Winter 26-27 Fuels Outlook

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PJM Electric Gas Coordination Subcommittee

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Fuel Fundamentals

Fundamentals	Compared to Last Year
Gas Price	
Gas Production	
Gas Storage	
Coal Price	
Coal Supply	
Oil Price	
Oil Supply	

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Winter 2026-27 Fuel Risks

Fuel Type	Risk Area	Risk Level	Why
Natural Gas	Natural Gas Supply	Low	Production rates and storage inventory strong going into winter
Natural Gas	Pipeline Capacity and Flexibility	High (During colder periods) Increased issuance of OFOs and Ratable Take Requirements	Most pipelines are operating at or near capacity
Natural Gas	LDC Interruptions	High (During colder periods) Offset by majority of units behind LDC being dual fuel	During very cold periods, LDCs will prioritize gas deliveries to residential heating customers over generators
Ultra Low Sulfur Diesel	Regional Inventory and Price	High (During colder periods) Replenishment rate risks	East coast inventories running 20% below 5-year average; mideast conflict continuing upward pressure on price
Coal	Waterway ice jams	Medium	Ice jams can disrupt coal deliveries via barge

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Natural Gas Fundamental Highlights

- **Daily U.S. dry gas production** is expected to average 112.5 Bcf/d this winter, up roughly 2.5 Bcf/d YoY and roughly 7 Bcf/d above the three-winter average, supporting both domestic needs and LNG exports

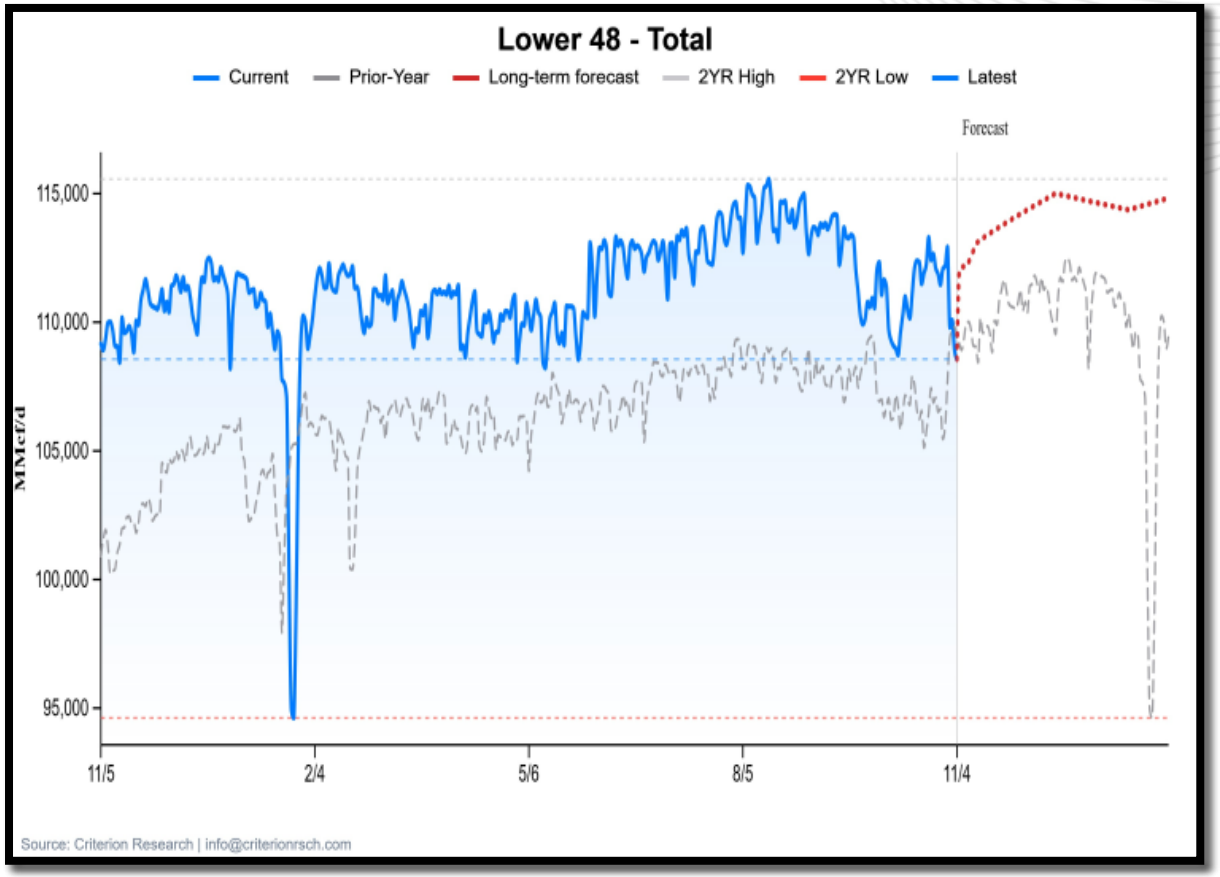
- **Daily gas demand** is forecast to grow 1.6 Bcf/d YoY, below the 2.5 Bcf/d YoY increase in production. This growth is mostly attributed to an +2.2 Bcf/d increase in LNG exports

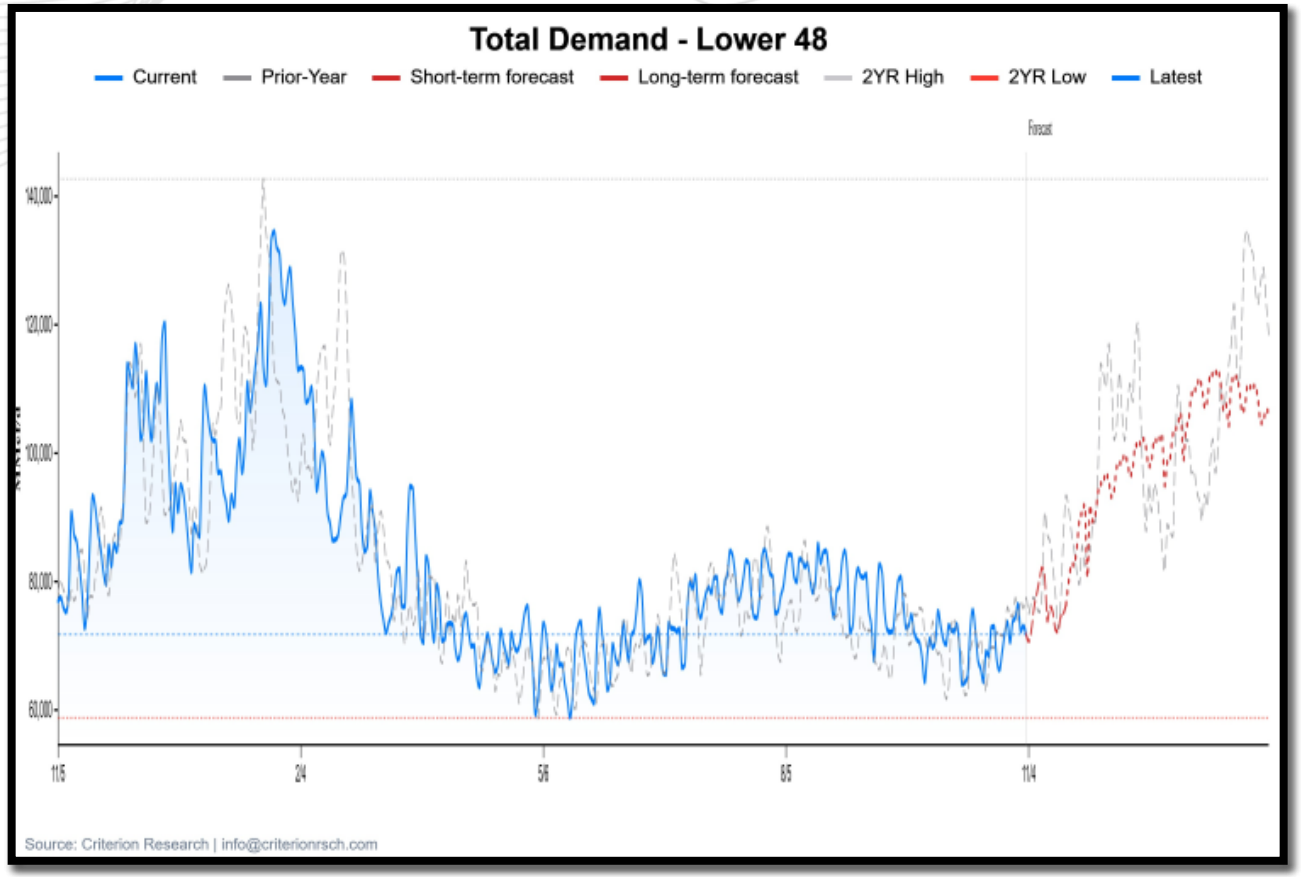
- **Underground gas storage** inventory is running 2% above the 5-year average but 2.3% below last year.

- **Natural gas spot and futures prices** are expected to experience downward pressure compared to last winter based on forecasted el nino climate pattern. Although as we know, it only takes one strong cold shot to create significant market volatility in the highly constrained northeastern U.S. (See Winter Storm Elliot)

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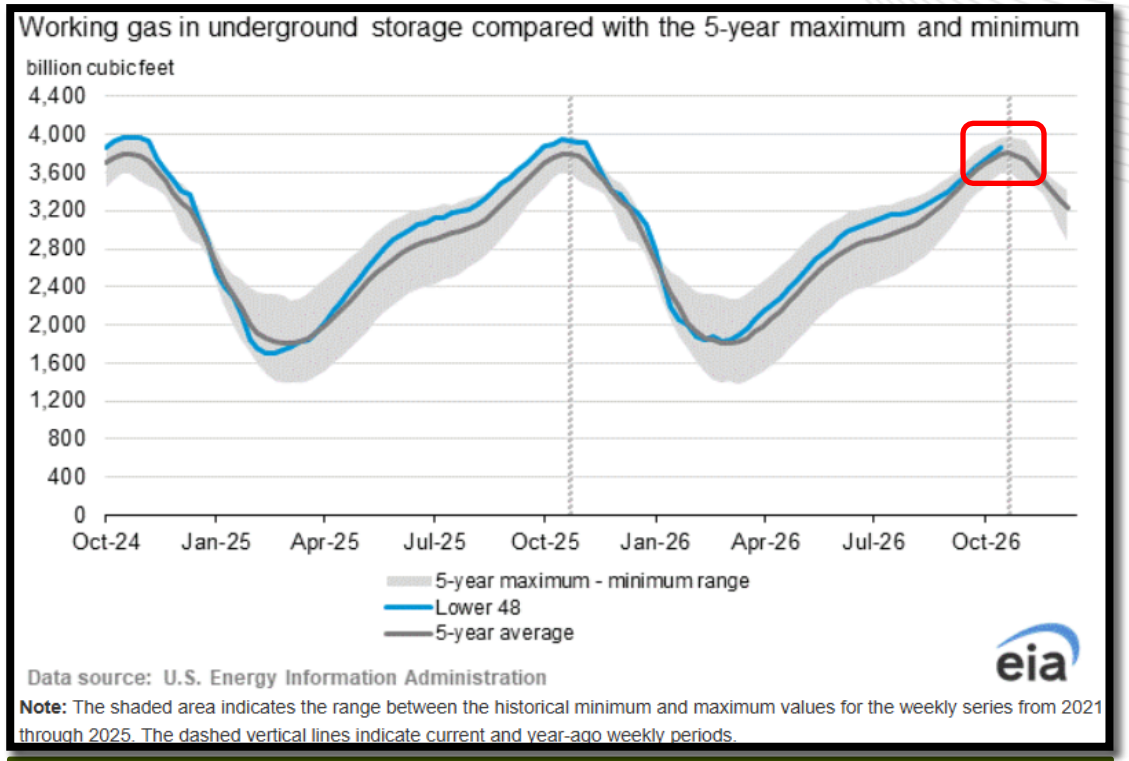
Lower 48 Natural Gas Production and Demand Fundamentals





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Natural Gas Storage



Working gas in underground storage, Lower 48 states

Summary text | CSV | JSN

Region	Stocks billion cubic feet (Bcf) 11/06/26	10/30/26	net change	implied flow	Historical Comparisons Year ago (11/06/25) Bcf	% change	5-year average (2021-25) Bcf	% change
East	938	926	12	12	913	2.7	910	3.1
Midwest	1,129	1,111	18	18	1,115	1.3	1,102	2.5
Mountain	262	260	2	2	290	-9.7	251	4.4
Pacific	298	296	2	2	321	-7.2	285	4.6
South Central	1,235	1,208	27	27	1,315	-6.1	1,239	-0.3
Salt	312	296	16	16	351	-11.1	331	-5.7
Nonsalt	924	912	12	12	964	-4.1	907	1.9
Total	**3,862**	**3,801**	**61**	**61**	**3,954**	**-2.3**	**3,787**	**2.0**

Totals may not equal sum of components because of independent rounding.

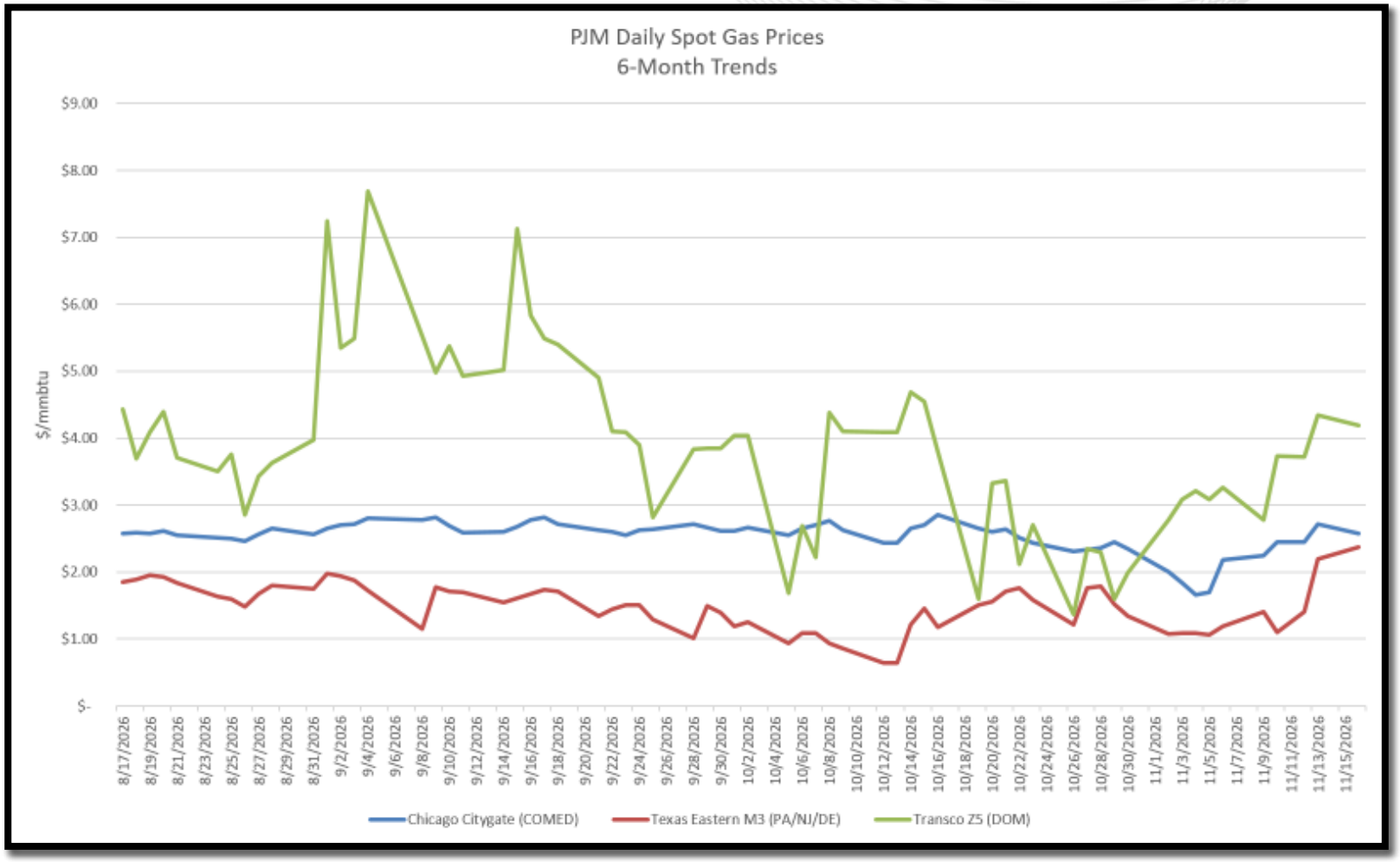
Storage inventory as of 11/6/26

Takeaways:

- **Eastern and Midwest storage inventory 3.1% and 2.5% above the 5-year average bodes well for the PJM footprint heading into the cold season**

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Daily Spot Gas Prices



Spot prices remain relatively low across the PJM footprint with the average delivered price below $3/mmbtu.

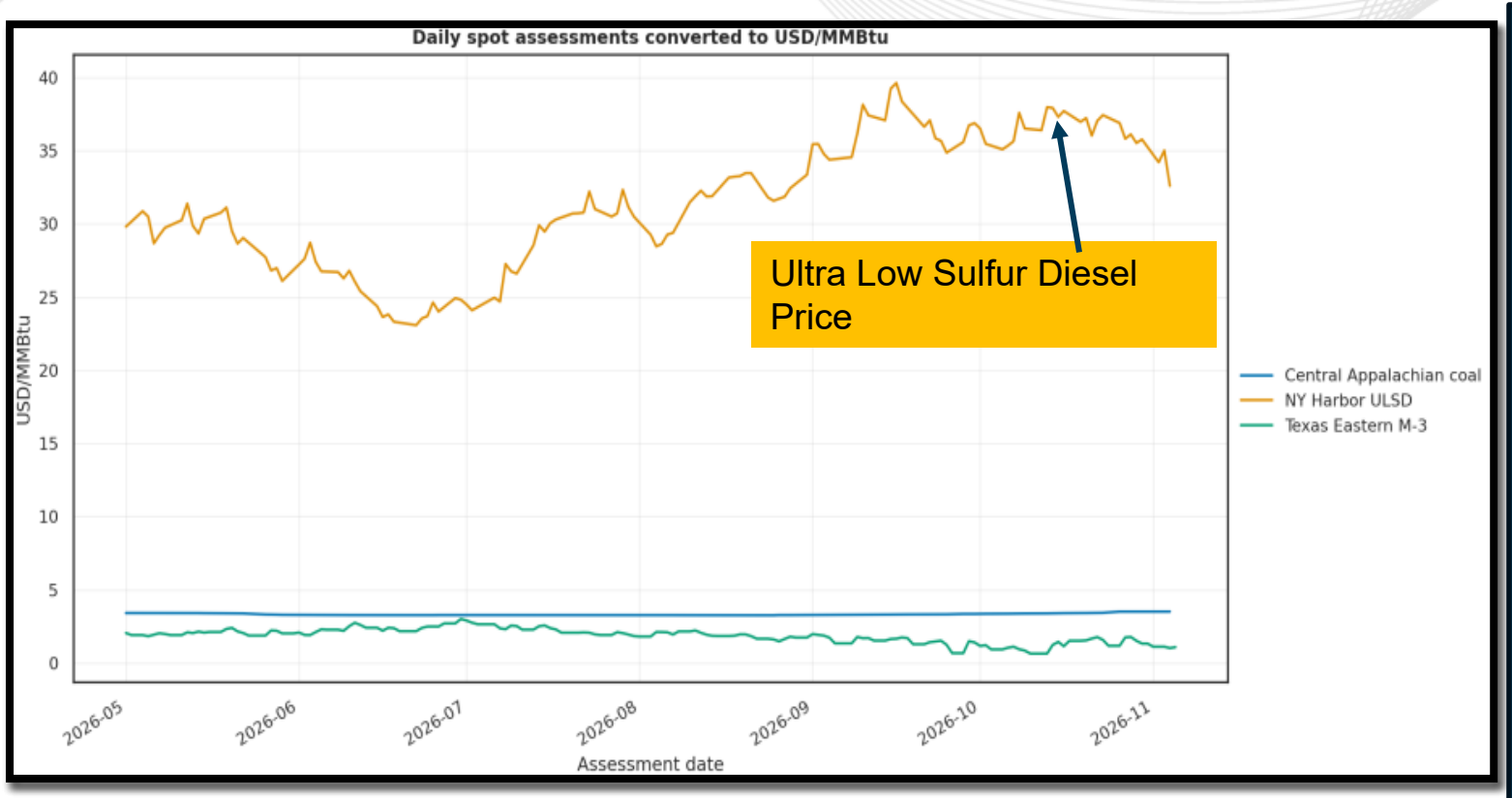
Transco Zone 5 hub (DOM) prices have fallen well off their summer peaks but remains the premium priced hub in PJM

Chicago citygate price continues to remain steady with minimal volatility throughout the summer and fall averaging between $2.50/mmbtu and $3/mmbtu.

Texas Eastern M3 hub price is still the lowest hub price in PJM averaging well under $2/mmbtu over the last two months but has inched up over the last week on higher gas demand.

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Fuel Cost Comparison (Gas-Coal-Oil)



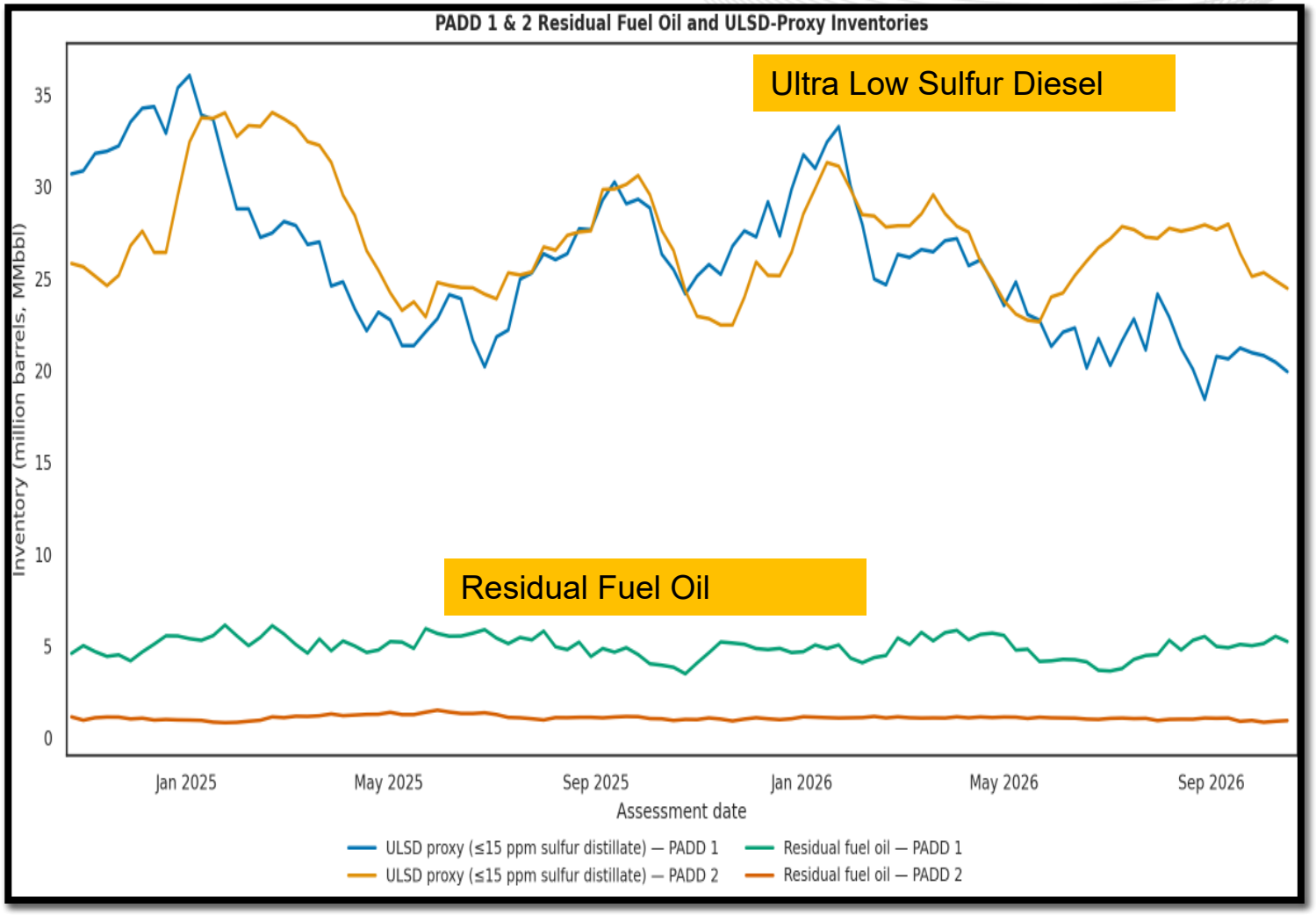
NY Harbor Ultra Low Sulfur Diesel price has dipped below $35/mmbtu on what some are calling post-election hopes of a de-escalation in the Iran conflict

Texas Eastern M3 gas price averaging around $2/mmbtu over the past week

Central Appalachian Coal remains steady as usual around $3.50/mmbtu

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Regional Fuel Oil Inventories – 24 Month History



PADD 1 (East Coast): Residual fuel oil inventory generally steady and in line with prior two years. ULSD inventory down significantly over the past two years and starting this winter at low point.

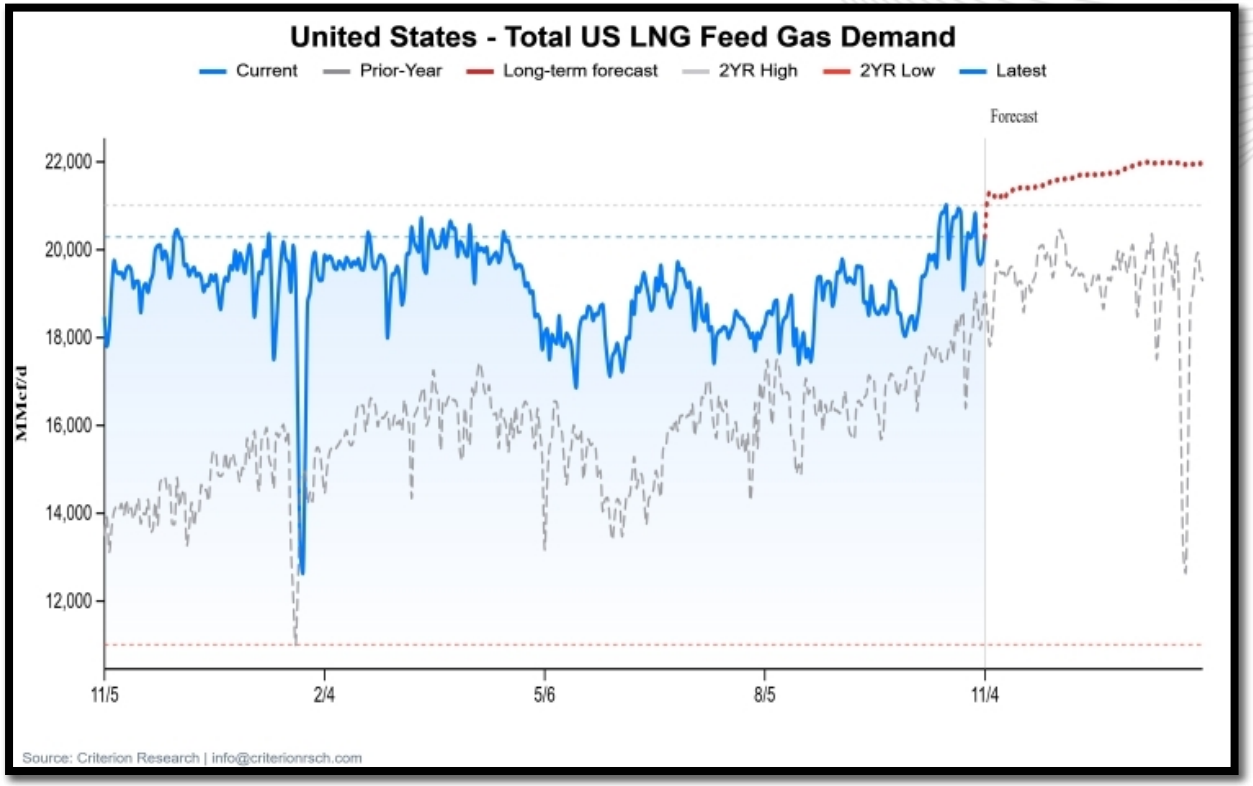
Distillate inventories. East Coast distillate fuel inventories fell 32% below their five-year seasonal average in September. Although we expect inventories to recover, they remain around 20% below the 2021–2025 average through the upcoming winter in our forecast. We expect ongoing global supply constraints will keep inventories below normal through the forecast period. We expect East Coast distillate inventories will gradually increase as the tightness in global fuel markets eases, bringing inventories in the region close to their five-year average during the second half of next year.

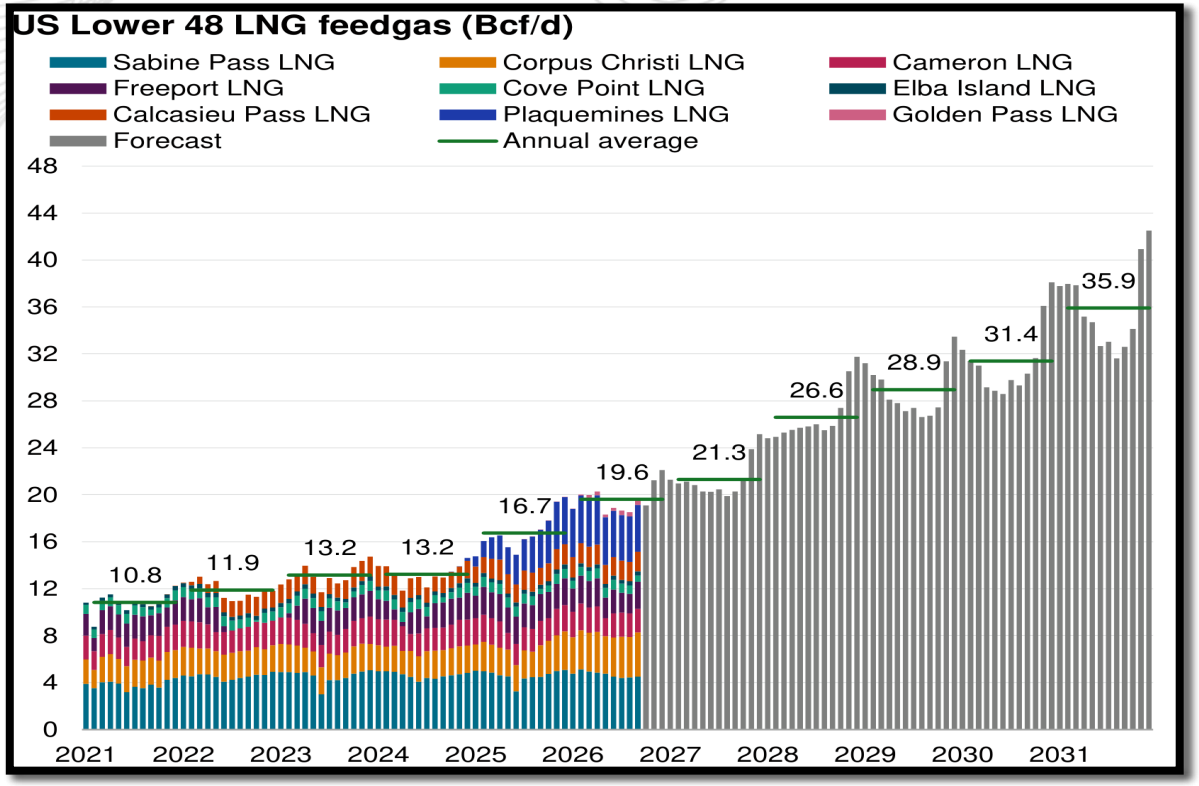
PADD 2 (Midwest): both residual and ULSD inventories steady and generally in line with last two years.

ULSD is the predominant fuel oil type burned by oil and dual (gas/oil) fuel generators in PJM

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LNG Exports





LNG exports currently running near full capacity. Export capacity expected to increase by 80% by 2031.

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EIA Coal Market Update

Average weekly coal commodity spot prices

dollars per MMBtu

	Week ending					Week ago
	10/02/26	10/09/26	10/16/26	10/23/26	10/30/26	change
Central Appalachia *12,500 Btu, 1.2 SO_2*	$3.38	$3.38	$3.48	$3.48	$3.52	$0.04
Northern Appalachia *13,000 Btu, < 3.0 SO_2*	$2.79	$2.79	$2.62	$2.62	$2.62	$0.00
Illinois Basin *11,800 Btu, 5.0 SO_2*	$2.35	$2.35	$2.46	$2.46	$2.37	$-0.09
Powder River Basin *8,800 Btu, 0.8 SO_2*	$0.83	$0.83	$0.83	$0.83	$0.83	$0.00

Weekly Coal Production

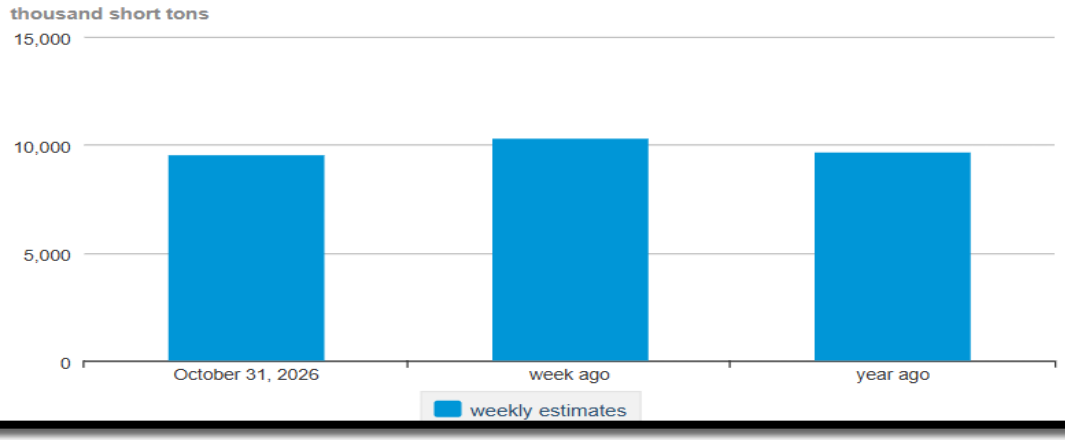
Release date: November 5, 2026 | **Next release date:** November 12, 2026 | Archive

For the week ended October 31, 2026

- Estimated U.S. coal production totaled about 9.6 million short tons (MMst)
- This production estimate is 7.6% lower than last week's estimate and 1% lower than the production estimate in the comparable week in 2025
- East of the Mississippi River coal production totaled 4.2 MMst
- West of the Mississippi River coal production totaled 5.4 MMst
- U.S. year-to-date coal production totaled 432.9 MMst, 1.8% lower than the comparable year-to-date coal production in 2025

Overview

Weekly coal production overview



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Key Takeaways

Natural Gas and Coal markets relatively strong heading into winter season from a production, storage and price perspective

Ultra Low Sulfur Diesel inventory on the east coast (PADD1) is well below the five year average and prices are running upwards of $30 - $35/mmbtu

LNG exports continue to ramp up now running at full capacity around 21 bcf/day creating greater competition for natural gas molecules

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