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For Immediate Release

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Echelon and Onzo Become Smart Grid Partners To Develop Consumer Touchpoints for Echelon's Leading NES System

(San Jose, CA and London, UK – October 28, 2009) - Echelon Corporation ([NASDAQ: ELON](http://NASDAQ:ELON)) and Onzo Ltd., the creator of award-winning smart customer solutions for utilities, today announced a collaboration to develop consumer displays for Echelon's Networked Energy Services (NES) System, a leading advanced metering infrastructure solution. Onzo has signed an agreement to become a value-added developer for the NES System. The U.K. plans to require all households to have smart meters by 2020.

Planned collaboration will build on Onzo's expertise in developing in-home displays, intelligent energy analysis software and consumer orientated web portals. This will enable consumers to monitor energy consumption in real time, facilitating energy-use behavior change to benefit both the consumer and utility.

Echelon recently announced new products and a series of enhancements to its NES System. The newest generation of Echelon's smart meters includes a Multipurpose Expansion Port (MEP) interface that can enable companies like Onzo to develop extensions to the NES System, making the grid smarter and helping create a dialogue between the consumer and the grid.

Joel Hagan, CEO of Onzo, said, "This development agreement will enable Onzo to provide utilities that choose Echelon's NES System with solutions that match today's sophisticated consumer demands, allowing them to offer friendly yet powerful interfaces for energy monitoring and management. Echelon provides a unique architecture based on open standards which enables the extension of basic AMR functionality to a rich application portfolio and offers capabilities to go beyond the meter."

"Engaging with the consumer is a key challenge for utilities. We are excited to be working with Onzo and believe that the combination of Onzo's consumer interfaces and Echelon's NES System will be able to offer new services to consumers, utilities and laterally to their distribution networks, said Mark Ossel, Echelon's vice president of Energy & Utility. "Onzo demonstrates the advantages of an open architecture with the addition of innovative applications on the head-end and end-user devices beyond the meter."

About Echelon's NES System

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.

For more information regarding Echelon's NES System visit www.echelon.com/nas.

About Onzo Ltd.

Onzo provides energy and water utilities with the tools that enable them to build

more valuable relationships with their customers, dramatically enhancing their understanding of, and ability to influence, their customers' behavior. Those tools include a comprehensive and engaging set of customer touchpoints (display, web, electronic media, printed report) and a data analytics platform. They improve customer acquisition and retention; improve the return on investment of smart grid, smart metering, and demand response programs; can fulfill regulatory requirements; and provide a platform for value-added services.

More information about Onzo can be found at <http://www.onzo.co.uk/>.

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 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.