TGV Solar – Energy Market Outlook

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Back up the truck — it's time to procure natural gas and electricity

Energy markets continue to present a rare buying opportunity. Natural gas prices retreated over the summer as production surged and power demand softened — but this calm won't last.

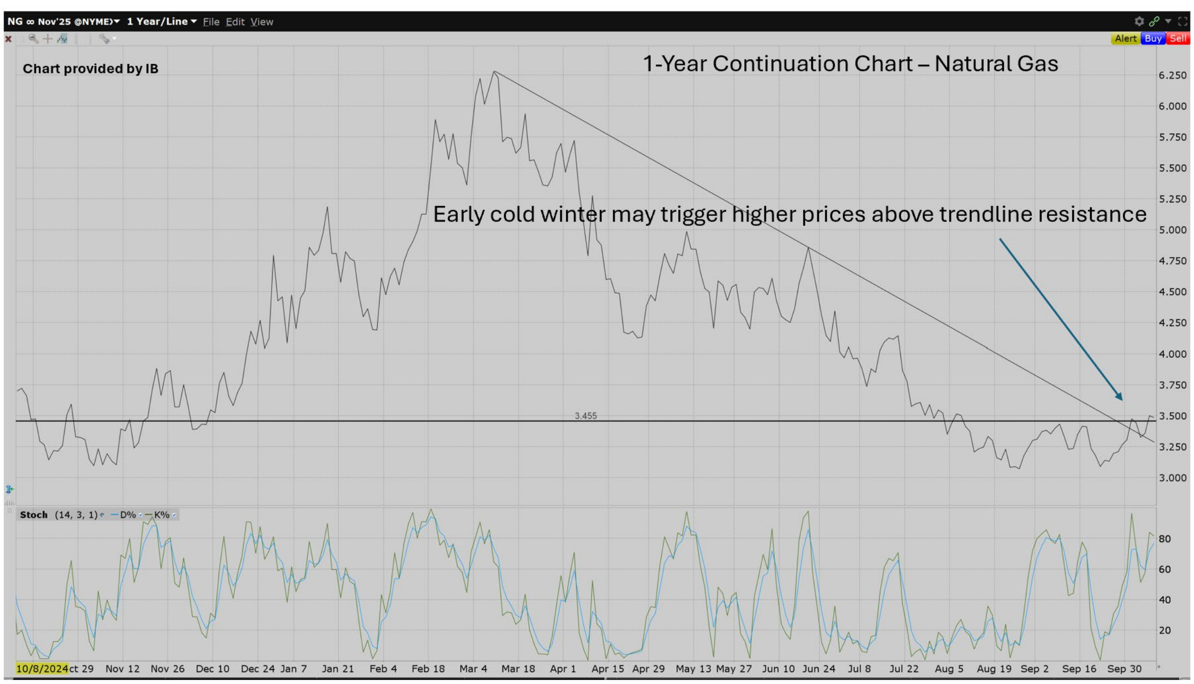
Over the past two months, U.S. natural gas production has dropped from a record ~108 Bcf/d in July to ~104.3 Bcf/d, a ~3.5% decline. Producers are taking note of current imbalances and reducing supply to support price and rebalance the market.

2026 and beyond are shaping up for a structural tightening cycle — driven by LNG export growth, AI/data-center expansion, electrification, and reshoring. **The takeaway:** today's prices are cheap relative to where they're headed. It's a good time to begin procuring natural gas and electricity.

Market Price Action

Prices tell the story. Natural gas prices collapsed this summer as production hit a record 108 Bcf/d in July, and August temperatures cooled, reducing residential and commercial demand. What looked like tight balances turned into surplus, crushing prices to levels that *beg to be bought.*

With production down and trading consolidating between ~$3.05 and ~$3.47, the market appears to be developing a base. If production holds steady or continues to decline, and we see below normal temps as we head into the winter, prices could break out toward $4.12 — and possibly $4.75. Electricity prices will follow.



Looking Ahead to 2026

The calm may not last. If production holds steady (or continues to decline) while demand surges — from LNG exports, AI/data centers, and colder winter loads — history says market balances will tighten and prices will rise.

Looking further ahead**, Morgan Stanley estimates end-March 2026 natural-gas storage at about 1.7 Tcf.** For context, starting winter near 3.9 Tcf and withdrawing the historical average of ~2 Tcf would normally leave ~1.9 Tcf — right around the five-year average; a **1.7 Tcf finish would signal tightening,** and prices will likely react and move higher.

With **U.S. LNG export capacity projected to nearly double over the next five years,** Morgan Stanley forecasts **Henry Hub prices averaging around $5/MMBtu in 2026,** reflecting expectations for stronger demand, slower production growth, and tighter end-of-winter inventories.

The Demand Side

Demand growth is already underway and it's reasonable to assume it will continue:

- **LNG exports** continue to ramp as the U.S. leverages energy in global trade.
- **AI/data centers**, electrification, and reshoring are driving record electricity loads.

Many analysts doubt domestic production and grid capacity can keep pace. I'm in that camp too.

Advisory Message

I've always loved the line: *the best cure for cheap prices is cheap prices.*

By not hedging now, while prices are cheap and the market is undervaluing risk, you're leaving your budget exposed to a long-term structural tightening cycle – higher prices.

Your Choices

1. Do Nothing — and pay more later.
2. Be Proactive — buy tomorrow's energy today for less.

TGV Solar Advisory

At TGV Solar, we help clients make smarter energy buying decisions. Whether through procurement, solar, battery storage, or demand response, our goal is simple: help you achieve energy independence, cost stability, and resilience.

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For advisory services or a custom procurement analysis, connect with us today.

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Sources & Notes

[1] *Morgan Stanley U.S. Natural Gas Outlook (Sept 2025): projects end-March 2026 storage at ~1.7 Tcf and Henry Hub prices averaging ~$5/MMBtu in 2026.*

Source: Investing.com, "*Morgan Stanley refreshes its U.S. natural gas prices outlook*," Sept 2025.