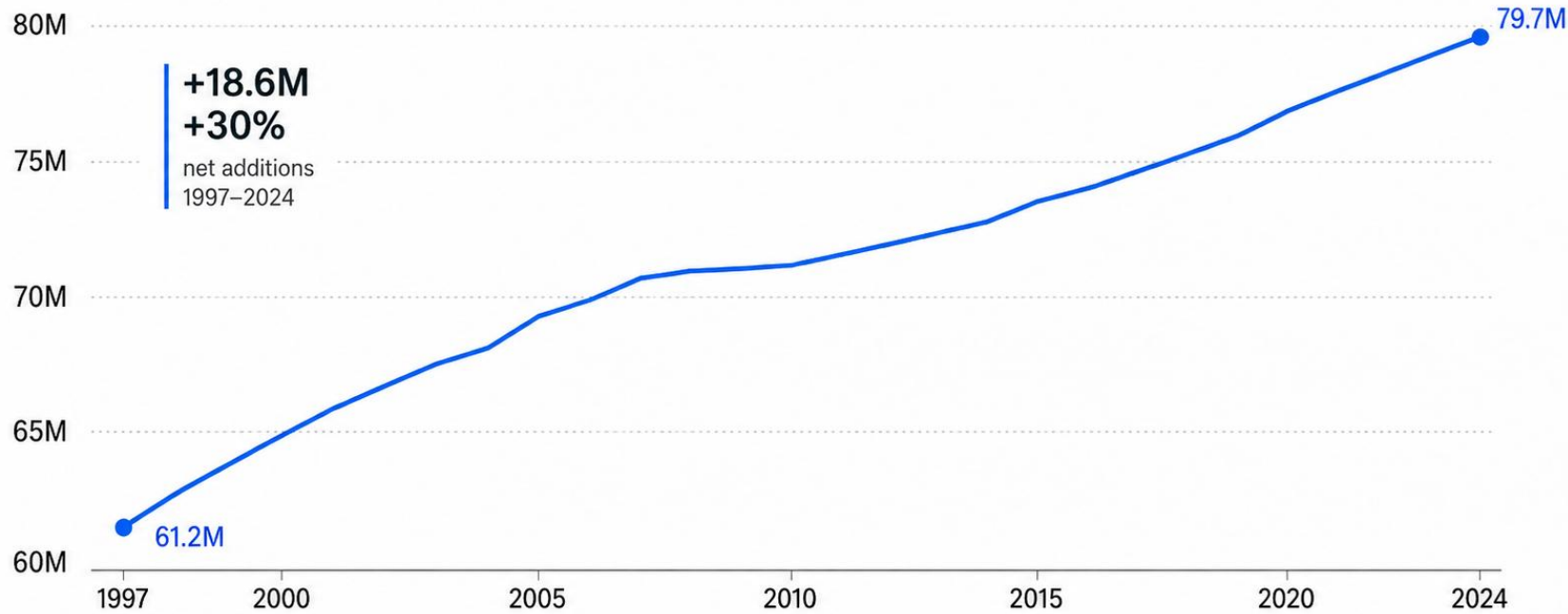
Source: U.S. Energy Information Administration, Short-Term Energy Outlook (January 2026, June 2026 editions). Chart: American Gas Association. Subject to revision. Historical prices reflect monthly average Henry Hub spot prices when included in the visible chart window. Forecast lines reflect monthly STEO forecast vintages.

The Need for New Natural Gas Infrastructure

Nearly 80 million customers or 189 million Americans use natural gas

Total U.S. Natural Gas Consumers, 1997–2024

Million Consumers



Source: EIA Natural Gas Annual/Form EIA-176; total deliveries customers, all sectors, data through 2024

Chart: American Gas Association



Top state additions

Thousand customers, 2023-2024

U.S. total additions: +0.6M

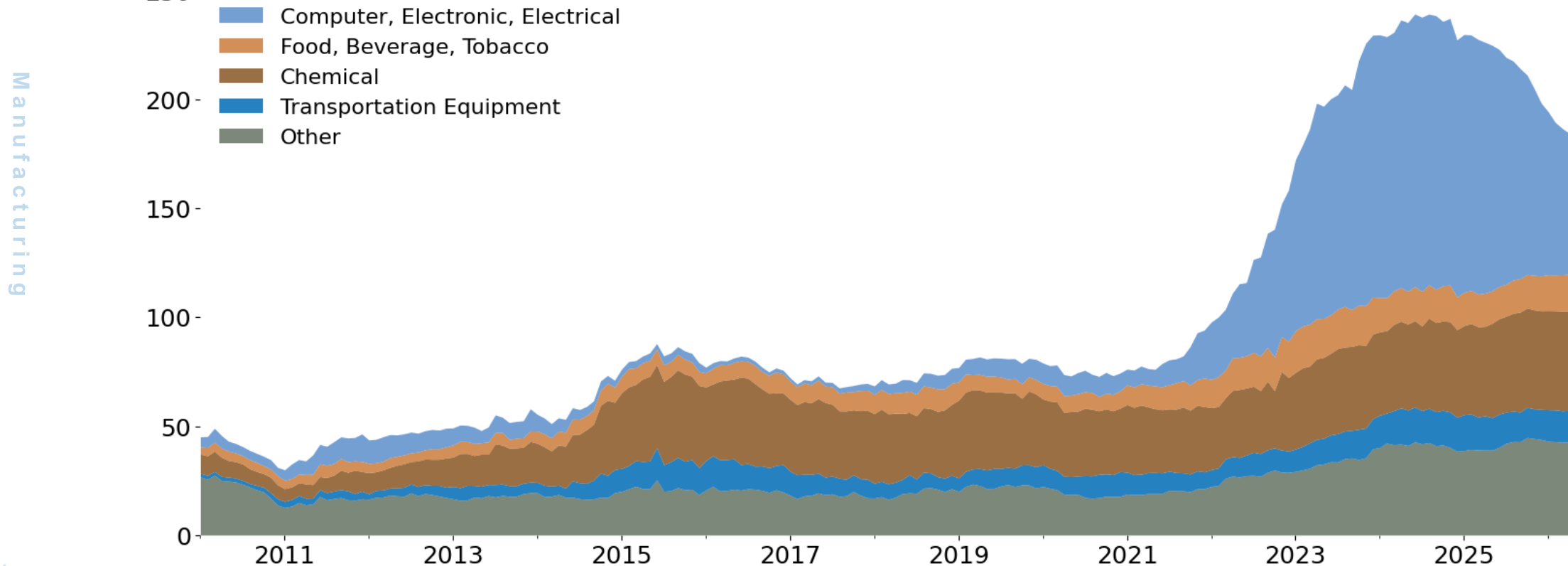
State	Additions (000s)
1 Texas	106
2 California	68
3 Florida	36
4 North Carolina	33
5 South Carolina	29
6 Wisconsin	29
7 Colorado	24
8 Utah	22
9 Tennessee	22
10 New Jersey	21
11 Michigan	20
12 Minnesota	20
13 Arizona	19
14 Indiana	19
15 Nevada	16
16 Nebraska	16
17 New York	15
18 Illinois	13
19 Idaho	11
20 Georgia	10

Source: VCR customer export (data_export_vcr_customers_2026-05-10.csv) | Table: American Gas Association | Data as of 2026-05-11

Manufacturing investment has tripled in four years, spurred by computer, electronic, and electrical spending.

Manufacturing Construction

U.S. Private Manufacturing Construction
Monthly, Seasonally Adjusted Annual Rate, Billions of Dollars

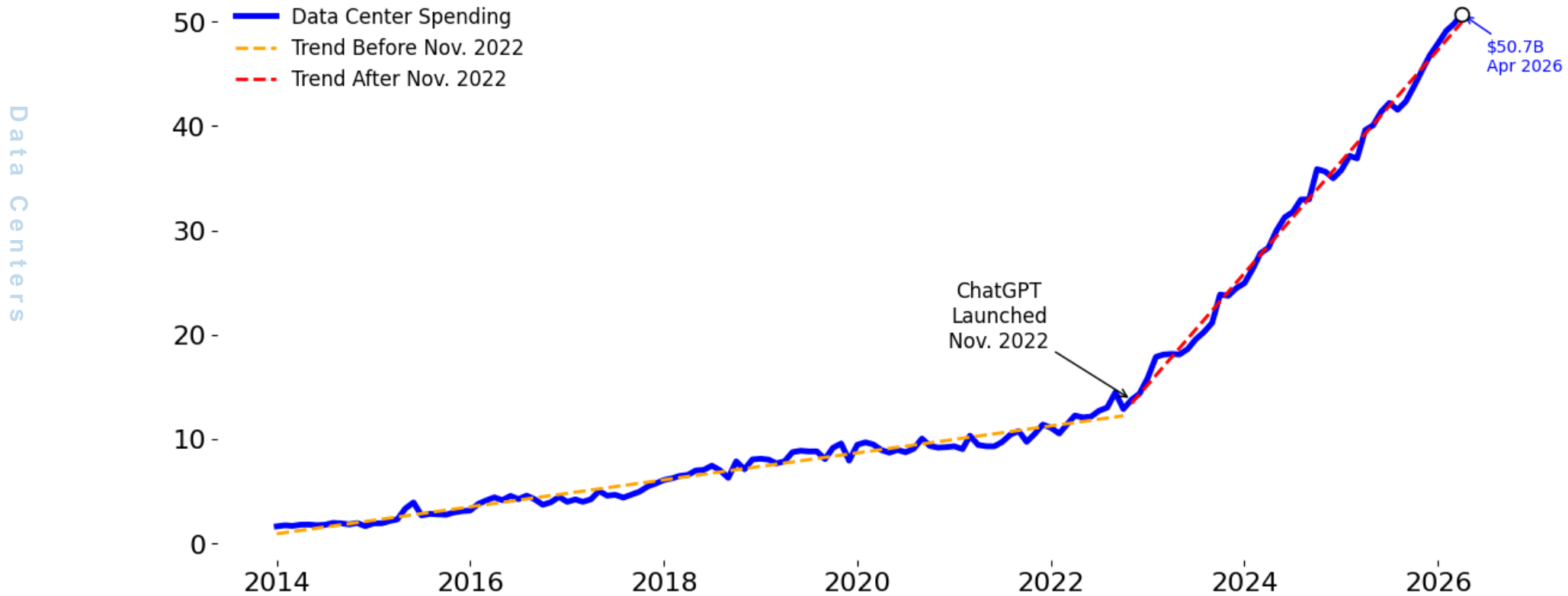


Source: U.S. Census Bureau | Chart: American Gas Association

Data center construction spending has tripled since 2022, reached a record in October 2025.

Construction spending on data centers. Does not include compute, gas, or power infrastructure

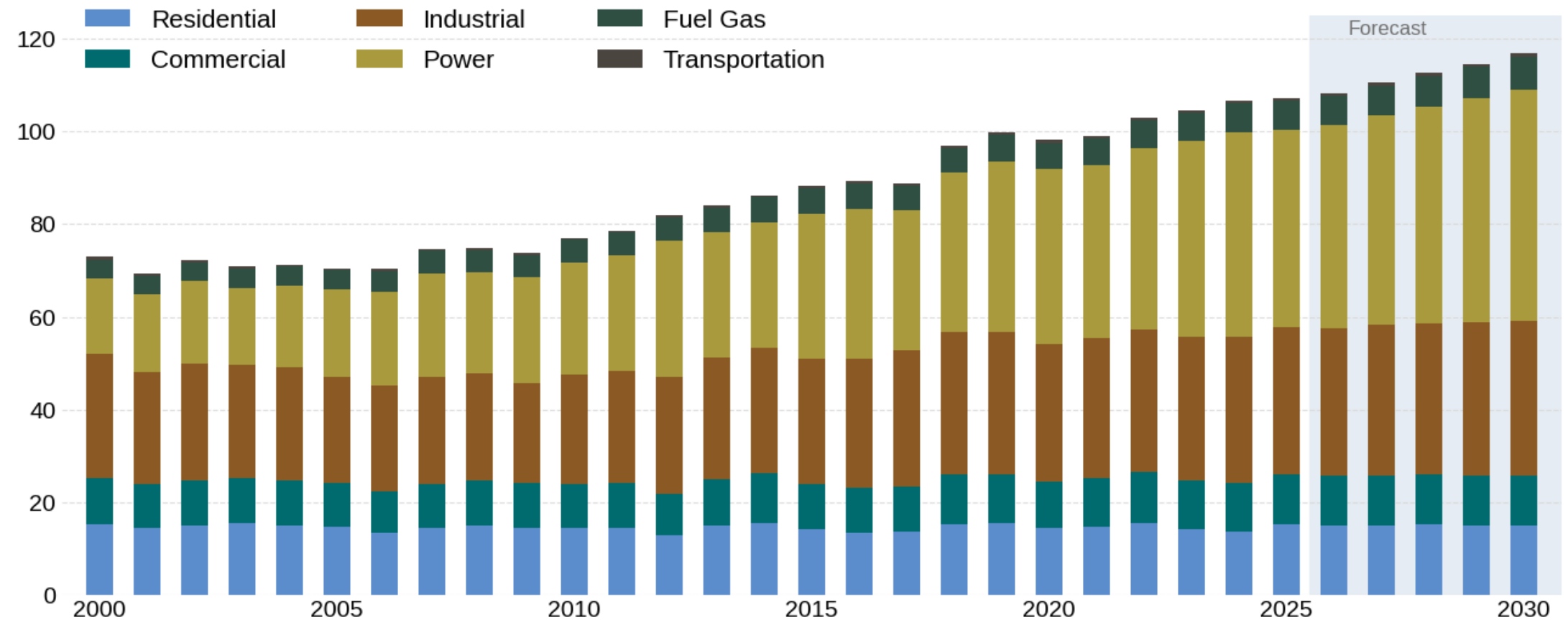
U.S. Data Center Value of Private Construction Put in Place Seasonally Adjusted Annual Rate, Billions of Dollars



Continued domestic natural gas demand growth is expected, particularly in the industrial and power sectors.

U.S. Natural Gas Demand by Sector

Bcf/d

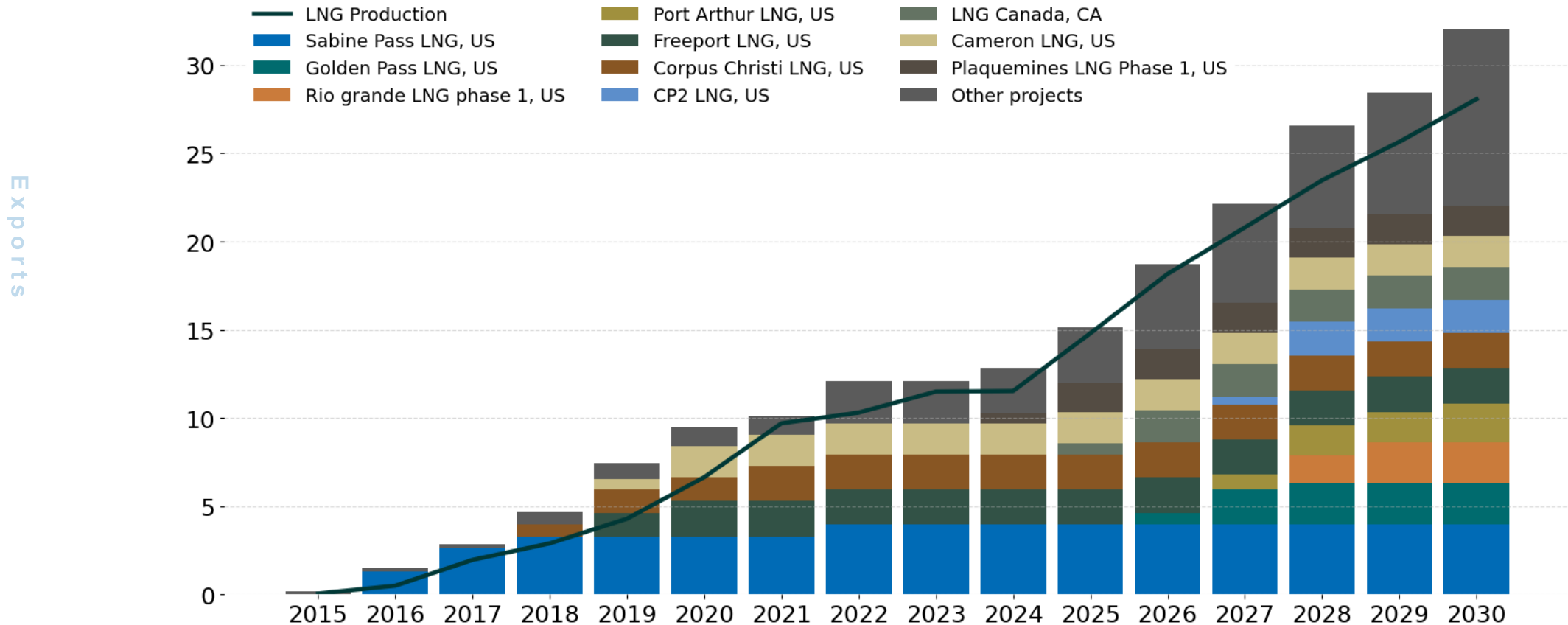


Source: Rystad Energy, ©2026 by Rystad Energy. Chart: American Gas Association. Data as of June 9, 2026. Subject to revision.

North American LNG export capacity is set to double by 2030.

LNG Capacity and Production

North American LNG Liquefaction Capacity and Production, Bcf per day

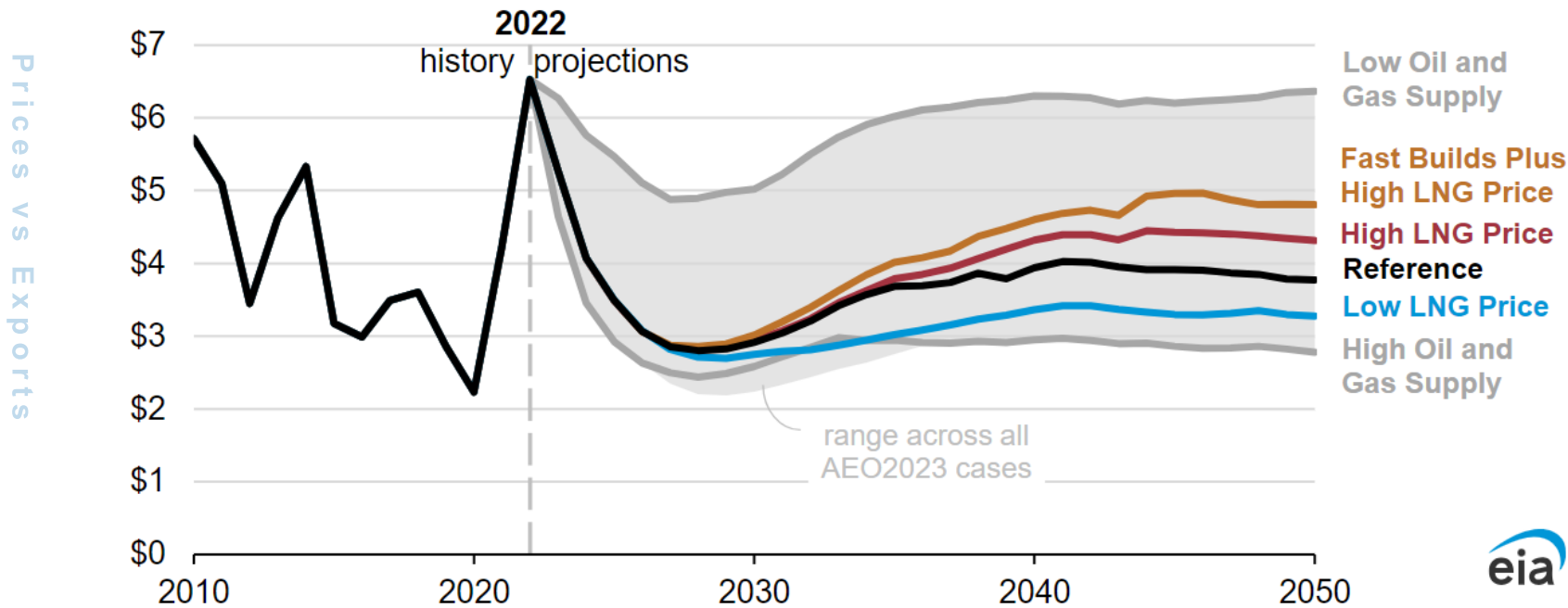


Source: Rystad Energy, Chart: American Gas Association, Data as of Feb 12, 2026, Subject to Revision

EIA: Boosting US LNG exports to have a modest effect on prices

Natural Gas Prices Under Different Export Scenarios

Natural gas spot price at the U.S. Henry Hub, *Annual Energy Outlook 2023* (2010–2050)
2022 dollars per million British thermal units



Low exports, 2050

- 15.3 Bcf/d
- **\$3.30/MMBtu**

High exports, 2050

- 48.2 Bcf/d
- **\$4.30/Mmbtu**

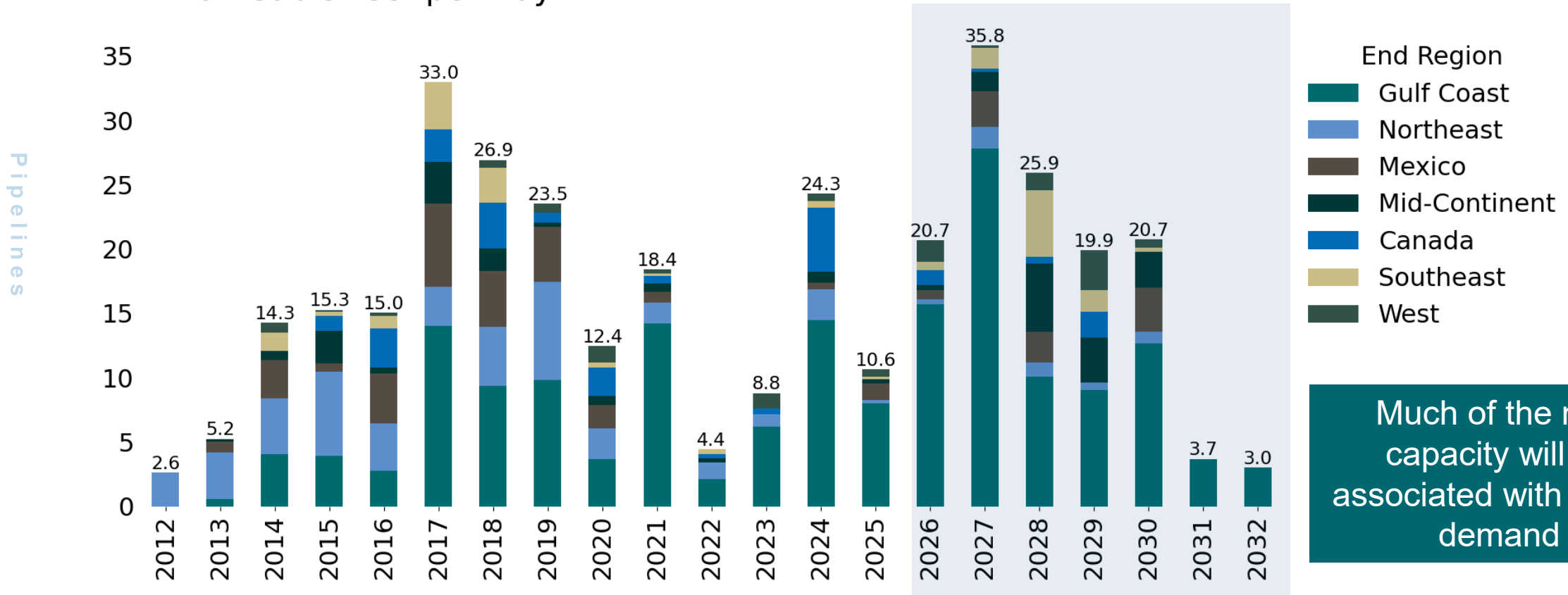
Data source: U.S. Energy Information Administration, *Annual Energy Outlook 2023* (AEO2023)

Note: Shaded regions represent maximum and minimum values for each projection year across the AEO2023 Reference case and side cases. LNG=liquefied natural gas.

New pipeline capacity is expected, largely intrastate projects located in the Gulf Coast. Interstate projects outside of the South remain a challenge.

New pipeline capacity

North American Natural Gas Pipeline Capacity Expansions by End Region
Billion Cubic Feet per Day



Much of the new capacity will be associated with export demand

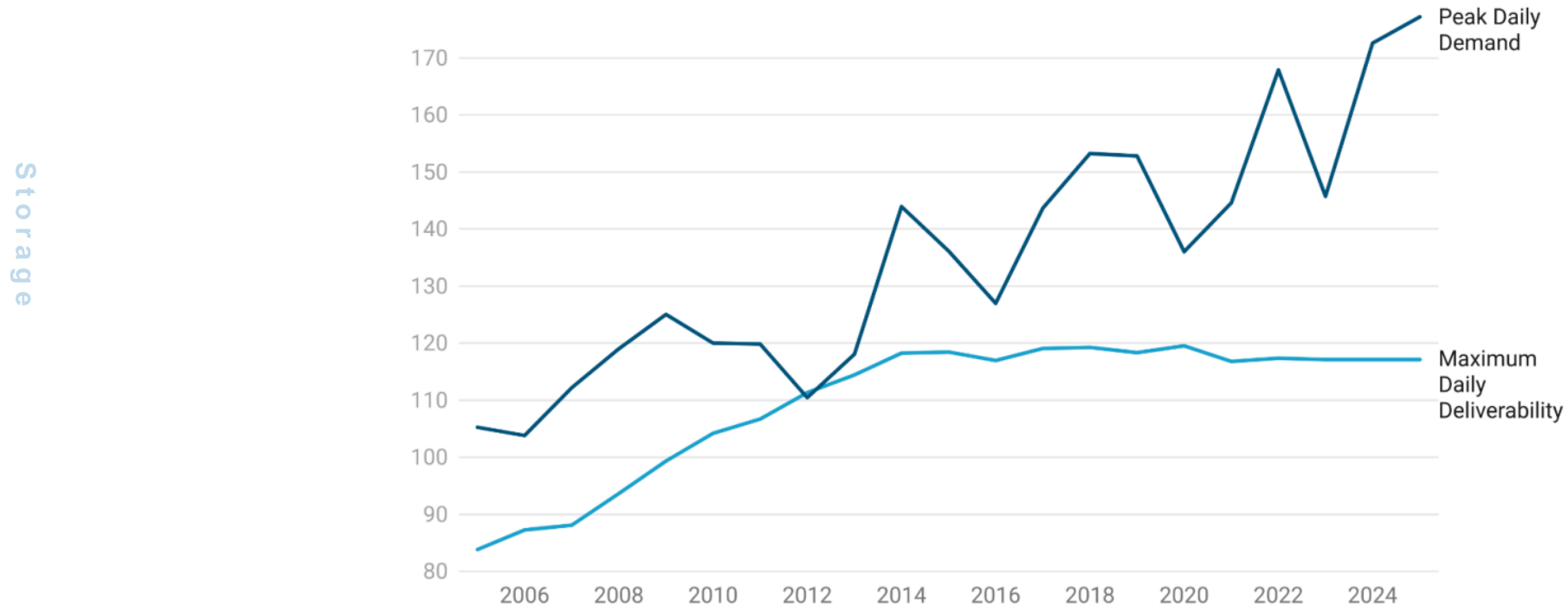
Source: S&P Global Commodity Insights, ©2025 by S&P Global Inc., Chart: American Gas Association

More natural gas storage is needed. Natural gas peak demand has grown while maximum storage deliverability has been flat.

Peak demand vs natural gas storage

Underground Storage Maximum Daily Deliverability vs. Peak Daily Demand

Billion Cubic Feet per Day (Bcf/d)

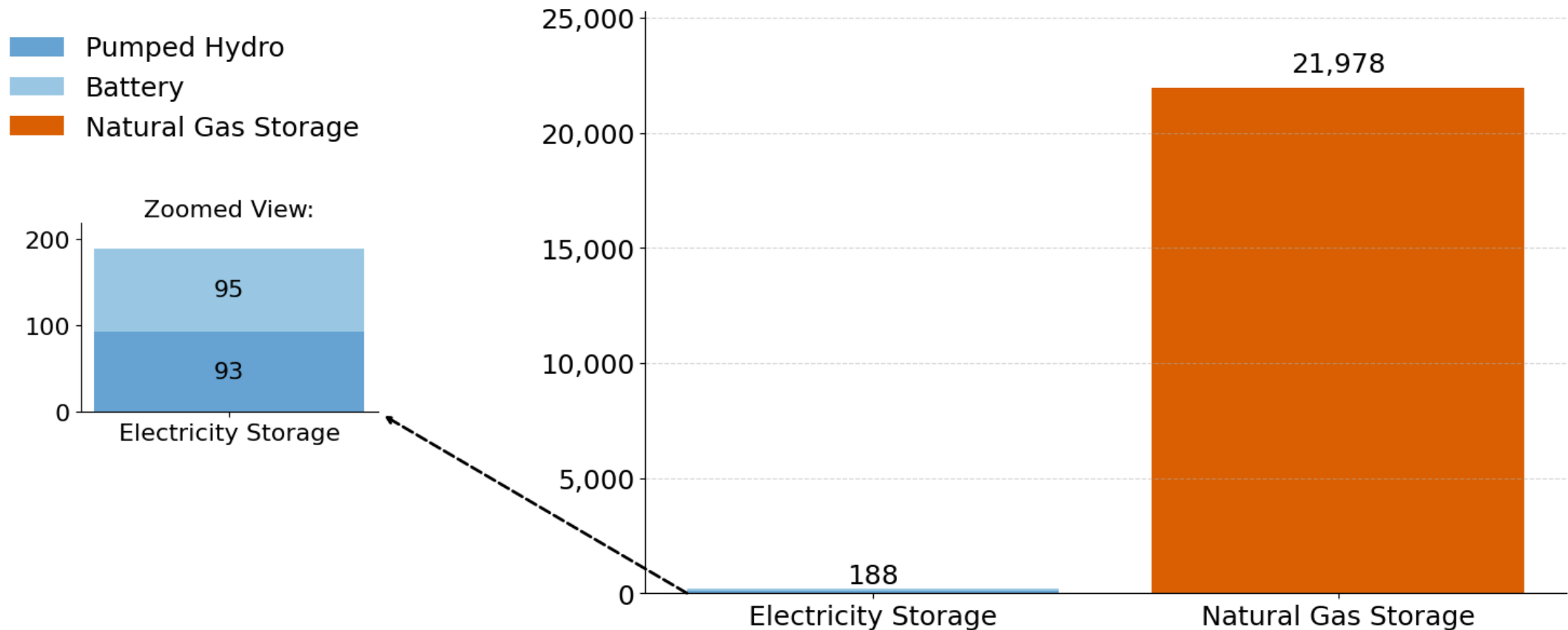


Subject to Revision

Source: Energy Information Administration, S&P Global Commodity Insights © 2025 by S&P Global, Inc. • Created with Datawrapper

Storage is a critical balancing tool for natural gas utilities during the winter, with a daily dispatch capacity more than 100x greater than electric storage.

Estimated Daily Storage Output by Resource
Gigawatt Hours per Day



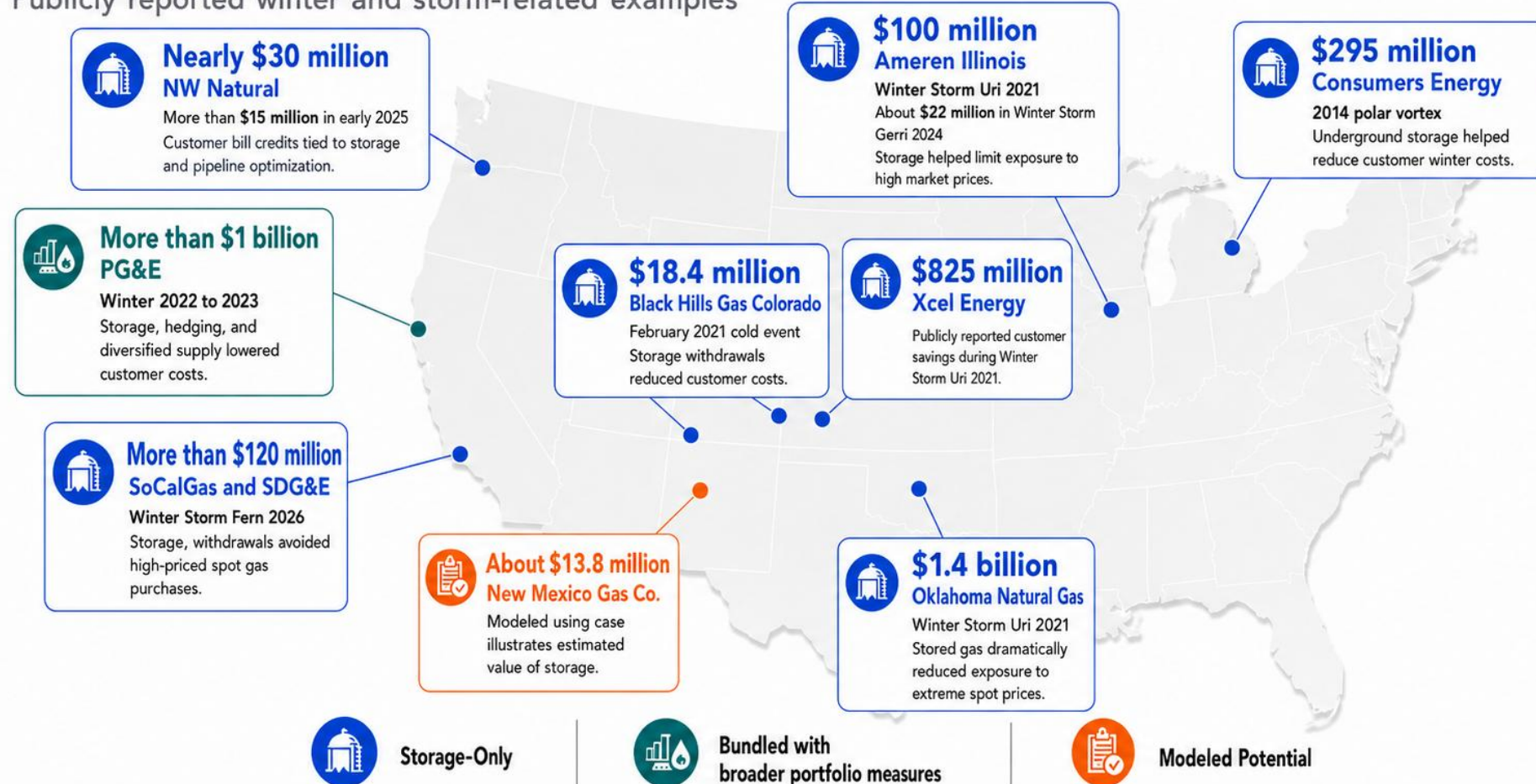
Source: Energy Information Administration, S&P Global Commodity Insights. Natural gas output on Jan 21, 2025. Electric output estimated using EIA March 2026 maximum nameplate capacity * maximum daily dispatch capacity.

Natural gas storage is vital for reliability, lowers energy costs

Selected Utility Examples of Customer Savings from Natural Gas Storage

Publicly reported winter and storm-related examples

Storage savings

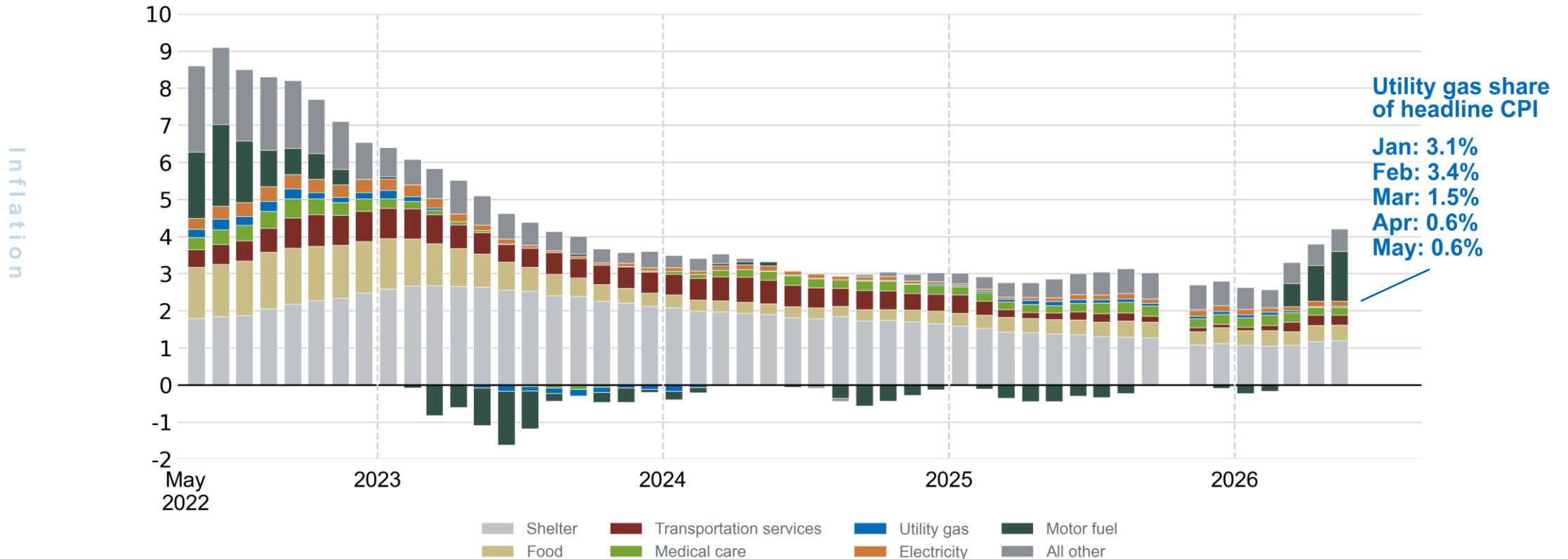


Source: Company releases, regulatory filings, and public reporting. Chart: American Gas Association. Selected examples only.

Utility gas is only a small driver of inflation pressures, which is dominated by housing, food, and other factors.

Drivers of Inflation

Headline CPI Inflation Contributions by Category
Percentage-point contribution to 12-month change



Source: U.S. Bureau of Labor Statistics, CPI-U Public Data API
Method: BLS 12 Month Effect on All Items | Chart: American Gas Association | Data through May 2026 | Updated 2026-06-11 | Subject to Revision

Energy assistance programs are available to help consumers in need

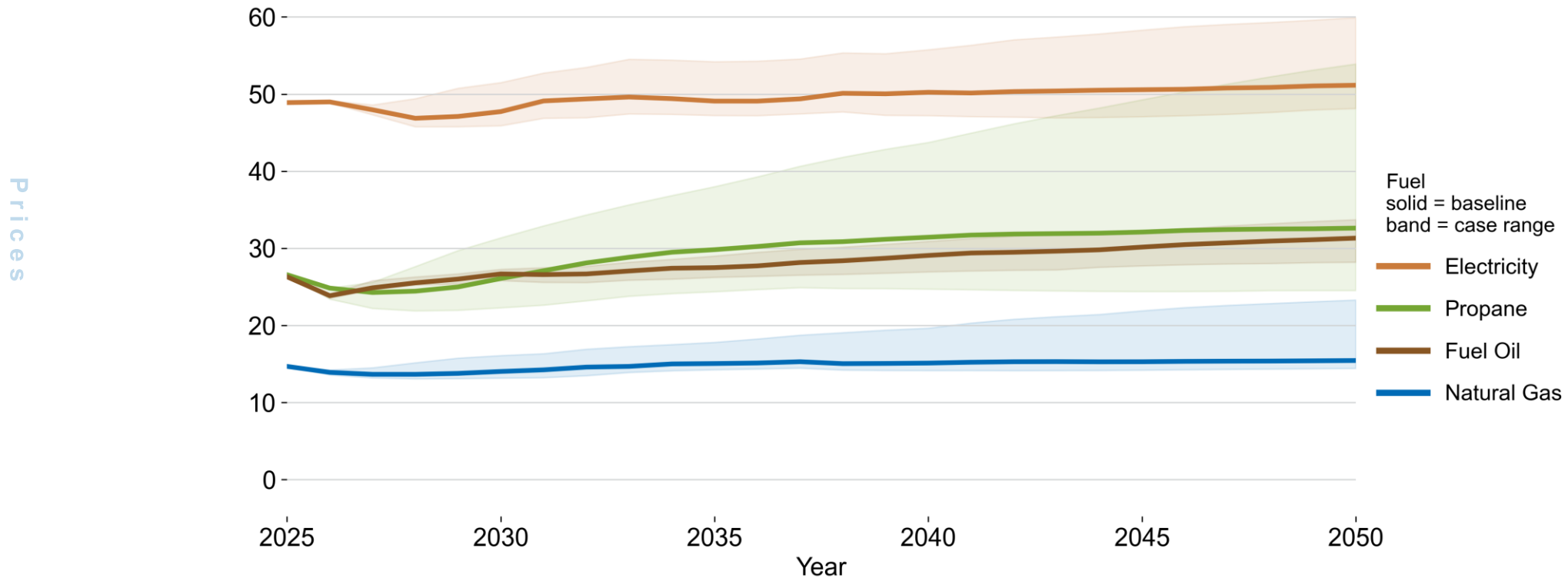
Natural gas utilities offer and participate in several energy assistance programs

- **LIHEAP, State, and Local Funds** – Energy cost assistance for low-income households
- **Budget Billing** – Customers spread costs equally across 12 months, effectively prepaying a portion of heating season bills during the cooling season
- **Weatherization Assistance** – Provides qualifying customers with weatherization assistance to ensure a household is winter-ready
- **Payment plans** – Customers may spread high bills over several months
- **Voluntary Non-terminations** – Certain utilities do not terminate customers during the heating season

Natural gas is set to retain its long-term price advantage over other fuels

Energy Prices

Residential Energy Prices by Fuel, Annual Energy Outlook 2026
2025 \$/MMBtu

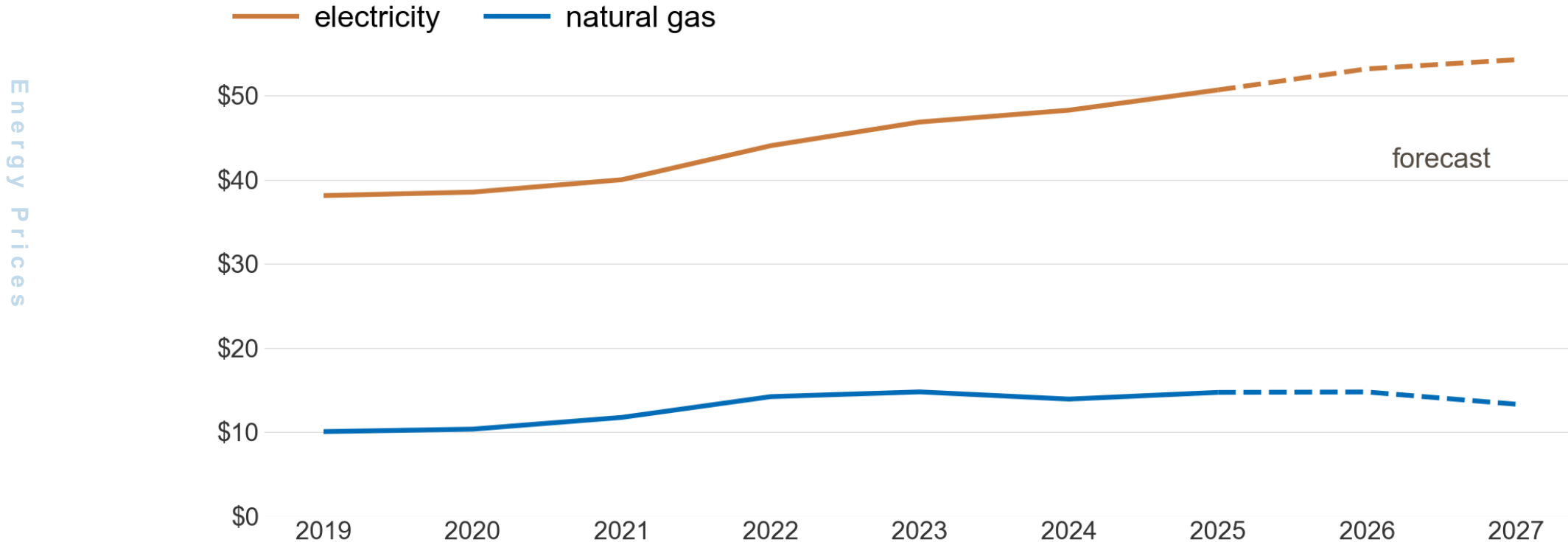


Source: EIA Annual Energy Outlook 2026, Table 3 (Energy Prices by Sector and Source)
Within each fuel, the solid line is the counterfactual baseline and the shaded band spans the AEO 2026 modeled cases: Counterfactual baseline; High oil and gas supply; Low oil and gas supply; High macro growth; Low macro growth; High electricity demand; Alternative electricity; Alternative transportation; Alternative electricity and transportation; Low zero-carbon technology cost; High zero-carbon technology cost
Chart: American Gas Association | Data as of 2026-04-14 | Subject to Revision

Residential electricity prices expected to rise while natural gas falls

Residential energy prices

Annual Residential Electricity & Natural Gas Prices
Dollars per MMBtu



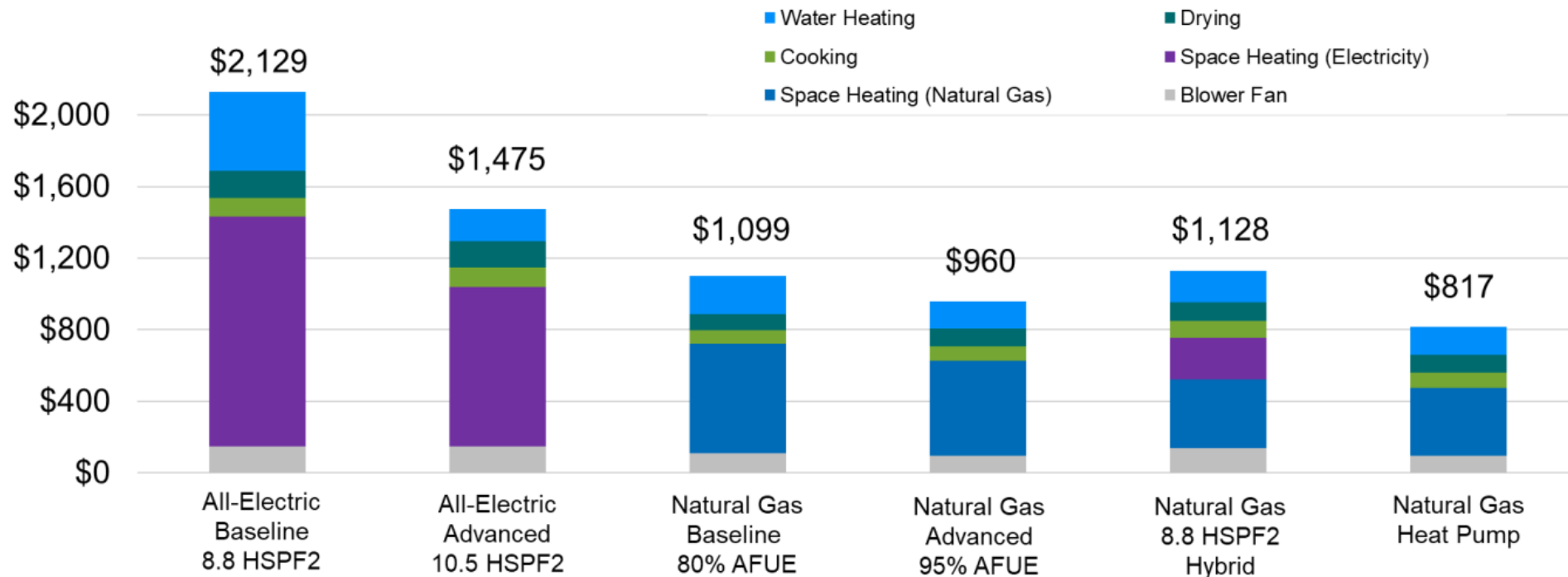
Source: U.S. Energy Information Administration, Short-Term Energy Outlook May 2026 | Chart: American Gas Association | Data as of May 2026 | Subject to Revision

A new "baseline" natural gas home will cost \$1,030 less in operating costs than the same all-electric heat pump home, and will save \$12,000 over 15 years

Annual Energy Costs for Gas or Electric Uses

Dollars per Year

Consumer energy costs



Three things to watch this summer



Supply is running ahead of demand this summer



U.S. prices are low, stable, and insulated from global turmoil.



Demand growth is continuing, and the build-out has to come with it to maintain reliability and price stability.

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