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For Immediate Release

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Echelon's Technology Incorporated into Industry Leading Solar Inverters

Increases Data Reliability and Compatibility in Renewable Energy Generation

(San Jose, CA – June 2, 2009) - Echelon Corporation (NASDAQ: ELON) announced today that its LonWorks[®] technology is being used in solar energy installations by SMA America, Inc., a subsidiary of Germany-based SMA Solar Technology AG, the world leader in solar inverter technology. Echelon's i.LON[®] SmartServer, equipped with communications drivers for SMA's inverters, is used to monitor the health of and measure the electricity generated by the panels in a solar array for service, reporting, and verification purposes – helping to maintain their efficient operation. SMA is using the i.LON SmartServer with their Sunny Central 250U and Sunny Tower inverters.

An inverter changes direct current (DC) electricity generated by a solar panel into alternating current (AC) for use in buildings and homes. The U.S. solar industry continued to grow at a record pace in 2008, according to a recent report by the Solar Energy Industries Association, aided by generous customer rebates in California and New Jersey — by far the largest U.S. solar markets. These rebates combined with federal tax credits have trimmed system prices by a third or more.

“We are excited to work with SMA, the world leader in solar inverter technology, and to be part of the fast-growing solar market,” said Anders Axelsson, Echelon's senior vice-president of sales and marketing. “The i.LON SmartServer is perfect for developing and deploying all types of energy management solutions, including solar and other alternative energy solutions.”

“Echelon’s technology provides a high level of reliability and flexibility, which we considered necessary in order to offer a more efficient and diverse solution to our customers,” said Jeffrey Philpott, director of marketing for SMA America, Inc. “Because the LonWorks platform is an open technology, it interfaces well with most existing subsystems that our clients use, making data more accessible and helping to reduce overall systems costs.”

The i.LON SmartServer automatically reads data from the inverters, and makes this data accessible via standard web-based and local control protocols, enabling the data to be utilized by existing Energy Management Systems (EMS) and Building Management Systems (BMS). This data can be transferred directly to a customer’s portal or it can be stored locally on the i.LON SmartServer, increasing data integrity in case of network outages. This revenue grade power generation data can be used for energy verification and rebate programs.

In addition to inverter monitoring, Echelon’s i.LON SmartServer provides a standard gateway to energy monitoring and energy demand management. Photo cell performance can be monitored remotely, to optimize performance or reduce maintenance costs by automatically scheduling service technicians when necessary.

Echelon’s i.LON SmartServer is used in various energy monitoring applications worldwide, from retail and commercial buildings, to automated demand response programs, to remotely controlled streetlights. More information is available at <http://www.echelon.com/products/energyproducts.htm>.

About SMA America, Inc.

SMA America, Inc. is the U.S. subsidiary of SMA Solar Technology AG, based in Germany. SMA is the world leader in solar inverter technology and manufacturing with divisions in nine countries on four continents. SMA is committed to its leadership

role, offering exceptional value with the most efficient and reliable solar inverters in the industry. SMA takes special pride in promoting renewable energy solutions at all levels through education, information and support for the general public and solar installers, as well as for small and large businesses worldwide. For more information, call (916) 625-0870 or visit www.SMA-America.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.

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 and demand for Echelon products and services for energy management solutions, including in solar panels and other alternative energy applications; 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 such 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.