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For Immediate Release**Telkonet and Lutron Advance Hospitality Energy Efficiency with Next Generation Integrated Solutions**

Combined guest room technology delivers single-source HVAC and lighting system for optimal operating efficiencies

June 22, 2009: Germantown, MD – Telkonet, Inc. (NYSE Amex: TKO), a Clean Technology company that develops and manufactures proprietary energy management and SmartGrid networking technology, announces a new integrated solution initiative with the leading designer and manufacturer of lighting controls, Lutron Electronics Co., Inc. Telkonet and Lutron are working closely together to harness their individual product strengths, offering a unique single solution that provides fully integrated in-room, occupancy-based heating, ventilation, and air conditioning (HVAC) energy management and lighting control. With this initiative, the two companies have dynamically advanced the concept of a complete hospitality solution, enabling hospitality property management a single-source energy efficiency platform.

With lighting and HVAC representing over 70% of a hotel's average energy usage, a single-source, fully-integrated solution enables property management to more easily adopt a comprehensive energy management strategy, realizing significant cost advantages by streamlining purchasing, installation and support from one vendor.

The Connected Guestroom offering including Telkonet is part of the newly launched Lutron Hospitality Solution as an option within the integrated hospitality portfolio. Michael Linck, Strategic Relationships - Hospitality at Lutron commented, "We are pleased to have Telkonet's energy management products available as an integrated HVAC component to our hospitality solutions. We look forward to the continued development of our complementary, integrated solutions to enhance the guest experience and deliver operational efficiencies to hospitality properties."

Telkonet's President and Chief Executive Officer, Jason Tienor, added, "Telkonet's and Lutron's common goal is to deliver tangible energy savings to property management through technology innovation. Our solutions are based on comparable technologies, with interchangeable occupancy sensors that control heating, air conditioning and lighting, eliminating wasted energy consumption when rooms are unoccupied. Our two companies have undertaken extensive mutual product testing, highlighting the synergy between our technologies. We look forward to continuing our integration efforts as this solution evolves."

With TSE (Telkonet Smart Energy™), energy savings are realized by deploying intelligent, programmable Telkonet Energy Management Thermostats and Telkonet Energy Management Controllers. These adjust and maintain a room's temperature according to occupancy, avoiding wasting energy through the unnecessary heating or cooling of vacant rooms. Central to TSE's efficiency is Telkonet's unique Recovery Time™ technology, which adjusts each room's temperature based on a variety of different factors, calculating how far it can drift from the occupant's preferred temperature setting. Unlike fixed setback systems, it ensures that the temperature returns to the occupant's setting within minutes upon their return, maintaining guest comfort while ensuring

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maximum energy efficiency. Additionally, the system reduces the run-time for heating, ventilation and cooling equipment, decreasing maintenance overheads and extending the equipment's working life.

Lutron Hospitality Solutions offers hotel guests a personalized room environment where they can instantly control lighting, window treatments, temperature, security, and TV through one-touch presets or create customizable room ambiance settings of their choice. Using their TV remote or mobile phone, the solution allows guests to enjoy a simple, elegant and familiar experience that also provides them with property-specific, in-room amenities information, resort services, concierge service, and Internet services through a single, intuitive user interface.

Lutron Hospitality Solutions integrate with the building's systems to permit data sharing across the hotel's backend for improved building efficiency and a seamless experience for guests and staff alike. Staff can also control rooms with automatic scenes like "Welcome" for greeting arriving guests or "Energy Efficiency Mode" to dial down energy use in unoccupied rooms. In addition, Lutron Hospitality Solutions can be supported and managed by the operations division of the property rather than by a third party, thus reducing the total cost of ownership and increasing return on investment for the property.

The connected guestroom experience will be available to see at Lutron Booth 278 during the HITEC show in Anaheim, CA, June 22-24, 2009.

About Lutron Electronics

Lutron Electronics Co., Inc. (www.lutron.com), headquartered in Coopersburg, PA, is the world leader in the design and manufacture of lighting control for residential and commercial applications. Lutron offers a variety of light dimmers, whole-home and whole-building dimming systems, controllable window treatments, and color-matched accessories, including wall plates, receptacles, and fan controls.

About Telkonet

Telkonet provides integrated, centrally-managed energy management and SmartGrid networking solutions that improve energy efficiency and reduce the demand for new energy generation. The company's energy management systems, aimed at the hospitality, commercial, government, healthcare and education markets, are dynamically lowering HVAC costs in over 140,000 rooms, and are an integral part of various utilities' green energy efficiency and rebate programs.

Primarily targeting SmartGrid and utility applications, Telkonet's patented powerline communications (PLC) platform delivers cost-effective, robust networking, with real-time online monitoring and maintenance capabilities, increasing the reliability and energy efficiency across the entire utility grid. www.telkonet.com.

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