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Echelon's NES Chosen for First Advanced Metering Project in Switzerland

(San Jose, CA – April 15, 2008) – Echelon Corporation ([NASDAQ: ELON](#)) announced today that its Networked Energy Services (NES) System has been chosen for the first advanced metering project in Switzerland. The utility EV Energieversorgung Biberist (EV Biberist) has awarded a contract to Echelon's NES value-added reseller partner GÖRLITZ Schweiz AG to provide advanced metering infrastructure to all of its 5,000 household customers over the next three to five years. GÖRLITZ is a leading supplier of automatic remote reading, data transmission, and data gathering and preparation systems for utilities serving the European commercial and industrial sector.

“EV Biberist is an innovator, leading the Swiss smart metering market by committing to deploy the first advanced metering system in the country in order to provide its customers with superior service,” said Frits Bruggink, Echelon's senior vice-president and general manager, service provider group. “As the first region in Switzerland where private customers can select their energy supplier, it is important for utilities to offer better service, advanced features and more accurate energy consumption information. We're pleased that EV Biberist has chosen our partner, GÖRLITZ Schweiz AG, as the provider of their new system.”

“With nearly 3.7 million electricity meters and 850 grid operators, we see a significant opportunity in the Swiss market,” said Ingo Schmitt, CEO at GÖRLITZ Schweiz AG. “And, we believe that by winning the first project in the market we have an important first-mover advantage and have established a model for other utilities to follow.”

“Building on a successful pilot program, we now look to expand the NES system to all of our customers. We expect a rapid return on our investment as we will save the cost of labor for the manual meter reads, and having more precise data regarding customer’s energy demand will allow us to save money in the process of energy procurement,” said Peter Kofmel, CEO at EV Biberist. “The NES solution provided by GÖRLITZ not only provides the most sophisticated smart meters on the market to help us improve quality while lowering costs, it also provides a foundation for the smart grid. With this system we can transform the existing one-way direct load control equipment that we deployed into our customers’ homes many years ago into a two-way demand response network. The two-way networked NES system not only eliminates the cost of the now obsolete legacy ripple control system, it also enables new load control possibilities.”

About the Solution

The NES advanced metering infrastructure from Echelon 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. Unlike systems with a dedicated radio per metering point, multiple NES meters can share a single IP connection through the use of Echelon's proven standards-based power line networking technology. This drives down the per-point connection cost and enables the system to easily and cost-effectively incorporate new wide area networking technologies over the life of the system.

As shown in this project, the NES system is more than just an advanced metering infrastructure (AMI) system; it is the backbone of a smart grid solution. Unlike AMI systems, which focus primarily on billing related applications, the NES system provides the utility with detailed information on the health and quality of their grid.

With this information, utilities can more efficiently operate and maintain the grid, reducing cost and increasing reliability and quality in the process.

The NES system's powerful web services based network operating system provides a standards-based platform for enterprise applications and integration. The EDW3000 software application from Görlitz uses the services of the NES system software to provide a full-featured meter data management system (MDMS) and a rich set of utility applications.

About EV Energieversorgung Biberist

The City of Biberist in the Kanton Solothurn is one of the energy pioneers of Switzerland. After popular vote they decided to liberalize the energy market and today people can choose their energy supplier. EV Biberist is one of the suppliers in this open market and they chose GÖRLITZ's EDW 3000, which is the front-end system for Echelon's NES system in this installation. More information about EV Biberist can be found at www.ev-biberist.ch.

About Görlitz AG

GÖRLITZ is one of the leading companies in the European market with devices and systems for energy data management and data services. More than 800 European utilities and industry customers have installed systems and devices from Görlitz. More information about Görlitz can be found at www.goerlitz.com.

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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This press release may contain statements relating to future plans, events or performance, including statements regarding the size and timing of the EV Energieversorgung Biberist project with Görlitz AG. Such statements may involve risks and uncertainties, including risks associated with the ability of Görlitz's system, and the NES system on which it is based, to perform as designed and offer the anticipated service benefits and cost savings; the risk that the EV Energieversorgung Biberist project is cancelled; risks associated with potential production or shipment delays for NES meters and other components; risks that the deployment and system integration activities with Görlitz or other partners in the project are not successful or do not meet their target dates; the risk that the application of U.S. generally accepted accounting principles could affect the timing of NES revenues that Echelon expects to recognize under the project; 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.