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Press Release

PowerGrid Communications, Inc. Launches BPL Pilot Program with Austin Energy

Boise, ID and New York, NY - April 26, 2007: **Austin Energy**, one of the nation's largest community owned electric utilities serving over 380,000 retail customers in the City of Austin and in Travis and Williamson Counties, Texas, and **PowerGrid Communications Inc.**, a leading integrator and operator of Broadband over Powerlines (BPL) networks and *Smart Grid* applications, announced today that they have launched a pilot BPL demonstration network. The pilot program will show both *Smart Grid* applications that can enhance the reliability and efficiency of Austin Energy's power distribution grid and deliver broadband services to businesses and homes. The pilot will pass approximately 200 homes and businesses in Austin.

Austin Energy will use PowerGrid's GridEye™ system to test several critical *Smart Grid* services that include Grid Outage Reporting and Management, Automated Meter Reading for both electric and water meters, and Distribution Grid Automation. The program will also test services for integrating solar power collectors and fuel cell units and consumer Demand Response systems and web-enabled thermostats to manage power consumption. The BPL pilot program will demonstrate the ability to deliver high-speed data service to customers participating in the pilot that includes Internet Access, Voice over IP, Video on Demand and Always-On Security. The Austin BPL pilot project will also incorporate the City of Austin's 45Mb WiMesh network.

The Austin City Council approved the pilot project and subcontracted with PowerGrid Communications, Inc to design, install, and operate the project based on PowerGrid's extensive experience.

"PowerGrid is honored to partner with Austin Energy in this BPL pilot project. Certainly, Austin Energy and the City of Austin are among the most environmentally conscious communities and utilities in the United States and we believe that this pilot project will deliver a series of critical services to drive energy reliability, efficiency and security," said Chris Britton CEO of PowerGrid Communications, "through our work with the great team at Austin Energy, we were able to design one of the most advanced networks for a 21st century energy environment."

About Austin Energy

Austin Energy is the nation's 10th largest community-owned electric utility serving 380,000 customers and a population of more than 800,000. As a publicly owned power company and a city department, Austin Energy has returned \$1.3 billion to the community since 1976 that has helped fund city services such as fire, police, EMS, parks and libraries. Austin Energy's energy generation portfolio includes over 2,600 megawatts (MW) of nuclear, coal, natural gas and renewable energy sources. The utility created the top performing renewable energy program in the nation and owns the nation's first and largest green building program.

About PowerGrid Communications

Established in 2006, PowerGrid Communications has emerged to become one of the premier developers of Broadband over Powerline networks for utilities and government agencies. Drawing together the most skilled and experienced management team in the industry, PowerGrid can deliver on the promise of a "Smart Grid" that enables a utility to increase their reliability, efficiency and decrease carbon emissions in an era of scarce energy resources; and can deliver valuable broadband services to every electric outlet for communities and consumers. PowerGrid provides a full spectrum of integration, operations and marketing services to its customer partners including BPL network design, buildout, operations and financing; *Smart Grid* applications including outage reporting, critical infrastructure monitoring and smart metering; and consumer broadband services including Voice Over IP (VOIP), Internet Access (ISP), Video On Demand (VID), security monitoring and video surveillance. Through the experience of PowerGrid, utilities can be confident that BPL networks can successfully become a core part of their energy efficiency, grid reliability and revenue enhancement plans. PowerGrid is based in Boise, Idaho and New York City. For more information, visit the company's web site at www.powergridcomm.com.