

U.S. Energy Market Outlook for the Northeast Public Power Association

Michael Zenker, Managing Director, Market Analysis, NextEra Energy Resources

August 17, 2026

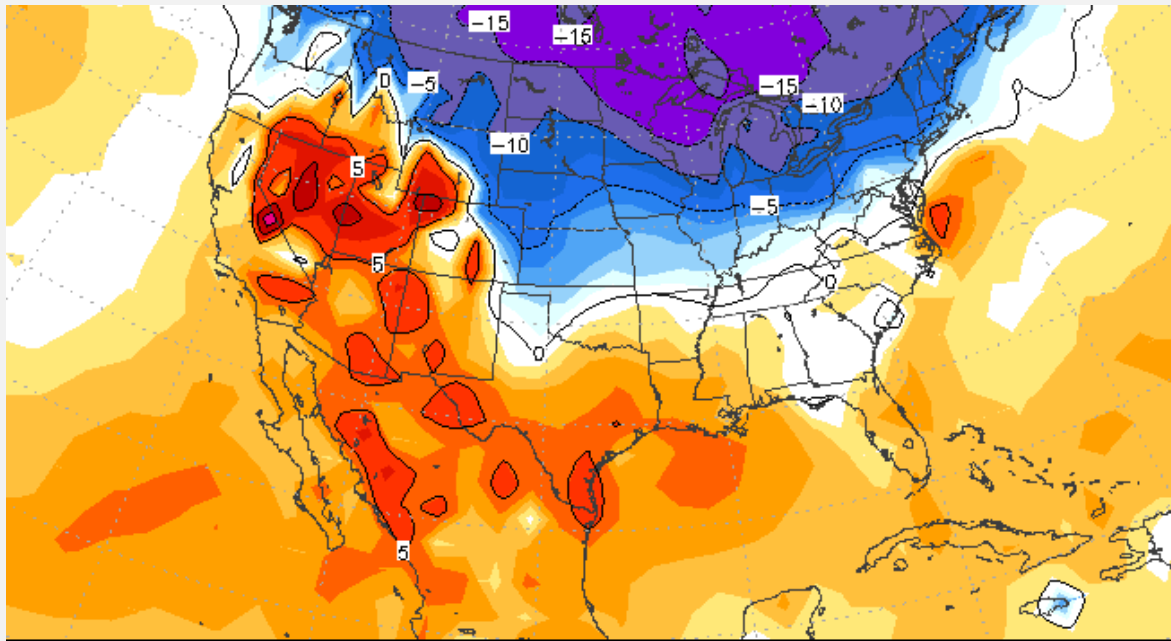
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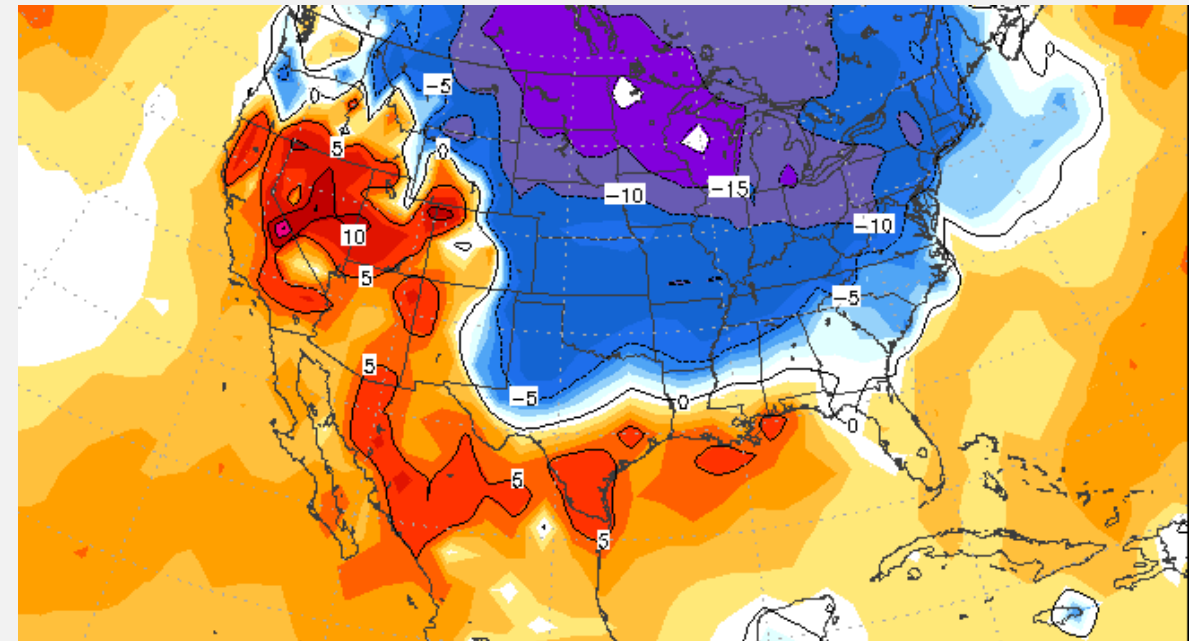
What Did Winter Storm Fern Teach Us About New England's Gas and Power Market?

Winter storm Fern was a surprise; weather forecasts on the Friday before the MLK 3-day weekend were bearish, whereas the outlook the following Tuesday (first business day of the week) flipped to bullish

**U.S. 6-10 Day Weather Outlook On Friday,
Jan 16, 2026 (for Jan 21-26, 2026)**

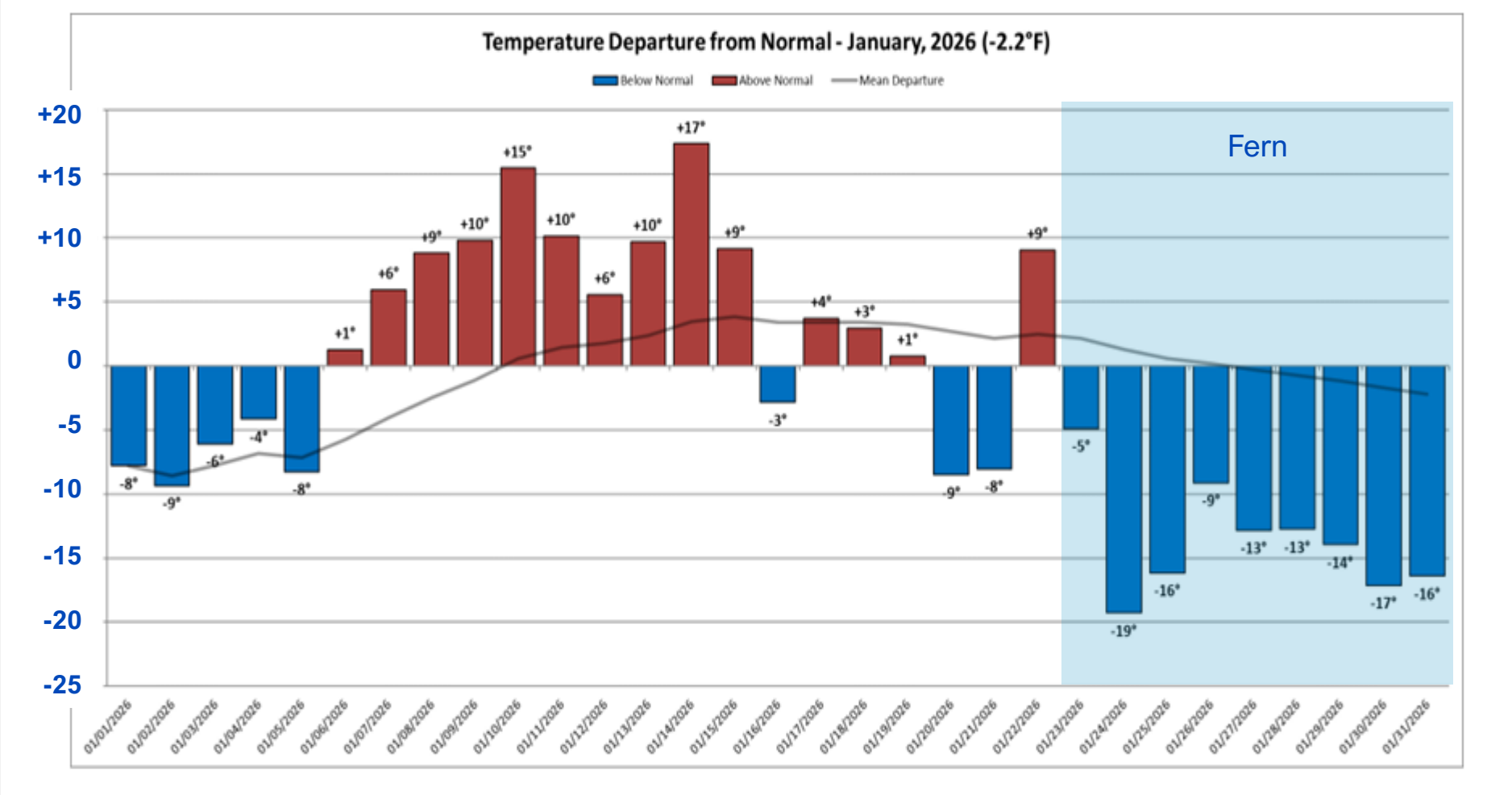


**U.S. 1-5 Day Weather Outlook On Tuesday,
Jan 20, 2026 (for Jan 20-25, 2026)**



Temperatures in New England¹ averaged 14°F below normal during the last nine days of January

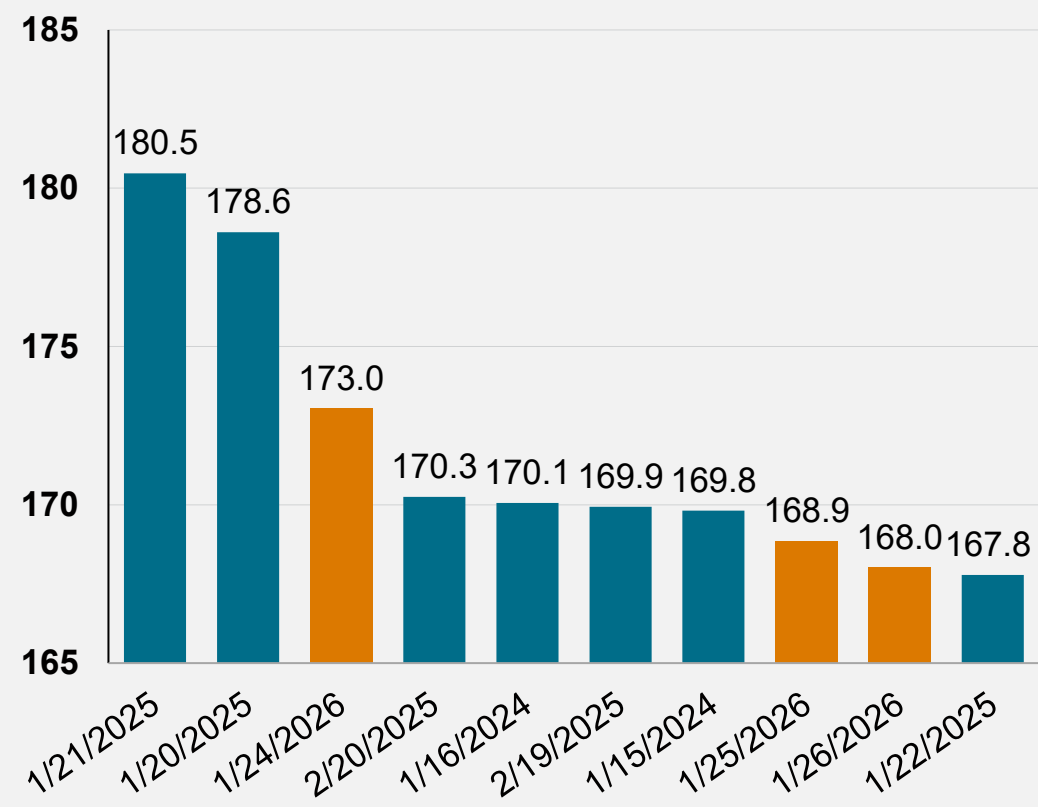
Temperature
(°F)
Difference
from Normal



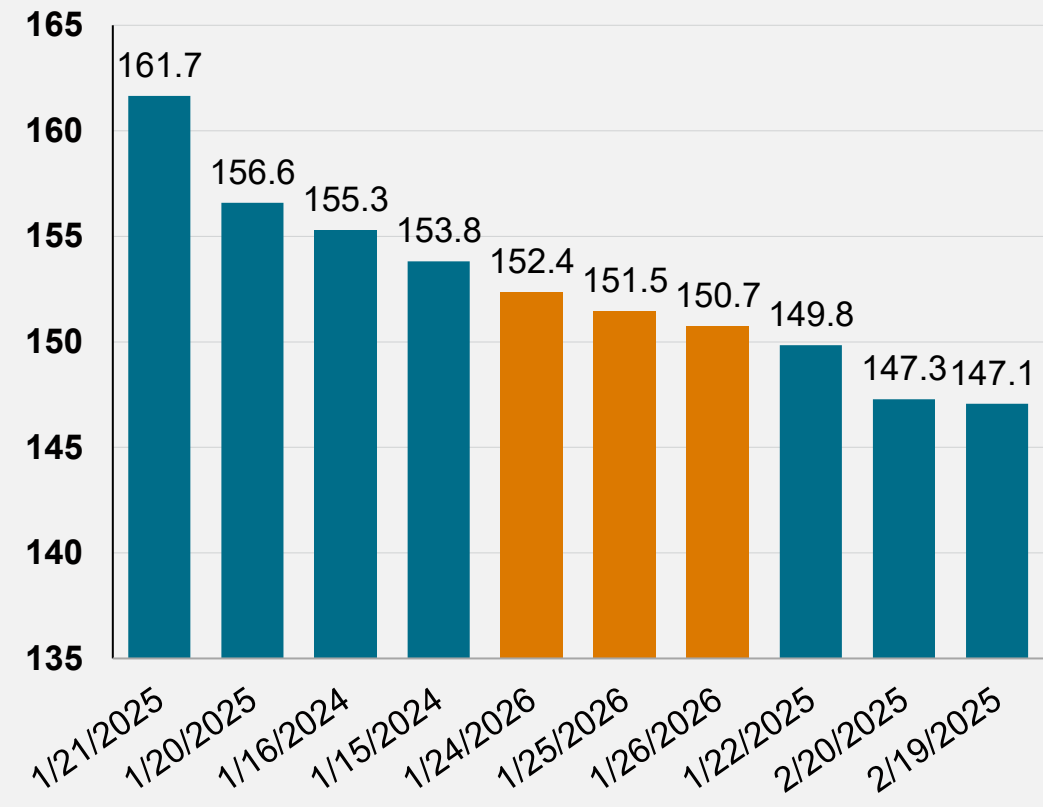
1. NEISO, 23 New England cities, weighted average

Winter storm Fern produced some of the strongest recorded days for U.S. gas demand, but did not result in an all-time peak

Top 10 All Time U.S. Gas Demand Days—Including Exports (Bcf/d)



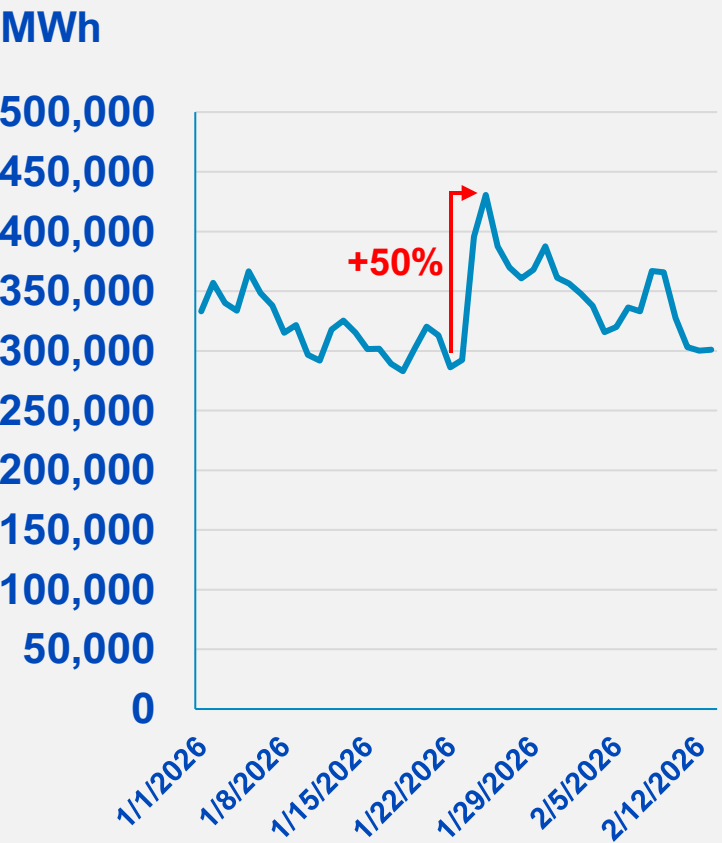
Top 10 All Time U.S. Domestic Gas Demand Days—Excluding Exports (Bcf/d)



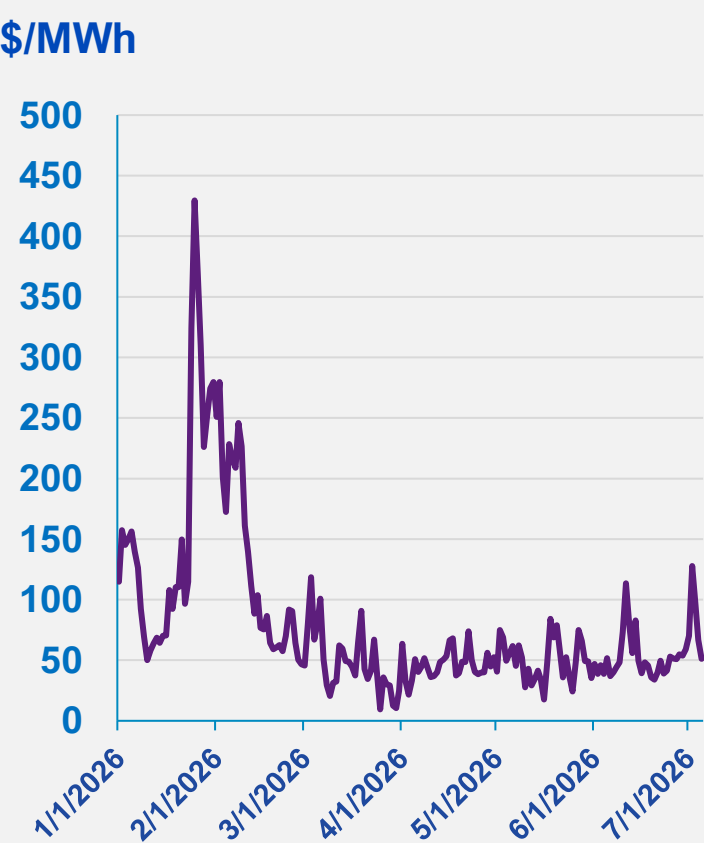
Data compiled Jan. 30, 2026.
Sources: S&P Global Energy; US EIA.

NEISO power demand spiked to 20,221 MW...not an all time record (record: 22,818 MW) but sustained cold drove gas and power prices to record levels

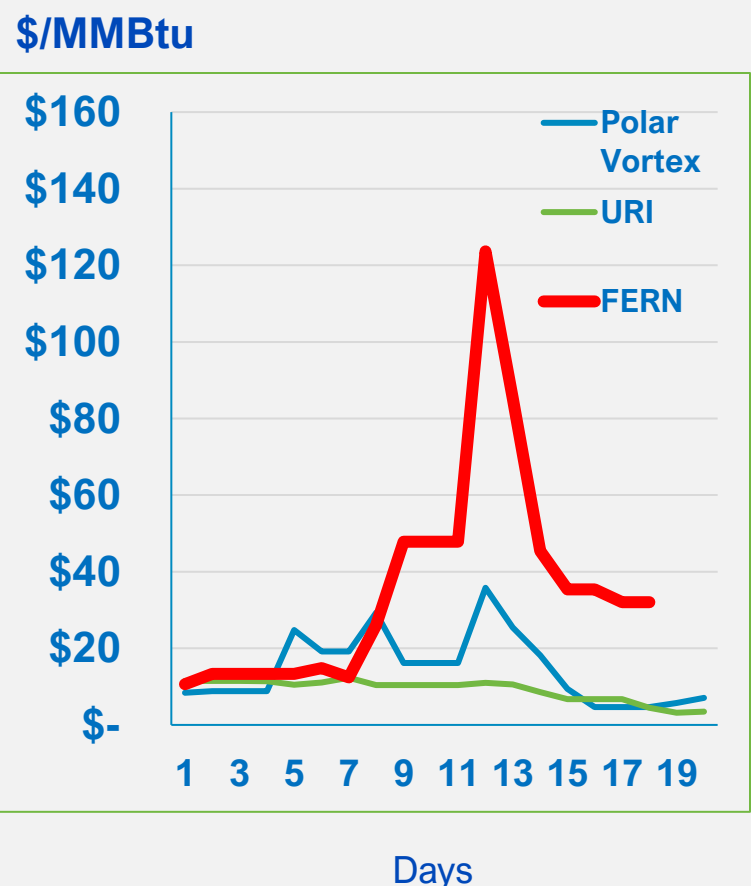
Daily NEISO Power Consumption



Mass Hub 7x24 Power Prices

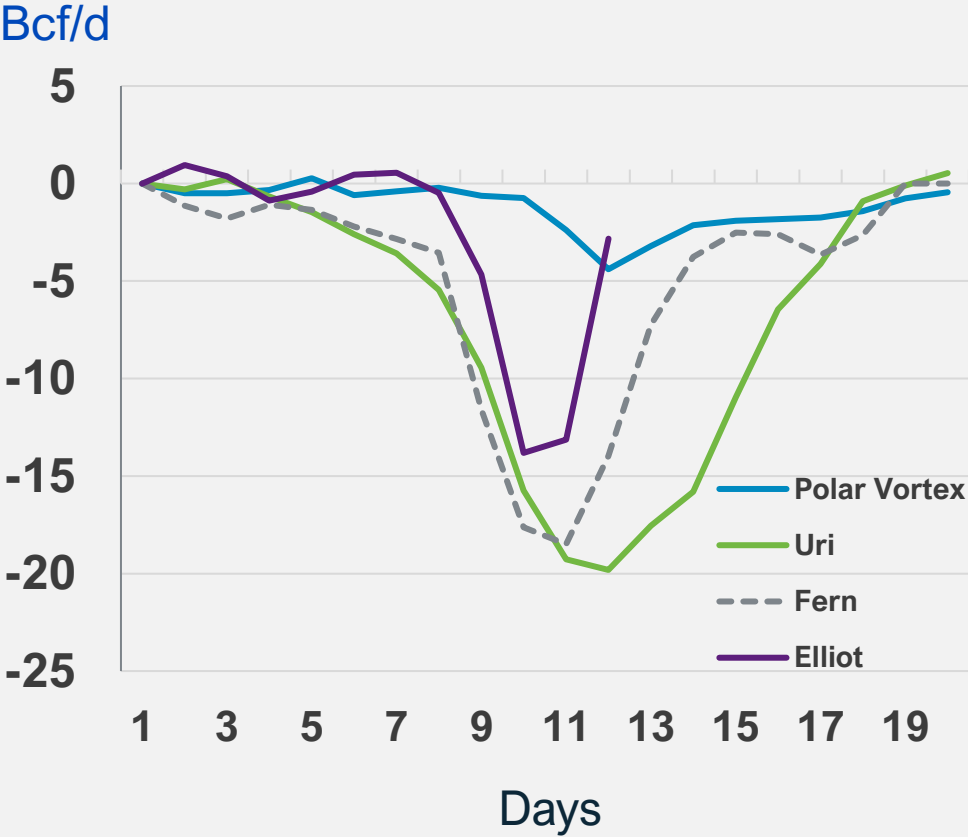


Algonquin Natural Gas Prices

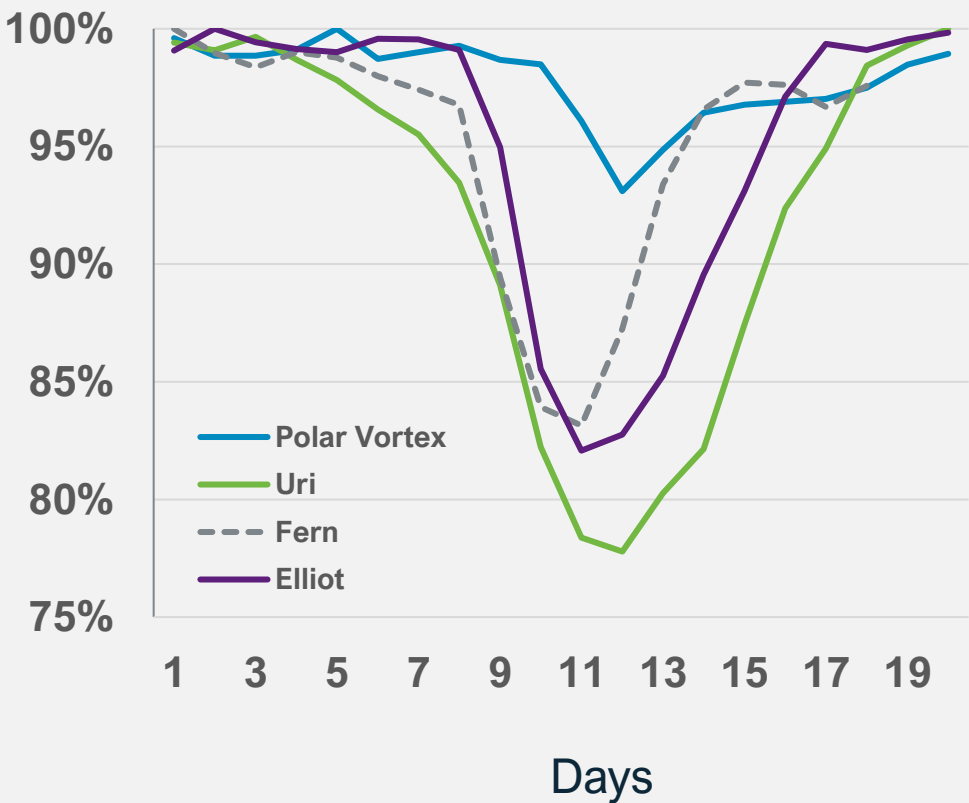


Gas supply losses from freeze offs were massive—almost rivaling losses during Uri; the 2014 Polar Vortex was a “demand shock” event

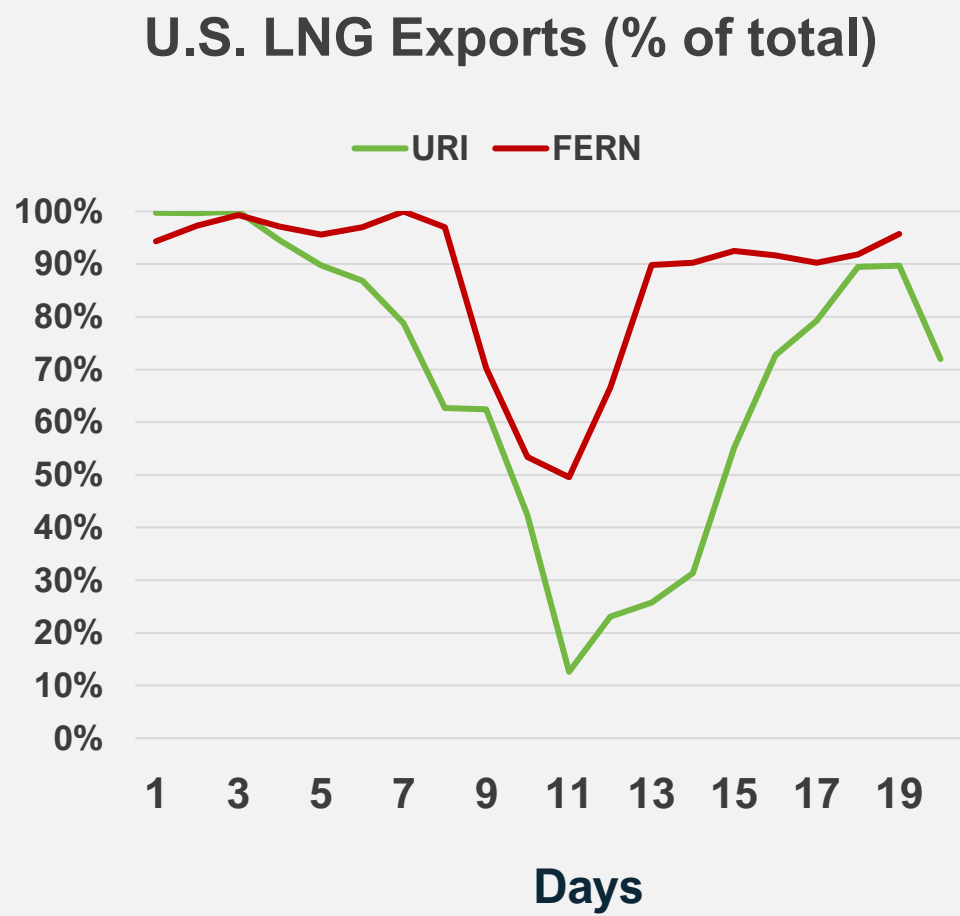
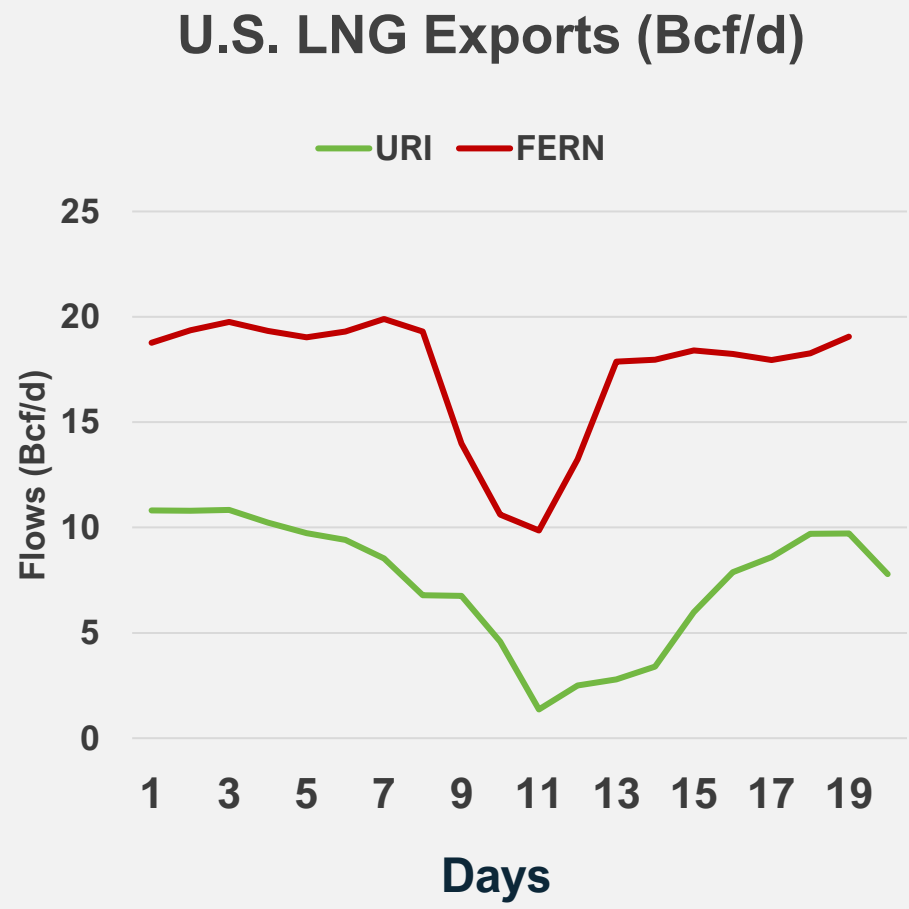
U.S. Supply Losses



Lower 48 Production % of Total (Rolling 20-Day)

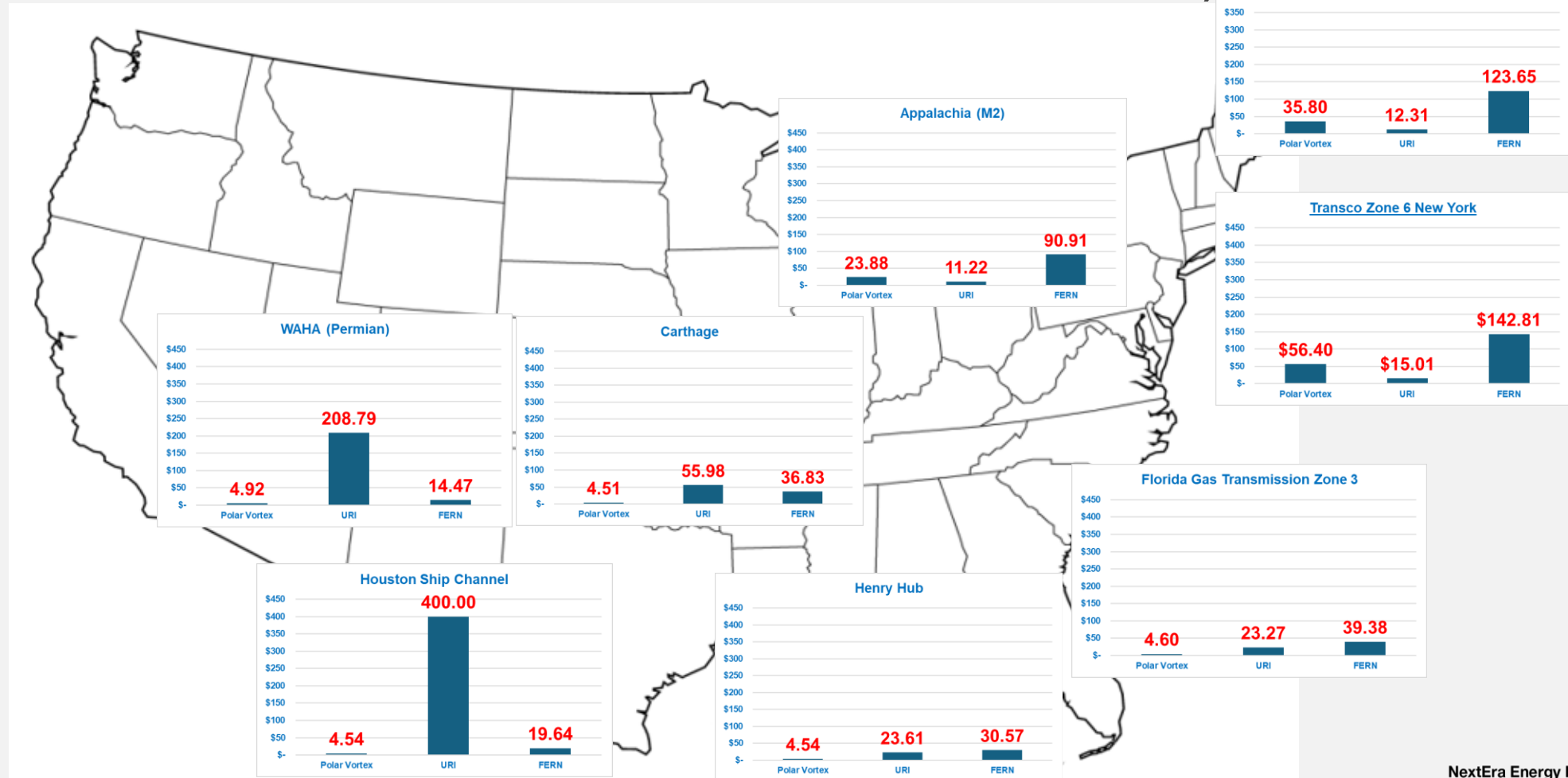


Demand for gas for LNG exports flexed lower, partially cushioning the surge in heating demand



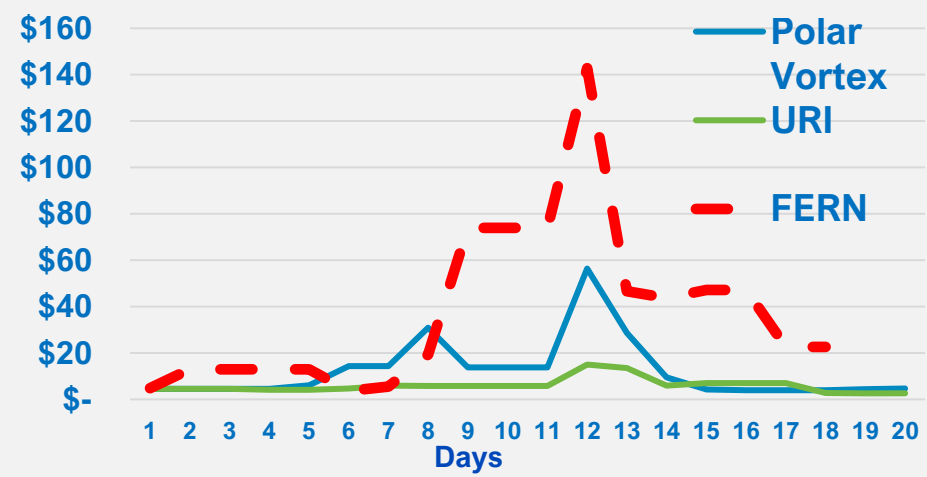
Winter storm Fern resulted in record gas prices in certain eastern markets, but Uri resulted in higher prices elsewhere (more impact to gas production and pipeline disruptions)

Peak Daily Gas Prices During Select Winter Storms (Polar Vortex-Jan 2014, Uri-Feb 2021, and Fern-Jan 2026, \$/MMBtu)

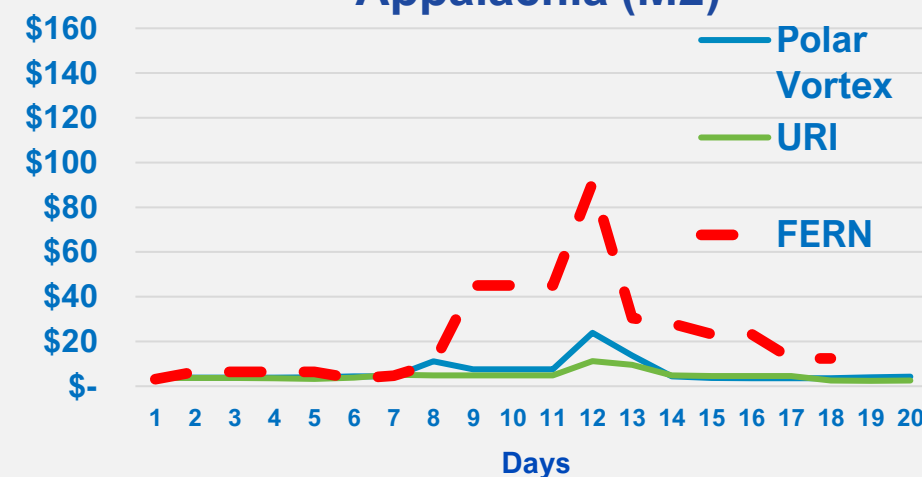


Gas prices peaked in eastern markets on extreme cold and supply losses during Fern

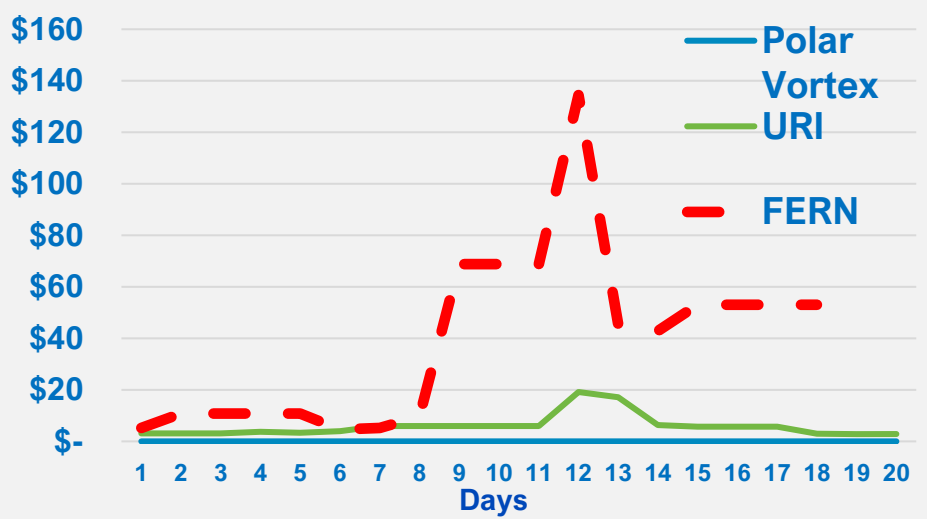
Transco Zone 6 Non-New York



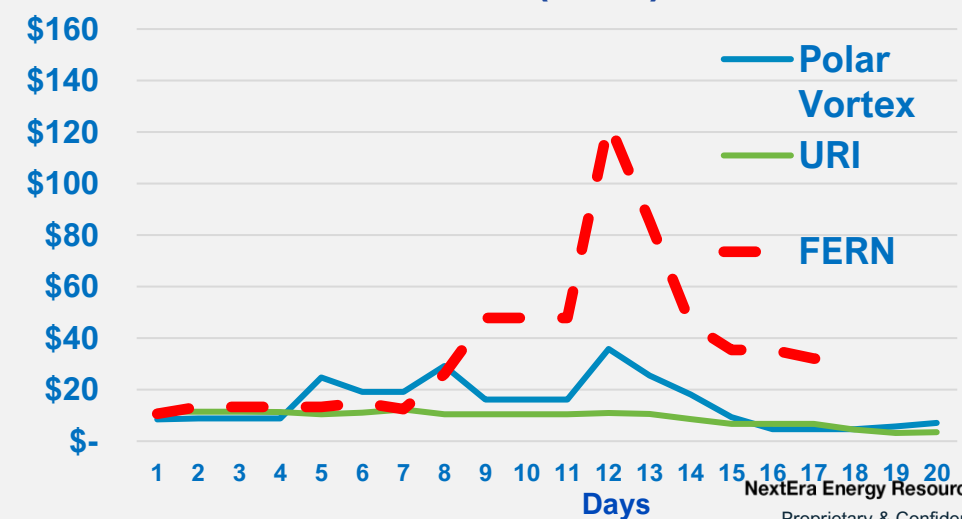
Appalachia (M2)



Transco Zone 5 South

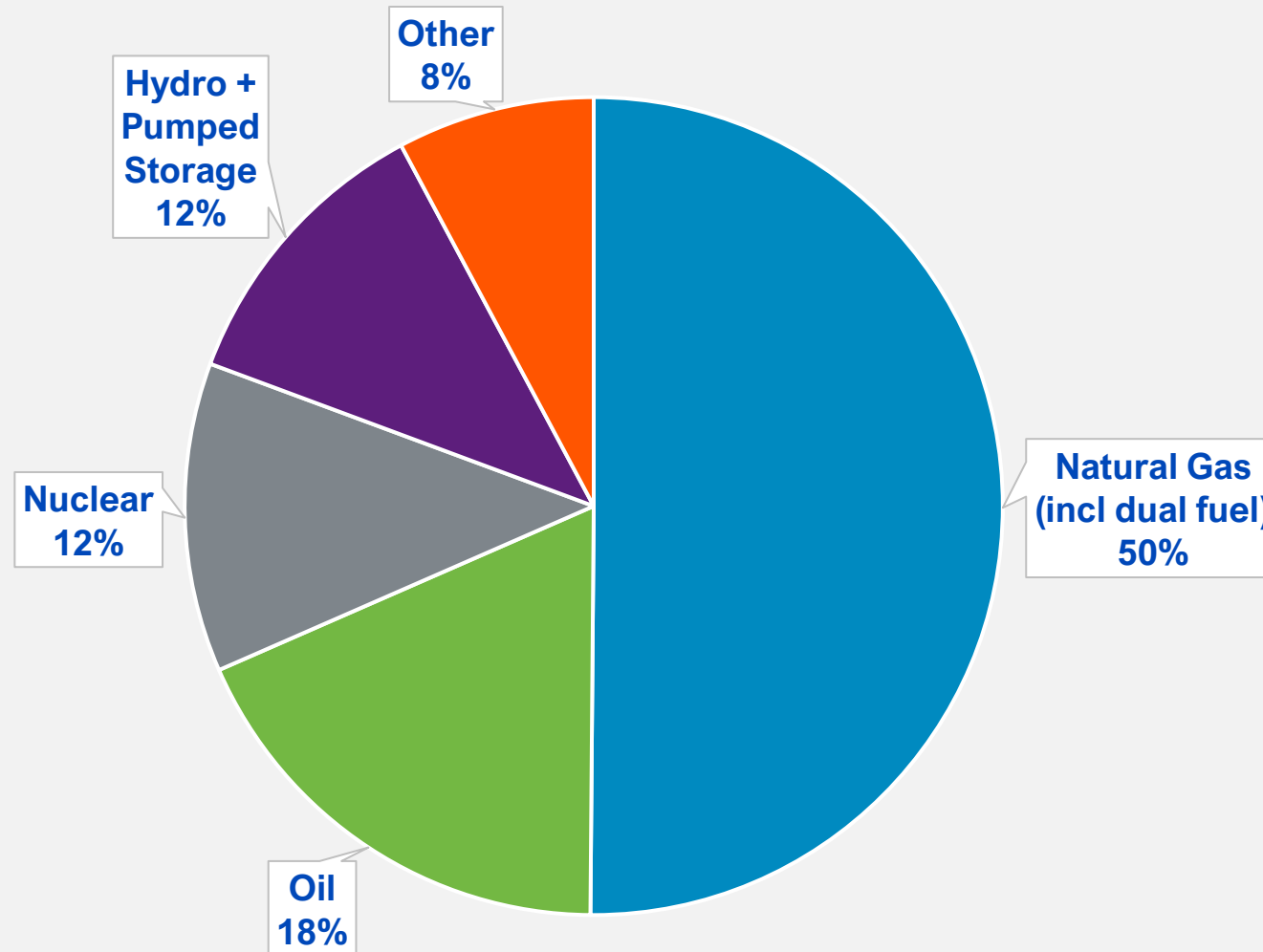


Boston (AGT)



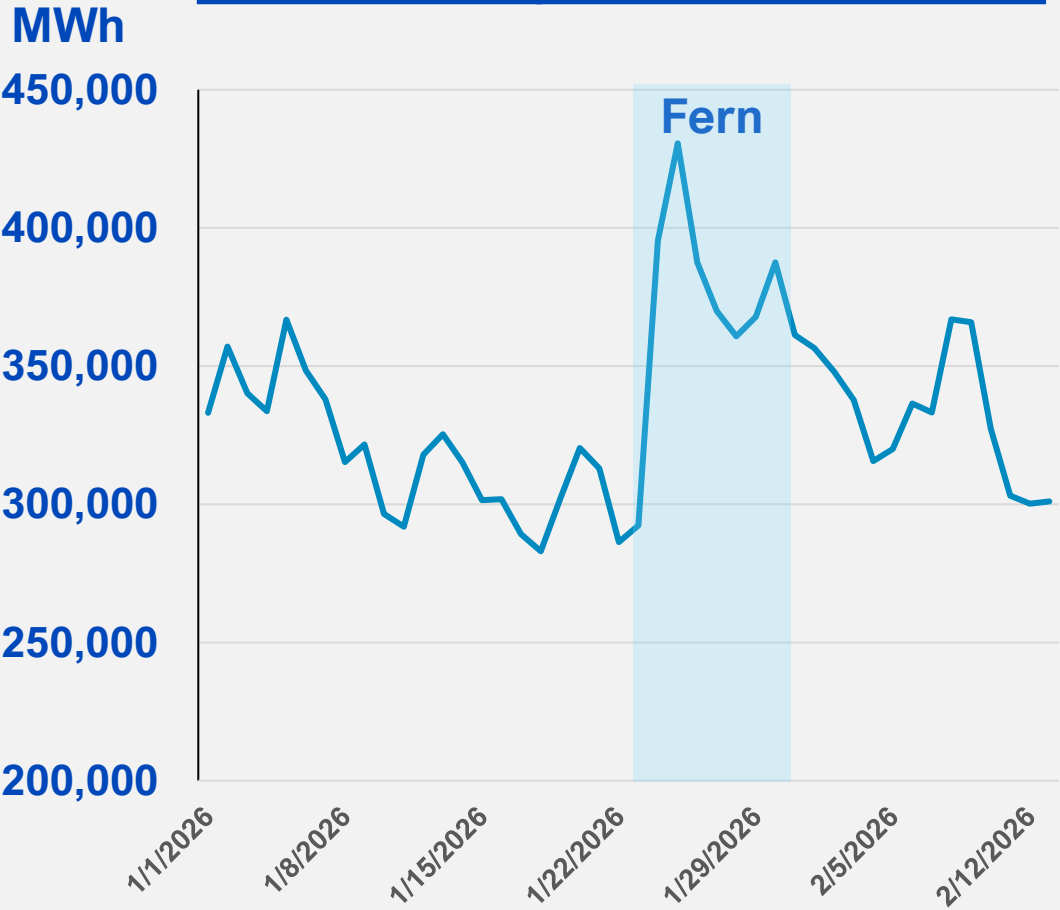
ISONE remains heavily reliant on gas-fired generation

ISONE Capacity By Type

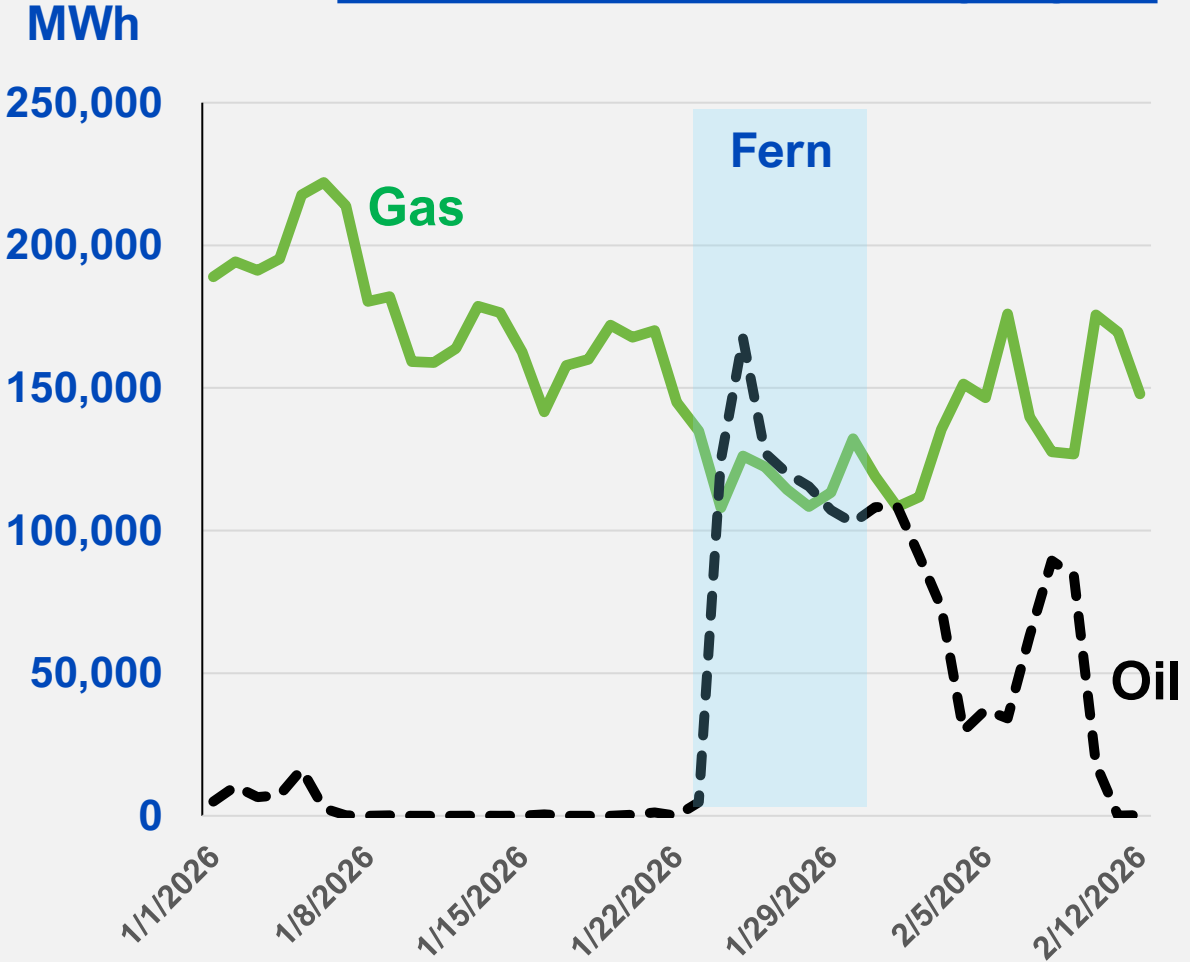


Oil-fired power played a leading role in serving power demand during Fern (66 million gallons of oil burned during Fern)

ISONE Daily Power Demand

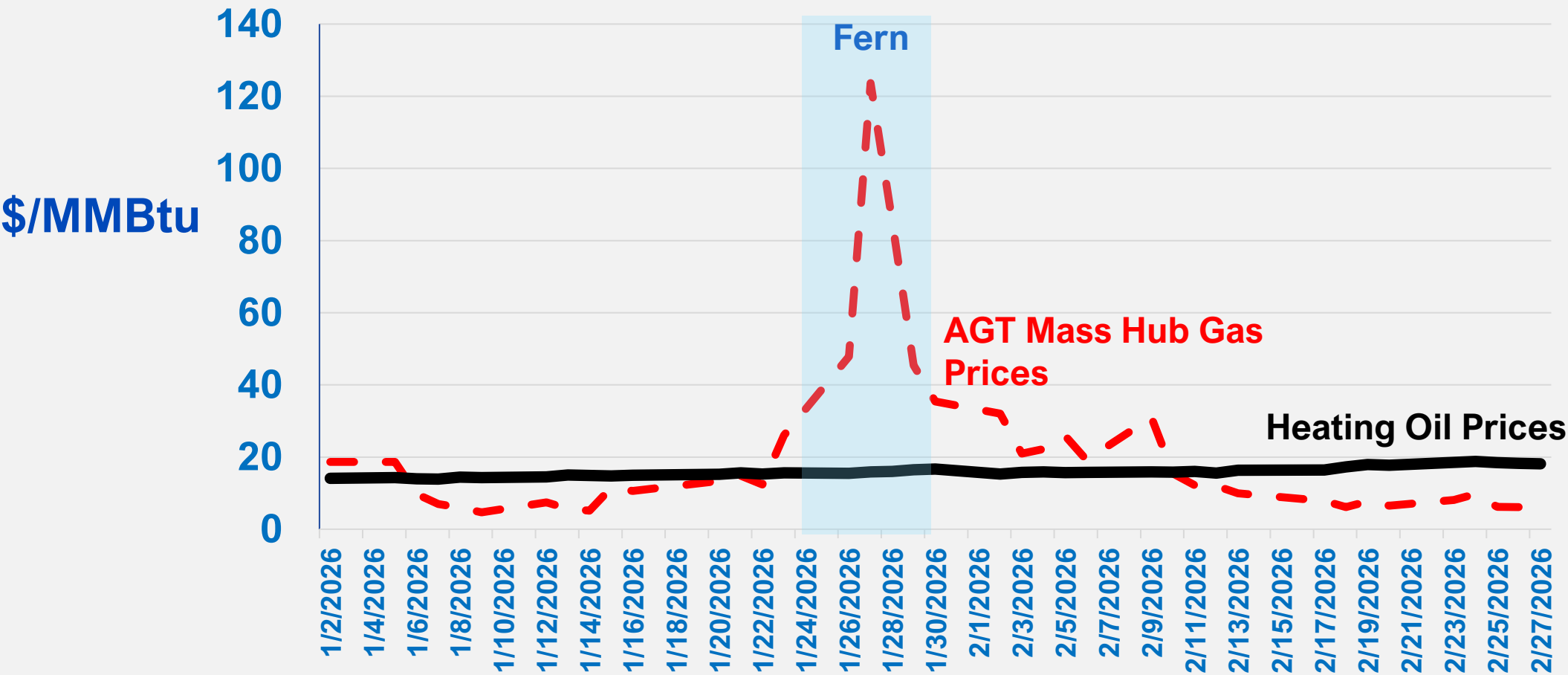


ISONE Generation By Type



Gas prices surged past oil prices during winter storm Fern

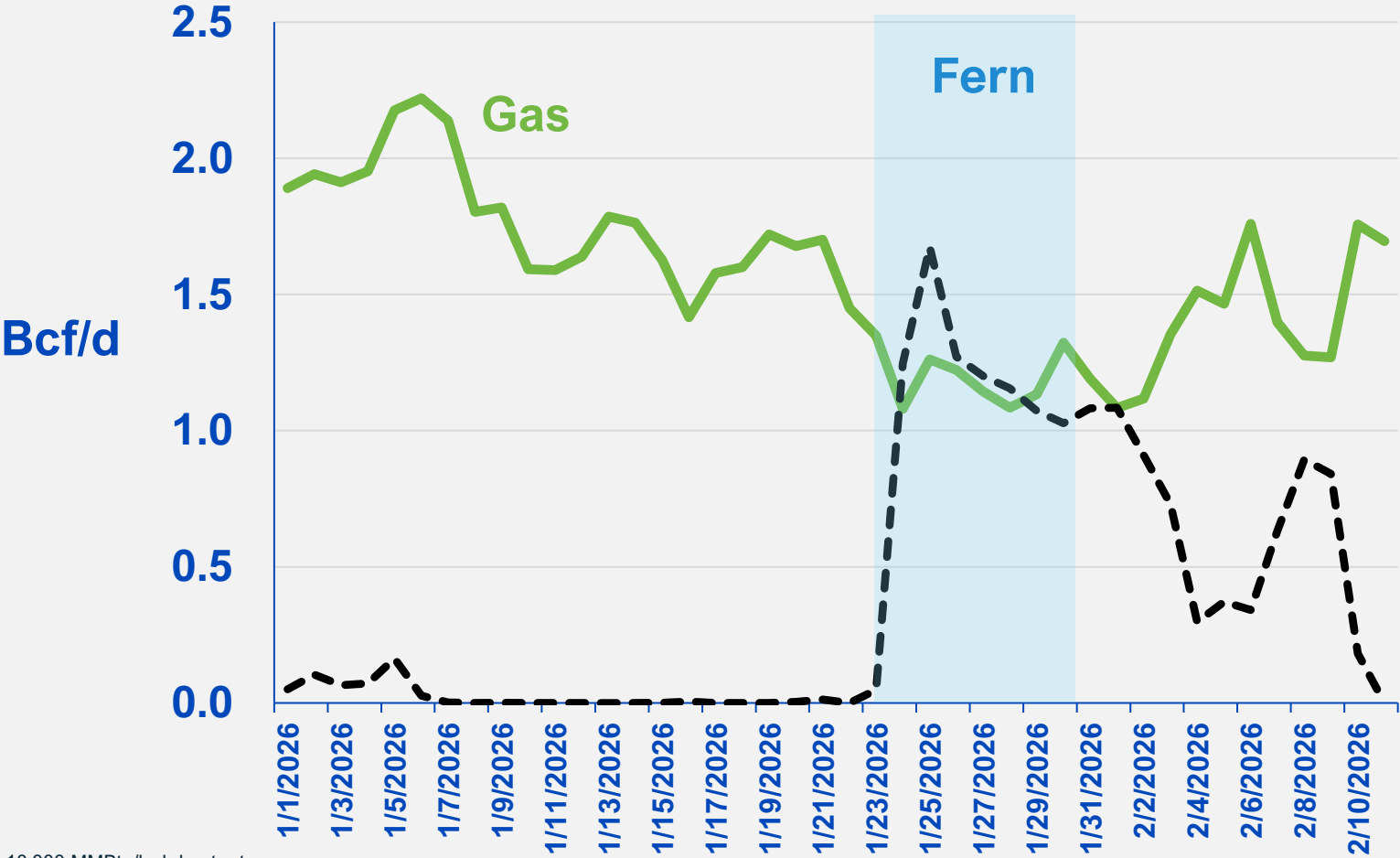
Algonquin (Boston City Gate) and Heating Oil Prices¹⁾



1. Sources: Platts, NYMEX (note: New York Harbor heating oil futures prices shown)

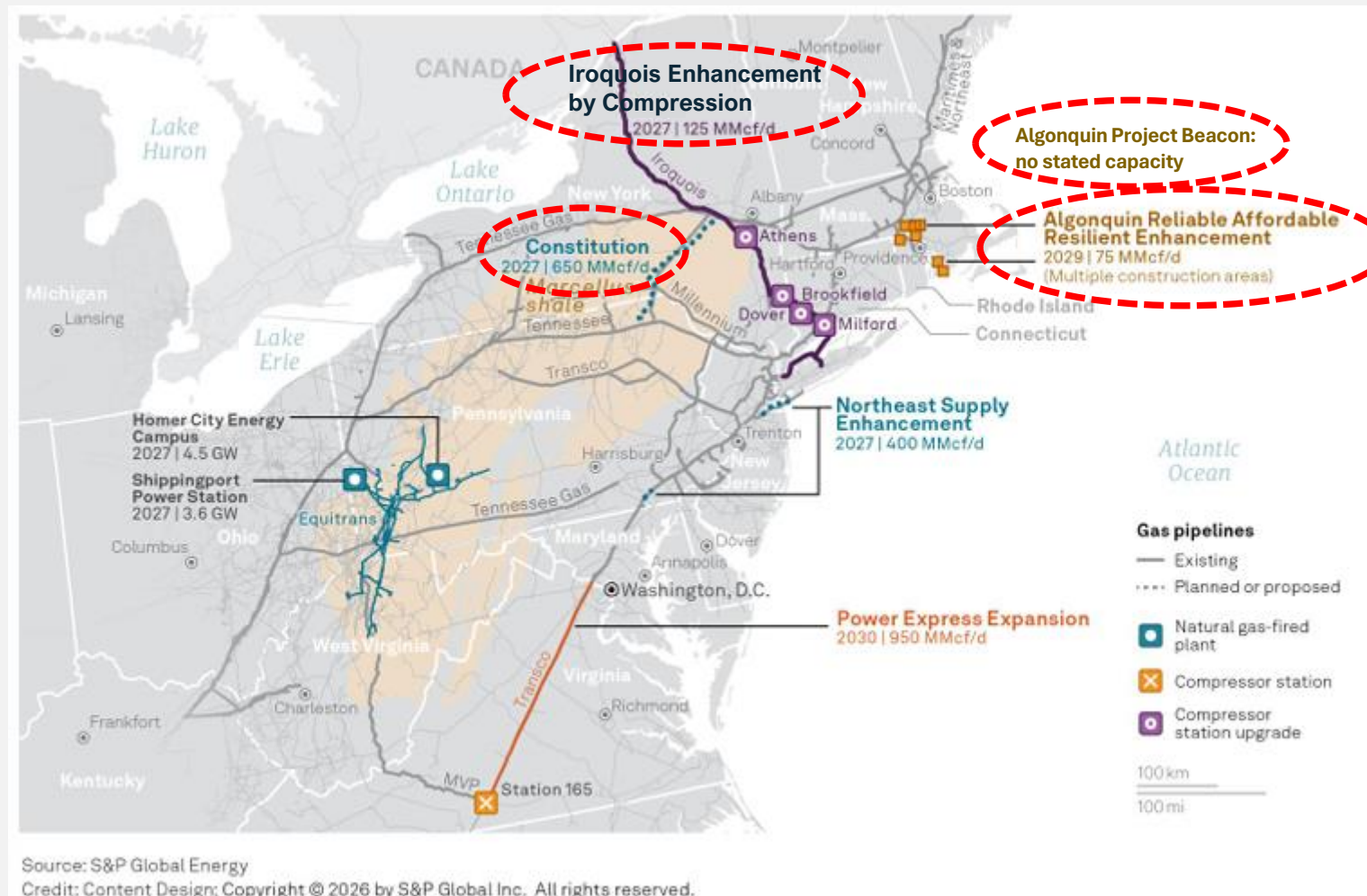
Oil burn was equivalent to 1-1.5 Bcf/d of natural gas burn during Fern

ISONE Gas Demand for Power Generation and Oil Demand for Power Generation (in Gas Equivalent Terms¹)



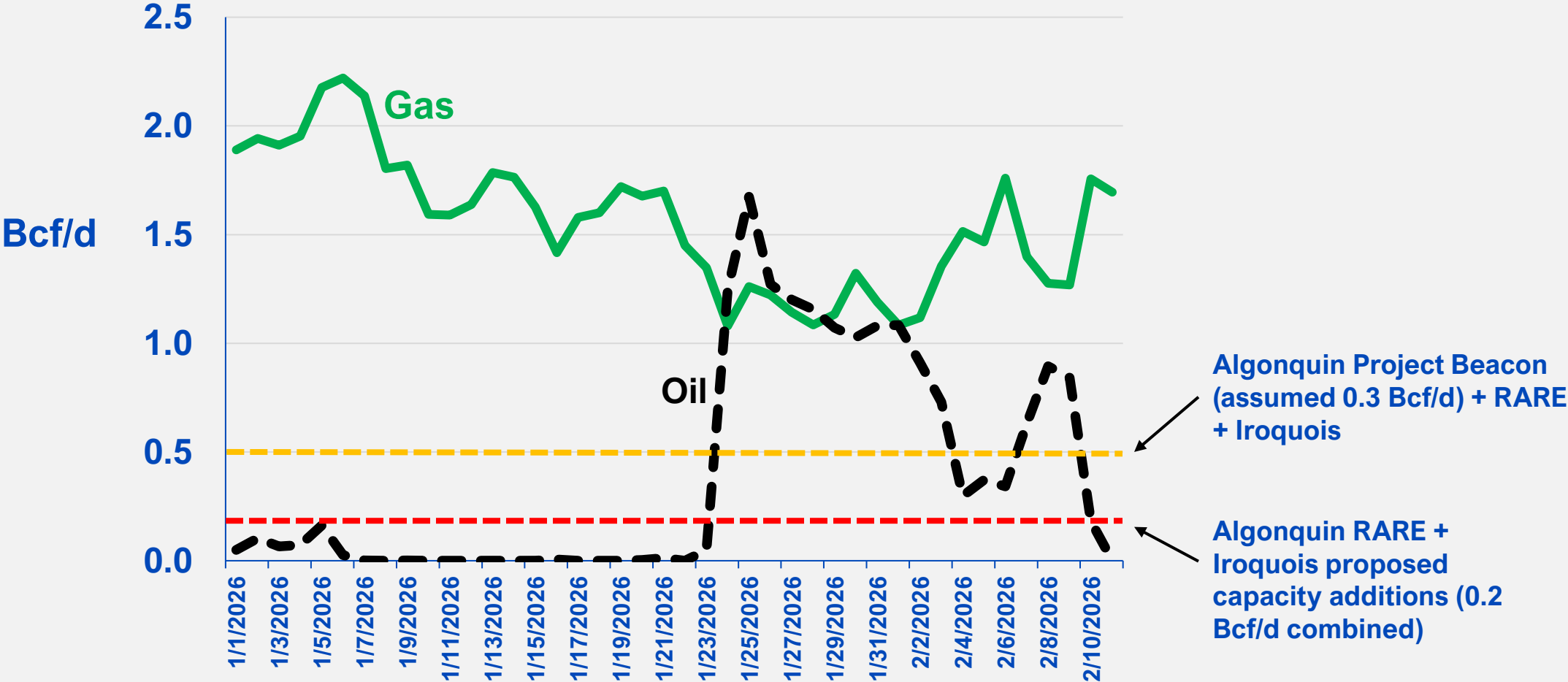
1. NEISO for GWH, converted to gas at a 10,000 MMBtu/kwh heat rate

A number of pipeline expansions are proposed for the Northeast...permitting and construction are pending



Proposed pipeline projects would not displace the need to burn oil for a future cold winter event with power demand equal to Fern

Gas Demand for Power Generation and Oil Demand for Power Generation (in Gas Equivalent Terms¹) Compared to Propose Pipeline Capacity

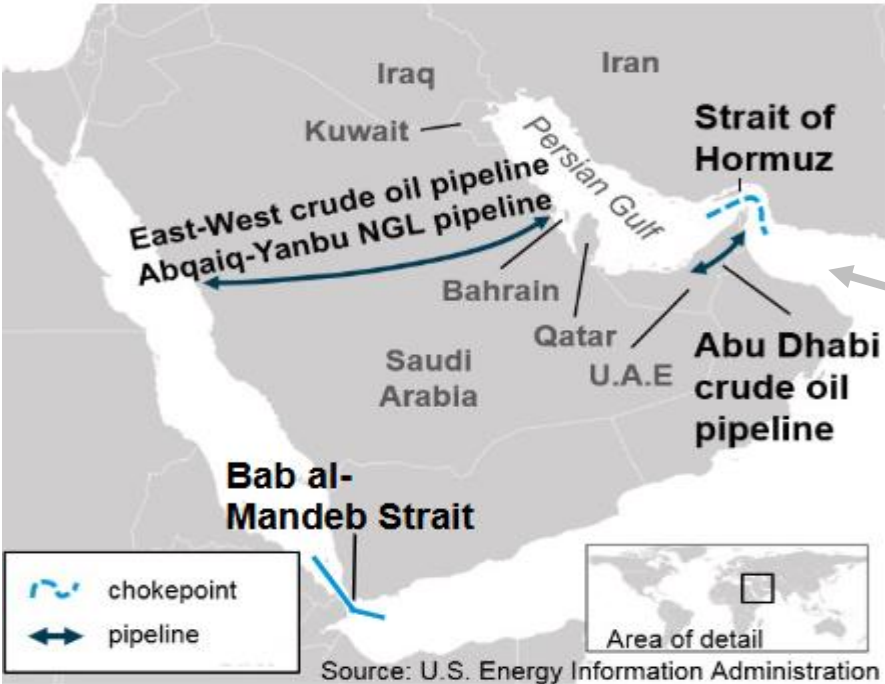
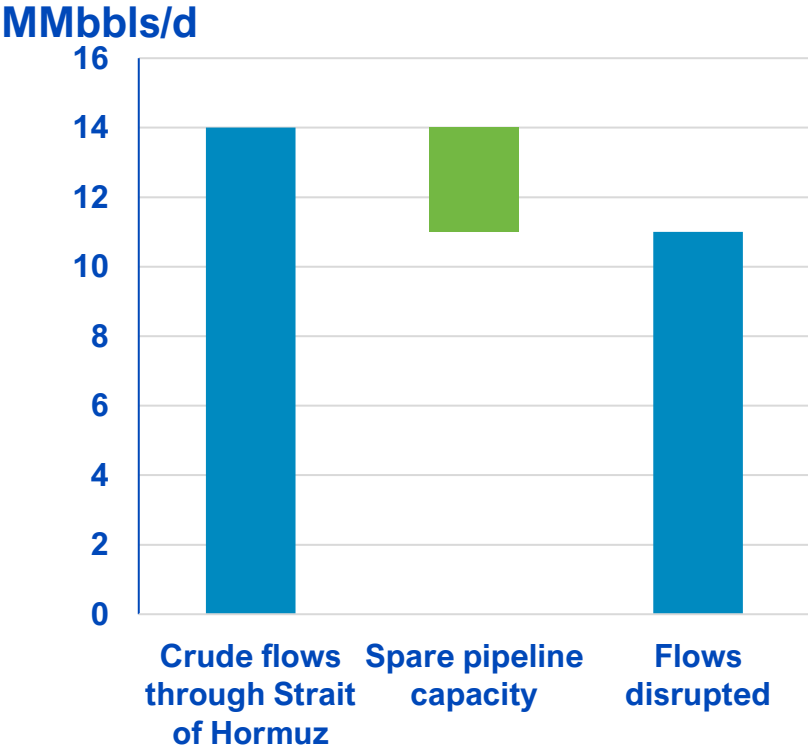


1. NEISO for GWH, converted to gas at a 10,000 MMBtu/kwh heat rate

Impact of the Iran war

Only a small amount of oil can bypass the Strait of Hormuz; essentially no Persian Gulf liquefied natural gas (LNG) can get through the Strait

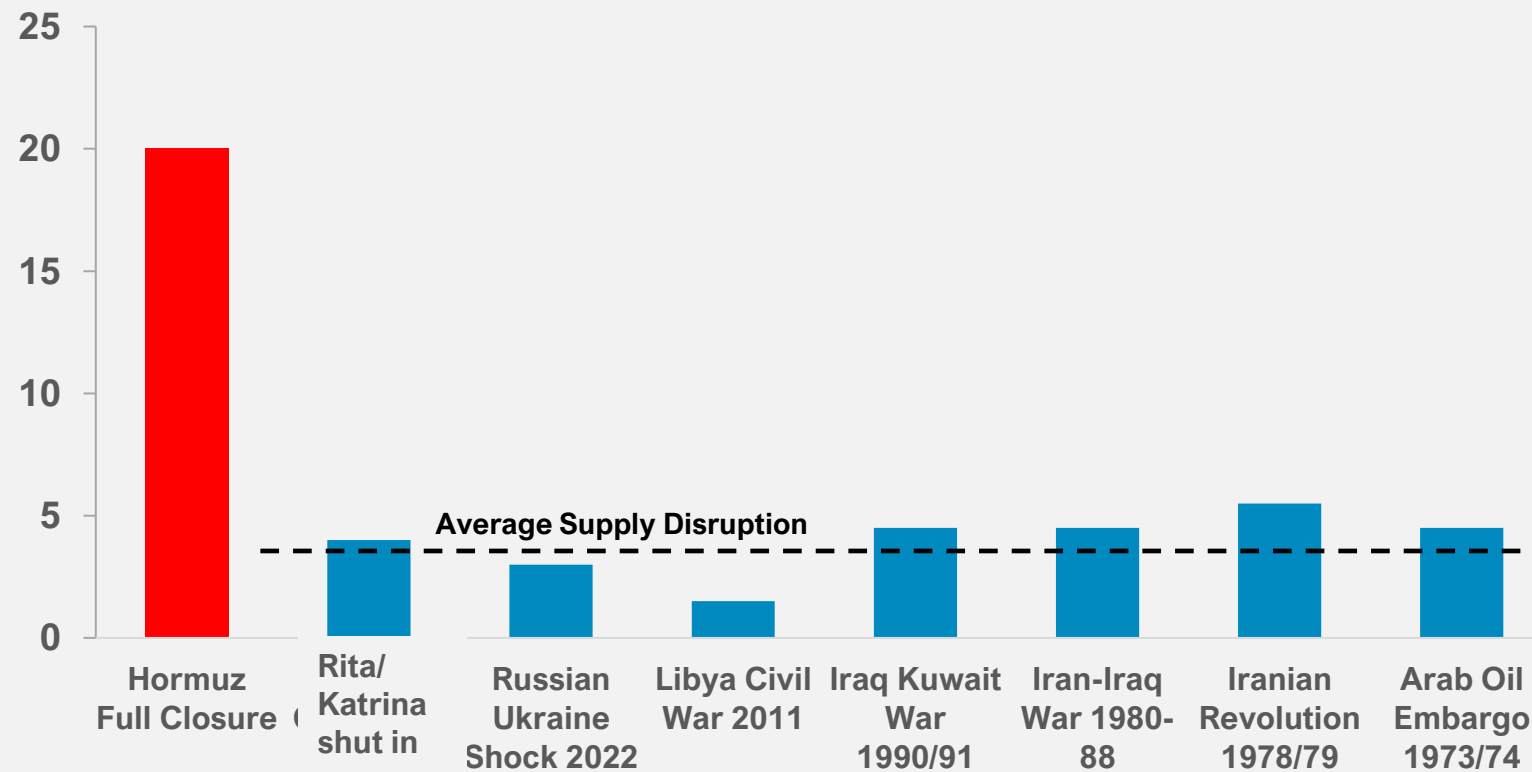
Strait of Hormuz Closure: Crude and LNG Flow Impact



20% of global waterborne LNG (~12 Bcf/d) stuck behind Strait

This is the largest disruption to global oil supply

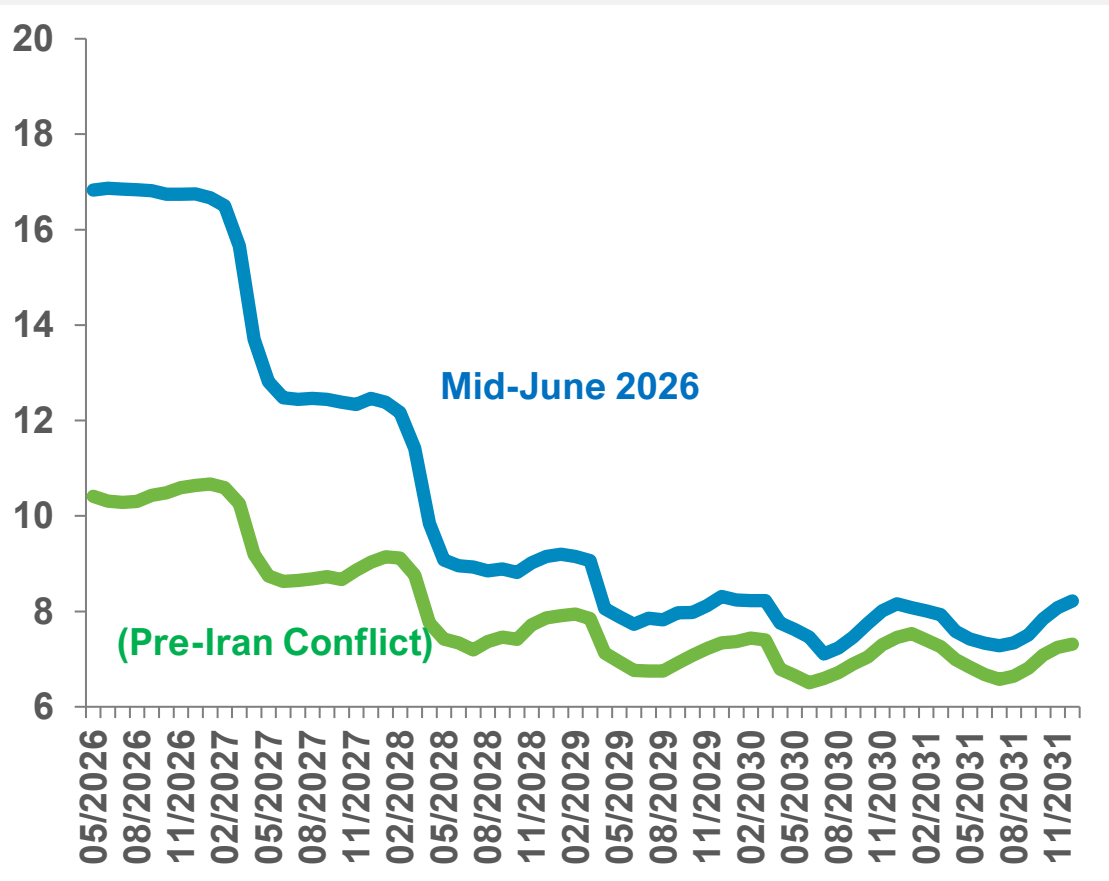
Peak Oil/Products Supply Disruptions in Recent History



Overseas prices for natural gas have surged with the closing of the Strait of Hormuz

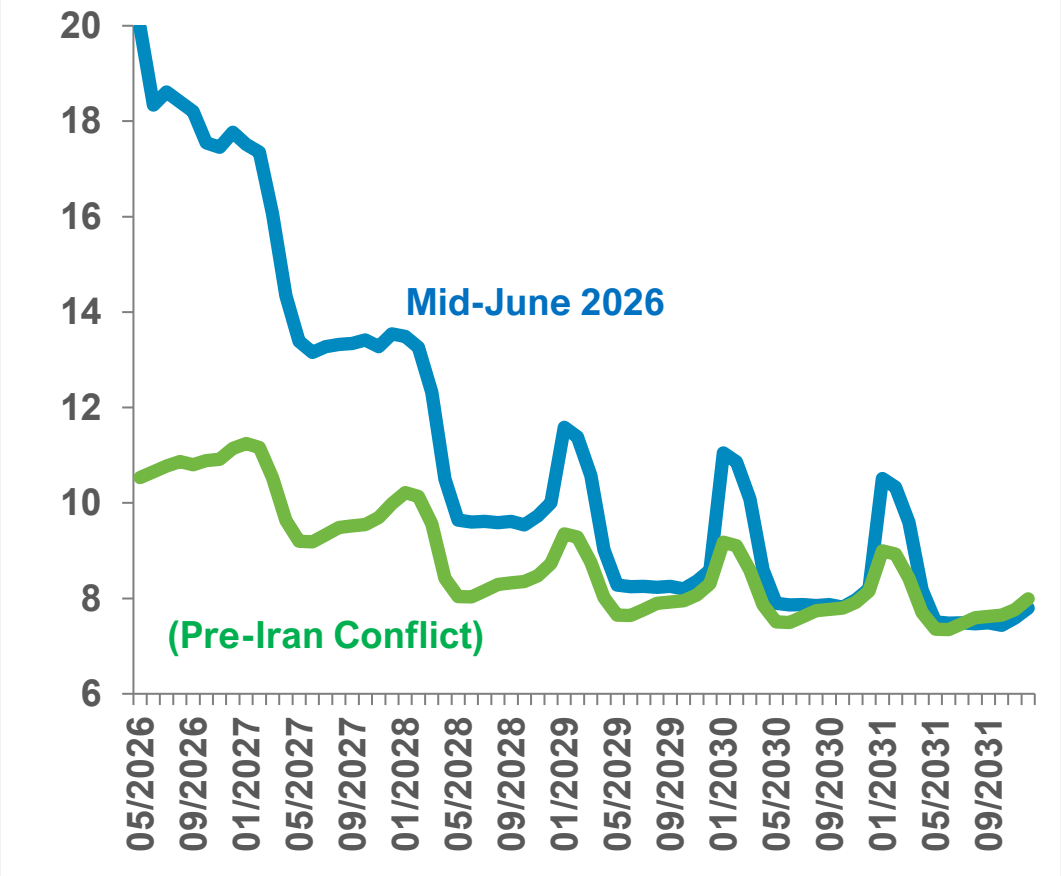
Europe LNG Forward Curve (TTF)

\$/MMBtu

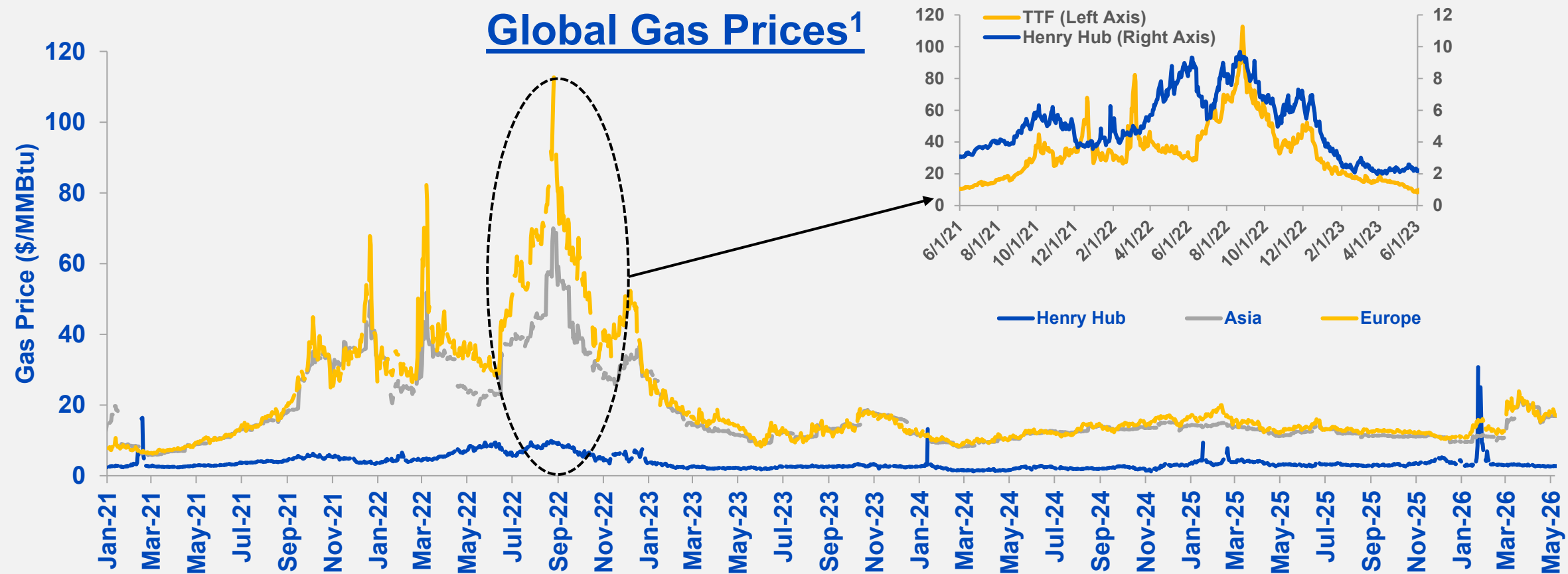


Asia LNG Forward Curve (JKM)

\$/MMBtu



The Middle East conflict has driven global gas prices up 70%, but not to levels seen during the early stages of Russia's invasion of Ukraine

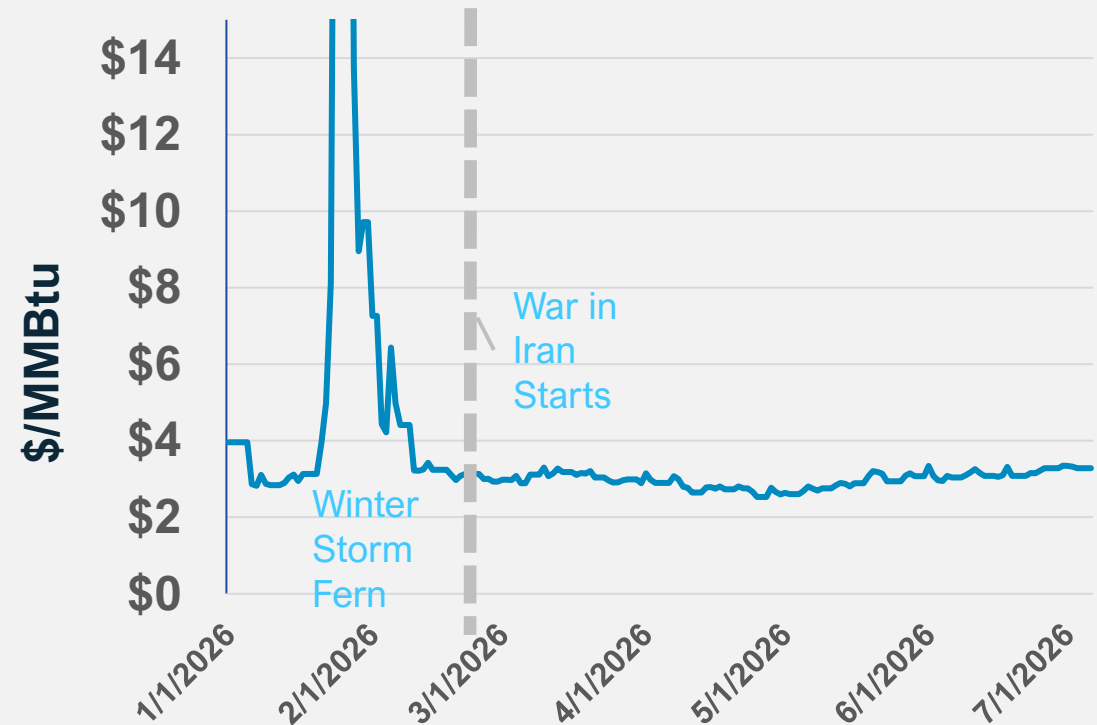


The longer the Strait of Hormuz is closed, the more Europe and Asia will be forced to compete for available LNG

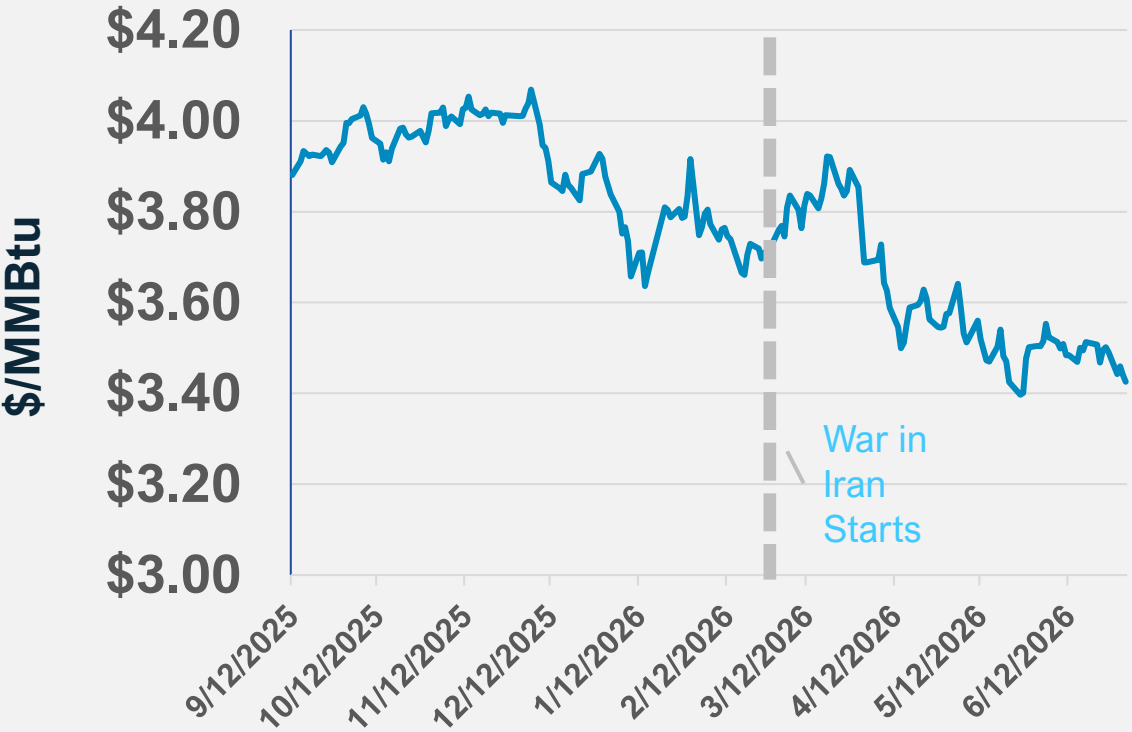
1. Front Month Futures Contract Prices

The war in Iran has not impacted the U.S. natural gas market (thus far)

Henry Hub Prompt Month Prices



Henry Hub 2027 Prices



The U.S. gas market remains over-supplied for 2026

Looking Ahead...

NextEra Energy Resources Market Analysis Team

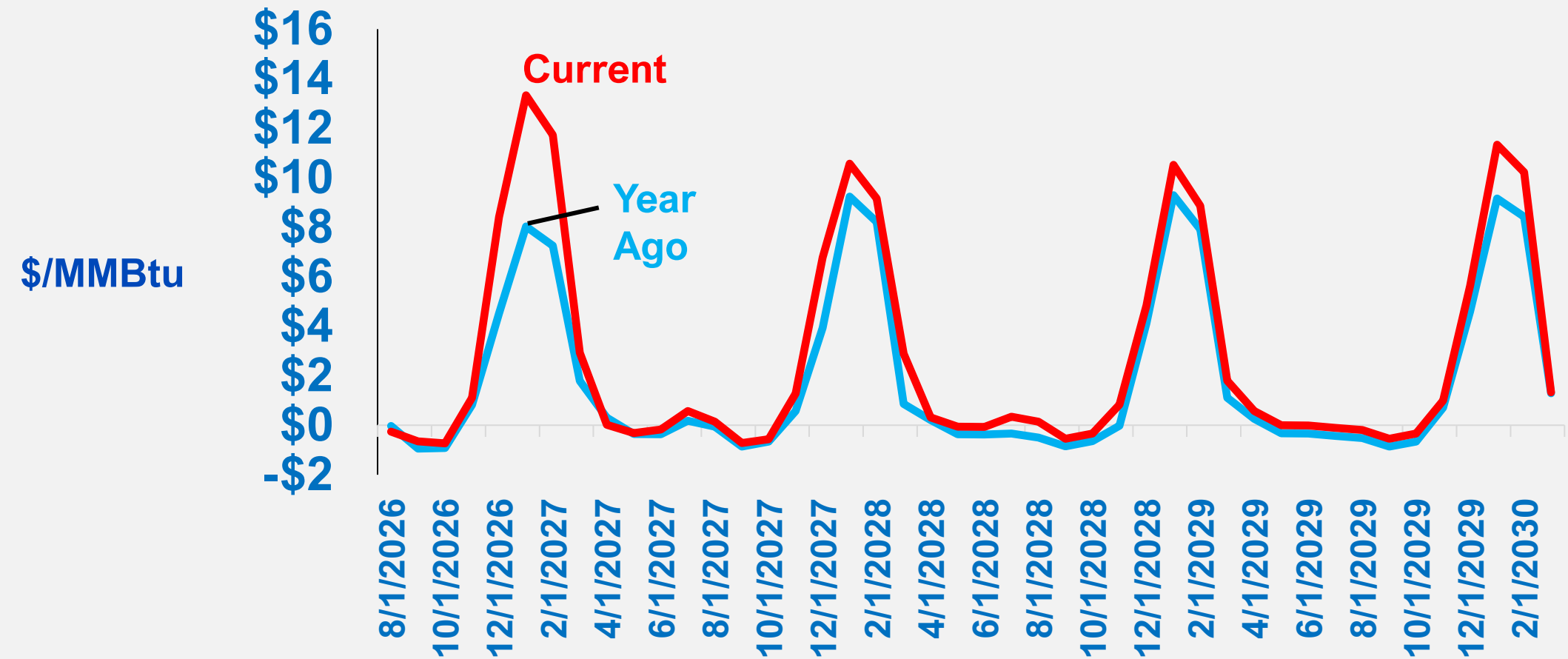
August 2026

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As happens after severe winter storms, winter premiums for Algonquin gas (and ISONE power) rise for forward winters

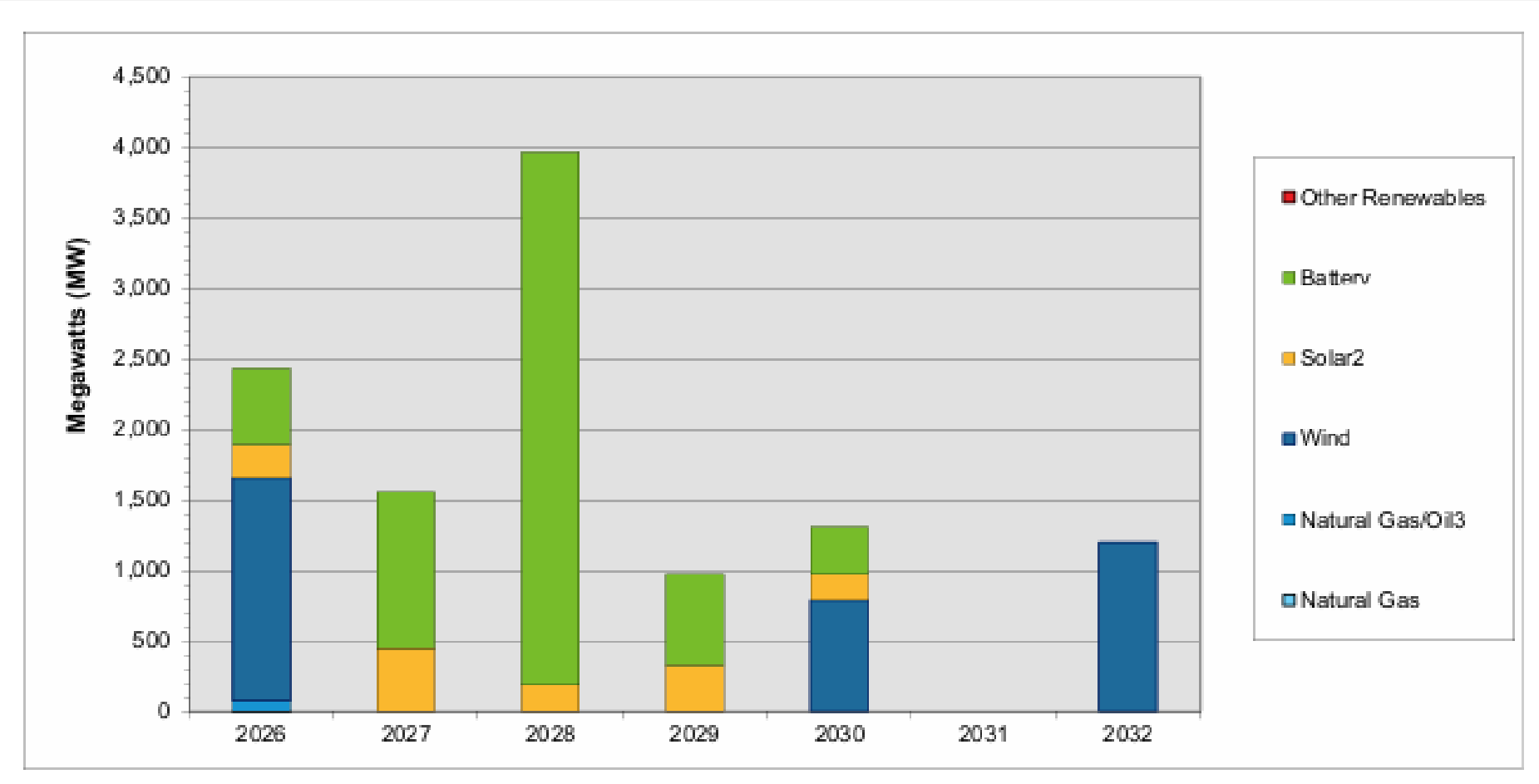
Boston (Algonquin) Gas Price Premium to Henry Hub



Source: Platts

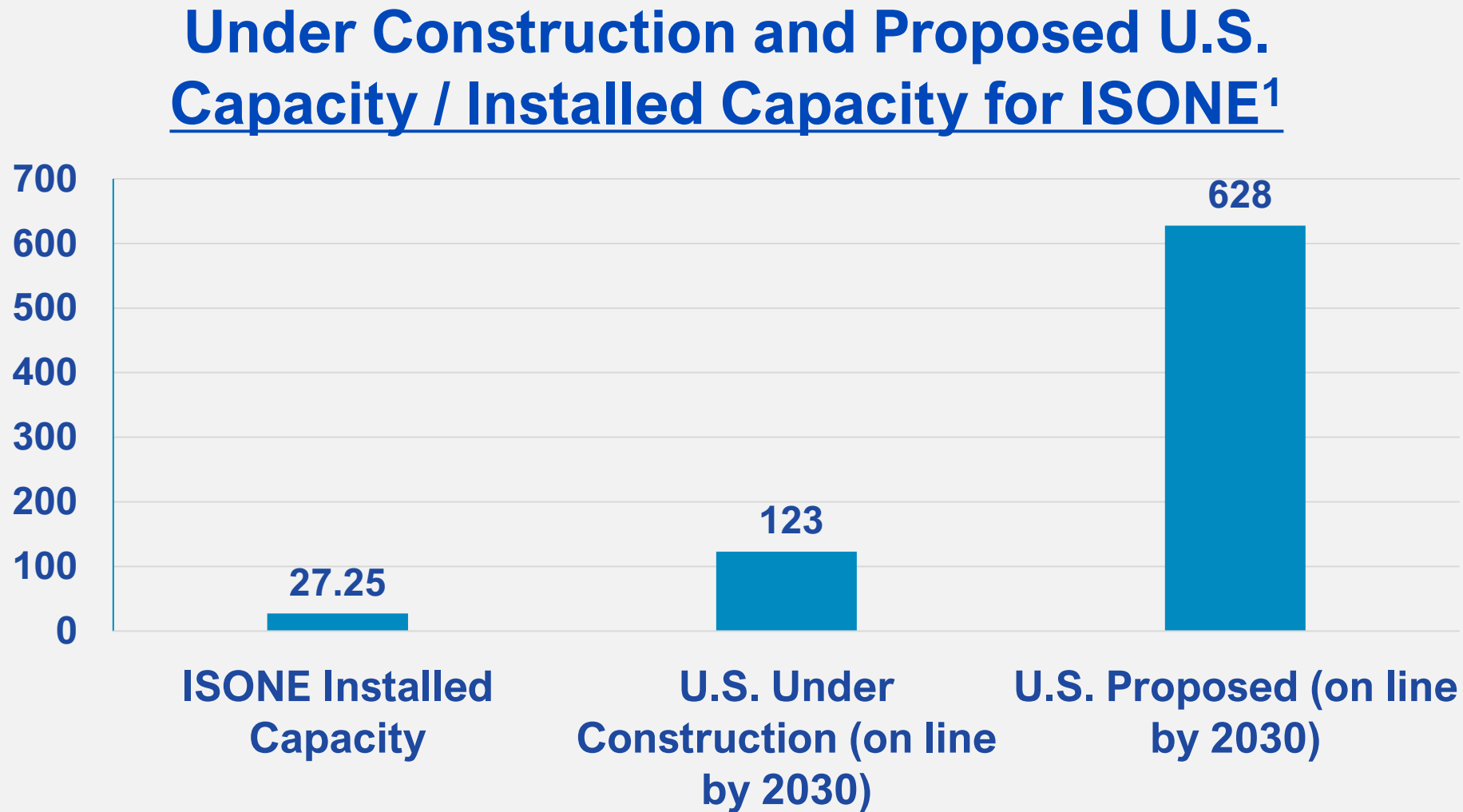
Approximately 11,000 MW of capacity (mainly batteries and wind) is proposed for New England

Proposed Capacity for ISONE¹



1. Source: ISONE CELT

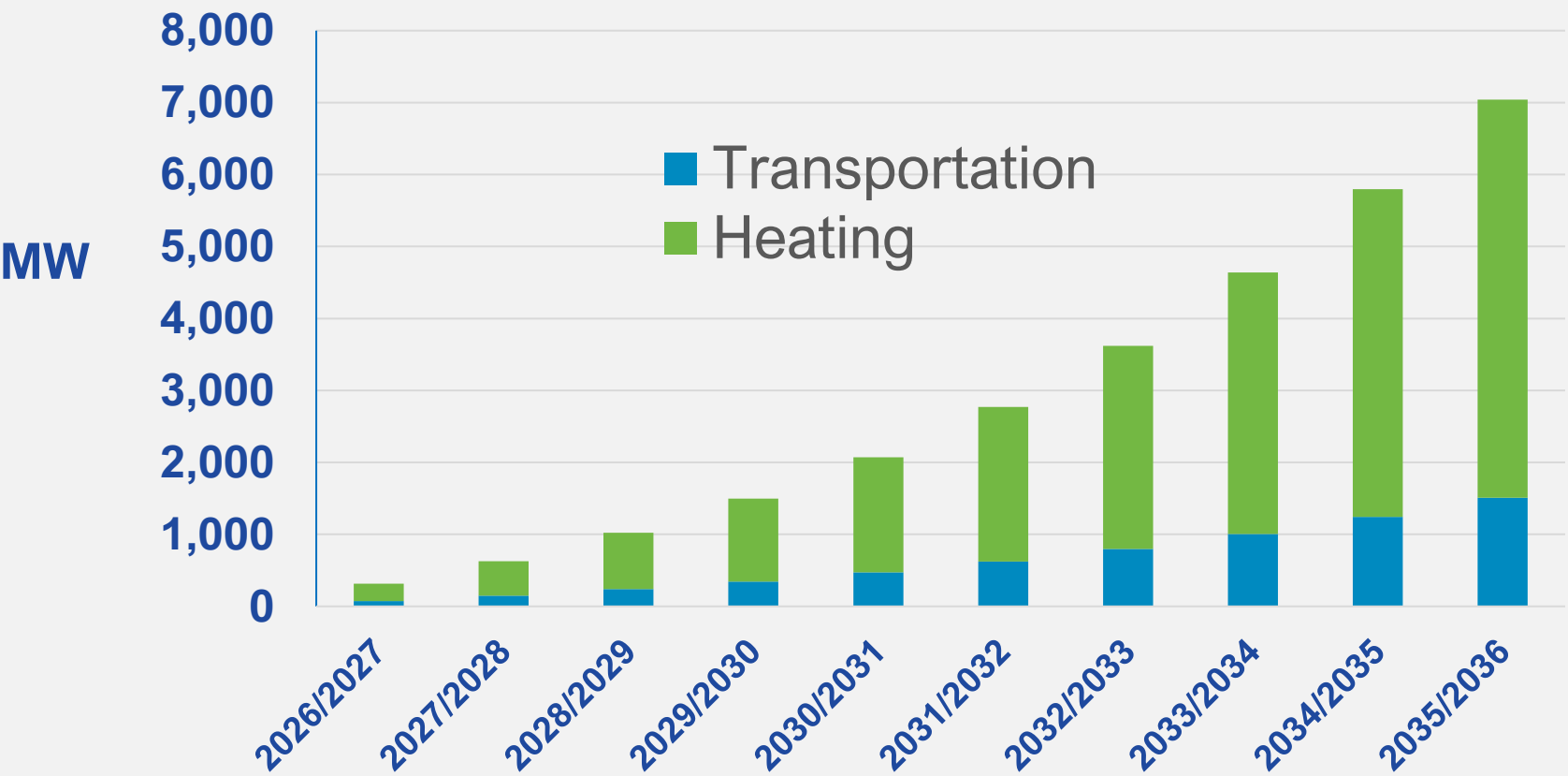
There is a scramble to build power generation capacity across the U.S. with 123 GW under construction



1. Source: S&P Platts, ISONE CELT

ISO New England is forecasting 7,000 MW in winter demand growth from transportation and heating

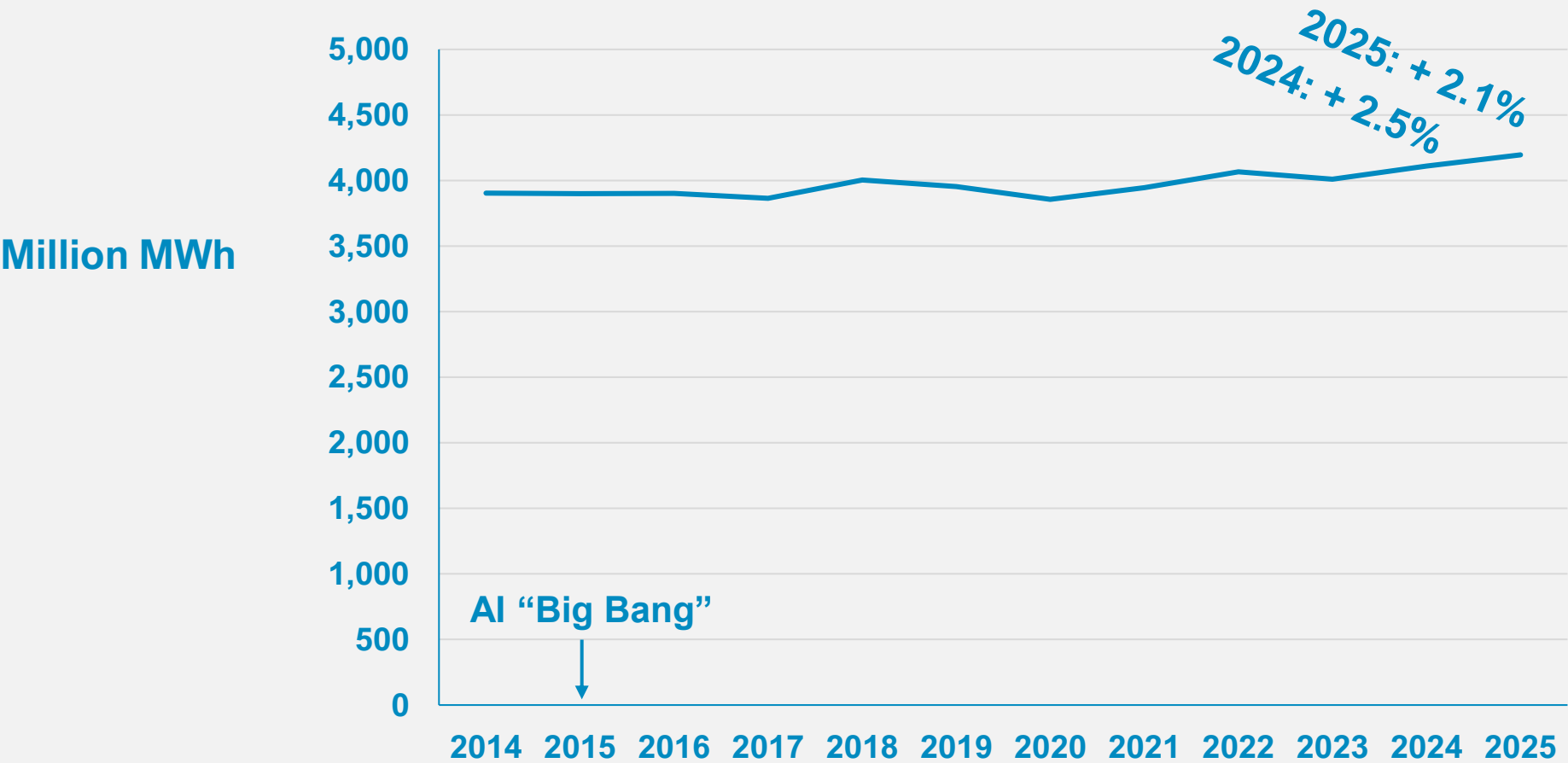
Contribution to Winter Peak Demand by Transportation and Heating¹



1. CELT 2026

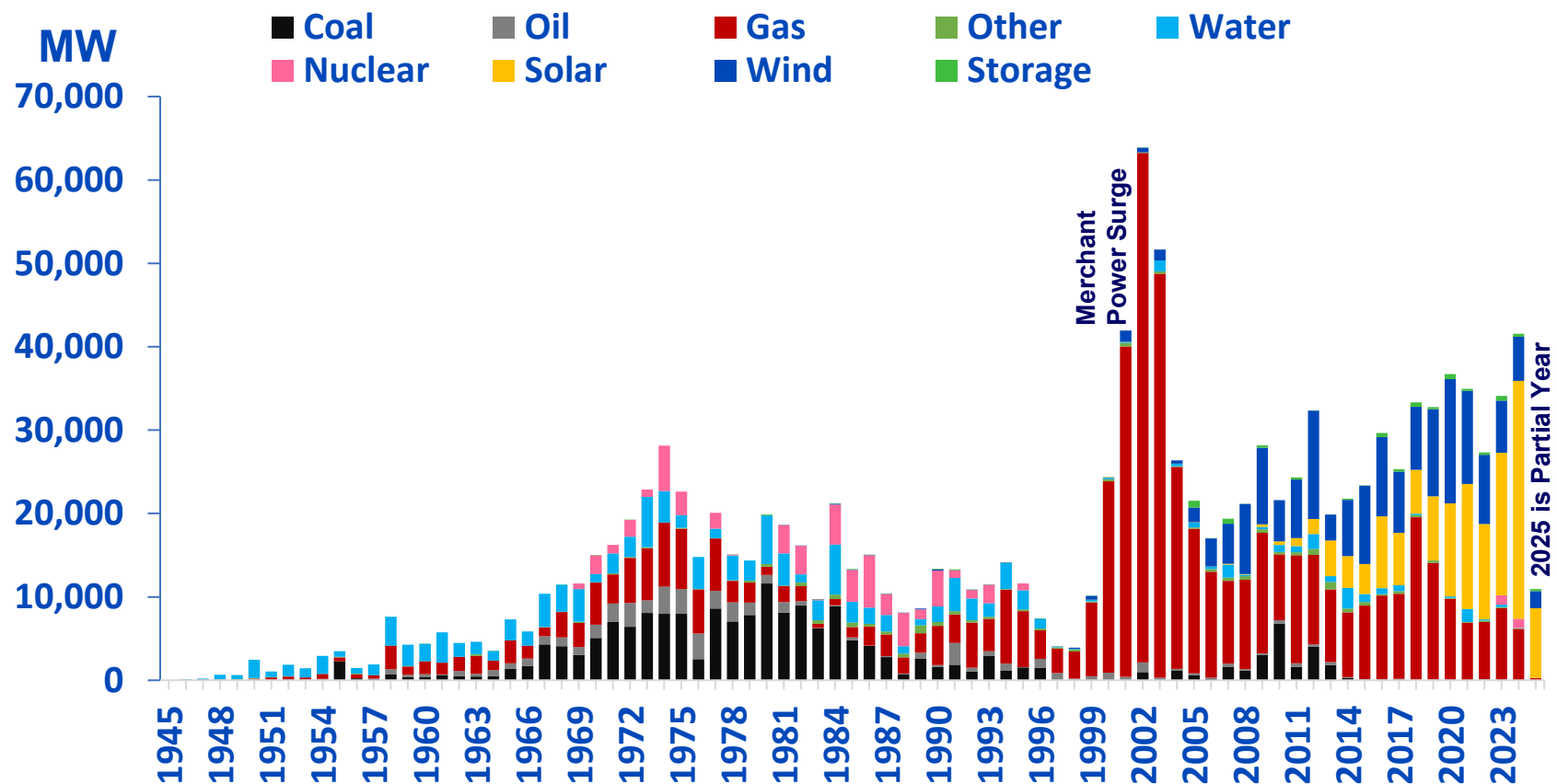
Remember when we did not even talk about electricity demand growth?

U.S. Electricity Consumption by End Users



The power industry was focused on replacing retiring coal and nuclear plants

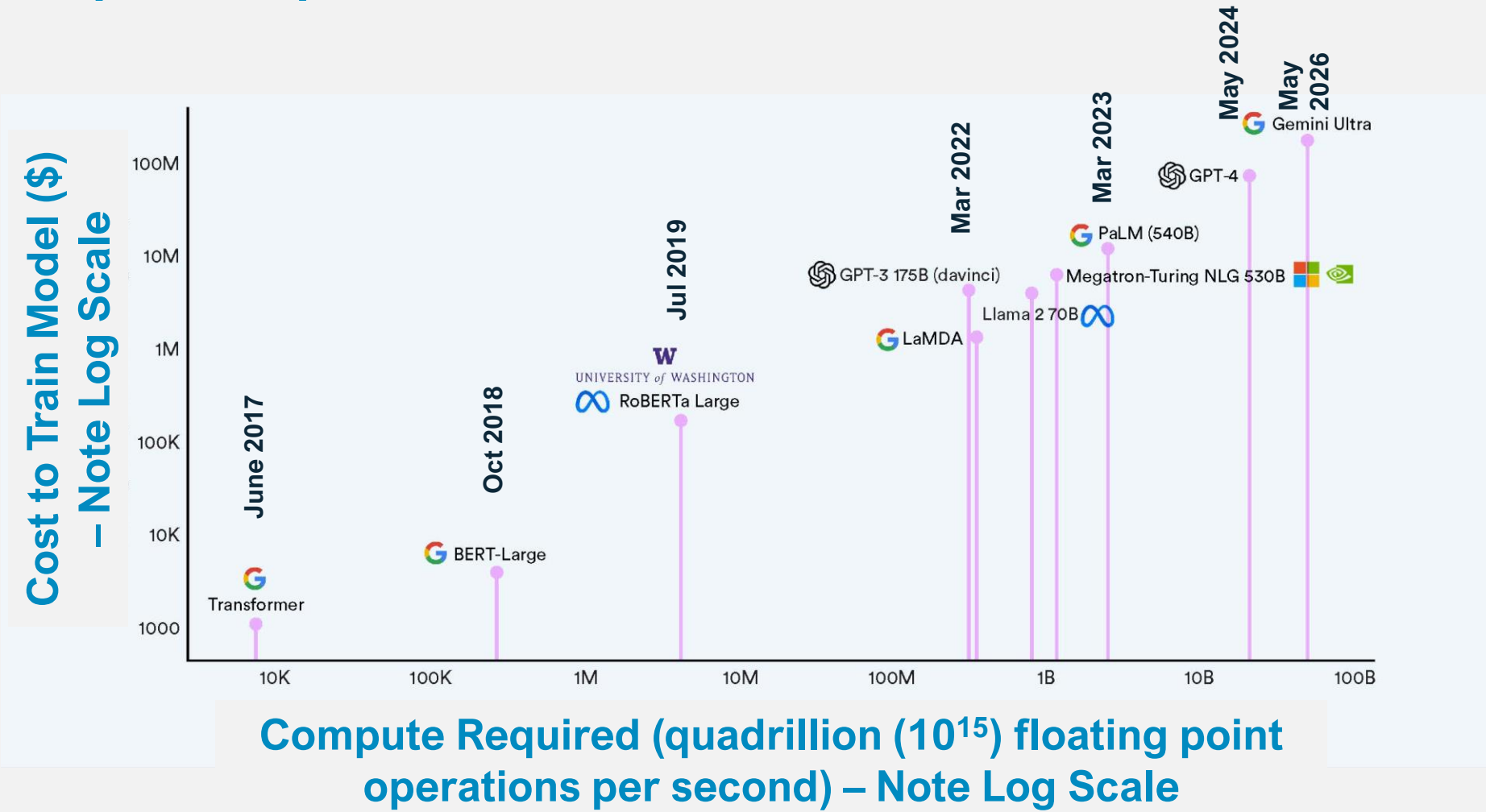
U.S. Power Plant Additions



Source: U.S. Energy Information Administration

Only recently has there been enough computer power (“compute”) to run high capacity models in real time

Compute Requirement, Cost to Train and Launch Date of AI Models



The advent of large scale parallel computers in data centers has allowed neural network models to take on exceedingly complex tasks

Driverless Truck Delivering Fritos in Arizona



Autonomous Robot Sets Half-Marathon Race Record



Las Vegas Sphere – 580,000 Square Feet of LEDs



\$7 trillion of cumulative spend on data centers between 2026 and 2030...that is annually greater than the gross domestic product of all but 16 countries

**Announced Meta Data Center in NE Louisiana
(Entergy-MISO South)
4 million sq ft
2 GW initially...scalable to 5 GW
80 football fields**



**Nvidia Blackwell B200 Full Spec GPU –
1,200 watts**

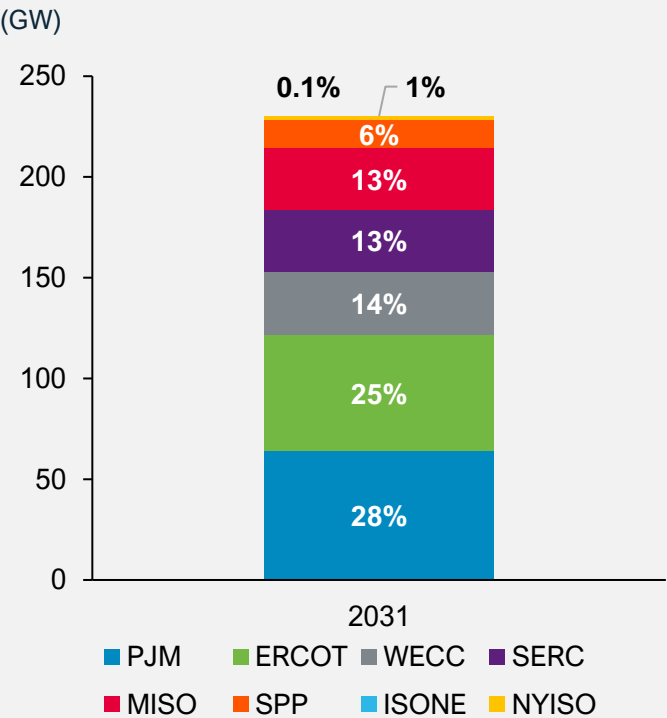
**1.7 million Blackwell chips in this single
data center (6,144 GPU CUDA
cores/chip, most laptops have 4 cores)**



**Notice the
fans**

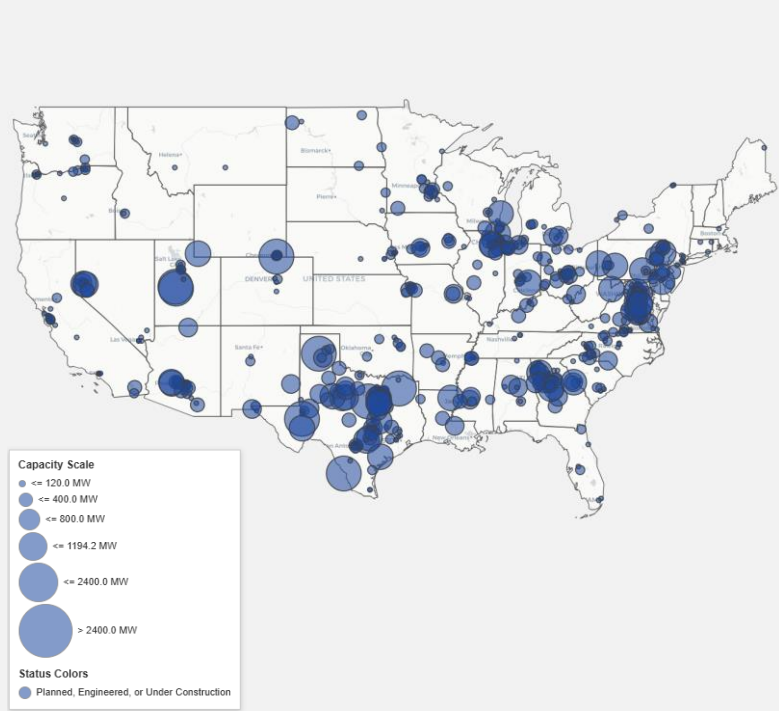
There is no clear consensus on data center demand growth; speculative announcements occur daily, making accurate predictions nearly impossible

Data Center Announcements⁽¹⁾



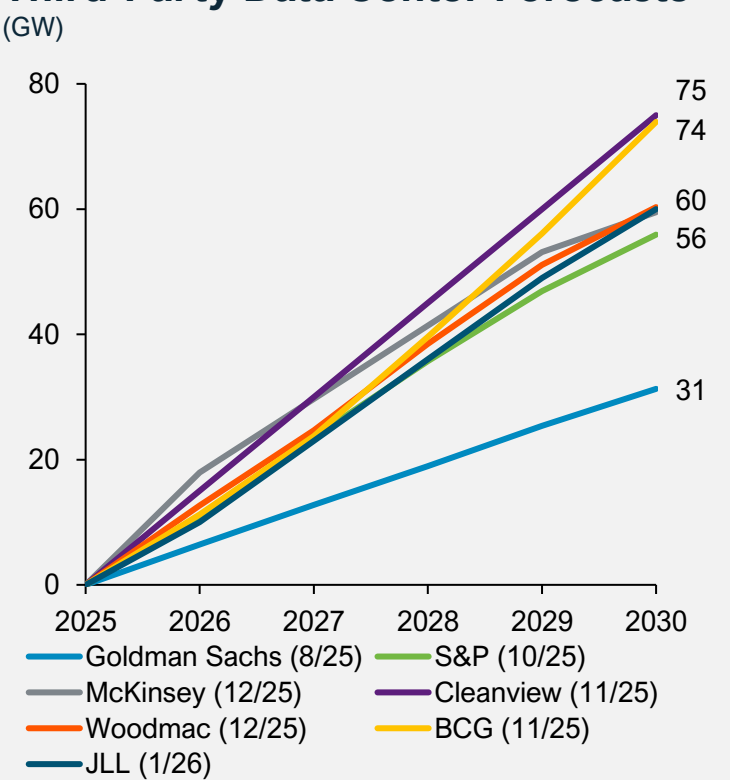
Over 230 GW of planned data centers announced

Announced Data Center Locations



Locations are concentrated by opportunity

Third-Party Data Center Forecasts⁽²⁾

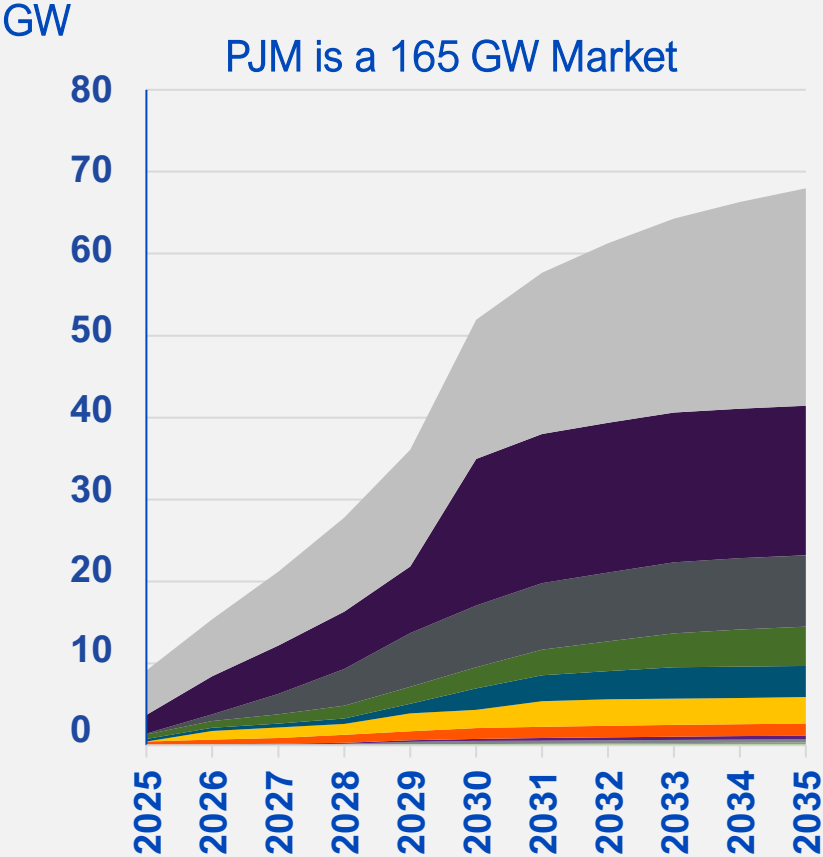


No consensus across third parties with forecasts deviating by 40+ GW

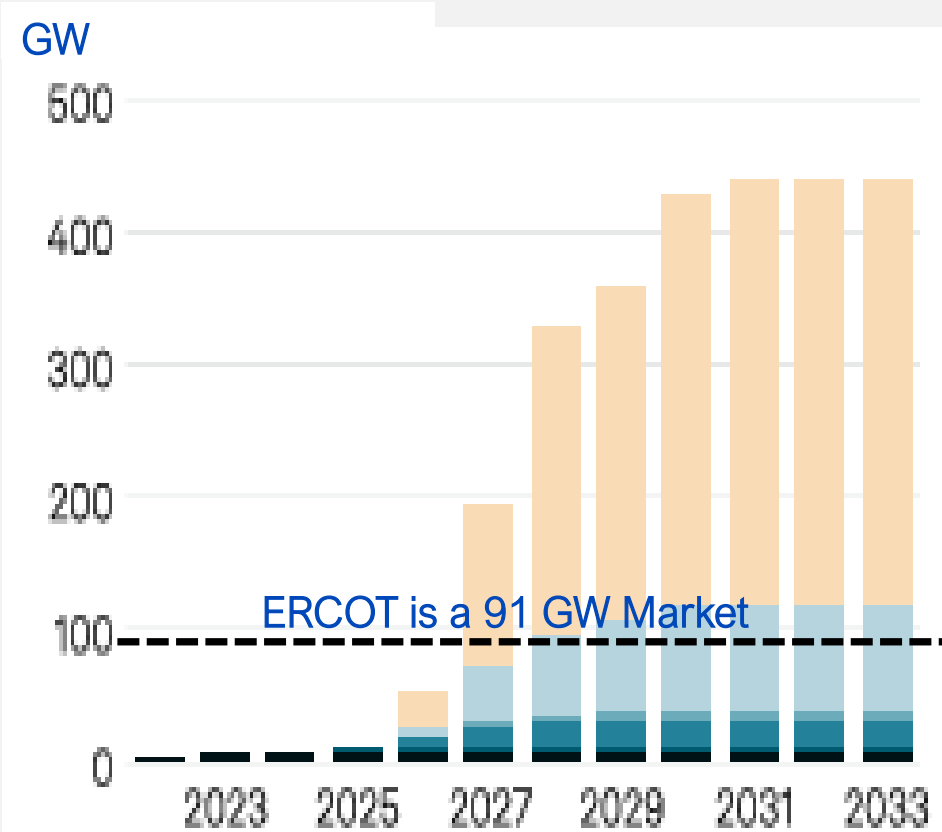
1. Source: IIR; data centers with a status of planned, engineered, and under construction; likely includes double counting
2. Latest forecasts from each third-party source

Large load requests (mostly data centers) have grown rapidly in PJM, Texas, the Southeast, the Midwest and in other markets

PJM Large Load Requests

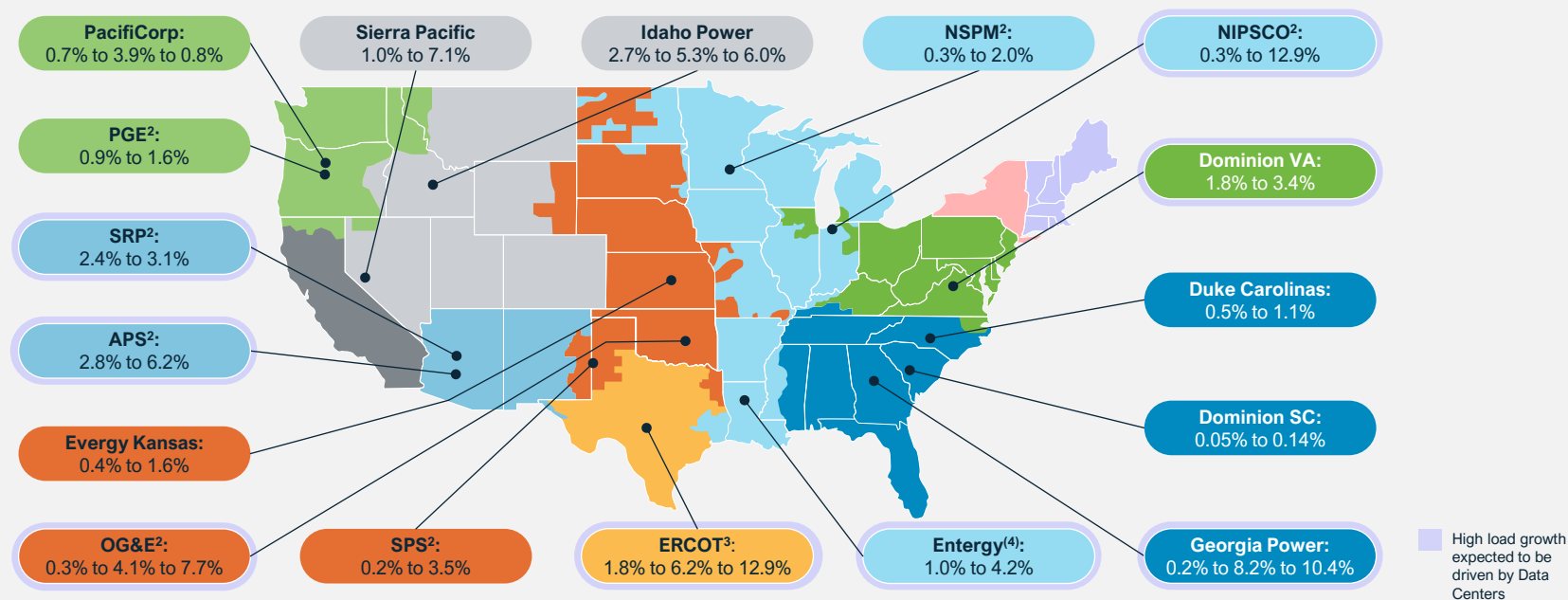


ERCOT (Texas) Large Load Requests



Utilities have dramatically increased their forecasts of expected power demand growth

Utility Integrated Resource Plan Demand Forecasts¹



1. Percentages are the 5-year energy growth forecasts from the previous IRP to the most recent IRP

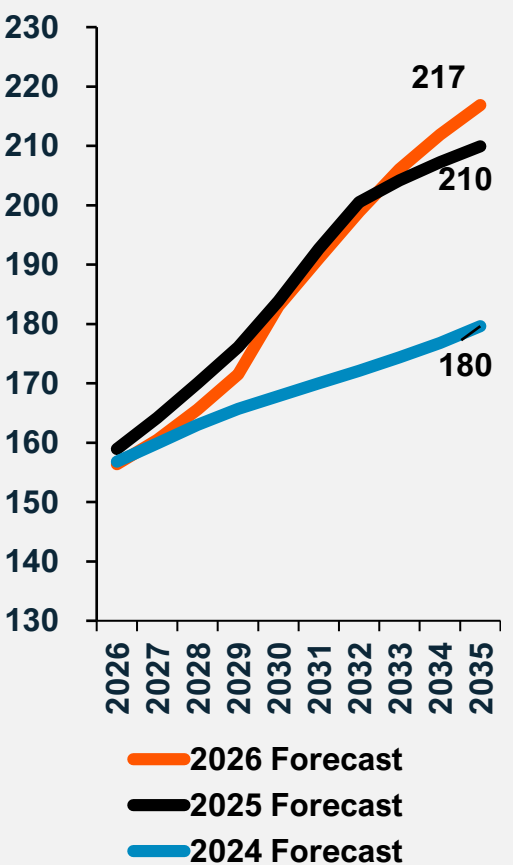
2. NSPM: Northern States Power Company Minnesota; PGE: Portland General Electric; SRP: Salt River Project; APS: Arizona Power Service; SPS: Southwestern Public Service Company; OG&E: Oklahoma Gas & Electric; NIPSCO: Northern Indiana Public Service Company;

3. Based on 2025 Long Term Load Forecast, April 2025

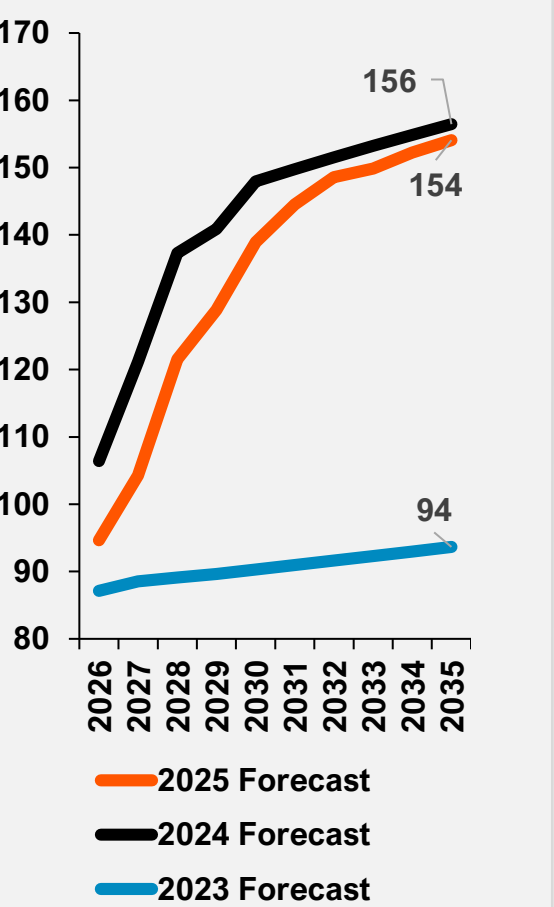
4. Previous Entergy energy forecast is based on aggregation of data from various sources including 10K, IRPs, IRP Updates, and other sources. Recent energy forecast based on Entergy 2024 analyst day deck with base retail sales and addition of cumulative total retail sales growth vs 2023.

Volatile power demand growth projections highlight uncertainty and potential for uneven power plant deployment

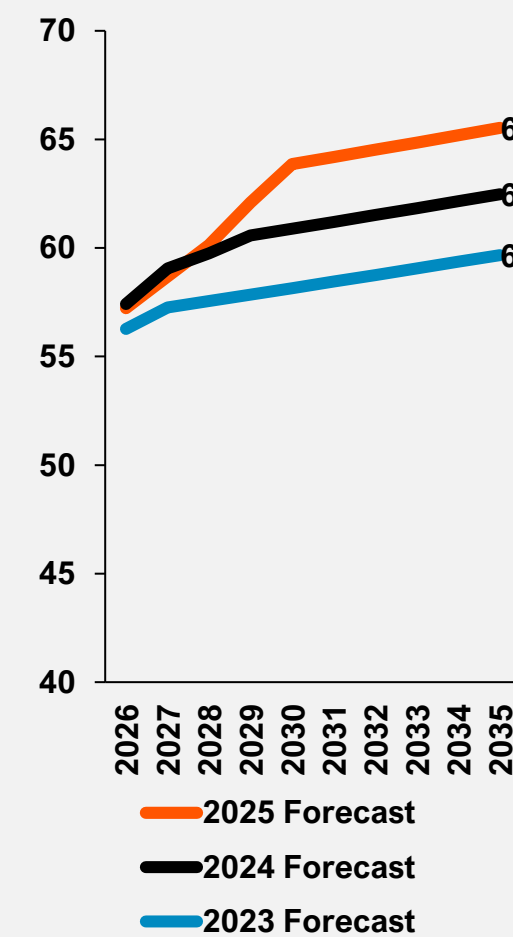
PJM Peak Load Forecast⁽¹⁾
 (GW)



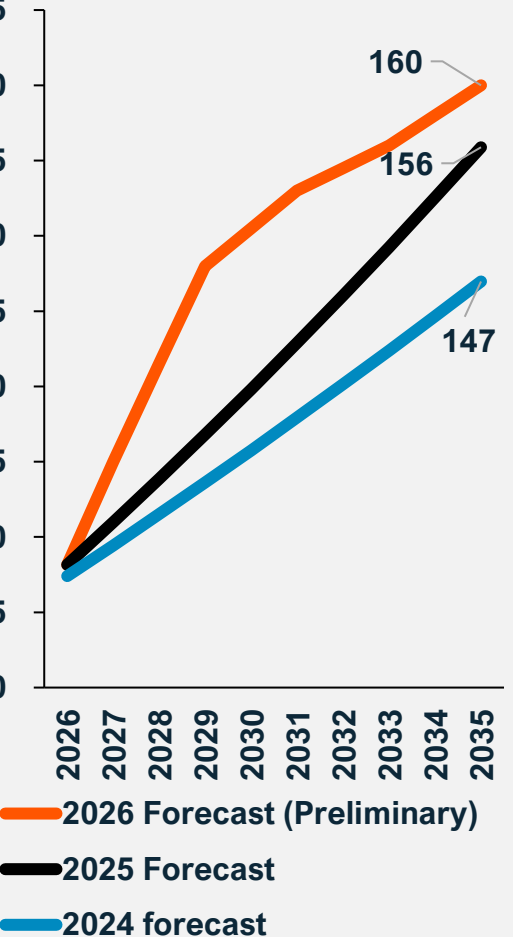
ERCOT Peak Load Forecast⁽²⁾
 (GW)



SPP Peak Load Forecast⁽³⁾
 (GW)

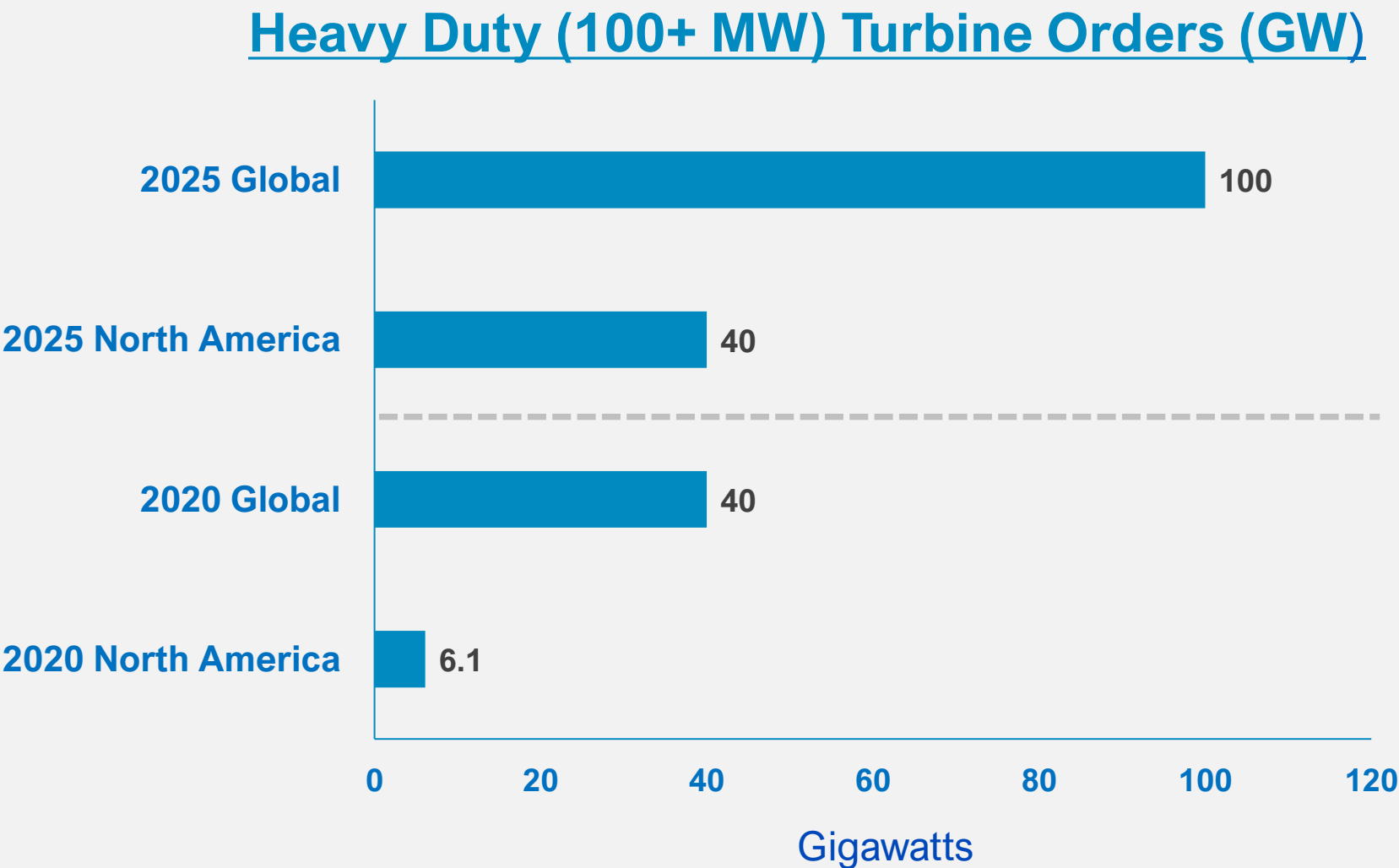


MISO Peak Load Forecast⁽⁴⁾
 (GW)



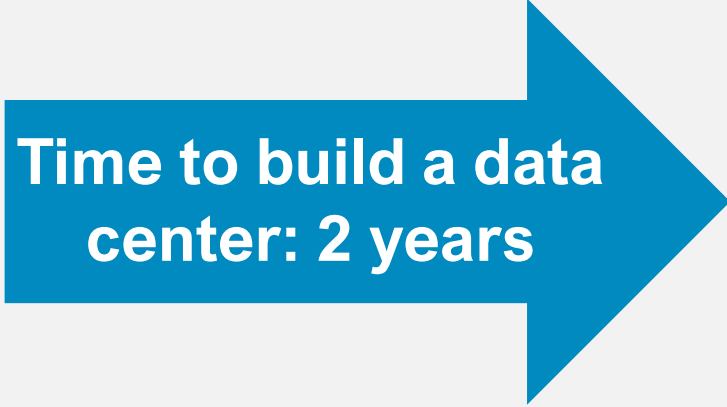
1. PJM Long-Term Load Forecast
 2. ERCOT Long -Term Load Forecast
 3. SPP Resource Adequacy Report
 4. MISO 2024 forecast is from LTLF; 2025 forecast is from OMS survey; 2026 forecast is from 2025 LTLF Pilot survey results summary (Released on 02/26)

Global turbine orders have surged

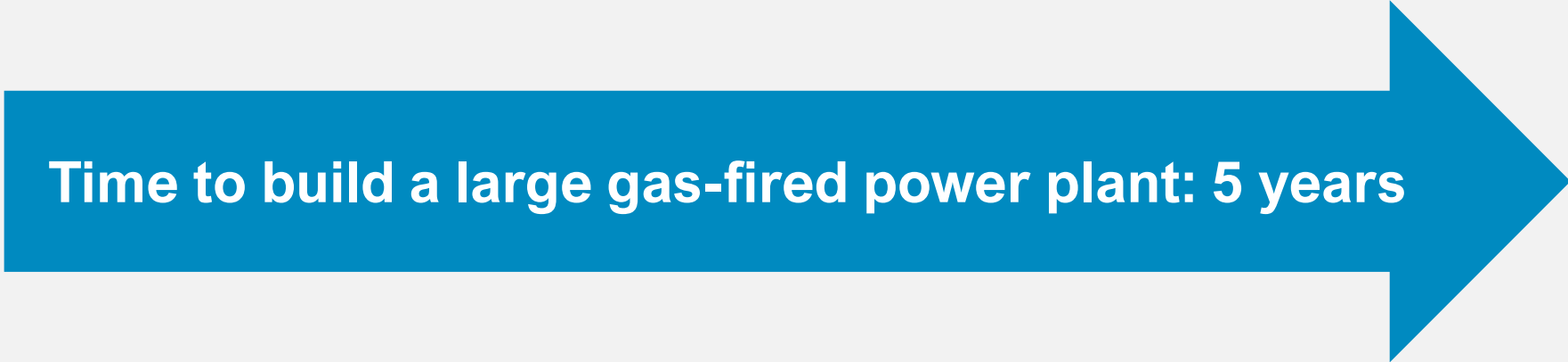


1. Source: Mitsubishi Heavy Industries

We have a timing problem.....



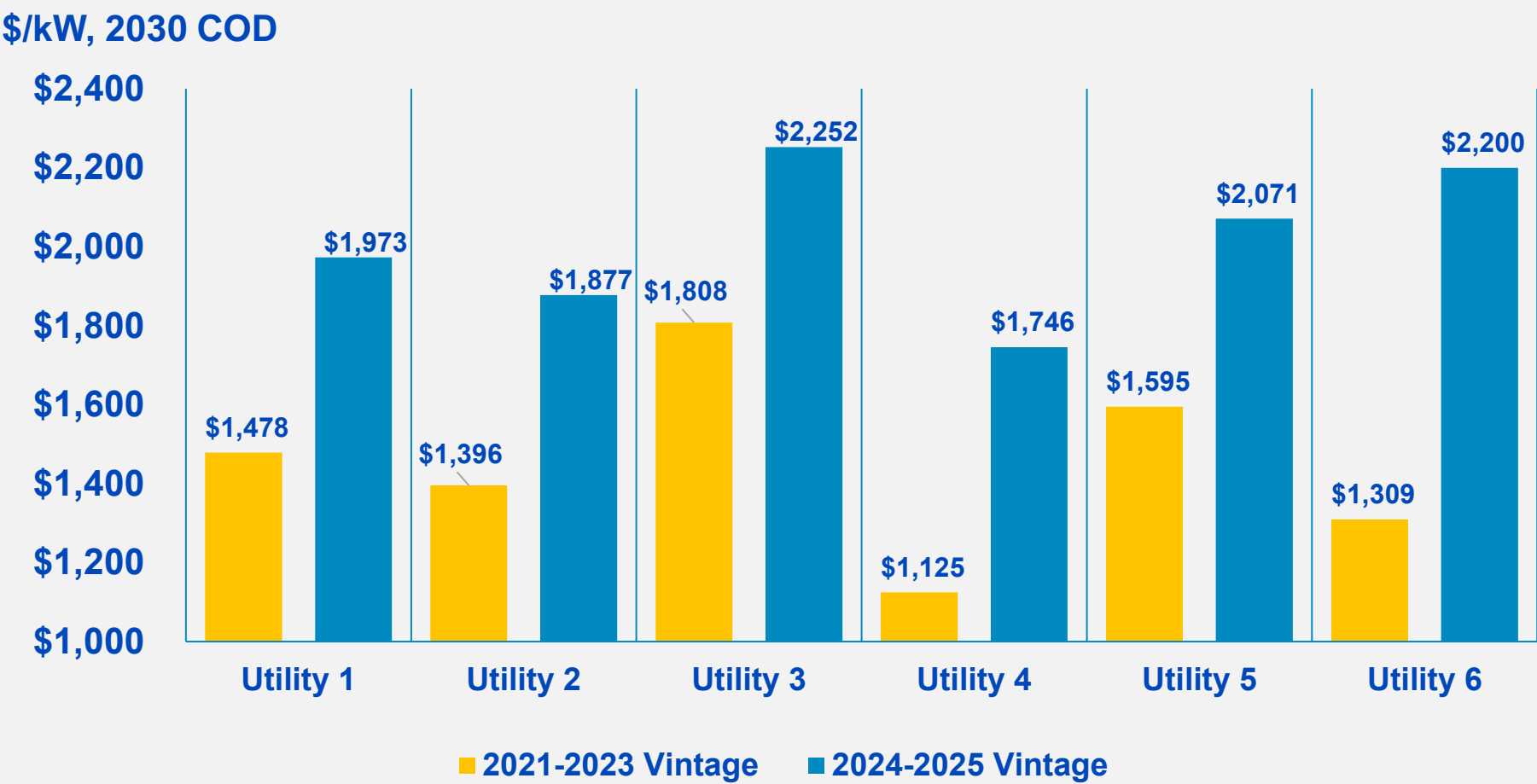
**Time to build a data
center: 2 years**



Time to build a large gas-fired power plant: 5 years

The cost of new gas-fired capacity has jumped

Combined Cycle Overnight Construction Costs



Sources: Utility IRPs

U.S. capacity to add generation and transmission



AI Generated

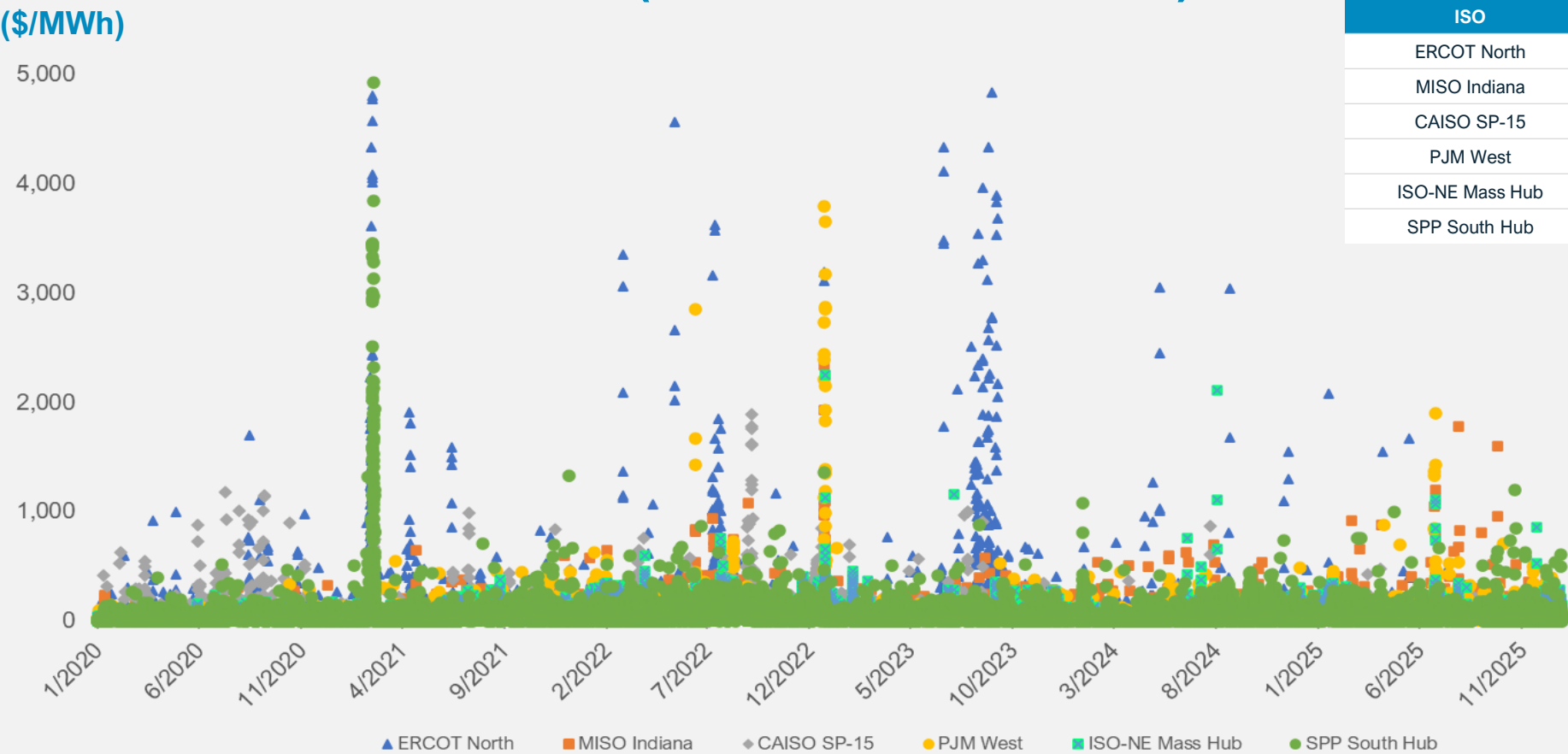
U.S. demand for new generation and transmission



AI Generated

Tighter markets are causing increased power price volatility

Real -Time Power Prices (Jan 2020 – Dec 2025)



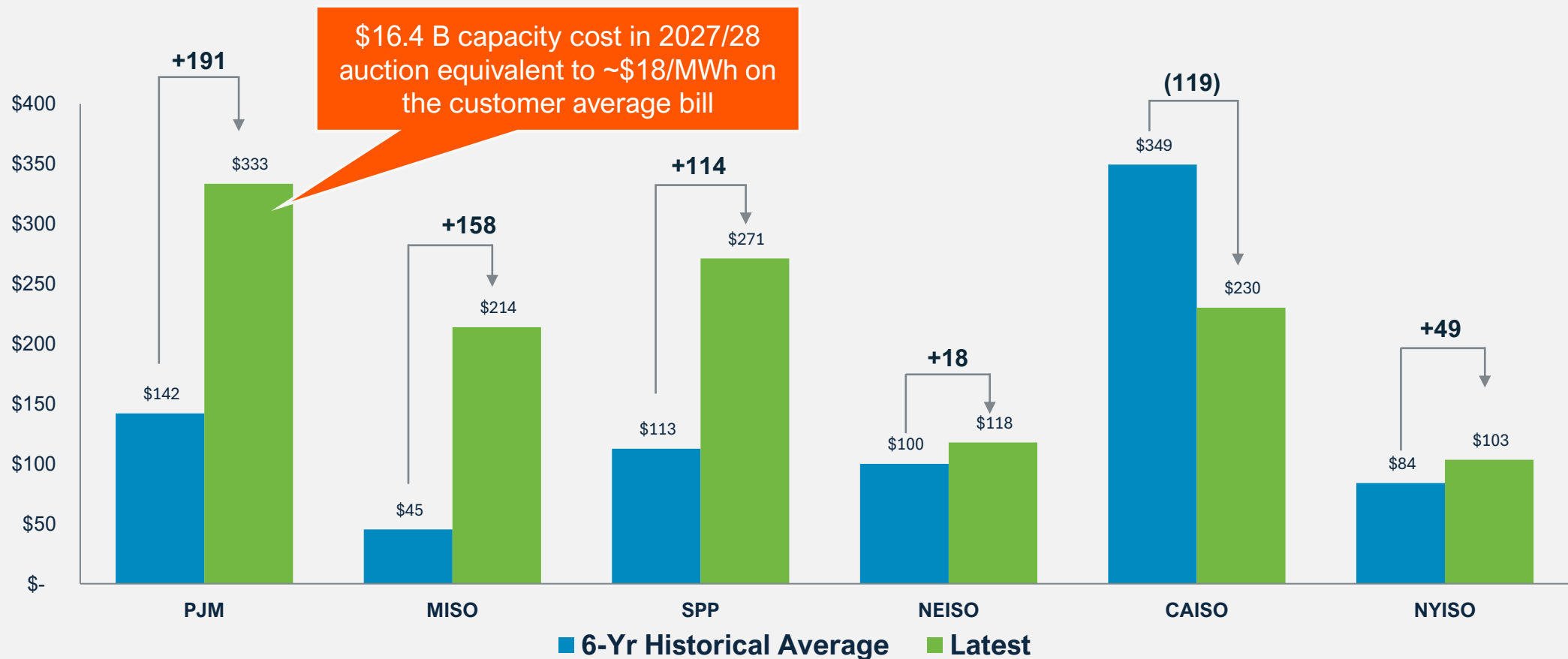
Count of Hours with Prices >\$500/MWh

ISO	Count
ERCOT North	399
MISO Indiana	65
CAISO SP-15	103
PJM West	51
ISO-NE Mass Hub	22
SPP South Hub	123

1. Source – Yes Energy Real Time Prices, ERCOT North - HB_NORTH, MISO Indiana - INDIANA.HUB, CAISO SP-15 - TH_SP15_GEN-APND, PJM West - WESTERN HUB, ISO-NE Mass Hub - .H.INTERNAL_HUB, SPP South Hub – SPPSOUTH_HUB
2. Price < \$5000/MWh shown on y-axis
3. Data shown is till 12/31/2025

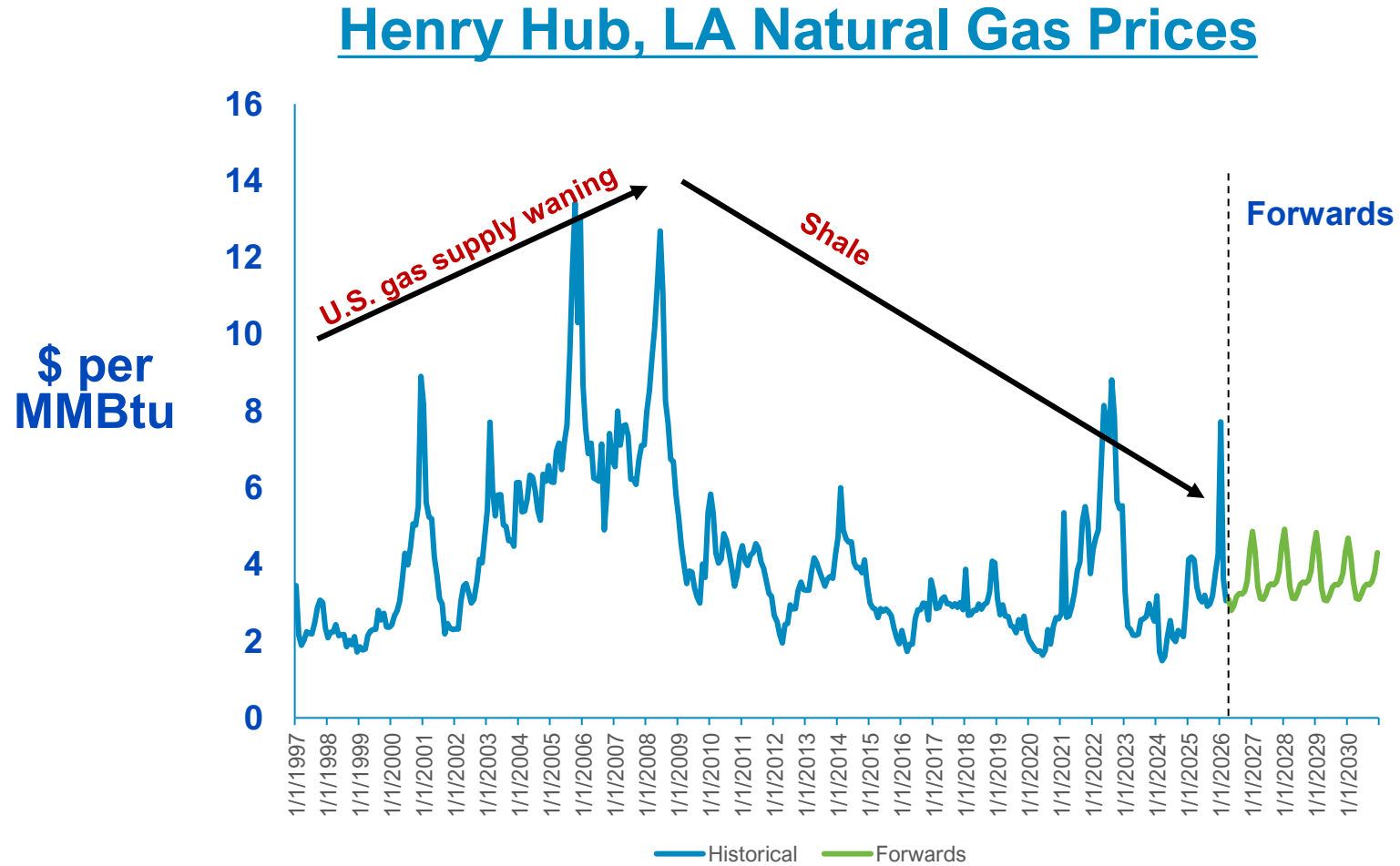
Capacity prices have surged, owing to higher projected demand

Capacity Prices (\$/MW-Day)



1. Latest: PJM 27/28 BRA, MISO 25/26 PRA. SPP - 2028 indicative; NEISO 27/28 FCA18, CAISO is indicative forward market values for 2028; NYISO 2025 annual average
2. History: previous 6 years; PJM shows RTO; MISO is average price of all 10 zones; NEISO is Rest of ISO; NYISO is Rest of State. SPP value is based on market value

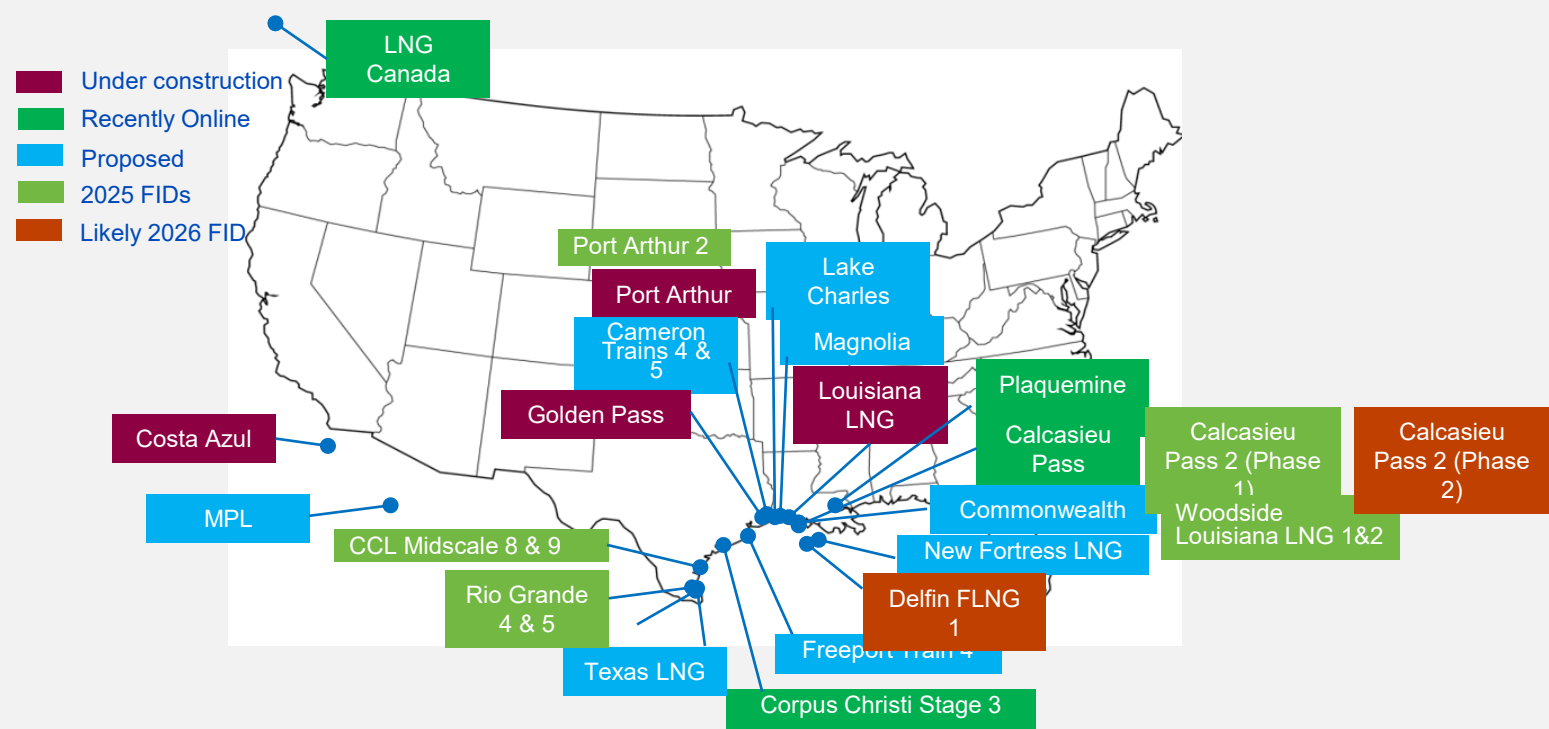
While still volatile, U.S. natural gas prices have been lower since the advent of fracking/horizontal drilling



Source: EIA and NYMEX

Several additional U.S. liquefied natural gas (LNG) export projects are progressing (9 currently in operation)

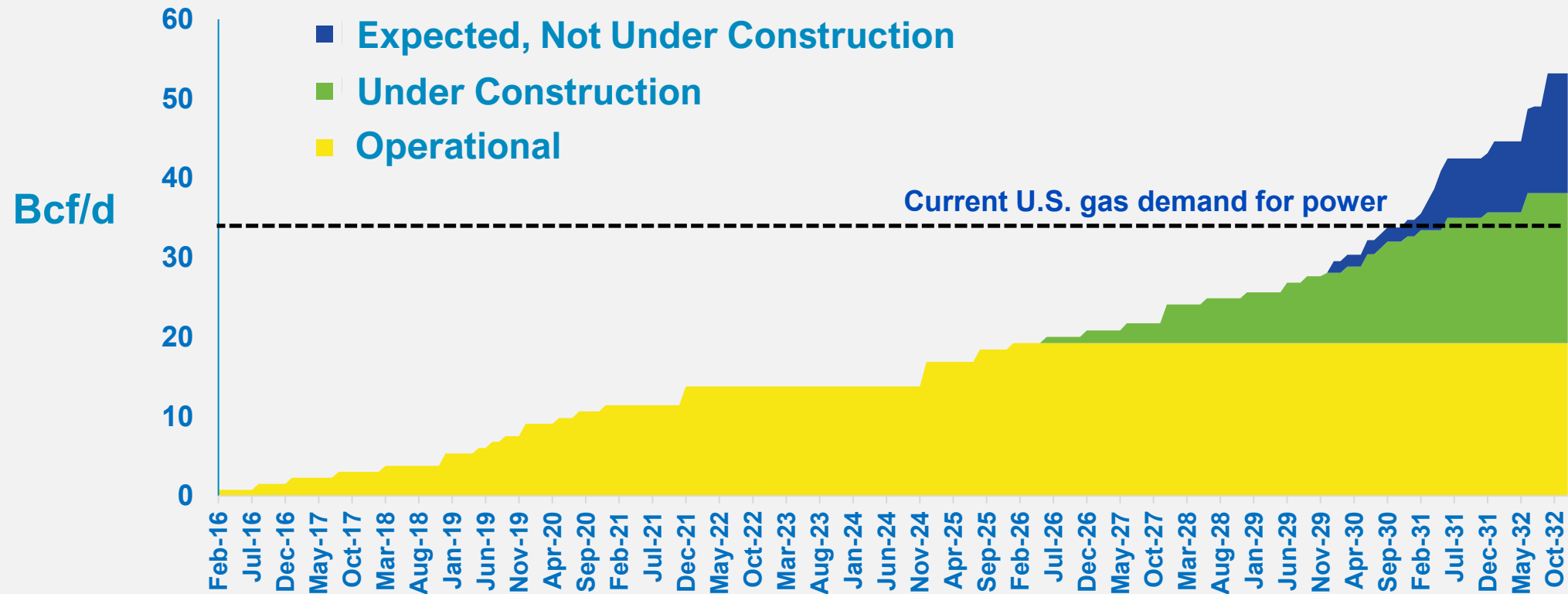
Under Construction and Proposed LNG Export Terminals



Source: WoodMac, Platts, NextEra Energy Marketing research

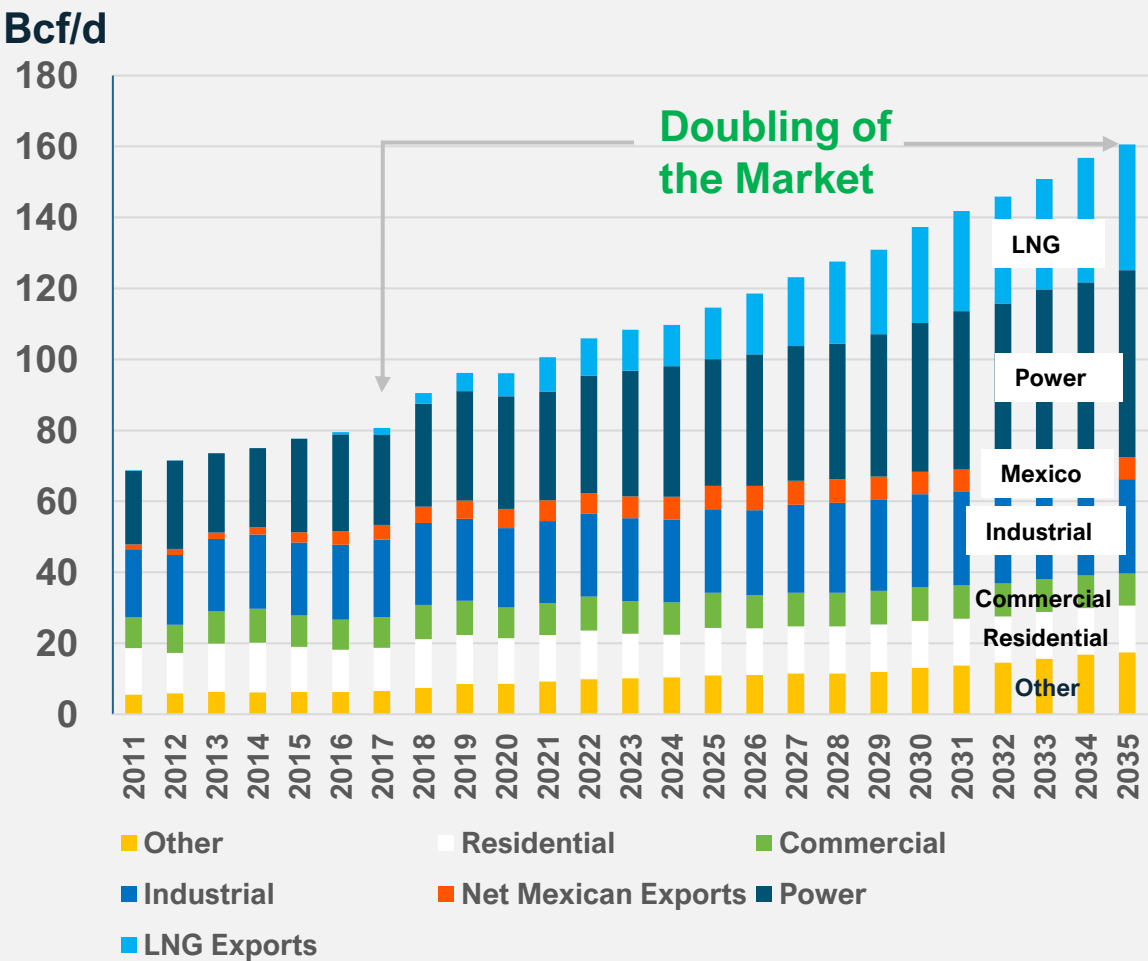
We are at the start of the second wave of U.S. liquefied natural gas (LNG) export projects coming online; U.S. LNG export capacity is poised to reach 52 Bcf/d by 2032

U.S. LNG Capacity

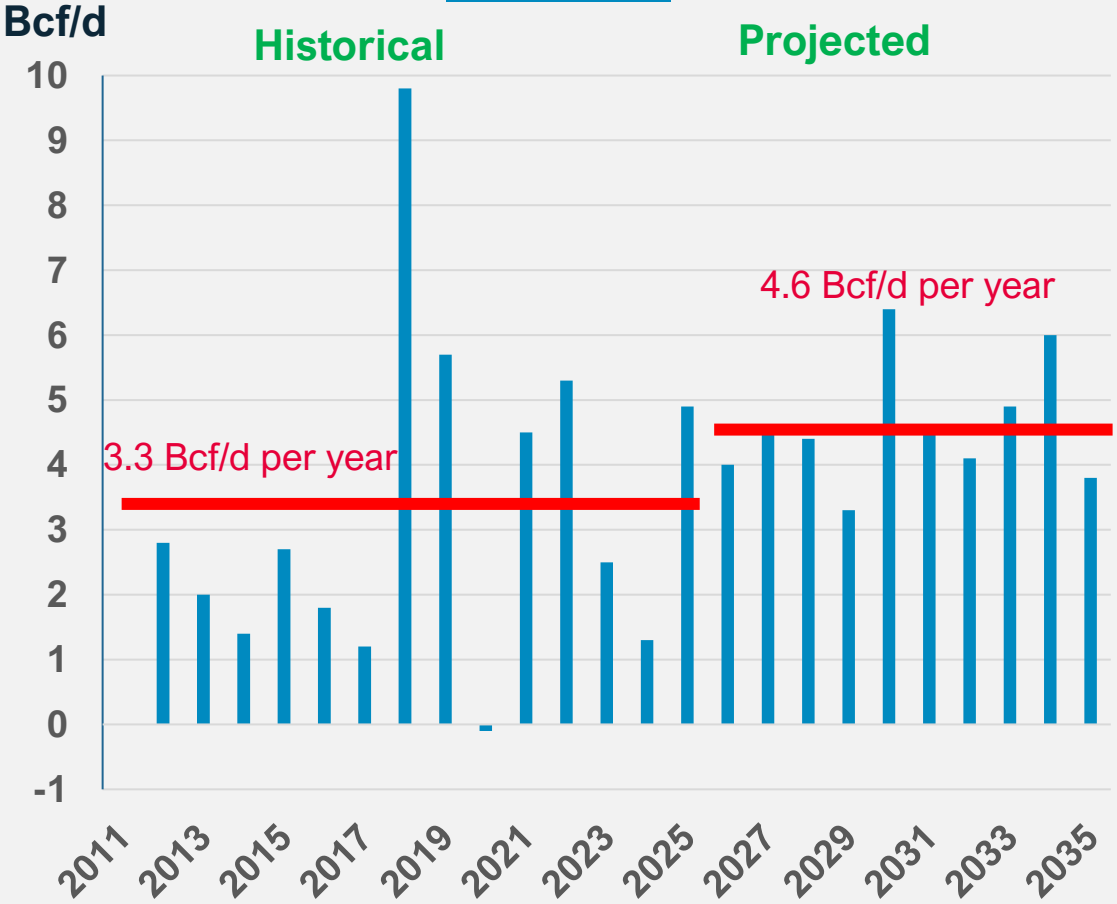


Demand growth for gas is expected to surge higher by 2030 as new LNG export projects come online and new gas-fired power plants enter service

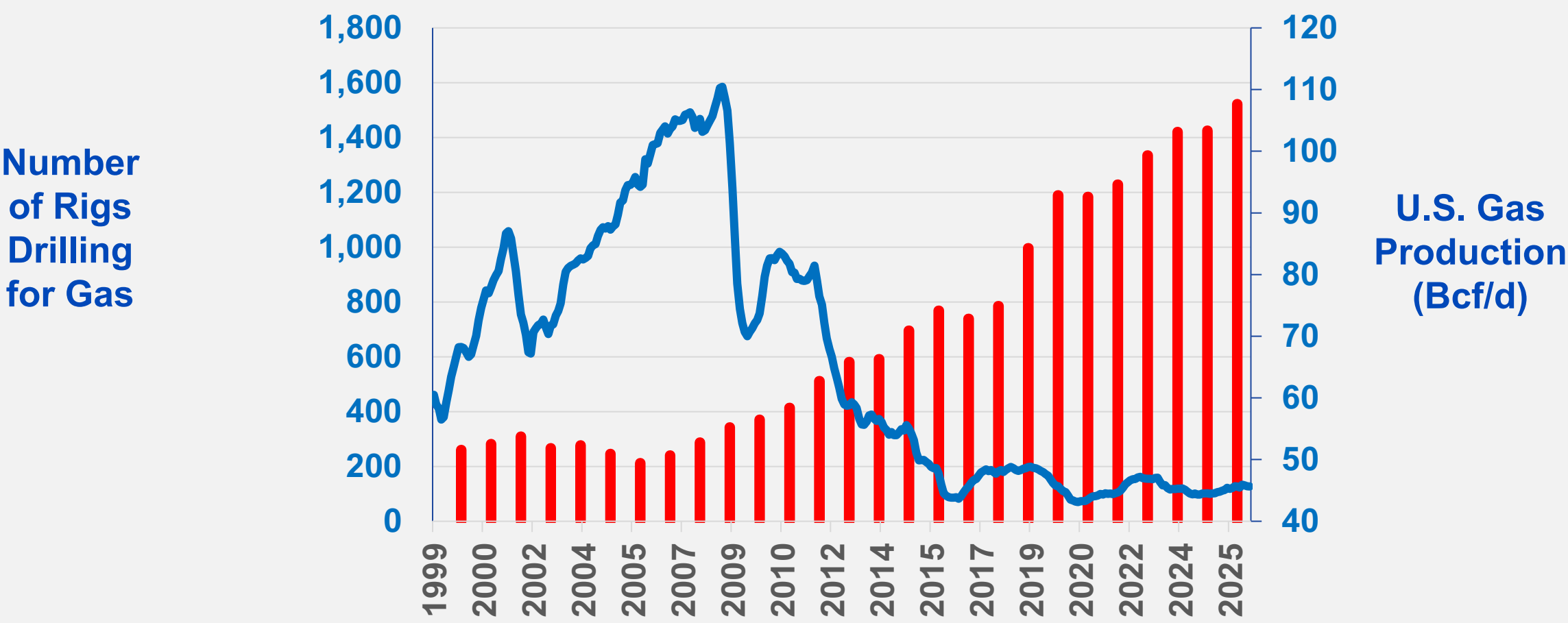
U.S. Gas Market Demand By Sector



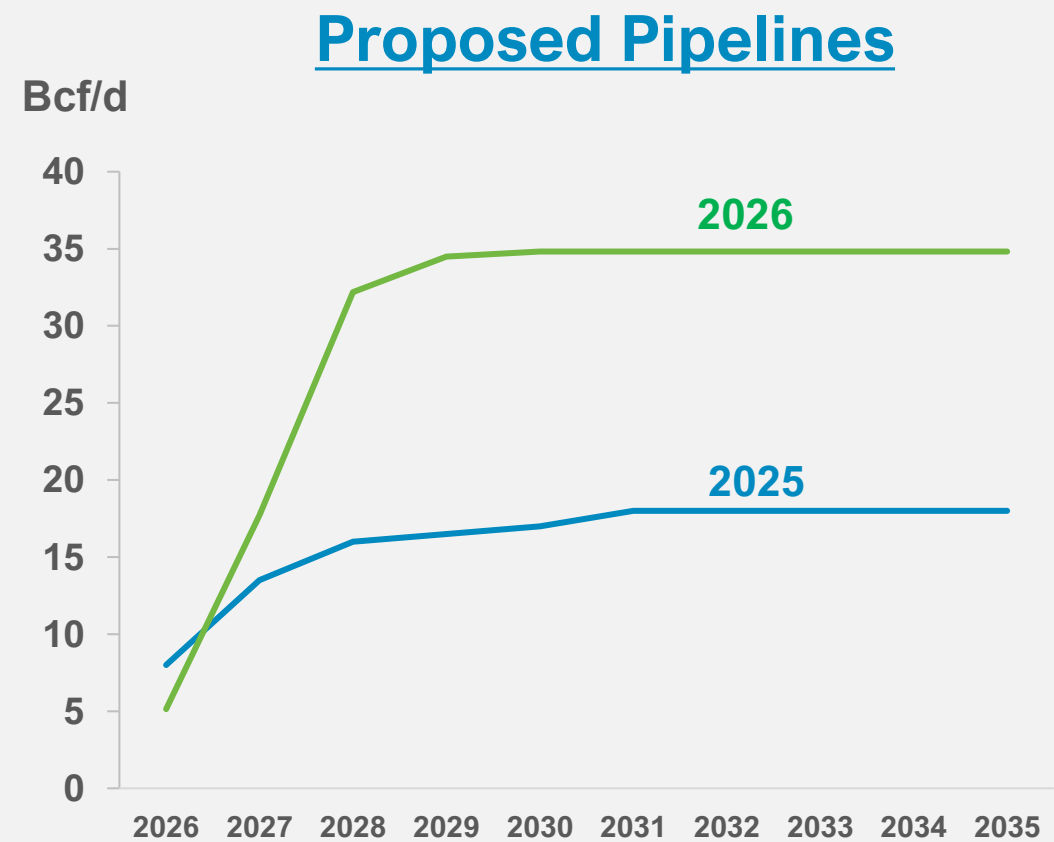
Annual U.S. Gas Market Demand Growth



Gas production continues to grow despite a steady decline in the number of rigs drilling for gas in the U.S.



U.S. pipe build has accelerated since last year as utilities and power generators grow confident with the demand outlook; Southeast and Gulf are seeing most of the new pipe interest



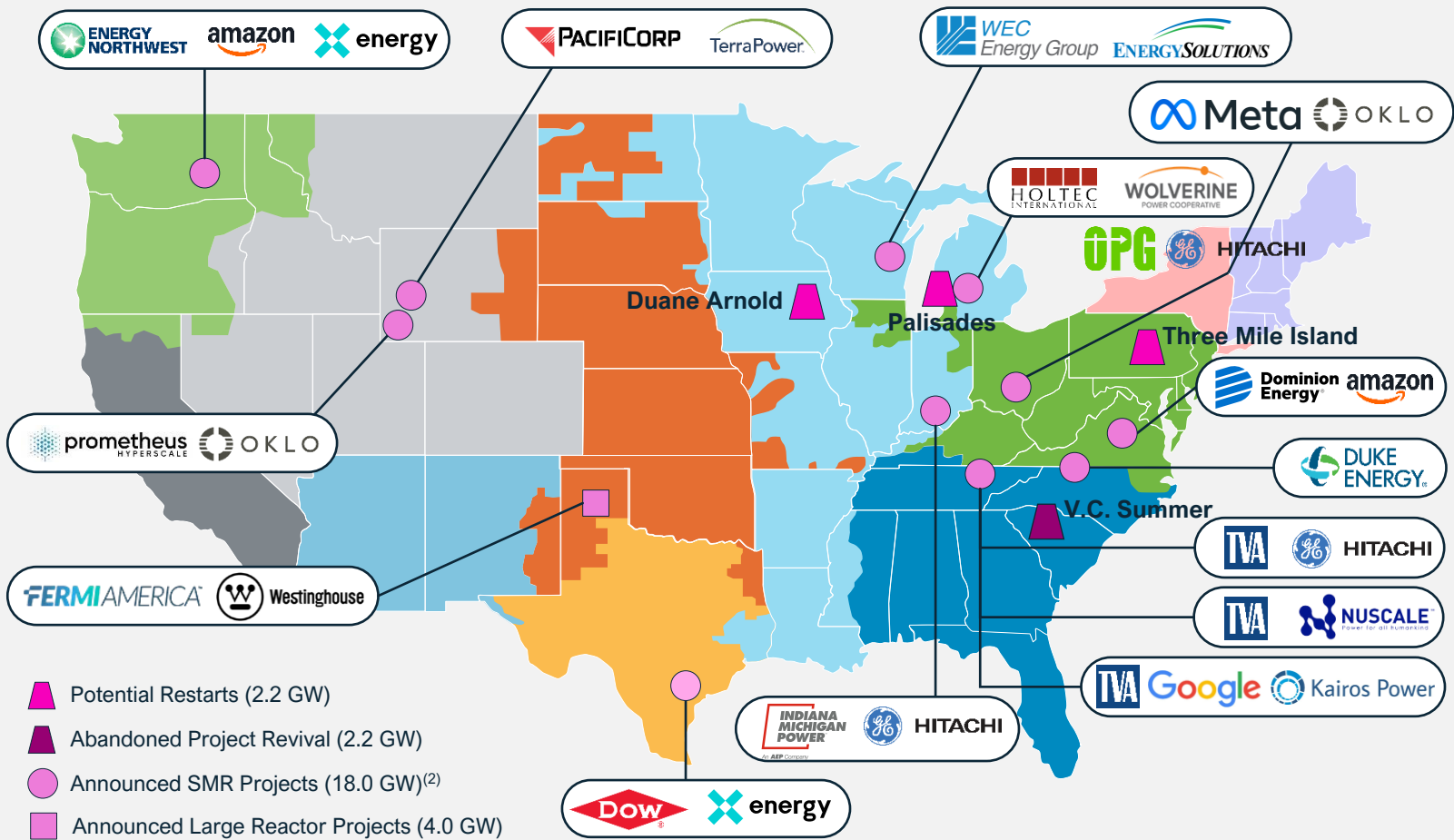
35 Bcf/d of proposed pipelines compares with ~50 Bcf/d of demand growth by 2035

Nuclear is gaining steam but timelines and costs are uncertain

Nuclear Upgrades

Announced Uprate Projects (MW) ⁽¹⁾		
Region	2025–2029	2030+
PJM	389	547
Southeast	54	420
West	-	186
MISO	70	-
SPP	20	-
Total	533	1,153

Nuclear Development and Restart Activity



1. Reflects uprate projects with announced timelines derived from NRC filings, PJM filings, and public announcements, excluding ~850 MW in early-stage announcements.
2. Includes other announced projects not shown on the map; excludes announced partnerships and RFPs without specified sites or projects.

How do you know when SMRs are going mainstream?



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Sources

Bloomberg, Wood Mackenzie, SNL, Genscape, Drilling info, Energy Information Administration, Department of Energy, Goldman Sachs, EIA, Energy Velocity, CAISO Hitachi Velocity Suite, Energy Aspects, Nuclear Regulatory Commission, NOAA, Energy Systems Integration Group, MISO, International Monetary Fund, various Market Wires, Print Media and articles in the public domain.

Everett is no longer an important source of gas supply for the broader New England market

Everett Injections of Gas Into Tennessee and Algonquin
(% of Full Meter Capacity)

Percent of Full Capacity

