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## News Information

## For Immediate Release

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## Echelon's Smart Grid System Passes Two Million Meter Mark

(Copenhagen, Denmark – March 10, 2010) - Echelon Corporation ([NASDAQ: ELON](http://NASDAQ:ELON)) today announced the shipment of its two millionth Networked Energy Services (NES) smart meter. The meter will become part of the smart grid installation currently being deployed by Eltel Networks A/S for the Danish utility SEAS-NVE, in Denmark's largest smart grid project with over 390,000 smart meters. The announcement was made today at the 2010 Smart Metering Scandinavia event in Copenhagen, Denmark.

<http://copenhagen2010.smartmetering.eu/>

“Denmark is well-known for embracing technology to promote energy efficiency. Denmark is the world-leading producer of wind energy, and now we're building a truly smart grid to better use and conserve energy and provide new services for our customers,” Peter Iversen, CTO at SEAS-NVE. “Our smart grid project utilizes the top technologies worldwide, including Echelon's NES System, to serve today's needs and Denmark's future needs, from electric car charging, to automated demand response programs and time-of-use tariffs, all while improving customer service.”

“We’ve won multiple smart grid deployments in the Nordic region which include almost 2,000,000 of Echelon’s meters and its feature-rich NES software, making Echelon’s NES system the smart grid solution of choice in the region. The NES system offers utilities a highly scalable, future-proof solution that increases customer service and energy conservation programs, and reduces overall operating costs. We are confident that we’re offering utilities the best solution available when we propose the NES system,” said Sonny Nielsen, Eltel's CEO for Denmark.

“We are excited about this significant milestone for SEAS-NVE and Denmark. We look forward to a new era of energy awareness and efficiency led by forward-thinking utilities like SEAS-NVE. Moreover, we’re excited by the potential growth in the smart grid market in the coming year,” said Michael Anderson, Echelon’s senior vice president, NES sales and market development. “We believe utilities will choose our NES solution because it is extremely accurate and reliable and they can be confident that they are making the best long-term decision about the core control networking infrastructure for their smart grid.”

Echelon’s NES system embeds intelligence in the existing grid to make it smarter and adaptable to future expansions, new demands and able to respond to new regulations. Because the NES system is a complete, advanced metering infrastructure, and not only communicating meters, it lays the foundation for extensions to the grid by the utility or other third parties. For example, Panasonic Europe recently announced a collaboration with SEAS-NVE to start pilots of a smart energy management system that will pave the way for the eco-homes of the future in Europe.

<http://panasonic.co.jp/corp/news/official.data/data.dir/en091125-2/en091125-2.html>

The NES smart metering infrastructure solution enables a highly scalable, feature-rich and integrated system of advanced electronic electricity meters accessed via a Web services based network operating system over an IP networking infrastructure. Echelon’s 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](http://www.echelon.com/nes).

## **About the Project**

In 2008, Danish utility SEAS-NVE awarded an advanced metering infrastructure project to Echelon Networked Energy Services (NES) value-added reseller partner Eltel Networks A/S, with meter data management system (MDMS) and enterprise software tools from NES VAR partner Görlitz AG. Eltel will deploy NES advanced metering infrastructure to almost 400,000 SEAS-NVE customers by 2011.

More information about the project can be found at <http://www.echelon.com/company/press/2008/seas-nve.htm>.

## **About SEAS-NVE**

SEAS-NVE is Denmark's largest consumer-owned energy company. Its core business is delivery of energy and communication services to customers in Denmark, primarily providing energy products, consulting services and grid operation. More information about SEAS-NVE can be found at <http://www.seas-nve.dk>.

## **About Eltel Networks**

Headquartered in Helsinki, Finland, Eltel Networks is the InfraNet Company™ in Europe, specializing in the construction, maintenance, and upgrading of electricity and telecommunications networks. The Group, with its 8,500 employees, has operations in the Nordics, Poland, the Baltics, and Germany. More information about Eltel Networks can be found at <http://www.eltelnetworks.com>.

## **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 <http://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, 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, including statements regarding the size and timing of the SEAS-NVE project with Eltel and other projects based on the NES system. Such statements may involve risks and uncertainties, including risks associated with the ability of Eltel's system, and the NES system on which it is based, to perform as designed; the risk that the SEAS-NVE project is cancelled or reduced in scope; risks associated with potential production or shipment delays for NES meters and other components; risks that the deployment and system integration activities with Eltel or other partners in the project or other projects based on the NES system 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 with Eltel or other projects based on the NES system; 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.