



Echelon secures \$16 Million OSGP Project for NRGi in Denmark

New Advanced Metering Project Adds to Echelon's Market Share Lead; Project to Rollout over One Year

The fourth largest utility in Denmark, NRGi, has selected Echelon's Networked Energy Services (NES) smart grid control system throughout its services territory. The system includes the award-winning Echelon software for sensing, monitoring and control applications for the low voltage grid and smart meters for nearly 150,000 homes and businesses. With this latest win, Echelon, working with its value-added reseller partner Eltel Networks A/S, has secured nearly 50 percent of the Danish utility awards for advanced metering systems, resulting in clear market leadership for Echelon and Eltel. Revenue to Echelon over the initial deployment of smart meters and associated infrastructure hardware and software is expected to be approximately \$16 million. Echelon may also sell software maintenance services and spare parts for growth through 2026. Shipments are targeted to begin in the second quarter of this year, with the initial deployment phase expected to be completed within 12 months.

"At NRGi, our mission is to use innovative and sustainable solutions to be one of the strongest brands in energy, and we strive to give our customers tools to be active participants in this mission. Echelon and Eltel stood apart from other choices because they can help us achieve these goals," said Soren Sorensen, CEO of NRGi. "We continue to delight our customers with the reliability and performance we've experienced with the NES open and extensible system, along with high-value system features, such as Automatic Topology Management, power quality sensing and energy savings products we can introduce into the home. With the NES system we are implementing an extensible smart grid control solution rather than just smart meters."

Axel Hjarne, CEO of Eltel Networks added, "With Echelon, we are helping to reshape the energy market by providing utilities opportunities to build a truly smart grid that can enable new levels of reliability and performance while giving consumers active opportunities to save energy. NRGi is a leading brand in Denmark and we are proud to have won this very competitive bid process and have the opportunity to serve such a remarkable company."

"We are extremely pleased that NRGi chose the Echelon NES system after such a thorough review of offerings on the market," said Ron Sege, president and CEO of Echelon. "This win is another great example of the commitment we share with our partners to provide utilities and their customers market-leading performance and a wide range of applications that deliver tangible results. The fact that NRGi chose to dramatically extend its initial NES deployment is a great testimony to the value and uniqueness of our offering. We are proud to work with NRGi and help provide their customers opportunities to save time and money, while building a better tomorrow."

In 2008, NRGi acquired neighbouring utility Energi Horsens and awarded a 50,000 customer deployment of the NES system within the Energi Horsens former service territory. Deployment of that initial system was largely completed in 2010. Echelon's NES smart grid infrastructure consists of a web services based network operating system that interacts with a family of highly integrated, advanced electronic electricity meters and other smart grid devices over an IP network infrastructure. Unlike metering systems with a dedicated radio per metering point, the NES system enables multiple devices to share a single IP connection through the use of the Open Smart Grid Protocol (OSGP) and Echelon's proven standards-based power line networking technology. This decreases the per-point connection cost, enabling the system to easily and cost-effectively incorporate new wide area networking technologies over the life of the system. Echelon's open system interfaces allow the system to be cost-effectively expanded, adapted, and customized to meet the needs of utilities today and in the