

Q2 2026

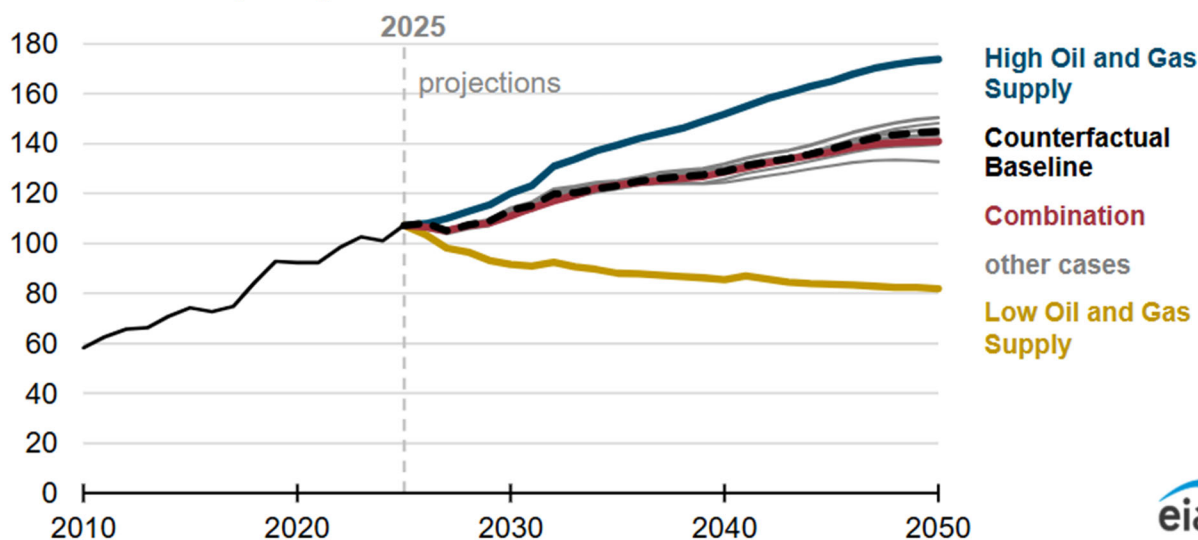
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Domestic and International Demand Drive Natural Gas Production Growth

International – Natural Gas

The U.S. Energy Information Administration (EIA) reported that U.S. dry natural gas production, which accounted for 38 percent of total U.S. energy production in 2025, will increase significantly over the next several decades, meeting growing domestic and international natural gas demand ([Domestic and international demand drive natural gas production growth - U.S. Energy Information Administration \(EIA\)](#)). Most of the growth in production is projected to serve international markets receiving U.S. liquefied natural gas (LNG). U.S. LNG export volumes are forecasted to grow significantly through the 2040s, from 15 billion cubic feet per day (Bcf/d) in 2025 to over 30 Bcf/d by 2050 in most cases.

U.S. dry natural gas production billion cubic feet per day



Natural Gas Permitting Reform

National – Natural Gas

The Federal Energy Regulatory Commission (FERC) is proposing major reforms to its blanket permitting process for natural gas facilities, under which companies may construct certain facilities without case-specific authorization ([FERC Unleashes Natural Gas Permit Reforms, Accelerating Infrastructure Upgrades for Affordable, Reliable Energy Nationwide | Federal Energy Regulatory Commission](#)). The reforms will further streamline the permitting process and speed up construction of infrastructure on which Americans rely for affordable and reliable energy, and these changes should accelerate construction by reducing the



regulatory burden. The Notice of Proposed Rulemaking ([C-1 | RM25-12-001 | Federal Energy Regulatory Commission](#)) proposes a plan to permanently overhaul the FERC's blanket authorization regulations as it significantly broadens the types and sizes of projects that interstate natural gas pipelines can build without case-by-case approval.

Pennsylvania-Jersey-Maryland (PJM) Interconnection Governance

PJM Interconnection – Electric

The PJM Interconnection is the largest regional transmission organization in North America and manages wholesale power markets and electricity delivery for 13 states and the District of Columbia. Federal Energy Regulatory Commission (FERC) Chairman Laura Swett urged PJM Interconnection leaders to take action to add generation to the power grid and address a serious crisis that has eroded confidence in PJM markets. The FERC will hold a technical conference on July 23, 2026 ([FERC Issues Notice on Commission-Led Technical Conference on PJM Governance and Stakeholder Reforms | Federal Energy Regulatory Commission](#)) for the purpose of identifying and evaluating concrete, actionable reforms to improve PJM Interconnection's ability to address operational and market needs in a timely and efficient manner. In addition, the conference will also explore potential reforms to PJM Interconnection's governance structure and stakeholder processes.

2019 Climate Leadership and Community Protection Act

New York – Electric & Natural Gas

New York has scaled back several provisions of the 2019 Climate Leadership and Community Protection Act (CLCPA), including delaying the timeline for the Department of Environmental Conservation to issue regulations. This shifts moves toward a 100-year time frame for counting greenhouse gas emissions and introducing a new 2040 emissions reduction goal. The rollback of the CLCPA is likely to delay the state's transition away from natural gas as reliability concerns arise due to retiring natural gas-fired electric generation.

Natural Gas Impact Fees for Communities

Pennsylvania – Natural Gas

The Pennsylvania Public Utility Commission announced the distribution of \$243.8 million in natural gas impact fees collected from producers for the 2025 reporting year ([PUC Announces \\$243.8 Million in Natural Gas Impact Fees for Pennsylvania Communities | PA PUC](#)). The funding benefits counties, municipalities, and state programs. The cumulative total of impact fees collected and distributed since 2012 is over \$3 billion. ***"Pennsylvania's natural gas industry continues to play an important role in supporting our economy, strengthening our energy future, and providing tangible benefits to communities across the Commonwealth,"*** said Commission Chairman Steve DeFrank. ***"The impact fee ensures that local governments and statewide programs share directly in those benefits, delivering funding for infrastructure, environmental improvements, public safety, and other priorities that improve quality of life for Pennsylvanians."***



Natural Gas Line Extension Policies

Various state jurisdictions are reviewing natural gas line extension policies. Historically, connection to a utility natural gas delivery system has been subsidized, at least in part, by other customers through utility rates providing for line extension installation at no direct (or reduced) cost to the utility customer.

Illinois – Natural Gas

At the directive of the Illinois Commerce Commission, Commission Staff submitted a report that includes Staff's review of the Commission's line extension policies ([Illinois Gas Utilities Line Extension Policies Review](#)). The review includes a detailed consultant report evaluating all the local distribution company policies. The report concludes that Illinois does not operate under a single uniform gas line extension framework, natural gas utilities use materially different approaches, and line extension costs are often funded primarily by existing ratepayers rather than the connecting customer. This awaits further Commission action.

Maryland – Natural Gas

The Maryland Public Service Commission returned proposed regulations ending line extension allowances to Commission Staff for additional analysis, delaying implementation indefinitely. The decision came under the newly appointed Chair. Line extension allowances require all ratepayers to subsidize the cost of extending natural gas distribution pipes to new buildings, rather than the building developers. The Commission's delay marks a retreat from Order 91683, issued in June 2025 under the prior Chair, in which the Commission stated it was, ***"persuaded that new natural gas customers should pay the full cost of extending service to them, thus minimizing any future potential for stranded costs with respect to new extensions, and reducing any subsidization of gas extensions."***

Minnesota – Natural Gas

The Minnesota Public Utilities Commission voted to retain gas line extension allowances ([Minnesota PUC Tightens Natural Gas Extension Rules, Pushes Efficiency Standards](#)). The Commission stated that it had to balance the goal of driving down emissions from natural gas systems with the cost for new and existing customers. Retaining the allowances, within limits, would balance those concerns while ensuring residents have reliable heating during cold weather. The Commission established distances of 75 feet for service lines and 80 feet for mains as the maximum size for connecting infrastructure that will not be charged to new customers, until the Commission approves an alternative maximum distance in a utility's general rate case.

Time-Varying Rates (TVR) for Default Service

Massachusetts – Electric

The Massachusetts Department of Public Utilities opened an investigation ([Docket No.26-62 – Mass DPU Fileroom](#)) into the design and implementation of time-varying rates (TVR) for electric default service. The Department has directed the electric distribution companies (EDCs) to report on numerous technical aspects of TVR. The Department invited stakeholder comment on consumer protections and the other



issues as follows: (a) identify and describe any consumer protections necessary for a successful design and implementation of TVR in the Commonwealth; (b) describe implementable strategies for guiding customer behavior to avoid creating a new system (or grid pocket) peak immediately following the end of a peak rate period; (c) identify any additional changes required by the EDCs to enable TVR supply rates for non-demand customers who receive supply from competitive suppliers or municipal aggregation providers; and (d) identify and describe key elements for inclusion in the EDCs' implementation and marketing and outreach plans. After receiving EDC and stakeholder input regarding TVR implementation and rate design considerations, the Department will determine the next procedural steps of the TVR investigation.

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