



Itron Highlights Its Continued, Industry-Leading Efforts in Securing the Smart Grid

Recent work includes partnership with Idaho National Laboratory to ensure overall security needs of the smart grid

LIBERTY LAKE, Wash., Jun 18, 2009 (BUSINESS WIRE) -- Itron Inc. (NASDAQ: ITRI) announced today several new developments in its ongoing leadership around robust security as part of the rapidly emerging smart grid.

Itron has established a cooperative research and development agreement with Idaho National Laboratory (INL), a leading, applied engineering national laboratory dedicated to supporting the U.S. Department of Energy's (DOE) missions in nuclear and energy research, science and national defense.

"Idaho National Laboratory partners with leading technology providers like Itron in an effort to share knowledge and collaborate on security issues associated with the nation's critical infrastructures," said INL's Rita Wells. "These joint initiatives are an effective way to promote cyber security between private industries and government agencies."

The partnership establishes a DOE cooperative project to assess and develop concepts to reduce vulnerabilities associated with smart metering and ensure the overall security needs of the smart grid. The project is currently underway. Its scope includes the enhanced security architecture of OpenWay^(R), Itron's smart metering solution, as well as its 2.4GZ OpenWay Gas Module, and other home area network devices.

"Itron's smart meters and networks are fostering the modernization of the nation's electrical power infrastructure, acting as catalyst for the power grid of tomorrow," said Malcolm Unsworth, Itron president and chief executive officer. "It's a leadership role that we take seriously. We embrace security as paramount to the responsible delivery of these technologies to market."

"It's been suggested that utilities should demand that their suppliers adopt secure development practices, and require them to undergo third-party security auditing. Itron is voluntarily participating in security testing and setting an example of responsibility that all vendors should follow," said Lynne Elyn, DTE Energy senior vice president and chief information officer. The Michigan-based diversified energy company is currently deploying a number of OpenWay smart meters.

Itron has worked diligently to ensure encryption at the hardware level in OpenWay, as well as making it impossible to decode the metering device's communications. This functionality was part of Itron's February release of an enhanced security version* of its OpenWay Collection Engine. Based on elliptic curve cryptography (ECC), a series of meter communication encryption and key management appliances are now being utilized in OpenWay to secure end-to-end network messages from the OpenWay Collection Engine down to the OpenWay CENTRON^(R) meter.

Itron holds the top spot for contracted market share for advanced meters in North America. All of its larger customers have enhanced security as part of their deployments, including San Diego Gas & Electric (deploying 2.3 million meters), Houston-based CenterPoint Energy (deploying 2.4 million meters), Southern California Edison (deploying 5.3 million smart meters), and DTE Energy.

Paul De Martini, SCE vice president of Advanced Technology, said, "Security is crucial to the success of the smart grid. We appreciate the partnership with Itron over the past two years to provide a cyber security solution that benefits our customers and our industry."

Additionally, Itron continues to partner with Certicom and Industrial Defender to achieve an unmatched level of smart grid security. Itron is utilizing Certicom's AMI 7000^(R) appliances for secure network messaging. Industrial Defender's 300B security event monitor is utilized by OpenWay to manage, maintain and report on aggregated data from the OpenWay system.

Itron is also furthering its standards work with the National Institute for Standards and Technology (NIST), recently reaffirming the importance of embracing interoperability standards as part of NIST smart grid workshops. Once defined, standards generated by the NIST initiative, in conjunction with the use of Internet protocol (IP), American National Standards Institute (ANSI) C12.22, ZigBee Smart Energy, and other applicable standards, will ensure full implementation of the vision for smart grid. Work also continues with the AMI-SEC task force, as Itron helps to produce technical specifications for use by utilities to assess and procure security-related functionality.

** enhanced security version provides industry-leading protection consistent with Federal Energy Regulatory Commission (FERC) and North American Electric Reliability Corporation (NERC) "Critical Cyber Asset" requirements. It also adheres to National Security Agency (NSA) Suite B requirements, while meeting Federal Information Processing Standard Publication (FIPS) 140-2 Level 3 for cryptographic modules.*

About Itron:

Itron Inc. is a leading technology provider to the global energy and water industries. Our company is the world's leading provider of intelligent metering, data collection and utility software solutions, with nearly 8,000 utilities worldwide relying on our technology to optimize the delivery and use of energy and water. Our products include electricity, gas, water and heat meters, data collection and communication systems, including automated meter reading (AMR) and advanced metering infrastructure (AMI); meter data management and related software applications; as well as project management, installation, and consulting services. To know more, start here: www.itron.com.

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