



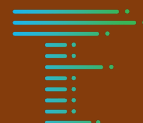
Is it Time for a Longer-Term Energy Contract?

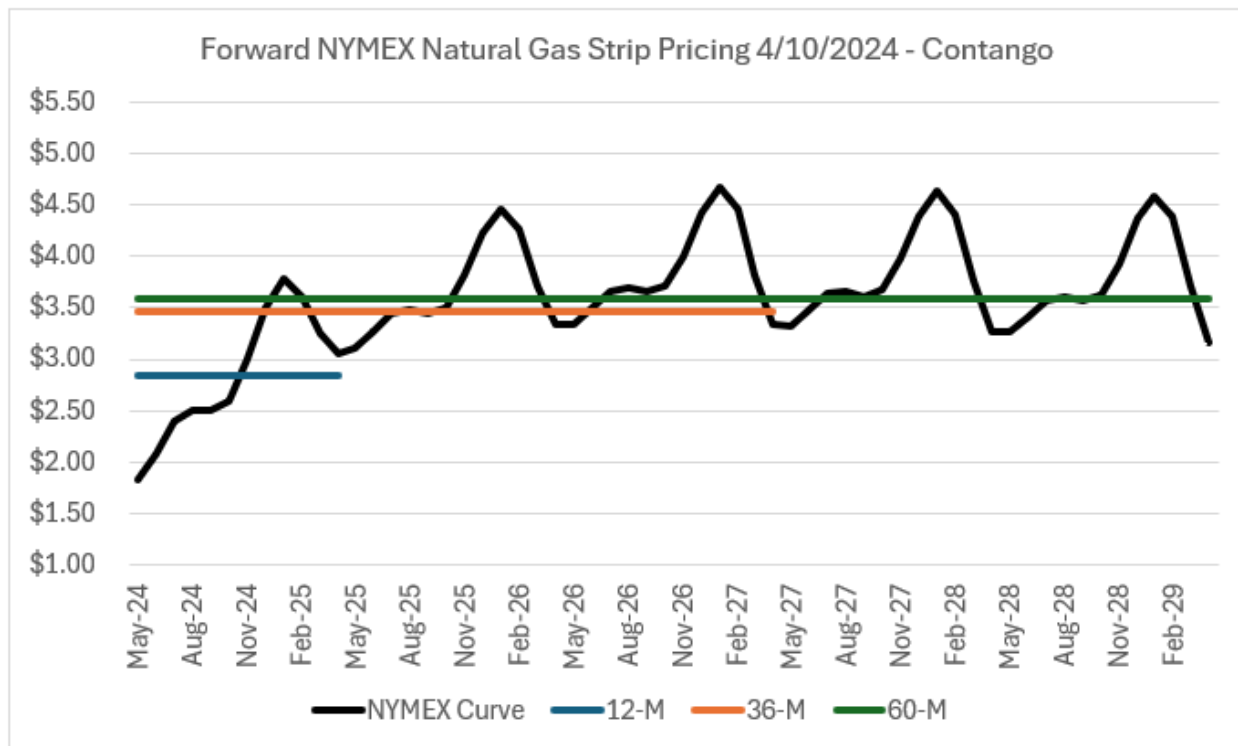
**By Brendan Boyle, Director of Market Intelligence, Transparent Energy,
April 2026**

With energy markets in a constant state of flux, there has been a notable shift in recent purchasing decisions: many industrial, commercial, and public sector buyers are opting for longer contract terms. Historically, and across business sectors, the median electricity or natural gas contract term has been 26 months. So far this year, our client base has been opting for longer terms – an average of 33 months. This includes businesses that are already under contract into late 2026 or 2027 – they are seeing more value in extending contract terms well into the 2030s.

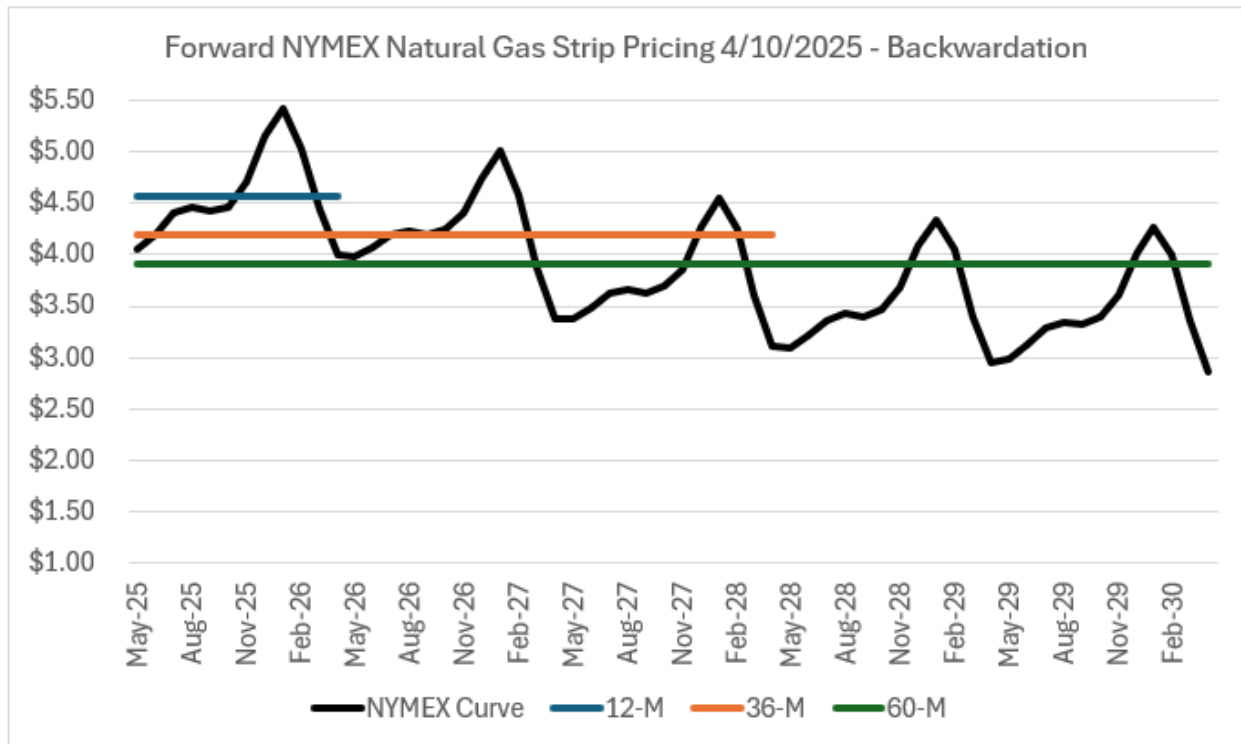
Why Is this Happening?

In 2024, the natural gas market was in a state of contango for most of the year, as near-term prices traded at a discount to longer terms:

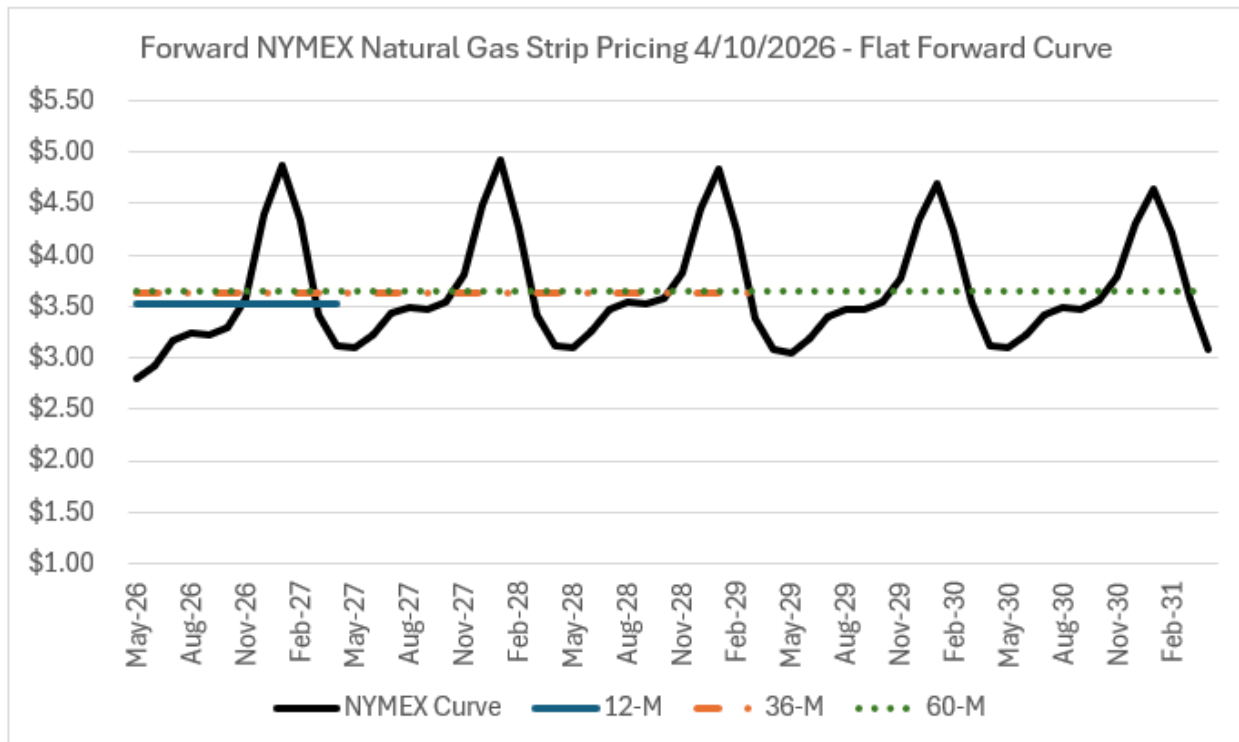




That dynamic flipped in 2025 when prices slipped into backwardation. Prompt month terms were elevated compared to future prices:



Fast forward to today, and there is virtually no difference between short-term and long-term pricing:



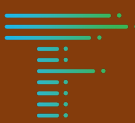
The orange line for 36-months and the green line for 60-months are on top of each other – there is virtually no difference. Here is a look at the forward NYMEX natural gas strips on April 10th, 2026:

Calendar Year	Price per MMBtu	YOY Change
Calendar Year 2027	\$3.591 per MMBtu	
Calendar Year 2028	\$3.697	+3%
Calendar Year 2029	\$3.624	-2%
Calendar Year 2030	\$3.610	-<1%
Calendar Year 2031	\$3.600	-<1%
Calendar Year 2032	\$3.557	-1%

A common question from energy buyers is “if the forward curve is flat (and below \$3.70 per MMBtu), why should we expect prices to rise in the future?”

The answer is simple: “You shouldn’t, but that flat forward curve does present a great buying opportunity.”

As an energy advisor, Transparent Energy is structure- and term-agnostic — our role is to present the full range of options with supporting market data so you can make an informed, confident decision. Every transaction is one part of a long-term advisory relationship focused on managing your total energy cost and risk.



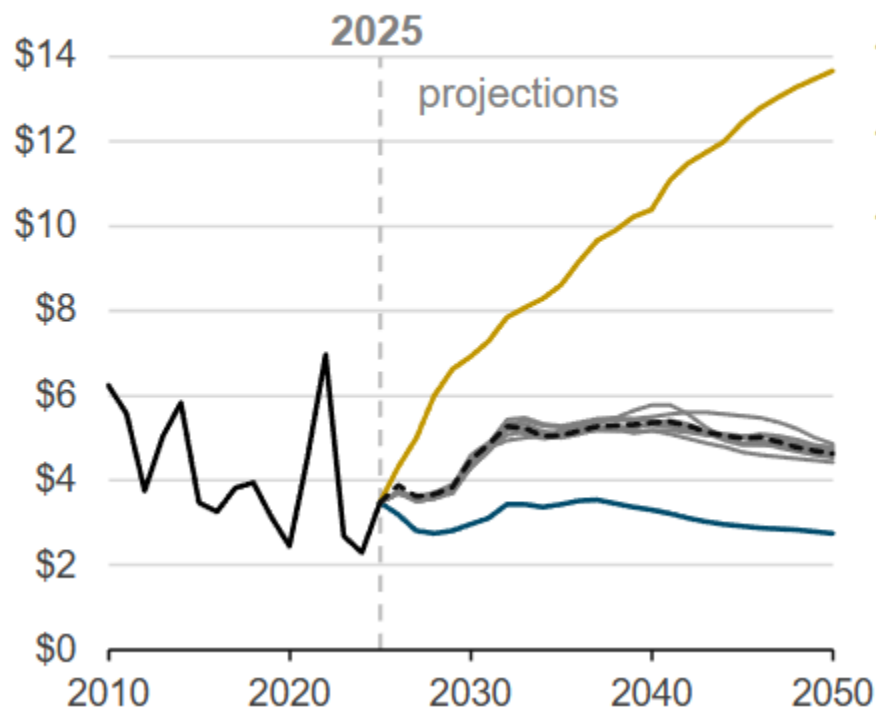
What Signals Are the Energy Markets Sending?

Generally, conditions for energy prices in the U.S. remain favorable. So far, we've remained largely insulated from rising global energy prices associated with the ongoing [conflict in Iran](#). Domestic natural gas production continues to push output higher. The EIA forecasts gas production to increase from 107 Bcf per day in 2025 to between 133 Bcf/d to 151 Bcf/d by 2050.

The 18 Bcf per day gap in forecast outcomes leaves a lot of uncertainty around whether supply will be able to keep pace with demand, especially considering midstream supply constraints and the bullish expectations for LNG export growth.

In its [2026 Annual Energy Outlook](#) the EIA puts future Henry Hub prices somewhere between \$2.50 and \$13.90 per MMBtu:

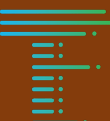
Henry Hub natural gas spot price U.S. dollars per million British thermal units



Source: U.S. Energy Information Administration, Annual Energy Outlook, April 2026.

While the long-term price downside (blue line) is limited to ~\$1.00 per MMBtu, the potential upside (gold line) is more than \$10 per MMBtu. **This asymmetric risk profile is a primary driver behind the growing preference among experienced energy buyers for longer-term fixed contracts.**

As we witnessed this past winter, a brief shot of extremely cold temperatures led to a [doubling of gas prices](#) in just two weeks. Weather is just one of many moving pieces in the total energy cost



equation. Other factors (geopolitical, regulatory, data centers, environmental, etc.) are constantly appearing to further drive price volatility.

Partial Hedges Allow for Blended Rates

The biggest risk with a fixed-price energy contract is the opportunity cost. The only thing worse than a missed buying opportunity is locking in right before the market crashes. So why not mitigate that risk? The choice exists to fix a percentage of future exposure for a medium-to-long term. If prices move lower, then another buying opportunity arises – lock in another percentage. If prices move higher, the partial protection will have helped reduce the impact, and your business will be well positioned to move quickly with a vetted supplier.

Under current market conditions, the opportunity to secure long-term budget stability is as favorable as it has been in years. Market conditions shift quickly — this window will not remain open.

If you are interested in capitalizing on this time-sensitive buying opportunity — or if you want help understanding the markets and building a procurement strategy that controls cost and reduces risk — contact Transparent Energy at LetsTalk@transparentedge.com.

