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For Immediate Release

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New Cloud-Based Energy Control Solution from Echelon and Serious Materials Cuts Building Energy Costs by 20 Percent or More

Easy-to-deploy turnkey solution for commercial buildings and schools; allows anywhere, anytime access to real-time energy usage analytics and controls

(San Jose, California – January 31, 2011) - Echelon Corporation (NASDAQ: ELON) and Serious Materials today announced that they are collaborating to deliver the Echelon Building Energy Management solution, a new energy-saving offering for commercial, government and education facilities. The intelligent energy solution leverages Serious Materials' software-as-a-service (SaaS) energy efficiency platform, SeriousEnergy Manager. Easy to deploy and manage, early adopters of the solution are saving 20 percent or more on their building energy bills. The Building Energy Management solution will be available through Echelon's Solution Partner channel at the end of the Q1, 2011.

By combining Echelon Energy Control Networking technology and the cloud-based platform from Serious Materials, commercial customers gain granular, real-time insight into energy usage within their facilities. The Building Energy Management solution includes Echelon Control Networking components combined with sub-meters that install quickly and easily to minimize the cost of the solution. Sub-meters are

electricity meters that measure the energy use for individual circuits, systems, or equipment within a building, such as air-conditioning compressors or lighting circuits. Data and analytics from the solution allow facility managers, using the SeriousEnergy Manager, to optimize and eliminate wasted energy from malfunctioning or always-on equipment. Through persistent commissioning, the solution provides more advanced analytics that enable facility managers to create sophisticated energy savings strategies for a building, campus, or across their enterprise.

“The key for most schools and smaller commercial buildings, like quick service restaurants, is simplicity,” said Anders Axelsson, Echelon’s senior vice-president, commercial markets. “Simple to install, simple to manage, simple to leverage, and simple to reap the benefits. Partnering with Serious Materials to integrate our Energy Control Networking technology and their energy efficiency platform delivers a powerful energy-saving solution that everyone understands – from students to veteran facility managers to the CEO.”

Under the Hood of Echelon’s Building Energy Management Solution

Echelon’s SmartServer acts as the gateway to the grid – providing a simple-to-setup connection between the sub-meters and the SeriousEnergy platform. The SmartServer can also link to thousands of devices, allowing users to remotely access, monitor and control them. The data captured by the SmartServer helps customers continuously save energy, improve operations and lower maintenance costs.

The Building Energy Management solution uses the SmartServer to connect to Serious Materials’ SeriousEnergy Manager, the commercial building industry’s most advanced energy efficiency platform delivered as a cloud-based service. SeriousEnergy Manager is a significant break from the norm in the energy management industry – delivering advanced analytics and controls proven to generate returns, often within months. The SmartServer presents key energy metrics to the SeriousEnergy service, powered by SeriousInsight™ proprietary algorithms, in a standard format, ensuring a low cost way to add new services and capabilities for end-users over time. The fast installation, low cost hardware, and SaaS model have yielded payback ranges between three and 24 months based on energy savings from early adopters of the solution.

“We’re excited to partner with Echelon and bring an integrated, easy-to-install energy savings solution to the market,” said Mark Mitchell, General Manager of the SeriousEnergy division and Serious Materials’ Senior Vice President. “Turning data into actionable intelligence has historically been a huge challenge. Today, we have announced a system that combines truly advanced analytics and controls with simple to install, low cost, flexible equipment. The market is vast and largely unserved, making the Building Energy Management solution a powerful tool for building owners to drive real savings today.”

Customized Web-based software provides configuration templates for meters from Continental Controls, Electro Industries, Elkor Technologies, and Veris Industries.

For more information about the Echelon Building Energy Management solution, visit <http://www.echelon.com/bem/>.

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 \(ECoS\) 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>.

About Serious Materials, Inc.

Serious Materials develops products and services that reduce energy usage and costs in the built environment, the largest contributor of CO₂ worldwide. [SeriousEnergy Manager](#)[™] energy efficiency platform cuts and optimizes energy usage in commercial buildings. [SeriousWindows](#)[™] and [SeriousGlass](#)[™] commercial glass offer high thermal performance and can reduce heating and cooling energy costs for earlier payback compared to dual pane windows. [QuietRock](#)[®] soundproofing drywall reduces material use and provides high reliability low cost code compliant walls for hospitals, government, schools, and multifamily projects. The company also manufactures advanced fiberglass pultrusion for highly insulated windows and curtain wall systems. With six manufacturing plants in North America, Serious Materials products have been installed in over 70,000 projects (including the [Empire State Building](#)) and are available nationwide through thousands of local dealers for residential and commercial projects. For more information, visit <http://www.seriousmaterials.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 Echelon's Building Energy Management solution and other existing and new products and services and the timing and level of customer orders; risks relating to the timing of availability of sub-metering products and services; risks that Echelon offerings do not enable users to

achieve targeted energy or cost savings, or do not otherwise perform as designed and that liability may accrue as a result; the growth of the target industries for sub-metering; 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.