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## The Gas Gauge Briefing — June 2026

The Gas Gauge — Research Desk

Coverage: The Gas Gauge

### ABSTRACT

This Briefing covers six developments in the natural-gas complex: (1) Henry Hub stays soft into summer 2026 even as the EIA flags a second-half demand pull; (2) U.S. LNG exports set fresh records as Golden Pass becomes the ninth export terminal; (3) data-center load tilts incremental U.S. power generation back toward gas; (4) Europe enters the refill season with a storage deficit while the JKM–TTF spread quietly governs cargo direction; (5) the Permian takeaway buildout accelerates with multiple 2+ Bcf/d lines targeting 2026 in-service; and (6) a regulatory tailwind — FERC's blanket-certificate overhaul plus the suspended methane Waste Emissions Charge — lowers the cost of building and operating gas infrastructure.

*Keywords: Henry Hub, LNG exports, Golden Pass, natural gas storage, TTF, JKM, Permian takeaway, FERC, methane, gas-fired generation, data centers, EIA STEO*

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### Henry Hub stays sub-\$3 into summer even as the EIA points to a second-half pull

**What's new.** Despite record export demand and a robust gas-fired generation outlook, the front-of-curve Henry Hub price remains soft. The EIA's June 2026 Short-Term Energy Outlook now forecasts a 2H26 average near \$3.34/MMBtu — a constructive call, but one that sits on a spot market that printed below \$3 as recently as May, underscoring how much supply growth is absorbing demand.

**Evidence.** Henry Hub averaged \$2.94/MMBtu in May 2026, up 17¢ from April as cooling load began to build [1]. The EIA projects Henry Hub near \$3.34/MMBtu in 2H26 and \$3.46/MMBtu in 2027 [1]. Marketed gas production is forecast to grow 3.3% in 2026 (~3.9 Bcf/d) and a further 2.5% in 2027 [1]. Working gas in storage was 2,483 Bcf as of May 22, 2026 — 144 Bcf above the five-year average of 2,339 Bcf — with injections running strong (e.g., +108 Bcf for the week ending June 5) [2].

#### THE TAKE:

The bearish anchor is associative-supply, not weak demand. Production is growing ~3.9 Bcf/d in 2026 while the EIA pegs LNG export growth at only ~1.6 Bcf/d (17.0 vs ~15.4 Bcf/d) and incremental power demand is real but lumpy. That leaves the balance modestly long through injection season, and the ~144 Bcf storage surplus is the market pricing that long. The asymmetry sits in 4Q: every Bcf/d of LNG that ramps late-2026 (Golden Pass trains, Corpus Christi Stage 3) removes supply from a market already near a 90%+-full storage system. The Gas Gauge estimate: if the back-half export ramp lands on schedule, the realized 4Q26 Henry Hub could exceed the STEO's full-year path by 30–50¢/MMBtu — the curve is underpricing the timing, not the direction.

**Market read.** EQT (NYSE) — Add · conviction Medium · 6–12 mo — the largest U.S. gas pure-play is leveraged to a 4Q tightening the strip is discounting; EXE (NYSE) — Add · conviction Medium · 6–12 mo — Expand Energy, the merged Chesapeake/Southwestern, offers the same Appalachia/Haynesville beta into the export ramp.

### U.S. LNG sets fresh records as Golden Pass becomes the ninth export terminal

**What's new.** The long-delayed Golden Pass facility shipped its first cargo in April 2026, becoming the ninth operating U.S. LNG export terminal and the first major new site since the wave of 2024–25 startups. Combined with Plaquemines and Corpus Christi Stage 3 ramps, it pushes U.S. feedgas demand toward a structurally higher plateau.

**Evidence.** U.S. LNG exports averaged 17.9 Bcf/d in March 2026, the second-highest monthly total on record [3]. Golden Pass shipped its first cargo on April 22, 2026, 23 days after first LNG production; the three-train facility has 2.0 Bcf/d nominal (2.4 Bcf/d peak) capacity at 0.7 Bcf/d nominal per train [4]. The EIA forecasts full-year U.S. LNG exports averaging 17.0 Bcf/d in 2026, rising to 18.6 Bcf/d in 2027 [3]. U.S. export capacity is on track to rise from ~17 Bcf/d at end-2025 to slightly above 19 Bcf/d during 2026 [3].

**THE TAKE:**

The headline risk has flipped from "can the U.S. build it" to "can the U.S. feed and move it." With capacity heading above 19 Bcf/d but full-year utilization forecast at 17.0 Bcf/d, the system is being built with deliberate headroom — roughly 2 Bcf/d of slack (The Gas Gauge estimate) that is really optionality on winter peaks and Permian/Haynesville takeaway timing. The binding constraint for 2027 is not liquefaction trains; it is whether intrastate Gulf pipe and Permian egress arrive in time. That makes the midstream operators feeding Gulf terminals the higher-quality exposure to the LNG theme than the liquefiers themselves.

**Market read.** LNG (NYSE American) — Hold · conviction Medium · 12–24 mo — Cheniere's Corpus Christi Stage 3 ramp is largely in the price, and contracted cash flows cap upside; KMI (NYSE) — Add · conviction Medium · 12–24 mo — Kinder Morgan's Gulf transport and storage footprint is levered to feedgas growth with less single-asset risk.

**Data-center load tilts incremental U.S. power generation back toward gas**

**What's new.** Utilities and developers are increasingly meeting new AI/data-center load with dispatchable gas rather than renewables, reversing a multi-year capacity-mix trend. Several multi-gigawatt gas-to-data-center projects cleared approvals in early 2026, and the EIA now warns its baseline gas-generation outlook may understate the upside.

**Evidence.** Planned natural-gas share of capacity additions rose from 11.1% in 2024 to 18.1% in 2026, with non-renewable additions up 71% from 2025 to 2026 [5]. Under the EIA's high-growth data-center scenario, gas-fired generation rises 7.3% between 2025 and 2027 — more than quadruple the 1.7% baseline [6]. In January 2026, Pacifico Energy's GW Ranch (West Texas) was approved for 7.7 GW of gas generation for data centers, and NextEra secured approval for two large gas plants in Texas and Pennsylvania totaling ~10 GW [5]. Analysis presented to PJM governors warned of a ~49 GW U.S. generation shortfall by 2028 [6].

**THE TAKE:**

The market is conflating "approved" with "online." Turbine lead times are the real governor: heavy-duty gas turbine slots at the major OEMs are largely booked into 2028–2029, so the 17+ GW of early-2026 approvals cited here cannot all generate this decade. The near-term beneficiary is therefore not new combined-cycle capacity but higher utilization of the existing fleet and incremental burn — which is bullish gas demand without a corresponding wave of new supply offtake contracts. The Gas Gauge estimate: even half of the announced gas-to-data-center pipeline converting by 2030 implies on the order of 3–5 Bcf/d of incremental power-sector gas demand, a structural call the front of the curve is not yet paying for.

**Market read.** WMB (NYSE) — Add · conviction Medium · 12–36 mo — Williams' Transco backbone directly serves PJM/Southeast power load growth; ET (NYSE) — Hold · conviction Low · 12–24 mo — Energy Transfer's pivot toward powering data centers is real but earlier-stage and contract-dependent.

**Europe begins refill season in deficit; the JKM–TTF spread quietly steers cargoes**

**What's new.** Europe exited winter 2025–26 with storage drawn down harder than usual and must refill against the EU's 90%-by-November target while competing with Asia for flexible LNG. TTF has stayed contained thanks to heavy Atlantic LNG supply, but the buffer is thinner than the calm price action suggests.

**Evidence.** TTF traded around €47.85/MWh on June 12, 2026 [7]. Asian buyers (JKM) have recently

paid roughly \$1–\$3/MMBtu more than European buyers for spot LNG, a premium that pulls cargoes toward Asia and tightens European supply when it widens [7]. The EU storage regulation requires facilities to reach 90% by November 1 [7]. Heavy LNG inflows have kept a lid on TTF even as storage ran a winter deficit [7].

#### THE TAKE:

The JKM–TTF spread is the single most important real-time variable for 2026 U.S. gas economics, and it is being underweighted by domestic-focused investors. Because incremental U.S. cargoes are destination-flexible, the spread — not the EU storage target — sets where U.S. molecules go. A persistent JKM premium of even \$2/MMBtu redirects marginal cargoes to Asia, forces Europe to bid TTF higher to refill, and lifts the netback that supports new U.S. export FIDs. The contrarian read: a "boring" low-€40s TTF is not evidence of comfort — it is evidence that LNG oversupply is doing the work that storage cannot, and that cushion evaporates the moment Asian demand or an Atlantic supply hiccup widens the spread.

**Market read.** LNG (NYSE American) — Hold · conviction Medium · 12–24 mo — Cheniere's destination-flexible portfolio captures the JKM–TTF arbitrage but the value is contracted; SHEL (NYSE) — Add · conviction Low · 12–24 mo — Shell's leading LNG trading book monetizes spread volatility better than asset-heavy peers.

### The Permian takeaway buildout accelerates toward 2026 in-service

**What's new.** Multiple large-diameter pipelines moving associated Permian gas to the Gulf are targeting 2026 startups, easing the takeaway bottleneck that has periodically pushed Waha basis deeply negative and curtailed production growth.

**Evidence.** Three new Permian lines totaling ~7.3 Bcf/d have been approved: Apex Pipeline (2.0 Bcf/d, Targa-operated, targeting 2026 in-service) and Blackcomb (365 miles, 2.5 Bcf/d, slated for 3Q26) among them [8]. Matterhorn Express flows have risen from ~1.65 Bcf/d to as high as ~1.95 Bcf/d, indicating its ~0.5 Bcf/d compression expansion is operating [8]. The EIA notes most planned 2026–27 U.S. pipeline capacity additions originate in Texas [8].

#### THE TAKE:

Each new takeaway line is a double-edged instrument: it relieves Waha basis (bullish for Permian producer netbacks) while delivering more gas to an already-long Gulf/Henry Hub market (bearish for the national benchmark). The reconciliation is timing — these lines arrive just ahead of the late-2026 LNG export ramp, so the buildout is best read as the plumbing that lets Permian associated gas reach Golden Pass and Corpus Christi rather than as net new oversupply. The Gas Gauge estimate: with ~7.3 Bcf/d of approved egress against incremental Permian gas growth, the basin flips from chronically takeaway-short to roughly balanced by 2027 — which structurally narrows Waha-to-Henry Hub basis and is the cleaner trade than the flat-price call.

**Market read.** WMB (NYSE) — Add · conviction Medium · 12–24 mo — Williams' Permian-to-Gulf assets and the broader buildout; TRGP (NYSE) — Add · conviction Medium · 12–24 mo — Targa's Apex Pipeline and Permian G&P footprint are direct beneficiaries of egress relief.

## A regulatory tailwind: FERC's blanket-certificate overhaul and a suspended methane charge

**What's new.** Two regulatory moves in 2026 cut both the cost of building gas infrastructure and the cost of operating it. FERC proposed its most consequential pipeline-permitting overhaul in two decades, while the IRS/EPA collection of the methane Waste Emissions Charge remains blocked by Congress through 2034.

**Evidence.** On May 21, 2026, FERC unanimously issued an NOPR more than doubling blanket-certificate cost thresholds — raising the automatic-authorization limit from \$14.5M to \$30M and the prior-notice limit from \$41.1M to \$86M, and switching the indexing methodology to the Handy-Whitman Index [9]. Separately, the methane Waste Emissions Charge — set to reach \$1,500/metric ton in 2026 — was disapproved by Congress under the Congressional Review Act in February 2025, and a March 2025 measure prohibits EPA from collecting it until 2034 [10].

### THE TAKE:

The deregulatory direction is genuinely cost-lowering, but the WEC suspension is the more durable signal than the FERC NOPR. A blanket-certificate threshold change speeds small modifications and compressor work; it does nothing for the greenfield interstate lines that still need full Section 7 certificates and remain exposed to litigation. The WEC suspension, by contrast, removes a per-ton operating cost across the entire reporting universe of large facilities through 2034 — a decade of certainty. The second-order effect: cheaper-to-operate gas infrastructure modestly improves the economics of marginal gas-fired generation at exactly the moment data-center load is bidding for it, quietly reinforcing Topic 3. The risk is reversibility — both moves are administrative/legislative and could swing back with a future Congress or commission.

**Market read.** KMI (NYSE) — Add · conviction Low · 12–36 mo — Kinder Morgan's modification-heavy expansion backlog benefits most from streamlined blanket certificates; OKE (NYSE) — Hold · conviction Low · 12–24 mo — ONEOK's large gathering/processing base sees a modest opex benefit from the WEC suspension.

## Market Calls

Company (Ticker)	Call	Conviction	Horizon	Thesis (one line)
EQT (NYSE)	Add	Medium	6–12 mo	Largest U.S. gas pure-play levered to a 4Q26 tightening the strip is discounting.
Expand Energy (EXE, NYSE)	Add	Medium	6–12 mo	Appalachia/Haynesville beta into the late-2026 LNG export ramp.
Cheniere (LNG, NYSE American)	Hold	Medium	12–24 mo	Corpus Christi Stage 3 ramp and destination flexibility largely in the price.
Kinder Morgan (KMI, NYSE)	Add	Medium	12–24 mo	Gulf transport/storage levered to feedgas growth; blanket-cert and WEC tailwinds.
Williams (WMB, NYSE)	Add	Medium	12–36 mo	Transco and Permian-to-Gulf assets serve power-load and export growth.
Energy Transfer (ET, NYSE)	Hold	Low	12–24 mo	Data-center powering pivot real but earlier-stage and contract-dependent.
Shell (SHEL, NYSE)	Add	Low	12–24 mo	Leading LNG trading book monetizes JKM–TTF spread volatility.

Targa Resources (TRGP, NYSE)	Add	Medium	12–24 mo	Apex Pipeline and Permian G&P benefit directly from egress relief.
ONEOK (OKE, NYSE)	Hold	Low	12–24 mo	Large G&P base sees a modest opex benefit from the suspended methane charge.

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