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For Immediate Release

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Echelon and ELO Partner to Extend Smart Grid Solutions to Latin America

(Sao Paulo, Brazil – November 9, 2009) - Echelon Corporation ([NASDAQ: ELON](http://NASDAQ:ELON)) and ELO Sistemas Electronicos S.A. (ELO) today announced a strategic alliance to bring smart grid solutions to the Latin American energy market. ELO, the number one supplier of electronic meters and systems in the Brazilian electricity supply market, has become a value-added reseller of Echelon's market-leading Networked Energy Services (NES) System, an advanced metering infrastructure solution. Echelon and ELO's collaboration will be the first extension of Echelon's advanced smart grid solutions to the Latin American region. The announcement was made today at the Smart Grid Latin America Forum & Expo in São Paulo, Brazil.

Brazil's energy regulator, Aneel, last month announced tentative plans for a nationwide rollout of smart metering, expecting to replace approximately 63 million electricity meters in the country with smart meters by 2021. ELO's customers include the

40 largest electric power distributors in Brazil, which serve approximately 55 million consumer points. ELO provides equipment and solutions to obtain data for the billing and marketing of electric power, and to analyze the distribution grid to help reduce energy theft and to aid in power management and load control.

According to Marcos Rizzo, vice president of business development, ELO, “We are excited to bring Echelon’s NES System to the Latin American market where we see a real need for the many advanced services and features of NES. 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.”

“We are proud to partner with ELO, a respected system supplier in the Brazilian energy market,” said Jim Andrus, vice president, NES Sales Americas. “ELO’s innovation and knowledge will ensure a vibrant market for NES-based solutions and services in Latin America, a new and exciting market for our smart grid solutions.”

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

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

ELO Sistemas Eletronicos

Founded in 1980, ELO Sistemas Eletronicos is a leading metering provider for the South America market. With offices in Brazil and Chile, ELO is recognized as a key supplier of quality electronic equipment and systems to the Brazilian and South American electricity supply market. ELO provides integrated product and system packages to utilities to automate processes, such as the collection and treatment of metering data.

In 1993, ELO introduced the concept of electronic metering for C&I applications to energy metering in Brazil and is a recognized leader and innovator in the Brazilian energy market. More information about ELO can be found at <http://www.elonet.com.br>.

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, 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>.

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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.