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For Immediate Release

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Echelon Transforms the Electric Grid with Intelligent Distributed Control Applications

New Echelon Control System open software platform and Edge Control Node extensible hardware extend the smart grid beyond metering

(New York City, New York – September 8, 2010) – Echelon Corporation ([NASDAQ: ELON](http://NASDAQ:ELON)) today unveiled [the Echelon Control System \(ECoS\)](#), a new open software platform for intelligent distributed control of the smart grid. The announcement was made at a special event with industry consultants, such as KEMA, and Echelon customers and partners including Duke Energy, Oracle, SEAS-NVE, and Telvent. ECoS will run throughout the edge of the grid on [the new Edge Control Node \(ECN\) 7000](#) series of open and extensible hardware solutions. Echelon also [announced today that Duke Energy will be the first customer for the ECoS](#).

Industry veteran Ron Chebra, Vice President at KEMA, Inc, framed the situation at the edge of the grid, which represents the space between distribution and end user, saying, “Utilities today face a complex set of interrelated challenges. Increasing peak demand, the proliferation of renewable energy sources, and the emergence of electric

vehicles are creating new uncertainties. Intelligent distributed control at this edge is necessary to make the smart grid a reality.”

“ECoS and the ECN 7000 family represent an important step forward for Echelon as a company and the smart grid as an industry,” said Ron Sege, President and CEO of Echelon. “ECoS will move the grid beyond centralized reading of meters to a truly open, intelligent and distributed system that can monitor and react to an increasingly dynamic and demanding environment. Even as demand for electricity grows and its supply becomes increasingly distributed, utilities can now enhance customer experience through improved reliability, accelerated response times and increased efficiencies. We are excited by this vision and extremely pleased at the strong interest among our customers and partners.”

Built on Echelon’s 20 years of proven, trusted and unmatched experience in control networking and software innovation, ECoS provides an open and secure application framework for monitoring and controlling devices at the edge of the grid – the critical point where the distribution network connects to customers. ECoS enables developers to easily build applications, or “ECoS apps,” to make local, autonomous control decisions in near real-time for maximum reliability, survivability and responsiveness.

For example, utilities have minimal warning of outages because they cannot completely monitor the conditions on the grid that can cause these service interruptions. With ECoS and the ECN, utilities have unprecedented visibility at the edge of the grid, so anomalies like voltage fluctuations, power quality and line signal strength can be quickly identified, giving utilities the potential to see where their next outage may strike and take corrective action before it occurs.

With investment in one open platform, ECoS allows utilities to meet next generation demand response challenges, optimize local grid efficiency, predict power outages before they occur and rapidly restore service, and implement other smart grid

services. In a separate news release, [Echelon announced today that Duke Energy will be the first customer for the ECN 7000 series.](#)

“Like all utilities, we are seeing new demands placed on the grid from the increased number of intermittent generation sources, such as wind power, and the introduction of electric vehicles,” said Peter Iversen, CTO at SEAS-NVE, the second largest utility in Denmark. “By distributing intelligent control into the grid, ECoS and the ECN 7000 will raise system reliability and survivability to the next level by eliminating central points of failure and vulnerability. ECoS will deliver the near real-time responses utilities need to increase efficiency, create balance and increase our control at the edge of the grid.”

“The ECoS software platform and Edge Control Node 7000 provide an applications and data sharing model that complements Oracle’s smart grid solutions,” said Guerry Waters, Vice President, Industry Strategy and Marketing, Oracle Utilities. “Sensing, control and intelligence distributed throughout the grid will help utilities to serve their customer’s needs – with the reliability, efficiency, scalability, and security essential to the smart grid.”

Ignacio González, CEO at Telvent, a leading real-time IT solutions and information provider for a sustainable world, and a supplier of a comprehensive Smart Grid Solutions Suite to electric utilities worldwide, remarked, “From our view, the ECoS and the ECN series of products will clearly compliment the already successful relationship we have with Echelon in providing integrated smart metering, smart network and smart operations solutions for our customers. Combined with Telvent's advanced SCADA, DMS, Meter Data Management, GIS, Outage Management solutions and substation automation products, customers can realize significant efficiency, reliability and security improvements in their operations while meeting pressing smart metering program objectives. Echelon’s ECoS powered products provide a welcome open, modular framework that can be used to create an innovative and cost effective utility smart grid applications for now and the future.”

Read what other industry leaders such as Accenture, Badger, Capgemini, Convergys, Coulomb, Duke Energy, eMeter, iControl, KEMA, Kinects, Oracle, Plug Smart, S&C Electric, SEAS-NVE, Streetlight.Vision, Telvent, Tollgrade, Vattenfall, and Verizon have to say about Echelon's new applications platform for distributed control at the edge of the grid. Visit, http://www.echelon.com/smartgrid/ecos_testimonials.htm.

Frequently asked questions about today's announcements can be found at http://www.echelon.com/press/2010/ecos_platform_faq.htm.

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 control networking infrastructure for the smart grid – enables intelligent distributed control applications and devices that deliver maximum reliability, survivability and responsiveness. Through the Echelon Control System (ECoS) software platform, the NES system enables any device, speaking any protocol, connected over any network to be integrated into local decision making and connected securely to enterprise IT systems through virtually any IP network. 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 in to smart buildings factories, homes and other systems, 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 market acceptance of the Edge Control Node, including ECoS software, and the timing and level of customer orders; risks that the Edge Control Node, including ECoS software, does not perform as designed and that liability may accrue as a result; the risk that third parties will not become interested in developing ECoS apps for the Edge Control Node that would expand the market for this product; 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.