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**NewPower and Coactive Networks Announce Strategic Alliance
to Deliver the Connected Home**

Coactive Connector® Residential Gateway to Help Reduce Energy Costs and Enable New Internet Services

PURCHASE, New York, March 14, 2001 – The New Power Company™ (www.newpower.com), a subsidiary of NewPower Holdings, Inc. (NYSE:NPW), the first national energy provider, and Coactive Networks (www.coactive.com), the leading provider of residential gateways for connecting the Internet to all devices in homes and businesses, today announced a strategic alliance. The companies will deliver the Internet-enabled, smart home to U.S. consumers and small businesses.

The move is a significant step for NewPower toward its vision of bringing cutting-edge technology into the homes of consumers and small businesses to help them better manage their energy costs. NewPower joins other major energy providers around the world in using the Coactive Connector® residential gateway to address energy management issues arising from a changing regulatory and market environment. This important application serves as a first step in using the residential gateway to bring affordable, easy-to-use smart home functionality to the mass market.

“By forming this alliance with Coactive, NewPower becomes the first company to publicly announce a true smart home initiative in the U.S.,” said David Gaw, president and chief executive officer of Coactive Networks. “Trends related to deregulation will continue to drive residential gateway deployments in 2001. Forward-thinking energy service providers such as NewPower, who see the immediate value in better managing energy usage with a long-term vision to deliver the smart home, are leading the way.”

Connecting common devices such as thermostats, meters, lighting fixtures, appliances, security systems and home automation systems to the Internet, the Coactive Connector family of residential gateways delivers an unprecedented level of information access that energy providers can package into telemetry e-services bundles. This capability together with NewPower’s commodity product expertise will enable both NewPower and its residential and small business customers to pinpoint potential problems, make smart usage and purchasing decisions, and reduce utility bills.

As part of the agreement, NewPower will use the Coactive technology to outfit households with telemetry e-services, including energy management and home control. NewPower plans to launch a pilot project this year, turning existing homes in the eastern U.S. into Internet-enabled, smart homes. By using the Coactive Connector gateway, both NewPower and its customers will benefit from Internet access to household energy usage and appliances.

“The alliance with Coactive will enhance our value to consumers and small businesses by using innovative technologies to promote smarter energy usage and introduce a new world of Internet-enabled services,” said H. Eugene Lockhart, NewPower’s president and chief executive officer. “The increasingly volatile power markets are creating awareness by consumers for the need to control their energy demand during peak usage periods. The ability to offer telemetry e-services that help to manage demand while enhancing convenience, safety and peace of mind, cements our relationship with the customer for the long term.”

About NewPower Holdings, Inc.

NewPower Holdings, Inc. (NYSE: NPW), through its subsidiary, The New Power Company, is the first national provider of electricity and natural gas to residential and small commercial customers in the United States. The Company offers consumers in restructured retail energy markets, competitive energy prices, pricing choices, improved customer service and other innovative products, services and incentives. More information on NewPower can be found at www.newpower.com.

About Coactive Networks

Coactive Networks extends Internet access to every device, appliance, control system and computer – Connecting Networks to the Real World™. By providing a central link from these devices to the Internet, the Coactive Connector® and Coactive Router product families deliver a new class of telemetry e-services to homes and businesses worldwide. The leader in Internet telemetry, Coactive Networks delivers affordable, scalable connectivity with a highly integrated third-generation residential gateway platform and the patent-pending distributed object technology of the IOConnect Architecture™. Coactive Networks is a privately held corporation based in Sausalito, California. More information on Coactive Networks can be found at www.coactive.com.

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