Sequent Energy Management
A WILLIAMS COMPANY

2025 RBAC User Conference

Using GPCM for Sequent

November 19, 2025

Williams | Sequent Energy Management

A WILLIAMS COMPANY

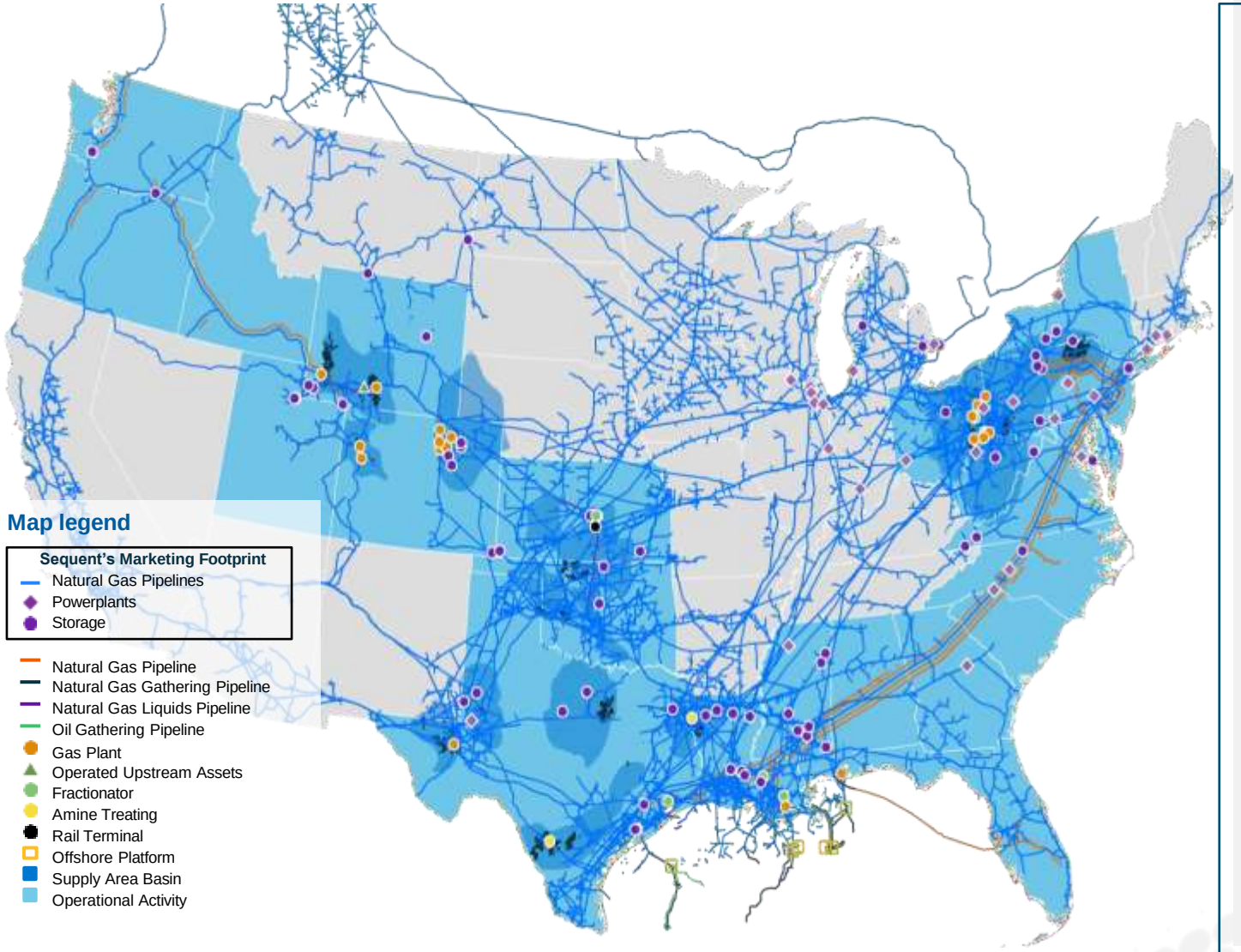
OUR HISTORY
Founded in 1908 as a construction company

PRESENT
Premier natural gas pipeline company

OUR FUTURE
Reliably deliver clean energy

Williams has been powering America with clean natural gas for more than a century, so we know what it takes to fuel progress. We can move toward a clean energy future while meeting rising energy demands—which is why we continue to invest in emissions-reducing innovations. The path to sustainability will be powered by experience—**and experience powers us.**

Introduction to Sequent Energy Management



Generating significant earnings since acquisition by Williams in 2021

Driving value to business by **increasing utilization** of assets

Managing downside risk and acting as natural hedge for G&P price exposure

Providing extensive **market intelligence**, prompting accretive M&A

Expanding into new markets with NextGen Gas deliveries

- As of October 2025

Enhancing Power Market Intelligence through Cogentrix Investment

*Low risk investment enhances power market intelligence and provides access to **various growth opportunities***

ENHANCED MARKET INTELLIGENCE

- Expanding insights into developing trends in the power market, a key area of future natural gas demand growth
- Creates collaboration opportunities for gas supply, pipeline expansion, and data center projects

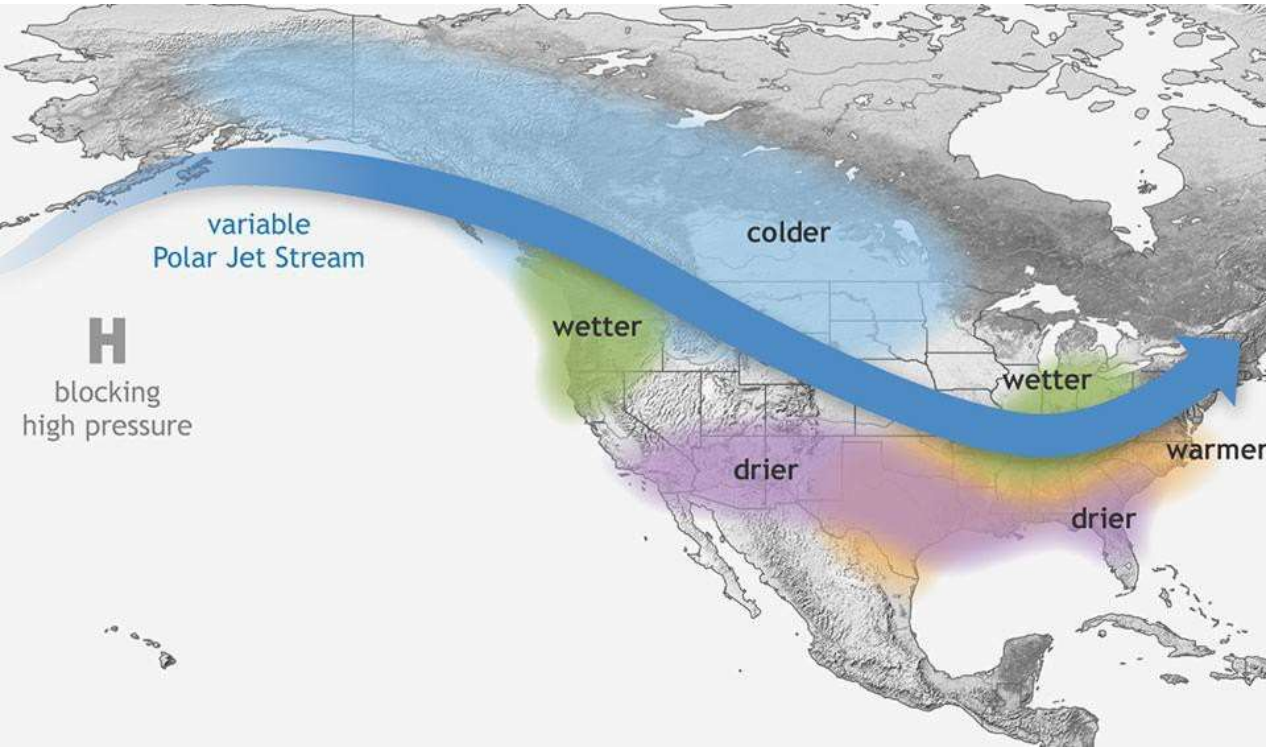
ATTRACTIVE INVESTMENT OPPORTUNITY

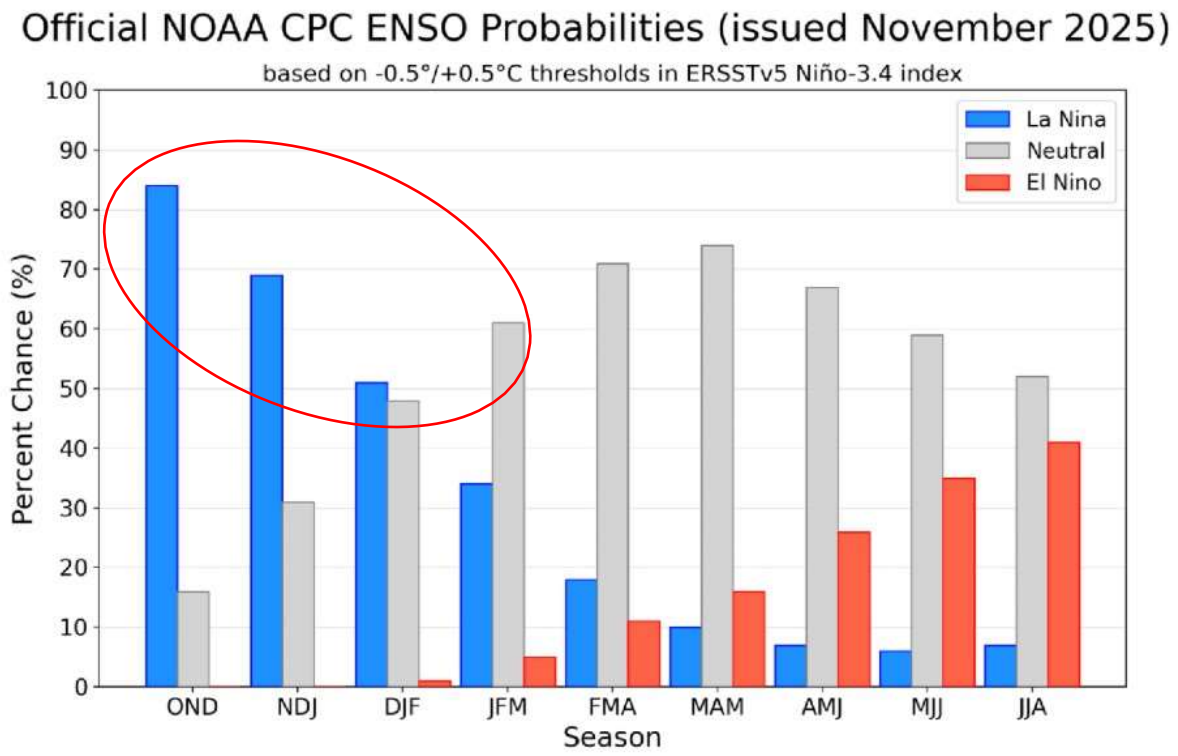
- Acquired ~10% interest in Cogentrix; Investment closed March 3, 2025
- Enhanced exposure to 5+ net GW of operating CCGT and CT capacity across PJM, ISO-NE, and ERCOT

Current Use Cases for Williams/Sequent

1. Long-term Market Fundamentals Forecast
2. Corporate Strategy/Scenario Analysis
3. Short-term/Near-Term Market Analytics

Last Year La Niña favored to emerge in Nov-Jan (70%) and persist through Winter 2024-2025

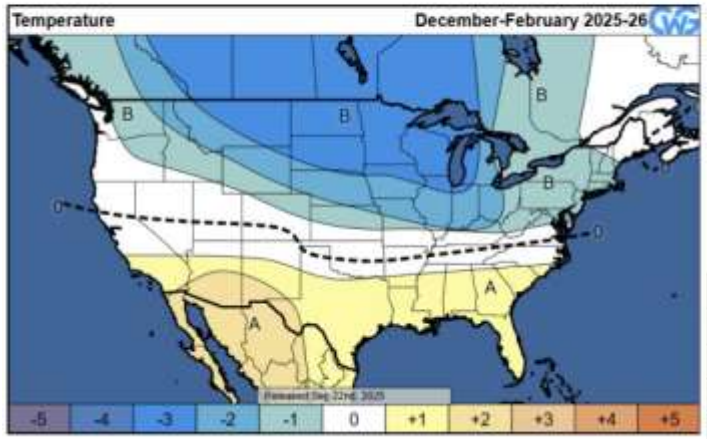




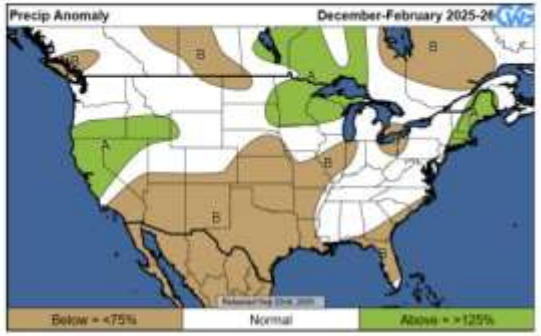
Source: NOAA

Weather Outlook – Winter 2025-2026

CWG Official Outlook (50%)



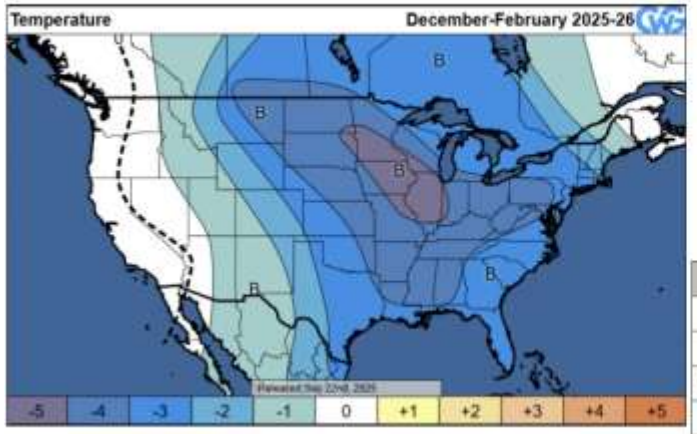
Precipitation



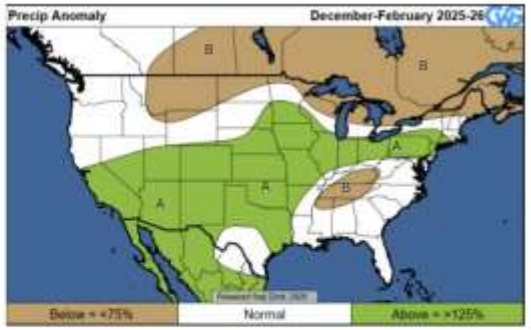
National Natural Gas-Weighted Heating Degree Days					
50%	2025-26	Change	Last Year	10-Year	30-Year
Dec-Feb	2586	0	2556	2402	2541
December	870	0	771	778	837
January	925	0	1010	887	933
February	791	0	775	737	771

- Expectation is for a cold-leaning winter which is unchanged from last month's CWG seasonal outlook
- Coldest Winter since 2014-2015
- 2586 HDDs is 30 HDDs colder than last year
- December remains the coldest month relative to normal; February leans colder than the 30-year normal as well

Coldest Winters (15%)

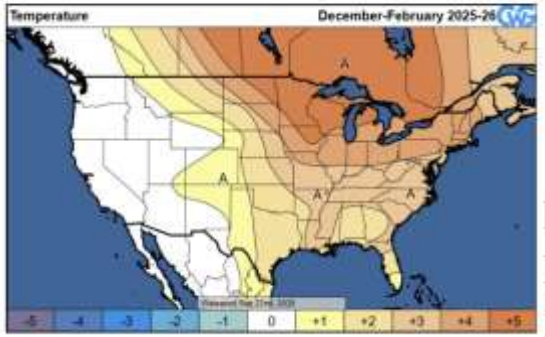


Wettest Cases



National Natural Gas-Weighted Heating Degree Days					
15%	2025-26	Change	Last Year	10-Year	30-Year
Dec-Feb	2796	0	2556	2402	2541
December	945	0	771	778	837
January	1010	0	1010	887	933
February	841	0	775	737	771

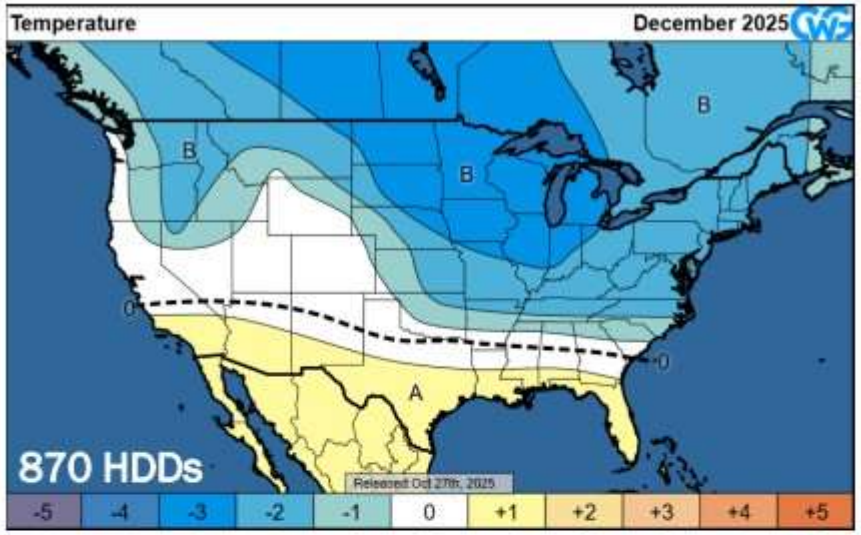
Warmest Winters (35%)

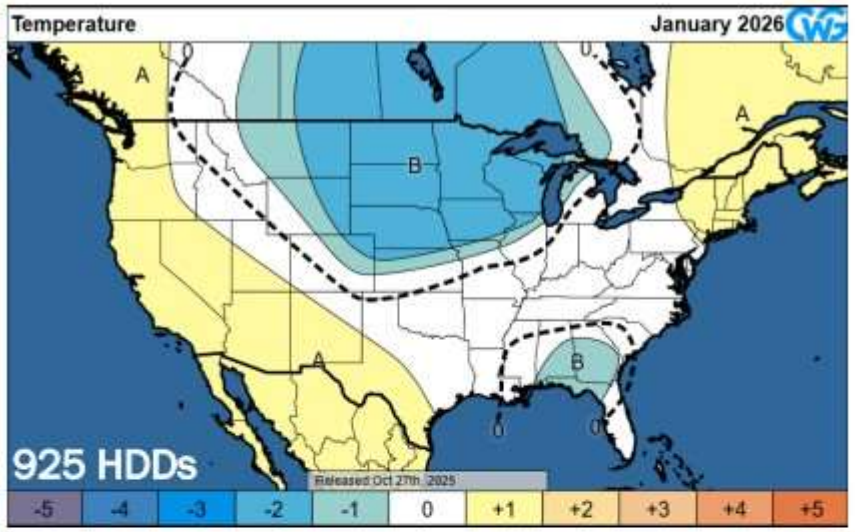


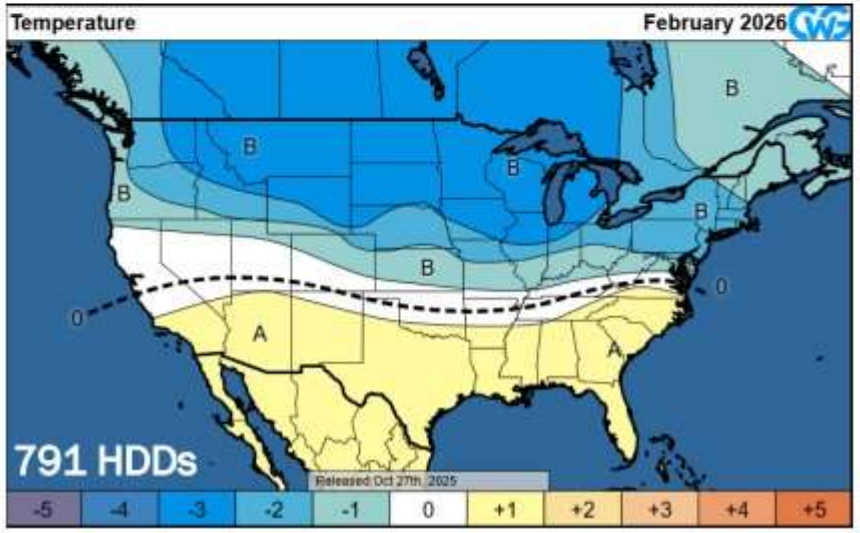
Driest Cases

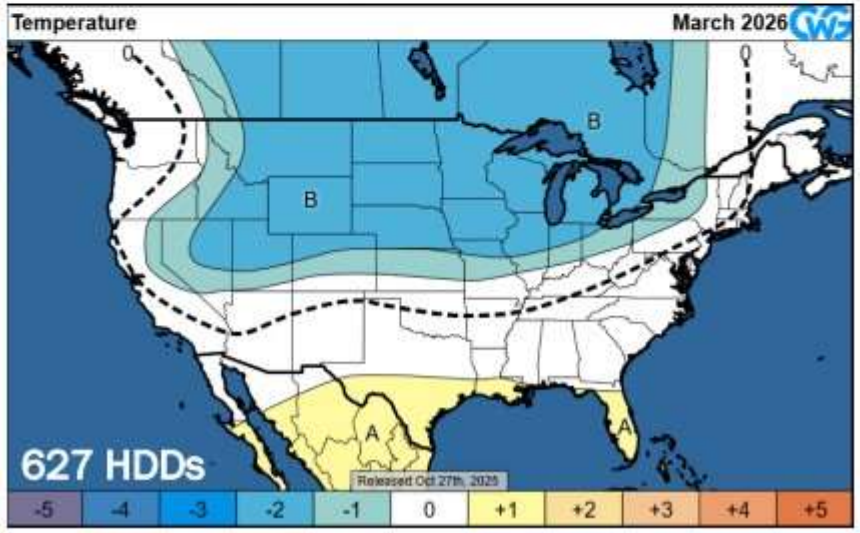
National Natural Gas-Weighted Heating Degree Days					
35%	2025-26	Change	Last Year	10-Year	30-Year
Dec-Feb	2273	0	2556	2402	2541
December	742	0	771	778	837
January	853	0	1010	887	933
February	678	0	775	737	771

Weather Outlook – Winter 2025-2026

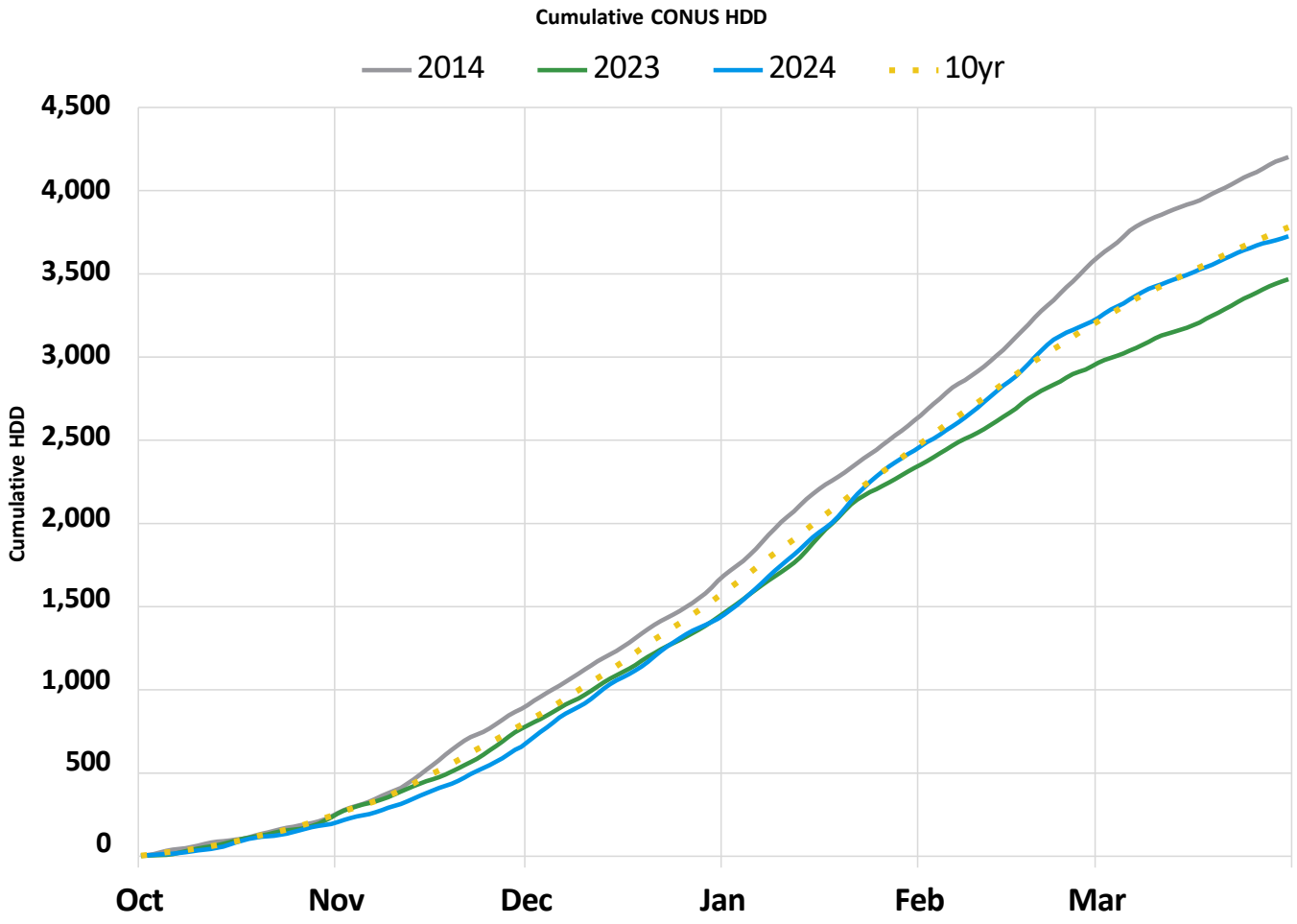








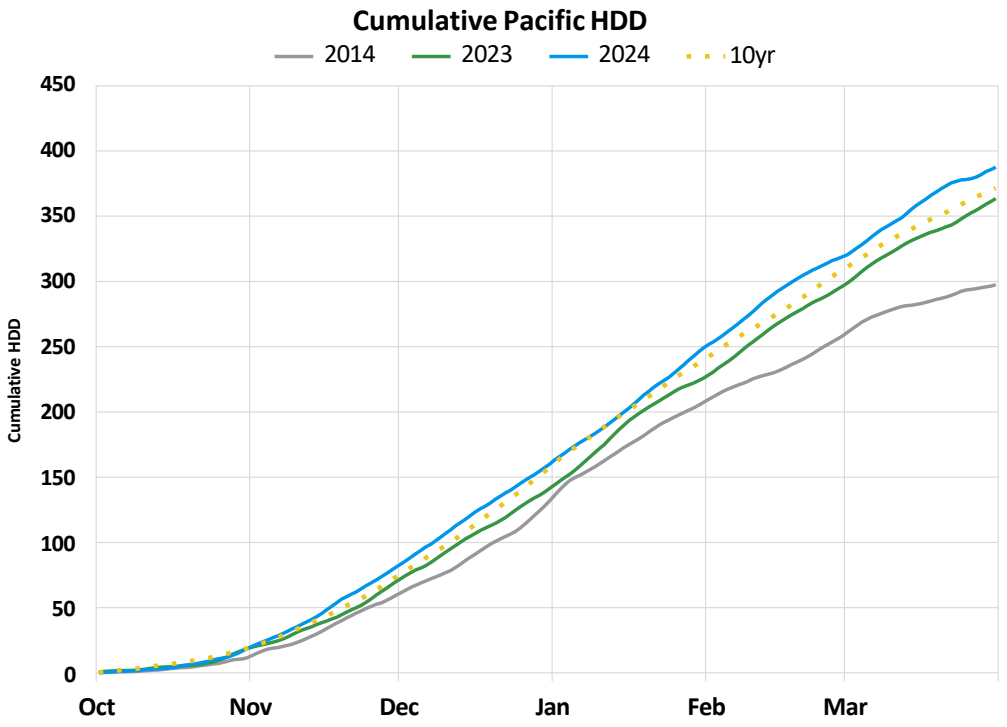
CWG is projecting the coldest Dec-Feb Since 2014-2015



CONUS				9/23/2025 printed					
HDD	Jan	Feb	Mar	Apr	May	Oct	Nov	Dec	Dec-Feb
2000	942	704	544	376	134	268	666	1066	2829
2001	972	791	709	341	127	284	437	765	2316
2002	830	721	684	345	214	357	605	862	2746
2003	1010	874	633	388	184	281	536	834	2718
2004	1045	840	541	334	126	276	540	856	2518
2011	1024	803	640	349	174	269	508	779	2306
2012	820	707	403	320	94	284	568	755	2457
2013	903	800	707	378	144	278	608	912	2841
2014	1047	883	723	351	134	238	647	768	2684
2015	965	951	633	320	119	234	477	636	2273
2016	926	711	487	338	158	203	444	858	2274
2017	828	588	594	267	160	214	529	889	2535
2018	951	696	660	448	74	286	644	785	2524
2019	947	792	686	307	161	285	634	771	2311
2020	796	745	522	385	167	287	462	806	2548
2021	867	875	544	331	163	187	544	680	2459
2022	998	781	571	376	128	265	554	847	2308
2023	778	683	642	327	130	232	533	669	2205
2024	900	637	523	305	96	194	475	772	2559
2025	1012	775	513	314	138	#N/A	#N/A	#N/A	
30yr	924	771	616	354	150	269	552	828	2733
10yr	896	746	586	340	135	239	530	771	2400

Source: WSI

Pacific HDDs (West Regional Markets)



Source: WSI

Portland, OR

HDD	Jan	Feb	Mar	Nov	Dec	DEC-FEB
2012	750	627	619	490	691	2110
2013	843	577	507	580	888	2309
2014	730	691	490	560	646	1757
2015	668	444	391	593	669	1818
2016	695	455	456	382	845	2501
2017	977	679	538	530	780	2012
2018	602	631	553	507	653	2096
2019	677	766	569	546	681	1887
2020	596	611	577	558	656	1928
2021	626	647	553	439	740	2058
2022	719	600	468	640	807	2147
2023	674	666	612	518	585	1897
2024	767	546	467	497	624	1977
2025	734	620	443	0	0	
30yr	722	605	534	535	731	2273
10yr	706	622	523	461	637	2032

Denver, CO

HDD	Jan	Feb	Mar	Nov	Dec	DEC-FEB
2012	899	1060	495	645	1047	3098
2013	1075	977	847	716	1132	3214
2014	1052	1030	748	864	1044	2880
2015	963	874	618	797	1104	2921
2016	1030	788	726	593	1157	2957
2017	1107	693	529	592	987	2911
2018	941	983	692	816	1009	3067
2019	1023	1036	927	865	971	2984
2020	944	1070	698	640	990	3070
2021	970	1110	794	561	825	2889
2022	1058	1007	793	881	1107	3295
2023	1239	949	902	653	856	2792
2024	1142	794	731	805	793	2954
2025	1215	946	596	0	0	
30yr	1043	927	748	747	1040	3319
10yr	1067	937	739	640	869	2984

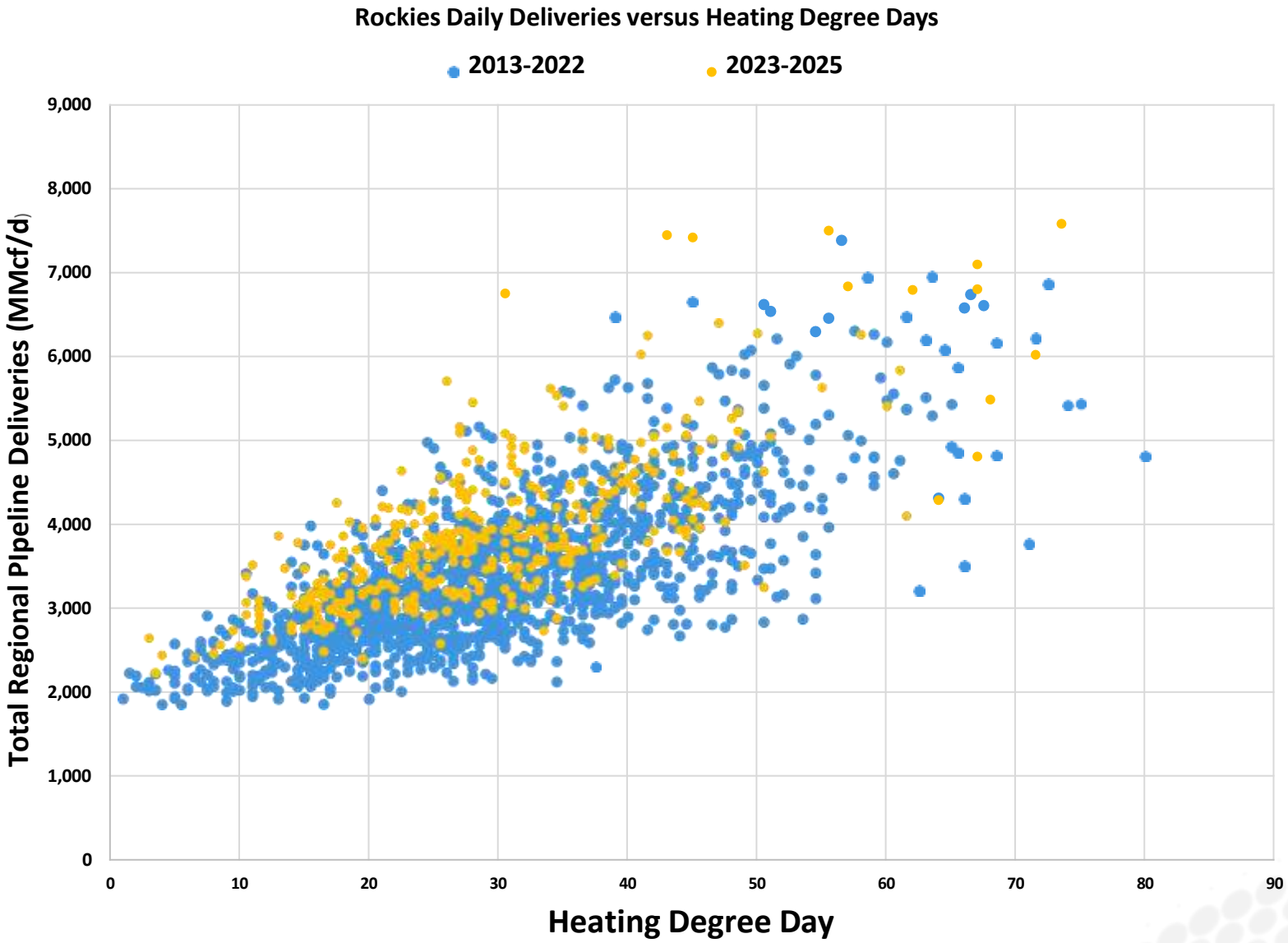
San Francisco, CA

HDD	Jan	Feb	Mar	Nov	Dec	DEC-FEB
2012	449	370	365	212	408	1311
2013	507	396	322	233	473	1063
2014	307	283	187	161	254	775
2015	343	179	151	321	450	1065
2016	382	234	226	203	483	1240
2017	463	295	250	209	407	1048
2018	358	284	307	250	388	1121
2019	313	421	324	259	358	1036
2020	399	280	314	286	364	1001
2021	364	273	315	194	437	1129
2022	395	297	293	333	453	1205
2023	346	406	398	146	279	940
2024	338	324	288	258	322	1020
2025	387	311	324	0	0	
30yr	415	332	305	256	413	1289
10yr	374	312	304	214	349	1080

Los Angeles, CA

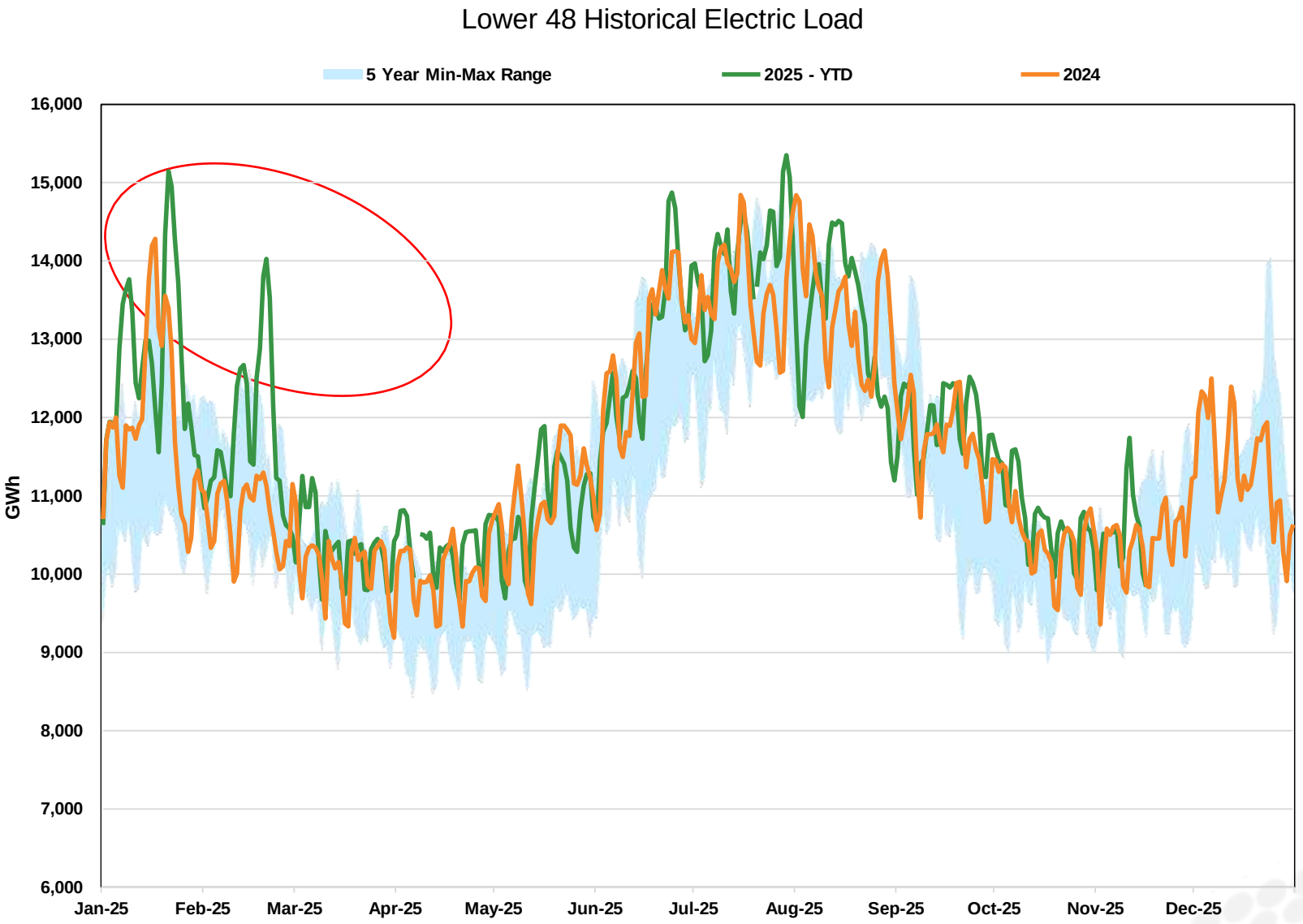
HDD	Jan	Feb	Mar	Nov	Dec	DEC-FEB
2012	184	230	251	96	263	785
2013	272	251	188	65	200	477
2014	129	148	103	45	213	510
2015	167	131	82	115	243	604
2016	249	112	141	81	214	719
2017	287	219	124	32	126	435
2018	123	187	197	38	196	749
2019	233	320	178	87	192	512
2020	180	141	163	161	203	645
2021	242	201	266	88	301	650
2022	182	167	137	148	260	853
2023	311	283	296	56	137	640
2024	251	252	237	129	231	695
2025	260	204	249	0	0	
30yr	230	214	195	112	233	744
10yr	232	208	199	82	186	650

Seasonal Demand Impact - Rockies



- Larger gains in 30+ HDD weather
- Continued need for storage deliverability

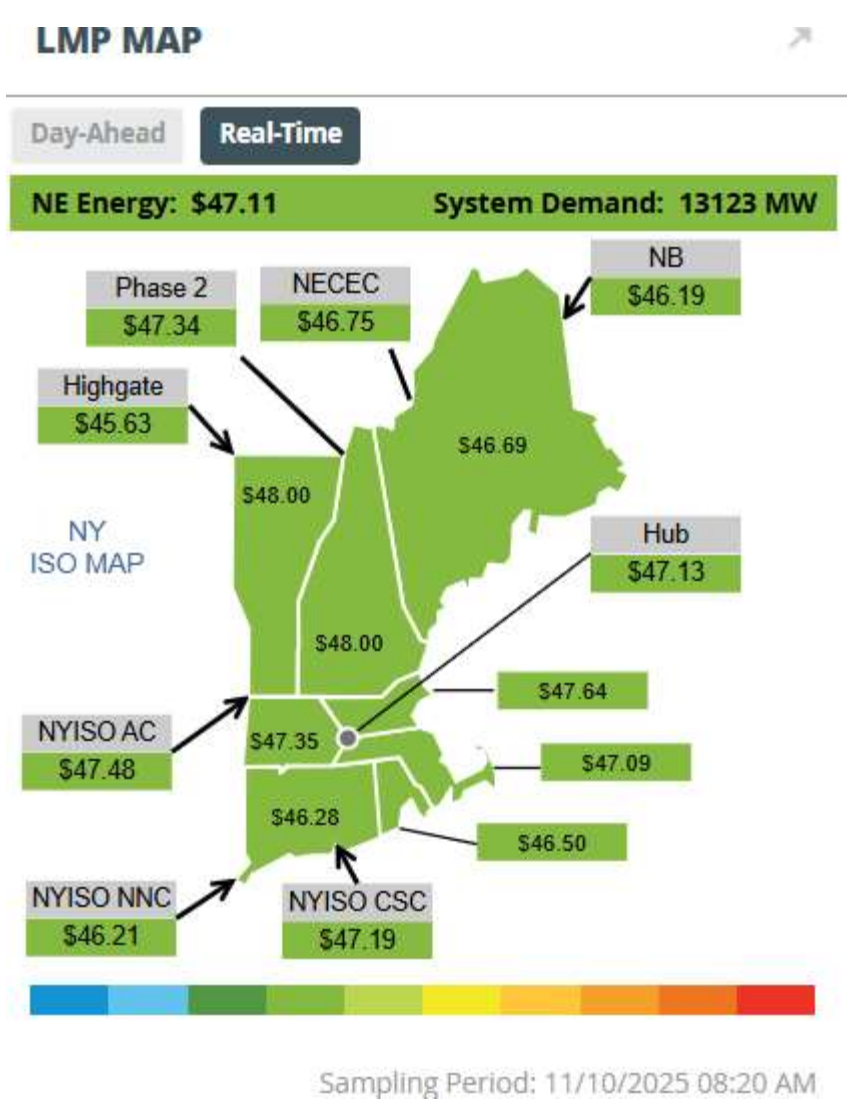
Lower 48 electric load continues to grow at record pace

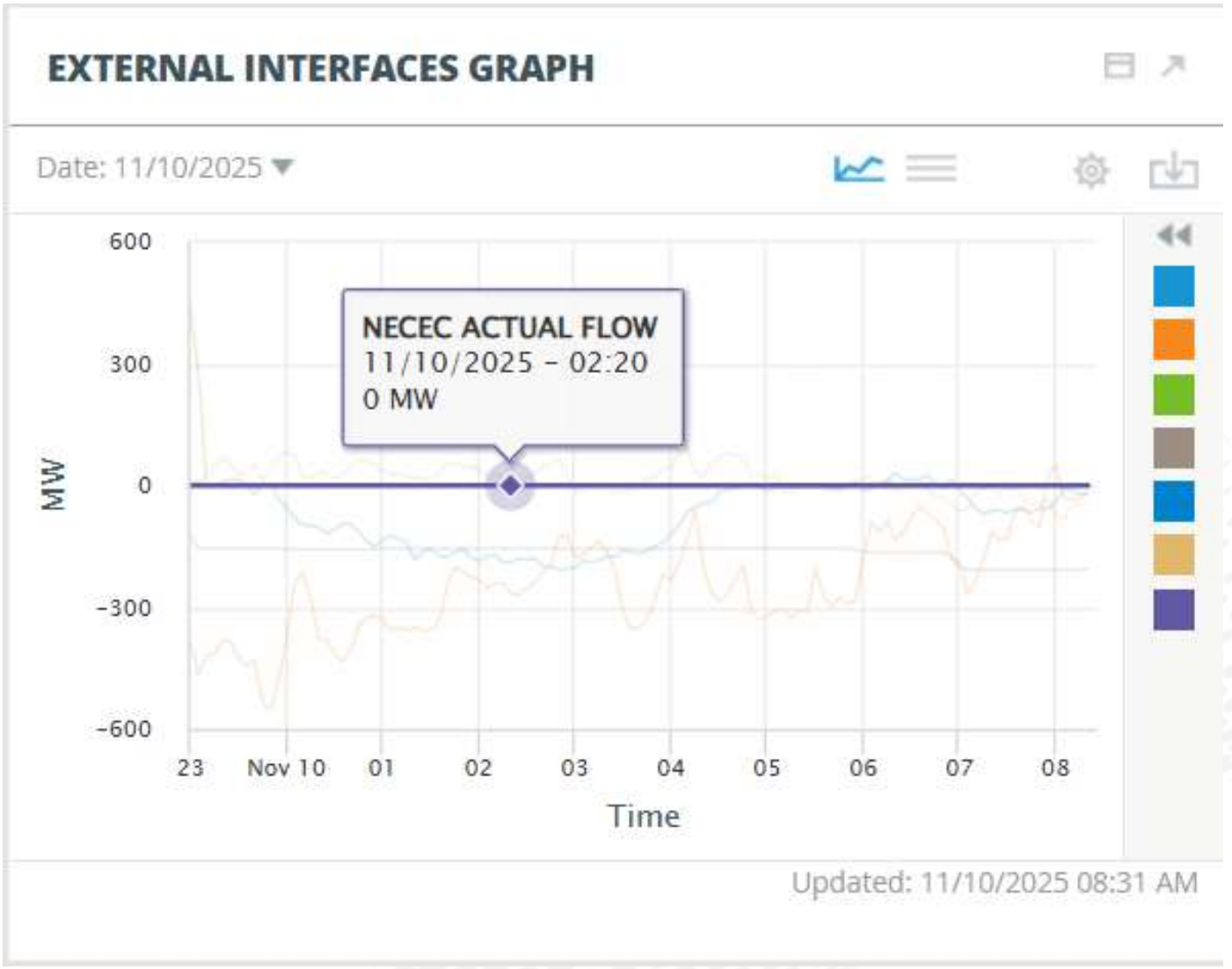


- Total electric load in 2024 grew 2.63% over 2023
  - Last 5 years: 1.4% CAGR
- 2025 YTD
  - 2.3% Higher YoY
    - ~12% higher HDDs (Jan-Apr)
- Winter 2025 peek exceeded 2024 summer peak by 2%

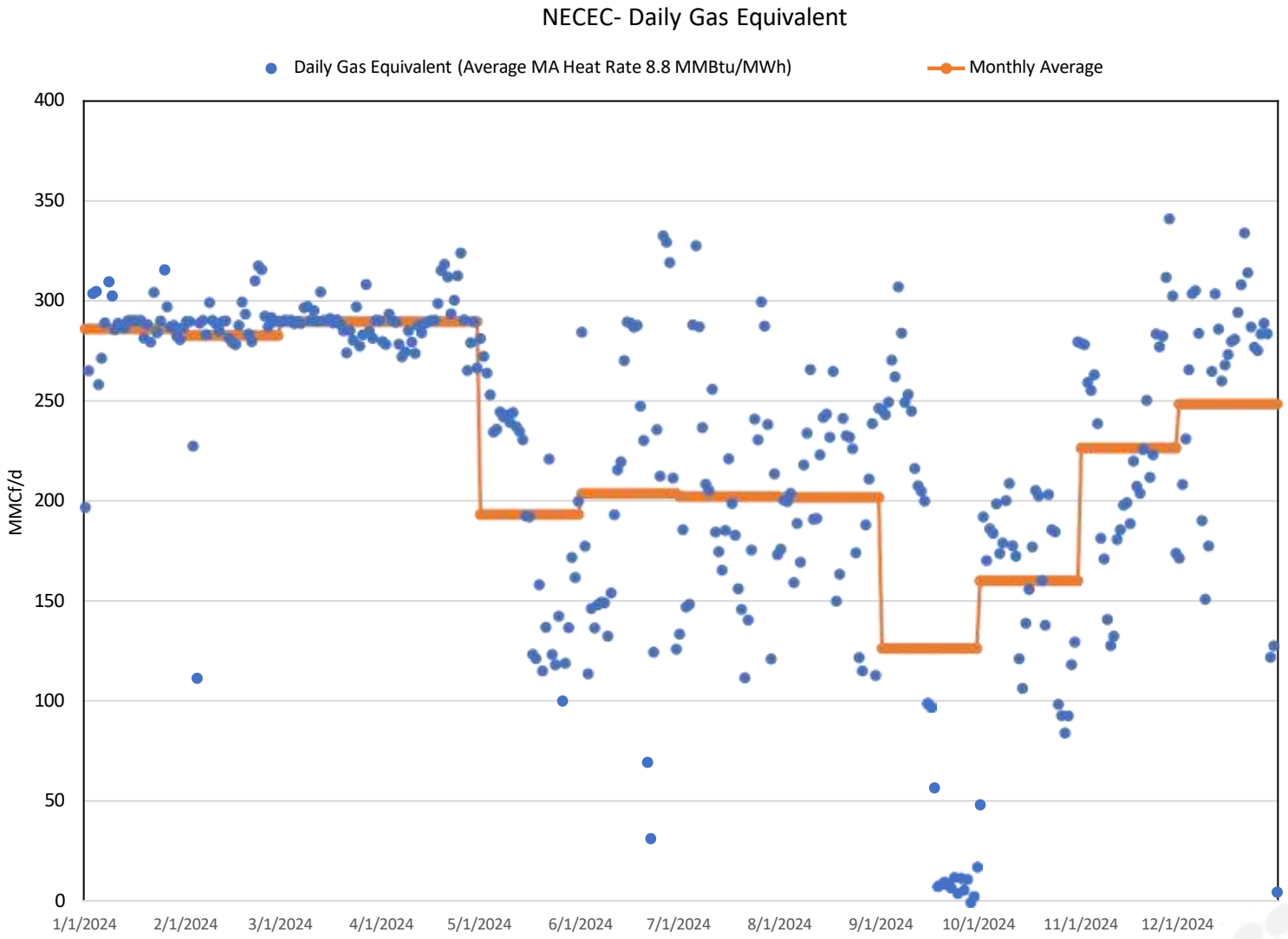
Source: EIA Real-Time Reporting

NECEC is ready and should see imports in Nov/Dec before Jan In-Service Date



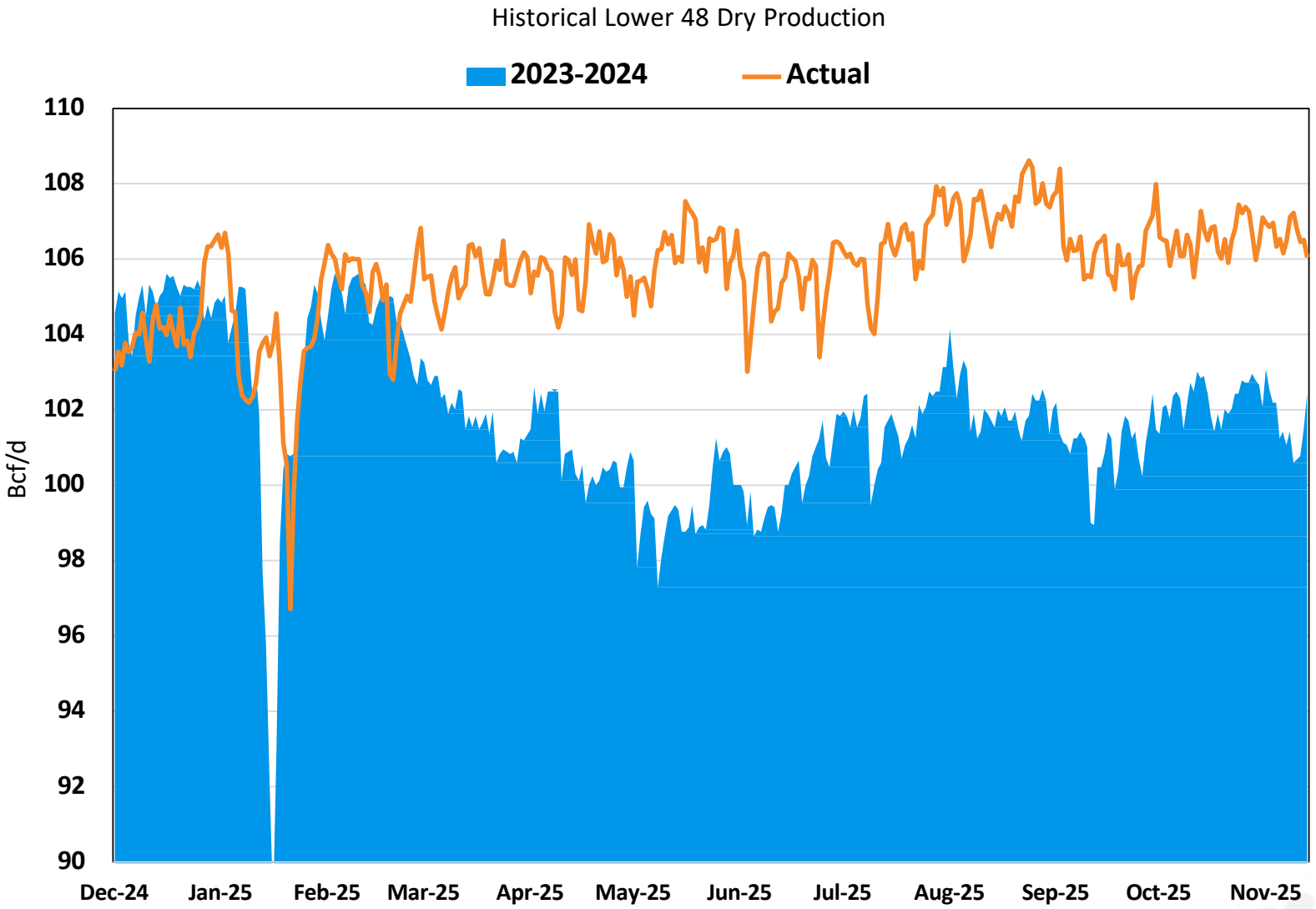


NECEC (Daily & Monthly Average Gas Profile)



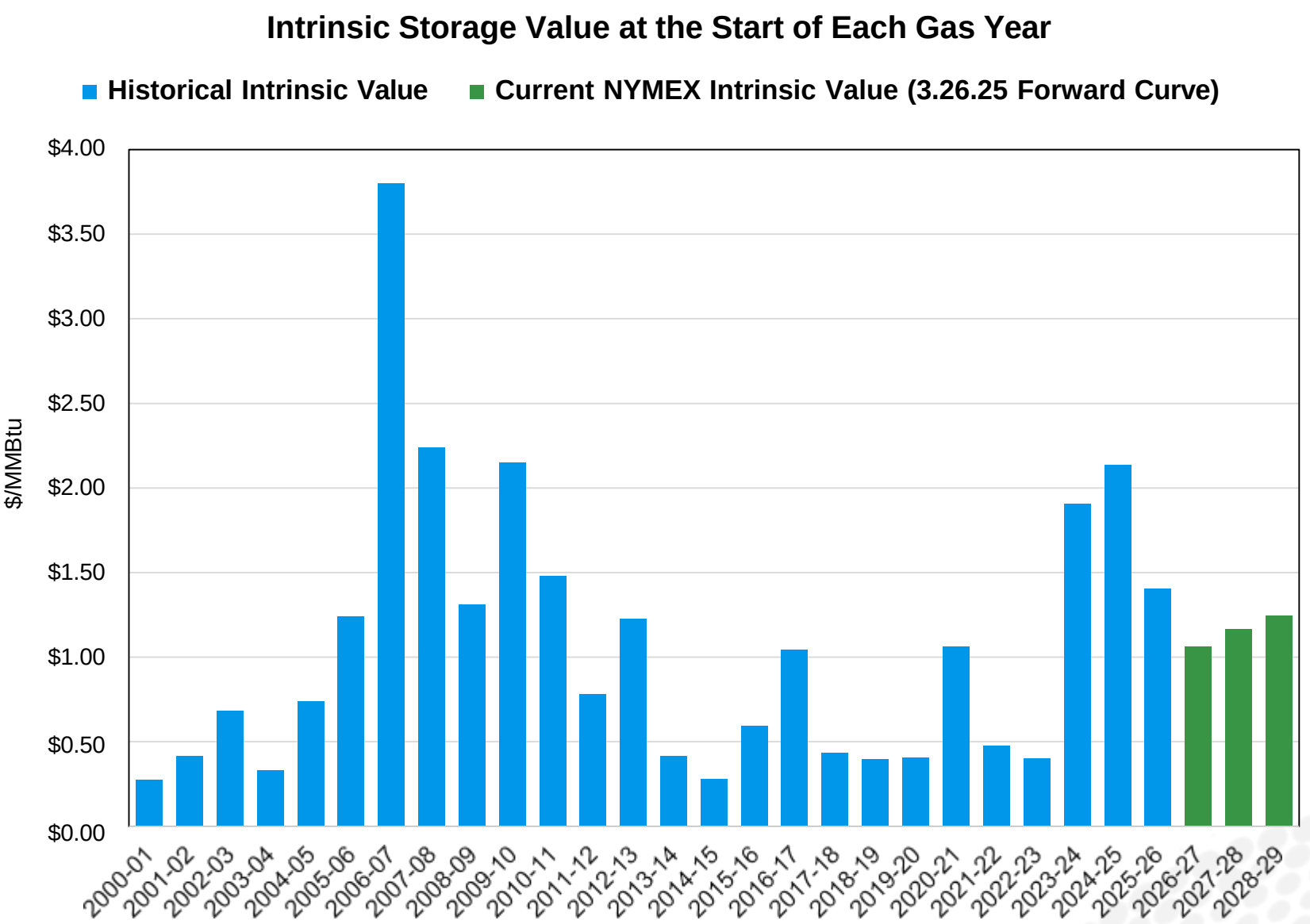
- Based on historical 2023 Hydro Imports profile from Quebec
- Matches the NECEC 9.4 TWh firm total
- Total capacity is 1,200 MW, but NECEC contract is lower.
- Some merchant capacity is available on the transmission line
- 286 MMcf/d represents 17.7% of average winter gas-fired generation

Lower 48 production continues to rise above 2024 levels



- Current dry production stands 106.0 Bcf/d, which is 3.6 Bcf/d higher than 2024
- Lower 48 production gains mostly in the Northeast, Southeast and Gulf Coast
- Anticipated demand growth has spurred increase drilling activity

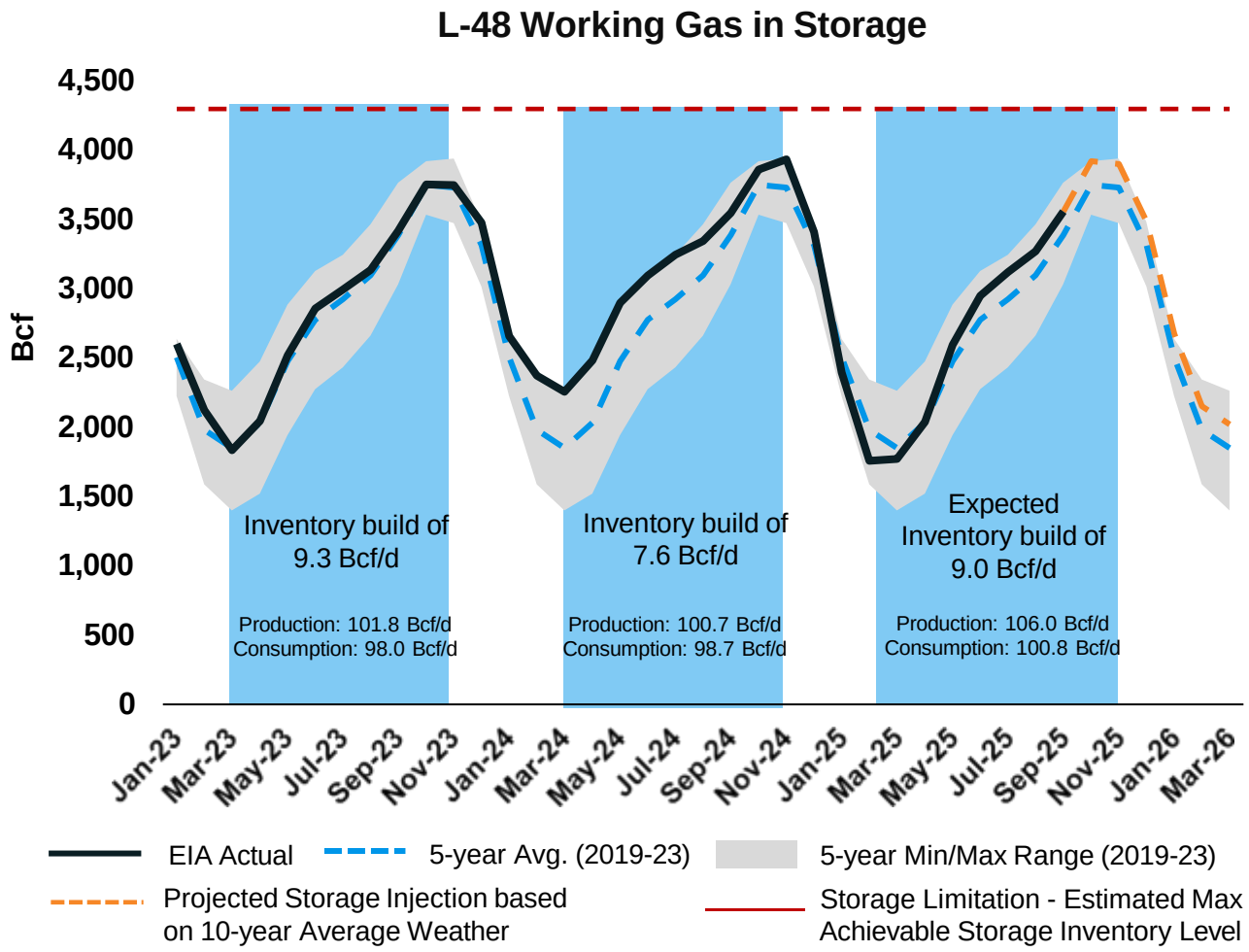
NYMEX intrinsic spreads have declined from recent highs



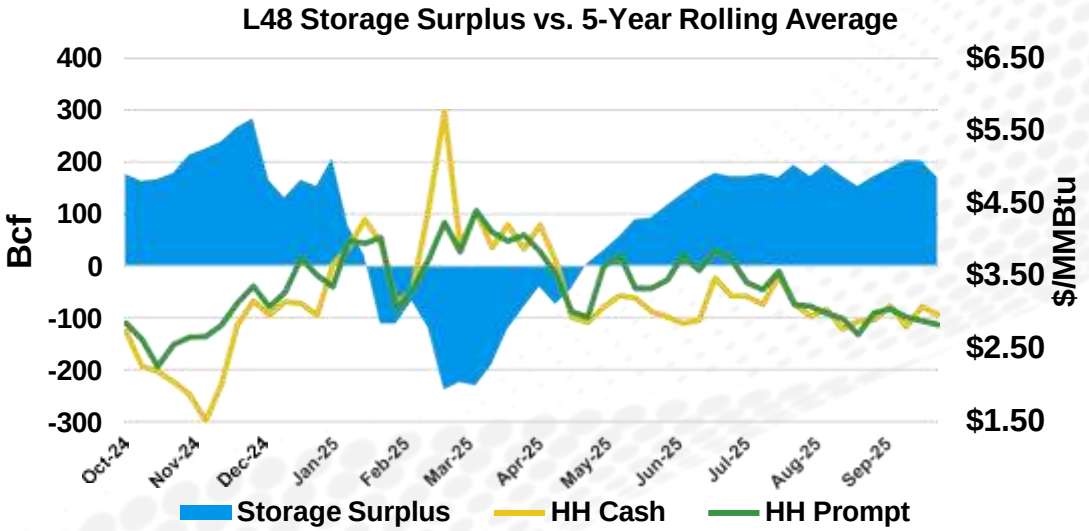
- Current forward spreads are generally supporting of storage values
- Summer prices have fallen the past week
  - Jun-Jan Spread: $1.475/MMBtu
- Continued shoulder month price drop expected to widen late summer to winter spreads
  - Oct-Jan Spread: $1.032/MMBtu

Natural Gas Storage

L-48 storage well-positioned for potential colder than normal winter

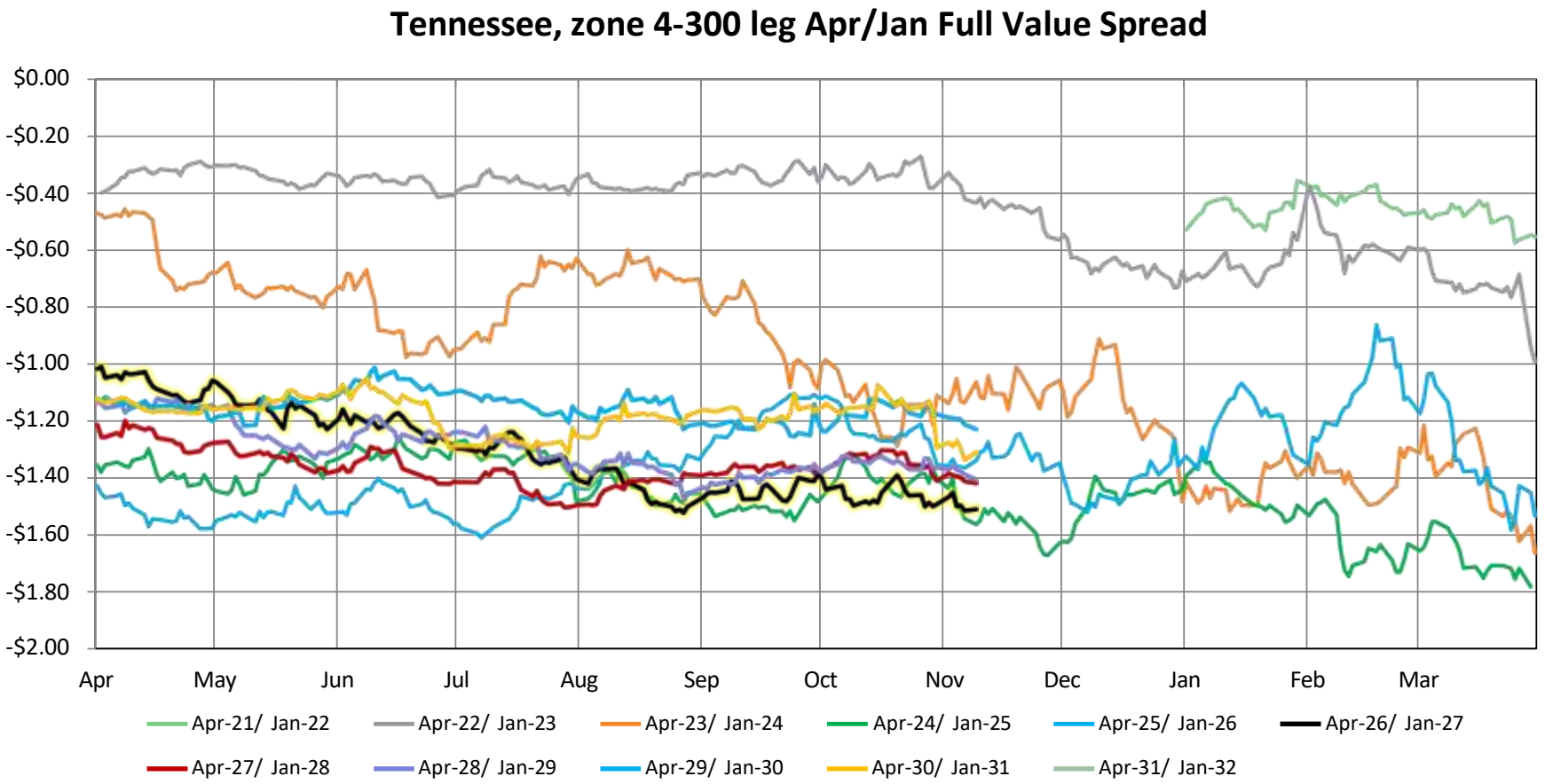


- L-48 storage 5.0% above the 5-year average (+171 Bcf)
- Inventory growth driven by strong production and reduced power sector demand during summer injection season
- Production steady at 107–108 Bcf/d, led by gains in Permian and Haynesville
- Withdrawals could exceed last winter's 2.1 Tcf under colder-than-normal conditions



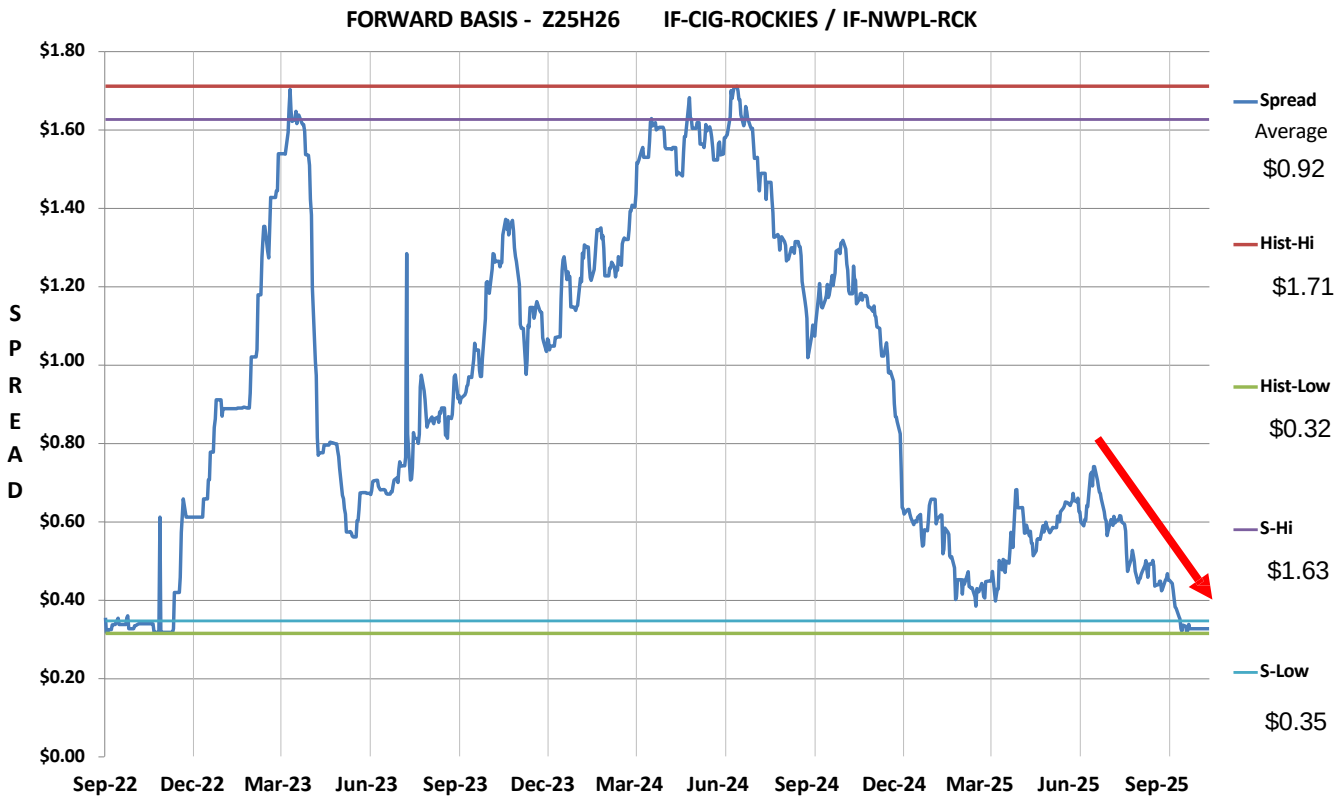
Source: EIA Storage Report (as of Sep 26, 2025)

TGP Zn 4 300L – April-Jan Spread Values



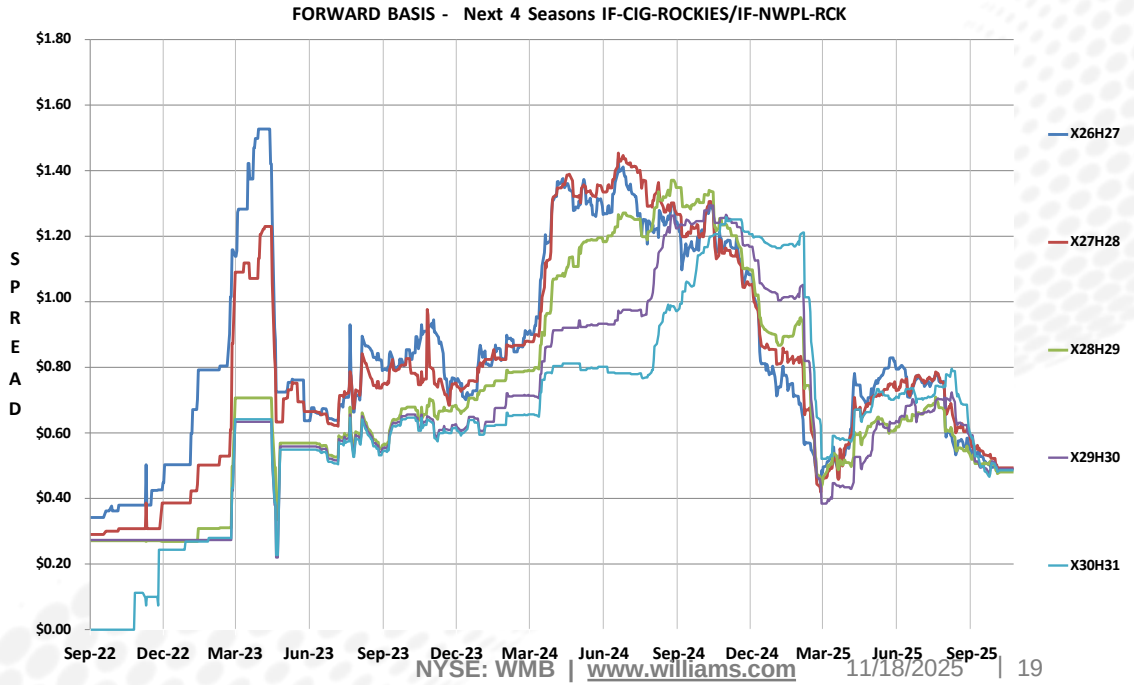
- Current spreads for upcoming seasons range from $1.23-$1.50/MMBtu

CIG to Opal – Winter Basis Spread

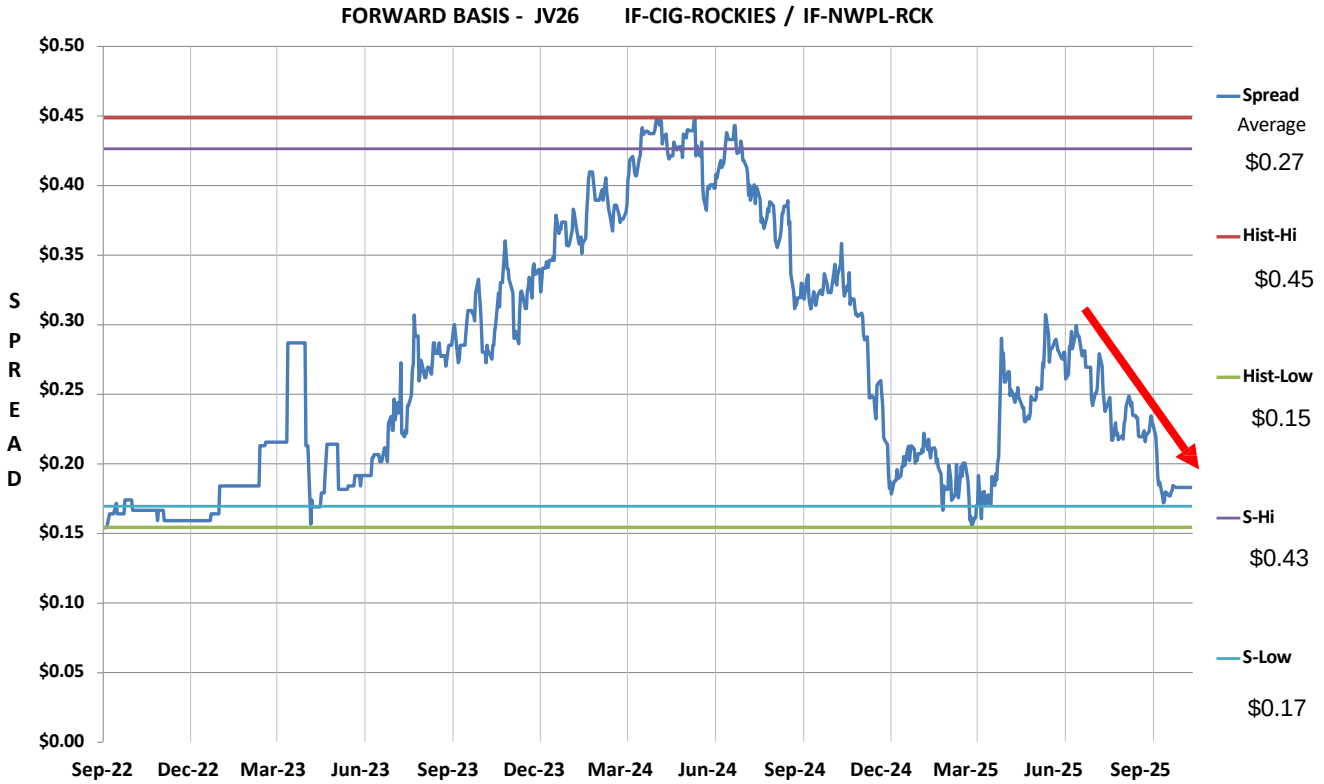


- In Future Winter Season, CIG to Opal basis spreads for be ~$0.50/MMBtu for the next 4 winters

- Winter basis spreads for this upcoming winter reached $1.63/MMBtu in 2024
- Basis spreads have narrowed since recent high of $0.74/MMBtu this past July

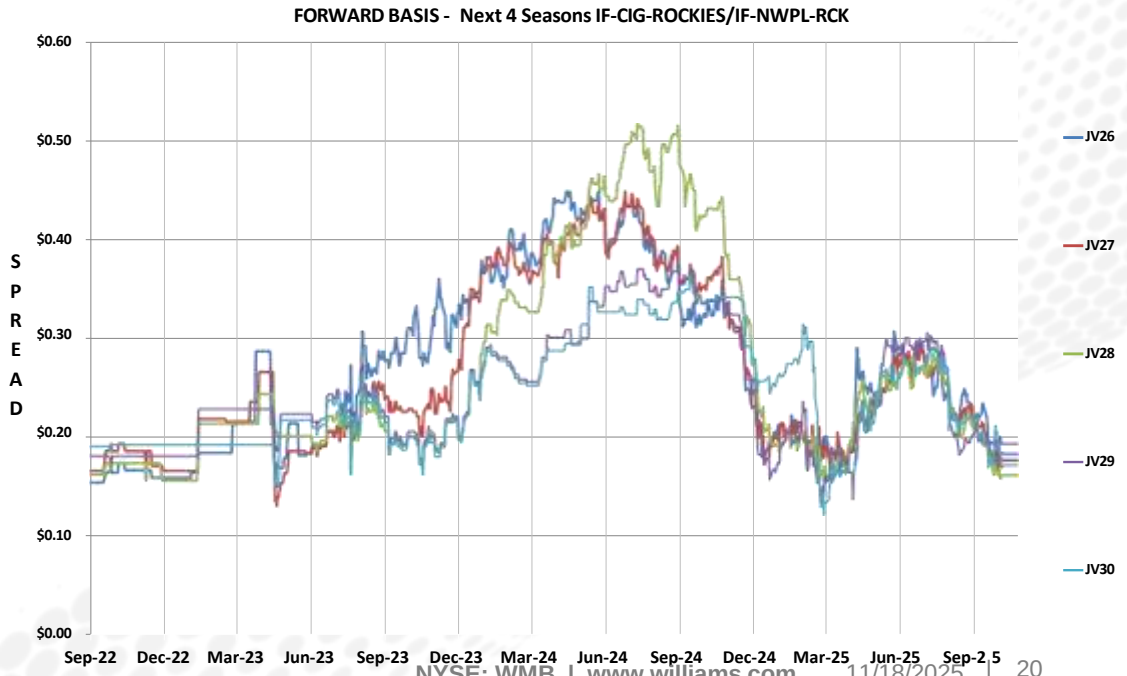


CIG to Opal – Summer Basis Spread



- Summer basis spreads for this upcoming Summer reached $0.45/MMBtu in 2024
- Basis spreads have narrowed since recent high of $0.30/MMBtu this past July

- In Future Summer Season, CIG to Opal basis spreads for be ~$0.16-$0.19/MMBtu for the next 4 summers



Key Take-Aways

- SEM/Williams use cases for GPCM are similar to how most folks use the tool
- Incorporation of detailed projected daily/seasonal weather assumptions on demand and supply
- Calibrate based on regional trader biases, and different price/basis/utilization relationships

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Natural gas remains a global fuel for the future