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For Immediate Release

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Echelon Joins Demand Response and Smart Grid Coalition

(San Jose, CA – February 13, 2009) - Echelon Corporation (NASDAQ: ELON) announced today that it has joined The Demand Response and Smart Grid Coalition (DRSG). The DRSG is a trade association for companies that provide products and services in the demand response and smart grid area. The group aims to raise awareness among policymakers, stakeholders and customers of how smart grid technologies and demand response practices will modernize and strengthen the national electricity system.

Echelon is the only company to provide both an advanced metering system and networking technology that can extend energy management applications down into individual devices inside homes and businesses.

“At a time when the Obama administration is calling for an overhaul of the nation’s electrical grid, organizations such as the DRSG are very important. They help increase understanding about the technologies that exist today to solve our energy challenges and help guide policymakers in making long-term decisions,” said Jim Andrus, Echelon’s vice president, Networked Energy Services (NES) Sales. “We’re

excited to join with other industry leaders in supporting our government to find the best solution to our energy issues.”

Dan Delurey, executive director of DRSG, stated, “We are pleased to welcome industry leaders like Echelon as a part of the coalition, especially at such a crucial time, when our government is finalizing the details of a stimulus bill, which includes support for the smart grid. We believe that the stimulus funds provided for smart grid grants will be extremely important in providing traction to our industry. A look at our new members, and at the existing members of the coalition, shows that there are many companies ready and able to start building the smart grid and deploying demand response to optimize its operation.”

Echelon’s Networked Energy Services (NES) advanced metering infrastructure system is used by utilities worldwide as part of their effort to modernize their grids. Echelon’s LonWorks® infrastructure technology is used in energy management solutions for commercial buildings, retail stores, quick-service restaurants and other businesses, as well as for monitored street lighting systems. The combination of the two technologies enables a truly smart, energy efficient grid.

About DRSG

The Demand Response and Smart Grid Coalition (DRSG) is the trade association for companies that provide products and services in the areas of demand response, energy storage, smart metering and other smart grid technologies and services. DRSG works to educate and provide information to policymakers, utilities, the media, the financial community and stakeholders on how demand response, smart grid technologies and practices can help modernize our electricity system and provide customers with new information and options for managing their electricity use.

Members of the DRSG Coalition include: Aclara, Ambient, Comverge, Conservation Services Group, Corporate Systems Engineering, CPower, Direct Energy, Echelon Corporation, Eka Systems, eMeter, EnergySolve, EnerNOC, Google, Honeywell, IBM, Ice Energy, Itron, Landis+Gyr, Orion Energy Systems, Sensus Metering Systems, Silver Spring Networks, SmartSynch, Steffes, SureGrid, Tendril, Trilliant Networks, and Ziphany.

More information is available at www.drsgcoalition.org

About Echelon Corporation

Echelon Corporation (NASDAQ: ELON) is leading the worldwide transformation of the electricity grid into a smart, communicating energy network, connecting utilities to their customers, 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 and the grid. 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>.

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