

Newstracker:

-US natural gas spot prices rose at most major pricing locations from Wednesday, May 6, to Wednesday, May 13 (the Report Week), during which the Henry Hub spot price climbed 13 cents to \$2.88/MMBtu.

-The price of the June 2026 NYMEX natural gas futures contract increased 13 cents to \$2.864/MMBtu for the Report Week. The price of the 12-month strip averaging June 2026 through May 2027 futures was flat at \$3.379/MMBtu. International natural gas futures prices were mixed this Report Week, with LNG prices at JKM for East Asia rising 3 cents to \$16.93/MMBtu, and prices at TTF for Europe falling 17 cents to \$15.68. Compared to the week ending February 25 (before LNG deliveries via the Strait of Hormuz were disrupted), this week's TTF and JKM prices are 42% and 59% higher, respectively.

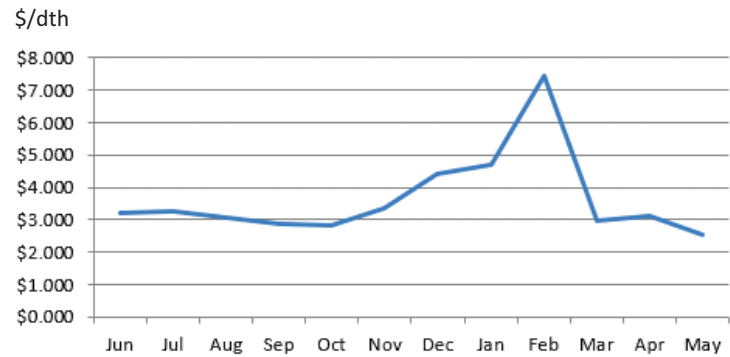
-Total US natural gas demand fell slightly by 0.5 Bcf/d (1%) compared with last Report Week. This was led by a 1.8 Bcf/d (13%) decrease in residential and commercial consumption and a 0.5 Bcf/d (2%) decrease in the industrial sector. Meanwhile, electric power sector demand increased by 1.8 Bcf/d (6%). Total supply increased by 1.0 Bcf/d (1%), led by a 1.0 Bcf/d (1%) increase in dry natural gas production.

-The LNG-carrying capacity of vessels departing U.S. ports was 141 Bcf, up 26 Bcf from the previous week. Thirty-seven LNG vessels left US ports, up seven vessels from the previous week.

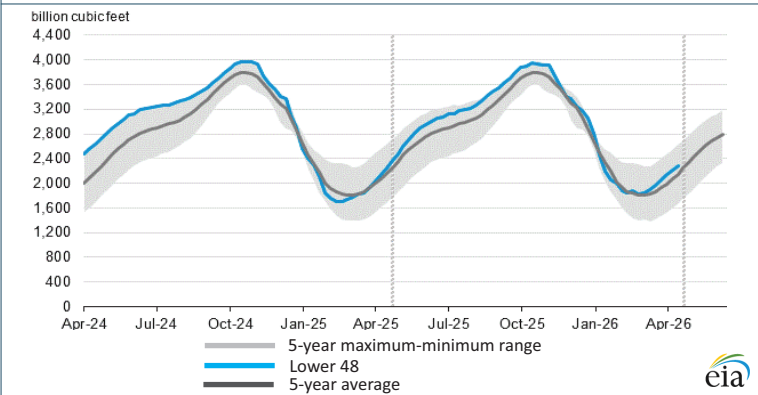
-Net natural gas injections into storage totaled 85 Bcf for the week ending May 8, compared with the five-year (2021–2025) average net injections of 84 Bcf and last year's net injections of 109 Bcf during the same week. Working natural gas stocks totaled 2,290 Bcf as of Friday, May 8. Stocks were 140 Bcf (7%) more than the five-year average and 51 Bcf (2%) more than last year at this time.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Jun 2025 - May 2026:



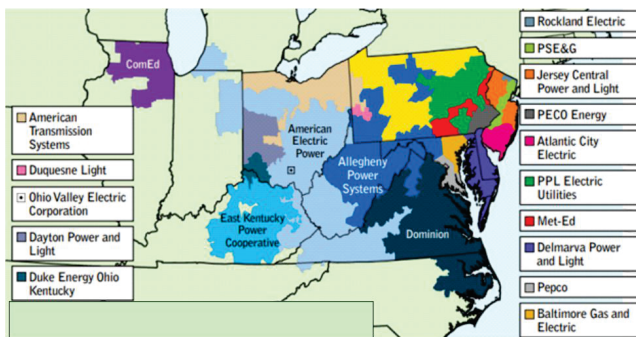
Working natural gas in underground storage as of May 8, 2026



Forward 12-month NYMEX natural gas strip price - Jun26-May27:

Process Load-weighted \$3.379/dth - w/o/w = ▼\$0.002
 Typical Heat Load-weighted \$3.671/dth - w/o/w = ▼\$0.024

PJM releases pivotal evaluation of the status and future of its wholesale power markets:



PJM Interconnection, the grid operator in all or parts of 13 states and the District of Columbia, coordinates the movement of electricity to ensure there is enough electricity for the 67 million people residing in its region. They recently released a paper evaluating the status and future of its wholesale power markets amid an environment of structurally higher power prices, rapidly growing power demand and sluggish investment that is causing the grid operator to "examine whether the foundational assumptions of the market remain valid." Attached is an article highlighting key areas of the paper. The PJM paper is available here: <https://www.pjm.com/-/media/DotCom/library/reports-notice/special-reports/2026/20260506-powering-reliability-through-market-design.pdf>

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"Enough? There is no such thing. We take what can be taken. This is what we do." -The Zec (Jack Reacher)¹

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¹<https://www.imdb.com/title/tt0790724/quotes/?item=qt7780636>

PJM releases seminal evaluation of its power markets amid fundamental volatility

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By Jared Anderson
S&P Global

[PJM Interconnection](#) is evaluating the status and future of its wholesale power markets amid an environment of structurally higher power prices, rapidly growing power demand and sluggish investment that is causing the grid operator to "examine whether the foundational assumptions of the market remain valid," PJM President and CEO David Mills said May 6.

PJM released a paper titled "Powering Reliability Through Market Design — Addressing Rising Demand and Constrained Supply, and Stimulating Investment To Support Durable Reliability" that delves into what the "shared reliability compact" means in an era of power supply scarcity.

Going beyond analytical supply-demand dynamics, Mills said that the "wholesale electricity markets are extraordinary institutions, and their most essential infrastructure is not a price curve or a performance obligation — it is legitimacy."

"Generators, utilities, investors and consumers must all believe, at a basic level, that the rules are fair, stable and the product of a process they recognize as credible," he said in a letter introducing the paper.

Power market 'disequilibrium'

After decades of predictable power demand growth and manageable transition from large volumes of coal-fired power generation to natural gas-fired resources, PJM's markets are now faced with an "unprecedented" power [demand surge](#) driven by rapidly expanding large-load [data centers](#) and broader economy-wide electrification, accelerated retirement of dispatchable generation resources due to environmental policy and economics, and significant "supply chain and permitting frictions" that are extending the time required to bring new resources online, according to PJM.

"The timeframe to build a new combined cycle [gas-fired power plant] or combustion turbine has probably doubled over the past few years," Stu Bresler, PJM's COO, said in a May 5 interview with Platts, part of S&P Global Energy.

But it is not just gas-fired resources that are taking longer to build. The rate at which renewables are coming online "is not as quick as we would hope it would be," he said, due to longer processes for permitting, siting and financing in some cases.

Additionally, the environmental policy space has become more volatile, Adam Keech, PJM's senior vice president of market services, said in the same interview.

These dramatic changes to PJM's fundamental market dynamics have left the grid operator's capacity market in a "credibility trap" where high capacity prices designed to signal needed investment put pressure on consumers who are unprotected from market volatility. That triggers government action to protect consumers, thus undermining the credibility of those same prices, with the result being a failure to incentivize new investment, according to the paper.

Three pathways

The market evaluation considers three potential pathways: one that maintains the shared responsibility for one level of reliability for all, another that would differentiate reliability standards prioritizing those that contribute to or value reliability most, and a third that would shift focus toward the energy and ancillary services markets for investment price signals supported by long-term energy contracting, with the capacity market remaining as a reduced backstop.

"Economic rationing would be one option if states and elected officials chose to do it that way," Keech said.

This is happening to some degree already with different load classes where data centers are being curtailed before residential customers, which "is an explicit way of rationing short supply," he said.

Another option could be regional affordability tradeoffs where one state decides it does not want to pay for the level of reliability it had before, so the state chooses a different level of reliability in which it relies more heavily on demand response than an adjacent state, Keech said.

However, PJM ultimately still believes in the power of competitive power markets to affordably maintain reliability.

"At the highest level, PJM is still of the very strong belief that competition and competitive markets can be leveraged to achieve reliability at the lowest reasonable cost to the consumer," Bresler said.

"We are not suggesting a move away from competitive markets. What we are seeking to engage our stakeholder community on is how the next generation of markets functions best to achieve that outcome," he said.

This involves two "critical and simultaneous" objectives of sustaining the needed investment level to meet future reliability needs while addressing consumer cost concerns, Bresler said.

And that will require reaching consensus on an approach because this is not about what PJM thinks is the best idea, Keech said. "This is about the people building the supply and the people paying to build it — the supply and demand side — getting them to agree on a framework that works for them."

Regarding how that stakeholder process will play out, Keech said that it is still being determined, but generally, PJM plans to hold a series of workshops in June and July to gather feedback on the paper. Then in the second half of the year, the grid operator and its stakeholders will agree on the most appropriate stakeholder process to use going forward.

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