



550 Meridian Avenue
San Jose, CA 95126
Phone: +1-408-938-5200
Fax: +1-408-790-3800
lonworks@echelon.com
www.echelon.com

News Information

For Immediate Release

Press Contacts

Julia O'Shaughnessy
Echelon Corporation
+1 (408) 938-5357
julia@echelon.com

Allyson Stinchfield
Atomic Public Relations
+1 (415) 402-0230
allyson@atomicpr.com

Echelon Announces System-Wide Enhancements to Smart Grid Infrastructure

(San Jose, CA – September 9, 2009) - Echelon Corporation (NASDAQ: ELON) today announced new products and a series of enhancements to its Networked Energy Services (NES) System, a widely-deployed next generation smart grid platform used by utilities worldwide.

The NES advanced metering infrastructure consists of a family of highly integrated, advanced electronic electricity meters accessed via a Web services based network operating system over an IP networking infrastructure. Much more than a simple AMI system focused on billing related services, the NES System provides utilities with a wealth of information about the status, operation and health of the grid that enables them to reduce operating costs while increasing service quality.

The new ANSI IP meter, system software, Element Manager and other enhancements represent a step forward for the metering infrastructure that supports the smart grid. Along with system-wide enhancements that increase the capabilities,

flexibility, scalability, reliability, and intelligence of the NES System, Echelon is also expanding its ecosystem with new developer programs open to suppliers and partners.

According to Erik Nordgren, head of Vattenfall Distribution Nordic's AMR Project, "Our NES System implementation is successful by all metrics, and system operation and performance have been excellent. We reviewed multiple systems based on a number of technologies; the NES System has consistently delivered the highest performance."

Enhancements cover key hardware and software products across the NES System. Highlights include:

- Software
 - New NES Element Manager, powerful networking software designed to reduce the lifecycle costs and improve the efficiency of installing, maintaining, and managing smart grid deployments. [Editor's note: See also today's release entitled, "[Echelon Introduces Smart Metering Infrastructure Management Software to Speed and Simplify...](#)"]
 - Increased performance and scalability to support millions of meters with daily data collection in NES System Software 4.
- Data Concentrators
 - New automation software that speeds the management of low voltage distribution networks.
 - New Ethernet interface to any IP-based WAN whether wired or wireless.
- Smart Meters
 - New IP enabled meters that combine the functionality of an NES Smart Meter and NES Data Concentrator. [Editor's note: See also today's release entitled, "[Echelon Announces IP Connected Smart Meter for North America...](#)"]
 - New ANSI residential meters with enhanced power quality and load profiling capability.
- Ecosystem

- Expanded the NES Developers Program to include Meter Accessory solutions for in-premise devices or network extensions, e.g., monitoring heat or gas meters, in-home display.
- New WAN Card Development Program for wide-area network integration with the new generation of NES Smart IP Meters to the NES Developers Program.

“With the new products and updates across the entire NES product line, we believe we are enabling utilities to build an extensive energy network, not only a smart metering network,” said Ken Oshman, Echelon’s Chairman and CEO. “We are continuing to invest in our smart grid infrastructure to offer utilities the very best solution possible for their investment, one that will last years into the future and meet their changing needs.”

The announcement comes on the heels of new NES System contracts for nearly 700,000 meters with the potential to expand to over 4,500,000 meters in the U.S. and Finland. Echelon will present the enhanced NES System at the 2009 Autovation smart metering conference and exhibition in Denver, Colorado, September 13-16.

Echelon’s NES technology is used by utilities worldwide in Austria, Australia, Denmark, Finland, France, Germany, Italy, The Netherlands, Russia, Sweden, Switzerland, and the United States.

For more information regarding Echelon’s NES System visit www.echelon.com/nes.

About Echelon Corporation

Echelon Corporation ([NASDAQ: ELON](http://NASDAQ:ELON)) is leading the worldwide transformation of the electricity grid into a smart, communicating energy network, connecting utilities to their customers, enabling networking of everyday devices, and providing customers with energy aware homes and businesses that react to conditions on the grid.

Echelon's [NES System – the backbone for the smart grid](#) – is used by utilities to replace existing stand-alone electricity meters with a network infrastructure that is open, inexpensive, reliable, and proven. The NES System helps utilities compete more effectively, reduce operating costs, provide expanded services and help energy users

manage and reduce overall energy use. Echelon's [LonWorks® Infrastructure products](#) extend the smart grid, powering tens of millions of energy aware, everyday devices made by thousands of companies – connecting them to each other, to the electricity grid and to the Internet. LonWorks based products work together to monitor and save energy; lower costs; improve productivity; and enhance service, quality, safety, and convenience in utility, municipal, building, industrial, transportation, and home area networks.

More information about Echelon can be found at <http://www.echelon.com>.

###

Echelon and the Echelon logo are registered trademarks of Echelon Corporation registered in the United States and other countries. Other product or service names mentioned herein are the trademarks of their respective owners.

This press release may contain statements relating to future plans, events or performance. Such statements may involve risks and uncertainties, including risks associated with uncertainties pertaining to the timing and level of customer orders, demand for products and services, and development of markets for Echelon's NES System; risks associated with market acceptance of the NES System; risks associated with the ability of the NES System and NES meters to perform as designed, and potential production or shipment delays for NES components; and other risks identified in Echelon's SEC filings. Actual results, events and performance may differ materially. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Echelon undertakes no obligation to release publicly the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.