



550 Meridian Avenue
San Jose, CA 95126
Phone: +1-408-938-5200
Fax: +1-408-790-3800
lonworks@echelon.com
www.echelon.com

News Information

For Immediate Release

Press Contacts

Julia O'Shaughnessy
Echelon Corporation
+1 (408) 938-5357
julia@echelon.com

Allyson Stinchfield
Atomic Public Relations
+1 (415) 402-0230
allyson@atomicpr.com

City of Palo Alto Demonstrates Energy Efficient Streetlights Embedded with Echelon's Technology

(San Jose, CA – July 2, 2009) - Echelon Corporation (NASDAQ: ELON) announced today that the City of Palo Alto is demonstrating smart, energy efficient streetlights based on Echelon's LonWorks® technology. The City aims to reduce energy and maintenance costs and lower greenhouse gas emissions, while improving light quality. Currently, the city's 6,300 streetlights cost around \$700,000 annually in energy and maintenance costs.

Streetlights networked with Echelon's intelligent controls make the lights themselves smarter. The lights are able to communicate with maintenance and management software. They can also be remotely dimmed, monitored and controlled. The combination of command and control for individual lights and an ability to communicate with expert systems can reduce a city's energy consumption, light pollution levels, and the operating and maintenance costs associated with streetlights.

The demonstration compares the energy efficiency of new lighting technologies, including LED and induction, with the existing high pressure sodium lights. The city plans to replace all 6,300 streetlights by 2015, reducing greenhouse gas emissions by 600 to 950 metric tons per year, or the equivalent of removing approximately 120 cars from the road for a year. The project is in line with the City's Sustainability Policy and the Climate Protection Plan.

“Palo Alto is committed to implementing cost-effective energy efficiency measures and has been a leader in implementing new energy saving technologies. New streetlight technologies offer the benefits of reducing energy usage, reducing greenhouse gas emissions, and has the potential to improve overall light distribution and visibility on Palo Alto streets,” said Shiva Swaminathan, senior resource planner, City of Palo Alto.

“Echelon’s technology has been proven to reduce energy use in streetlights, and every city needs to reduce expenses at this moment,” said Anders Axelsson, Echelon’s senior vice-president of sales and marketing. “The technology allows cities to not only cut energy costs, but also cuts maintenance costs while improving light quality, decreasing light pollution, and providing increased safety.”

Both of the cities of San Francisco and San Jose have recently announced similar streetlight demonstrations using Echelon’s LonWorks intelligent control technology and LED lights. Several cities in Europe have implemented similar systems citywide, with average energy savings of 50 percent and significantly reduced maintenance costs.

More information is available at www.echelon.com/solutions/streetlight.

About the Solution

The new streetlights will use energy efficient products equipped with Echelon’s power line networking technology and segment controllers. The solution features LEDway streetlights from BetaLED, smart electronic ballasts from ROMLight, and induction streetlights from Deco Lighting, all embedded with Echelon’s power line signaling technology (an international communications standard). This allows communication and control of the streetlights over the existing power lines. Echelon’s i.LON[®] SmartServer acts as the segment controller, monitoring and controlling the streetlights from anywhere over an IP connection. The streetlight system management software is provided by Streetlight.Vision and the project integrator is Lighting Systems, Inc.

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.

More information about Echelon can be found at <http://www.echelon.com>.

###

Echelon, i.LON, LonWorks and the Echelon logo are registered trademarks of Echelon Corporation registered in the United States and other countries. Other product or service names mentioned herein are the trademarks of their respective owners.

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 and demand for Echelon products and services in outdoor lighting and other applications in the city of Palo Alto and elsewhere; risks that these products do not perform as designed, and that liability may accrue as a result of the use of Echelon products and services in outdoor or other lighting applications; the growth of the LonWorks industry; 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.