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For Immediate Release

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Echelon Officer Establishes Trading Plan Pursuant to SEC Rule 10b5-1

(San Jose, CA – May 24, 2010) - Echelon Corporation ([NASDAQ: ELON](http://NASDAQ:ELON)) announced today that M. Kenneth Oshman, Echelon's Executive Chairman of the Board, has adopted a prearranged plan to trade Restricted Stock Awards of Echelon stock as they vest during the next 10 months, subject to certain contingencies. The plan will cover 51,229 restricted stock awards, and does not cover any of Mr. Oshman's current Echelon holdings.

The plan is in accordance with Echelon's insider trading policy and Rule 10b5-1 of the Securities & Exchange Act of 1934. Rule 10b5-1 permits the implementation of written, prearranged stock trading plans when insiders are not in possession of material non-public information, and allows the insiders to trade on a regular basis, regardless of any subsequent material non-public information they receive.

About Echelon Corporation

Echelon Corporation ([NASDAQ: ELON](http://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 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.