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For Immediate Release

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New York City Schools Choose Echelon's Technology To Reduce Energy And Facility Management Costs

Remote monitoring and data acquisition network increases efficiency and provides flexibility

(SAN JOSE, CA – February 7th, 2005) - Echelon Corporation (NASDAQ: ELON), the creator of the LONWORKS[®] device networking platform for networking everyday devices to each other and the Internet, today announced that the School Construction Authority (SCA) of the City of New York has chosen a facilities management system based upon Echelon's technology to reduce energy and facility management expenses and to foster a competitive bidding environment for future construction and management contracts. The SCA is responsible for the design, construction and renovation of New York City's more than 1,200 public school buildings. The initial project will include approximately 40 new schools. Assuming the SCA installs the remainder of its buildings with similar facility management systems, the overall project would be the largest LONWORKS supervisory control and data acquisition system to date in a public school system in the United States.

“Our facility-related costs have been increasing due to non-competitive bidding based on the former proprietary systems as well as increasing energy costs,” said William

Benson, Manager of the HVAC Standards Group, New York City School Construction Authority. “The LONWORKS based facilities management system allows us to choose products from multiple suppliers, creating a more competitive bidding process among contractors, and the flexibility to easily expand or alter the system in the future.”

Developing a system to efficiently monitor and control multiple building subsystems in 1,200 locations across the five boroughs of New York City was a challenge. SCA selected Control Technologies, Inc. (CTI), an Authorized LONWORKS Integrator, to implement and oversee the commissioning of a facilities management system that would be cost effective to install while providing the scalability needed to reduce life-cycle costs.

“A facilities management system based on Echelon’s technology and implemented using a set of standards to ensure consistency, provides the SCA with long-term flexibility and decreased maintenance costs,” said Terry Reynolds, PE, partner and vice president of business development for CTI. “As the school district grows, the ability to maintain a durable competitive environment, selecting products and services from multiple sources for additions and alterations, will significantly reduce the life-cycle cost of these systems.”

Additional school districts across the nation are using Echelon’s market-leading LONWORKS technology to reduce facility management expenses through remote monitoring and control of heating, ventilation, and air conditioning (HVAC) and other building systems. These include the Chicago Public School District, the Decatur Township Schools, in Decatur County, Indiana, and the San Marino School District and the College of the Desert in Palm Desert, both located in California.

“It is important that advanced, proven solutions be leveraged to enable educational institutions and school districts to drive down their costs, maximize their budgets, and increase efficiency,” said Anders Axelsson, Echelon’s senior vice-president of sales and marketing. “Using systems based on Echelon’s technology and infrastructure products allows facility managers to create one network that is easily extended to meet changing needs and priorities, and at the same time can be used to minimize energy use remotely across an entire district.”

About School Construction Authority (SCA)

Established by the New York State Legislature in December 1988, the SCA builds new public schools and manages the repair and renovation of capital projects in NYC's more than 1,200 public school buildings. The SCA has delivered 164 new schools and has completed over 8,000 capital improvement projects since its inception. Further information regarding SCA can be found at <http://www.nycsca.org>.

About Control Technologies, Inc. (CTI)

CTI is the largest Systems Integrator in New England with three offices, located in Burlington VT, Manchester NH, and Great River NY. CTI is an Associate member of LONMARK[®] Americas and a member of Echelon's Open System Alliance. For more information on CTI, visit their website <http://www.controltechinc.com>.

About Echelon Corporation

Echelon Corporation (NASDAQ: ELON) is the creator of the LONWORKS platform, the world's most widely used standard for connecting everyday devices such as appliances, thermostats, air conditioners, electric meters, and lighting systems to each other and to the Internet. Echelon's hardware and software products enable manufacturers and integrators to create smart devices and systems that lower cost, increase convenience, improve service, and enhance productivity, quality, and safety. Thousands of companies have developed and installed LONWORKS products and more than 40 million LONWORKS devices have been installed in homes, buildings, factories, trains, and other systems worldwide.

Further information regarding Echelon can be found at <http://www.echelon.com>.

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