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Telkonet Offers Energy Conservation Using Wisconsin's Focus On Energy Incentive Program

Telkonet offers lease to own program to hoteliers to reduce hospitality industry's energy consumption and carbon footprint

GERMANTOWN, Md.--

Telkonet, Inc., (AMEX:TKO) the leading provider of innovative, centrally managed solutions for integrated energy management, networking, building automation and proactive support services, has created a groundbreaking energy efficiency program utilizing Wisconsin's Focus on Energy Program Incentives to reduce energy consumption and carbon emissions within the state of Wisconsin. Focus on Energy is one of the country's premier public benefits energy efficiency and renewable energy programs, which has already saved business customers more than \$100 million annually. The Telkonet SmartEnergy advanced occupancy-driven in-room energy management solution provides hospitality industry customers with discounted energy management and energy efficiency products and installation under the program.

The program's implementation is expected to yield significant energy cost savings for the state's hospitality industry, reducing power consumption by millions of kilowatt-hours per year. "Lodging facilities are under constant pressure to provide additional amenities to attract customers to lodge with them, from building new waterparks to operating large conference centers," commented Matthew Matenaer, Energy Advisor with Focus on Energy. "However, when it comes down to it, over 40% of a hotel's energy costs result from heating and cooling guest rooms. It's an important cost control area that can be maintained by using guest room energy management controls. Focus on Energy recognizes Telkonet SmartEnergy products as a viable option to help our hotel customers achieve their goals of controlling energy usage in guest rooms."

An advanced energy management system, Telkonet SmartEnergy (TSE) provides an economic, green approach to controlling HVAC usage and improving energy efficiency. It incorporates a patented technology - Recovery Time(TM) - that performs constant real-time calculations to adjust and maintain a room's temperature based on occupancy. The installation of Telkonet SmartEnergy devices yields dramatic energy savings - often averaging 30% on heating and cooling costs.

"We welcome the opportunity that Focus on Energy incentives bring our business and our customers in that they offer energy-saving devices to the state's hospitality industry at a discounted rate. In many of our other hospitality-related installations, hotel and motel owners and operators are often averaging 30% savings on heating and cooling costs," added Jeff Sobieski, Executive Vice President for Energy Management at Telkonet. "These savings,

however, can be even more dramatic depending upon the extremes of the exterior temperature and humidity, the construction of the building, and age and type of the heating and air-conditioning ventilation systems. Focus on Energy makes available a credible third party validator that understands our core belief in providing products that not only improve bottom-line profit performance for industry, while delivering significant benefits to society as a whole. We are truly excited to be involved in the fast growing energy conservation movement and look forward to further developing our program with Focus on Energy and the business community in Wisconsin."

About Telkonet SmartEnergy

Telkonet SmartEnergy (TSE) is an intelligent, occupancy-driven in-room energy management system that uses a combination of occupancy sensors, along with intelligent programmable thermostats or PTAC controllers to improve energy efficiency, ensuring rooms are never excessively hot or cold when an occupant returns to the room. Its patented Recovery Time(TM) technology takes into account a diverse range of factors to determine each room's energy efficient temperature, restoring the temperature to the users' desired comfort setting within minutes of returning to a room. TSE has been proven to deliver a rapid return on investment, typically achieving quantifiable savings of approximately 30% by eliminating the wasteful heating and cooling of unoccupied rooms.

About Focus on Energy

Focus on Energy works with eligible Wisconsin residents and businesses to install cost effective energy efficiency and renewable energy products. Focus information, resources and financial incentives help to implement project that otherwise would not get completed, or to complete projects sooner than scheduled. Its efforts help Wisconsin residents and businesses manage rising energy costs, promote in-state economic development, protect our environment and control the state's growing demand for electricity and natural gas. For more information call (800) 762-7077 or visit www.focusonenergy.com.

About Telkonet, Inc

Telkonet specializes in advanced integrated solutions for broadband data networking and energy management, including its highly successful in-building powerline communications (PLC) technology. Headquartered in Germantown, Maryland, USA, Telkonet has over 140 employees and serves thousands of customers worldwide.

The company's unique broadband networking solutions currently support more than a million network users per month, with its energy management systems optimizing energy consumption in over 60,000 rooms. Telkonet's technology innovation is underpinned by the highest level of end-to-end quality of service, with comprehensive technical customer support. Its systems deliver wide-ranging functionality, from wired and wireless high-speed Internet access to energy management, IP surveillance and local area networking. Telkonet's platforms are widely deployed on the global stage - in single buildings and ships, in multi-building complexes, hospitality venues and multi-dwelling units, and at government, education and defense locations.

Telkonet's innovations include the revolutionary Telkonet Series 5 and the Telkonet iWire System(TM), which converts a site's existing internal electrical infrastructure into an IP

network backbone - quickly, cost-effectively and without disruption. The portfolio also includes the integrated EthoStream product suite, providing a comprehensive and advanced technology management platform for the hospitality industry, differentiated by outstanding remote management tools and a dedicated customer support facility. Telkonet SmartEnergy completes the line-up, often delivering bottom line savings of 30% by controlling in-room energy consumption according to occupancy. For more information, please visit www.telkonet.com.

Statements included in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of risks and uncertainties such as competitive factors, technological development, market demand and the Company's ability to obtain new contracts and accurately estimate net revenues due to variability in size, scope and duration of projects, and internal issues in the sponsoring client. Further information on potential factors that could affect the Company's financial results, can be found in the Company's Registration Statement and in its Reports on Forms 8-K filed with the Securities and Exchange Commission (SEC).

Source: Telkonet, Inc.