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Echelon Secures Smart Grid Win in Norway That Connects 100,000 Fortum Customers

*Fortum takes lead in Norway's initiative to enable all homes with smart metering;
Telvent to deploy and manage Echelon's control networking technology by 2015*

SAN JOSE, Calif., July 18, 2011 – Fortum Norway awarded a smart grid project to Echelon partner Telvent to deploy Echelon's smart metering system to Fortum Norway's 100,000 electricity customers, Echelon (NASDAQ: ELON) announced today. Fortum is making the first significant deployment decision that directly addresses Norway's new push to spread smart metering to the country's 2.6 million electricity customers by the end of 2016.

Volume deployments of [Echelon's Networked Energy Services \(NES\) smart grid infrastructure system](#) are targeted to begin in August 2013 and go through 2015.

The smart grid market in Norway is poised to greatly expand. The nation's regulator recently mandated that all 130 Norwegian utilities deploy smart metering systems with highly specific features and attributes, such as daily data collection of 15-minute interval readings, integration of gas and water meters, remote connect/disconnect, secure/encrypted communication, measurement of micro grid generation and interfaces for reliable communication with in-home displays.

Fortum, with 1.6 million customers, is a leading energy company in the Nordic countries, Russia and the Baltic region. Fortum Norway is the 7th largest utility in Norway and holds a minority interest in Hafslund, the largest utility in the nation.

“With the new smart meters, invoicing will be based on real electricity consumption,” Ari Koponen, vice president for distribution at Fortum, said. “Customers receive more accurate information on their electricity consumption and therefore have better possibilities for saving energy. In addition, the smart meters will be used for more efficient power failure resolution and as a platform for future development of smart grids and services within electricity solutions.”

Telvent will deploy its meter data management and supervisory applications combined with Echelon's NES system. Fortum has the option to include [Echelon's recently announced open-standard CNX 3000 power line interface](#), powered by [Echelon's Control](#)

[Operating System](#), that allows utilities to easily and reliably connect to smart grid devices, such as in-home displays and load controllers.

[Telvent is currently deploying the Echelon solution to 550,000 of Fortum's customers in Finland](#). Fortum is the largest utility in that nation. The project in Finland demonstrated reliability, scalability and advanced functionality of the solution. It figured into Fortum's buying decision for the project in Norway.

“As the Norwegian smart grid market comes alive, we look forward to applying all of the knowledge we have gained in projects throughout Europe,” Michael Anderson, senior vice president for global utility market at Echelon, said. “Echelon is the go-to brand for energy control networking in Europe not only because of the proven reliability and scalability we bring but also because our solution offers the most value to utilities and their customers. We enable utilities to quickly achieve the benefits of a smart grid infrastructure that can deliver a positive return on investment – with the confidence that the Echelon solution can expand to meet their future needs.”

About Fortum

Fortum's purpose is to create energy that improves life for present and future generations. We provide sustainable solutions that fulfill the needs for low emissions, resource efficiency and energy security, and deliver excellent value to our shareholders. Our activities cover the generation, distribution and sale of electricity and heat as well as related expert services.

Fortum's operations focus on the Nordic countries, Russia and Baltic Rim area. In the future, the integrating European and fast-growing Asian energy markets provide additional growth opportunities. In 2010, Fortum's sales totaled EUR 6.3 billion and comparable operating profit was EUR 1.8 billion. We employ about 10,500 people. Fortum's shares are quoted on NASDAQ OMX Helsinki.

Further information: <http://www.fortum.com>

About Echelon Corporation

Echelon Corporation ([NASDAQ: ELON](https://www.nasdaq.com/symbol/elon)) is the world's leading open-standard energy control networking company. Echelon technologies connect more than 35 million homes, 300,000 buildings and 100 million devices to the smart grid, and help customers save 20% or more on their energy usage. With more than 20 years of experience in energy control, Echelon delivers a wide range of innovative solutions to commercial and electric utility customers. More information about Echelon can be found at <http://www.echelon.com>.

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