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For Immediate Release

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LonWorks Based City of Oslo Project Included in Clinton Climate Initiative Best Practices Group

10,000 Intelligent Streetlights Save 1440 Tons of CO2 and Reduce Energy Consumption by 70%

(San Jose, CA – April 8, 2008) — Echelon Corporation (NASDAQ: ELON) announced today that the city of Oslo's intelligent street lighting system has been cited as a "best practices" example by the C40 Cities Climate Leadership Group, a partnership of 40 of the world's largest cities and the Clinton Foundation's Climate Initiative. Using its LonWorks® based streetlight system, Oslo has reduced energy consumption by 70% and cut CO2 emissions by 1440 tons per year. The system uses Echelon's i.LON® Internet servers and power line networking products to enable the system to be remotely monitored and adjusted to provide different levels of lighting based on the time of day and weather conditions.

"The smart streetlight system has made an impact on every aspect of the city. The city is safer, less expensive to maintain, and all while reducing energy use and beautifying the city," said Tom Kristoffersen, Head of section Operation and

Maintenance, at the city of Oslo. “The reduced carbon footprint helps us adhere to European directives and makes us a greener city.”

“Streetlights are a large consumer of energy for cities, using up to 40 percent or more of a city’s energy budget. If every city installed a similar system this would go a long way towards reducing energy use worldwide and therefore reducing carbon dioxide levels,” said Bea Yormark, Echelon’s president and COO. “The city of Oslo exemplifies what can be achieved by applying technology available today to help resolve energy efficiency challenges.”

Yormark continued, “If every city installed a similar system, it would have a tremendous impact on both energy consumption and greenhouse gas emissions. For example, a recent study conducted through the Ford Foundation Fellowship projected that the top 10 metropolitan regions in the U.S. alone could save \$90 million annually in electricity costs while reducing greenhouse gas emissions by 1.2 million metric tons of CO₂, the equivalent of removing 212,768 cars from the road or the savings of 131,863,292 gallons of gasoline.”

About the City of Oslo’s System

The city of Oslo is replacing older, inefficient magnetic ballasts in the city’s 55,000 street lights with electronic ballasts controlled by Outdoor Lamp Controllers that include Echelon’s power line communication technology. Data from the street lights will be collected by approximately 800 Echelon i.LON SmartServers, which manage the street lights and use a wireless data network to communicate with the city’s monitoring and control center.

Echelon’s i.LON SmartServers are used as segment controllers in the Dynamic Street Light Solution to log and report energy consumption and running hours, collect information from traffic and weather sensors, and calculate the availability of natural light using an internal astronomical clock. This data is used to automatically dim the street lights based on the season, local weather, and traffic density.

The system is being provided by Luminext, a market-leader in Dynamic Outdoor Lighting Solutions, and is based on Echelon’s technology. Luminext’s LUMINIZER software provides the end-user with a management tool through which the lamps can be

remotely controlled, failures can be identified, and is used to measure and display energy consumption.

More information about the Oslo streetlight project can be found at http://www.c40cities.org/bestpractices/lighting/oslo_streetlight.jsp.

About The Clinton Foundation's Climate Initiative

President Clinton launched the Clinton Foundation's Climate Initiative (CCI) in August 2006 with the mission of applying the Foundation's business-oriented approach to the fight against climate change in practical, measurable and significant ways.

In its first phase, CCI is working with the C40 Large Cities Climate Leadership Group, an association of large cities dedicated to tackling climate change—to develop and implement a range of actions that will accelerate greenhouse gas emissions reductions. With cities contributing approximately 75 percent of all heat-trapping greenhouse gas emissions to our atmosphere, while only comprising 2 percent of land mass, large cities are critical to winning this fight and slowing the pace of global warming.

More information about the Clinton Foundation's Climate Initiative and the C40 cities can be found at <http://www.c40cities.org/>.

About Echelon Corporation

Echelon Corporation (NASDAQ:ELON) is a networking company that provides products and systems that can monitor and save energy; lower costs; improve productivity; and enhance service, quality, safety, and convenience by connecting everyday devices in utility, buildings, industrial, transportation, and home control systems. Tens of millions of smart devices based on Echelon's LonWorks products and Networked Energy Services (NES) systems are used around the world today, bringing benefits to consumers and industry. More information about Echelon can be found at <http://www.echelon.com/>.

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