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Coactive Networks Powers Innovative Energy Management Solution

Residential Gateway Helps Curb Soaring Energy Costs and Addresses Power Generation Limitations

LAS VEGAS, Nevada, (CES 2001), January 5, 2001 – Coactive Networks, the leading provider of residential gateways for connecting the Internet to all devices in homes and businesses, today introduced the Coactive Energy Bundle 1.0. Built on the Coactive Connector® residential gateway, the Coactive Energy Bundle provides a complete Internet-based suite of energy management services that ushers in the next critical phase of smart home functionality with a timely solution to rising power costs and energy resource inefficiencies.

With the introduction of the Energy Bundle, Coactive is the first and only company of its kind to take an active role in defining, developing and implementing a complete residential gateway package that addresses specific consumer needs. The introduction of the Energy Bundle is uniquely timed to alleviate energy woes born of a complex crisis that has seen temperature fluctuations trigger power shortages and drastic price variations for both residential and commercial customers.

“Power outages cost U.S. businesses a whopping \$29 billion annually¹, while a mere 10 percent reduction in electricity consumption on peak would eliminate price spikes² and help curb brownouts and blackouts,” said David Gaw, president and CEO of Coactive Networks. “The Coactive Energy Bundle is the only solution available today that can meaningfully address this issue. The Coactive Connector residential gateway leverages the Internet to provide an unprecedented level of flexibility and intelligence, leading to smarter energy use and reducing monthly electricity bills by as much as 20 percent – an amazing savings in both dollars and electrons over the course of a year.”

The Coactive Energy Bundle addresses the core problems of uncontrolled and unpredictable energy consumption patterns. As the solution’s technological centerpiece, the Coactive Connector residential gateway tracks real-time energy usage data and enables both energy providers and consumers to pinpoint potential problems, make smart decisions, and avoid costly bills and disruptive outages.

Powering Smart Energy Management

The Coactive Energy Bundle connects four types of critical devices to the Internet: the energy meter, the thermostat, light switches, and major electrical appliances. Each of these devices communicates over the existing home electrical wiring to the Coactive Connector residential gateway, which then extends the communication to the Internet, either sharing a phone line or utilizing a broadband connection.

Once installed, the Coactive Connector acts as the master of the newly smart home or business, establishing communications, configuring services, and keeping up to date with software and service upgrades. The utility service

provider now has direct Internet access to key energy-using devices, while the consumer can receive alerts and remotely manage tasks from any Web browser or WAP-enabled wireless phone.

Activating a Web of Connectivity

Remote access to appliances, lights, and temperature does more than help regulate energy use. It enhances consumer convenience, safety, and peace of mind. Consumers can flip on the lights as they approach home, check to see if the coffee pot was left on, or receive an alert when pipes in the vacation home are in danger of freezing. These capabilities are the first steps in realizing the endless array of telemetry e-services to come as Coactive's residential gateway transforms the Internet into an easy-to-use, integral part of everyday life.

Increased consumer control – over demand, reduced peak crises, and lower prices – is the operating concept behind the Coactive Energy Bundle. Extending that control beyond energy conservation, Coactive delivers the connected home of the future today.

About Coactive Networks

Coactive Networks delivers open solutions for connecting devices and control systems to enterprise networks and the Internet. The company offers a full line of routers, thin servers, and gateways for enabling a new class of e-services, and is dedicated to enabling the Internet to reach all of the devices, appliances, and computers in homes and businesses. Coactive is a privately held corporation based in Sausalito, California. Detailed information on Coactive products, news announcements, training, and support is available on the World Wide Web at www.coactive.com.

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Editor Footnotes:

¹The Electric Power Institute (EPRI) estimates that power outages cost U.S. businesses \$29 billion annually.

²The California Independent System Operation (Cal-ISO) estimates that a 10 percent reduction in electricity consumption statewide on peak would eliminate price spikes.