

Kessner Steven  
 Form 4  
 November 17, 2008

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Kessner Steven

2. Issuer Name and Ticker or Trading Symbol  
 ENVIRONMENTAL POWER CORP [( EPG )]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 16 PADDINGTON ROAD  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 11/12/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)

SCARSDALE, NY 10583  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |   |
| Common Stock                    | 11/12/2008                           |  | P                              | 75,000 A \$ 0.43  | 295,257   | I  | See footnote (1)                                      |
| Common Stock                    | 11/14/2008                           |  | P                              | 75,000 (7) A \$ 0.3798  | 370,257   | I  | See footnote (1)                                      |
| Common Stock                    | 11/17/2008                           |  | P                              | 75,000 (8) A \$ 0.39 (8)  | 445,257   | I  | See footnote (1)                                      |
| Common Stock                    |                                      |  |                                |   | 19,484  | I  | See footnote  |

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|              |        |   |                         |
|--------------|--------|---|-------------------------|
| Common Stock | 19,484 | I | (2)<br>See footnote (3) |
| Common Stock | 19,484 | I | See footnote (4)        |
| Common Stock | 19,484 | I | See footnote (5)        |
| Common Stock | 19,484 | I | See footnote (6)        |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Beneficially (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |

## Reporting Owners

| Reporting Owner Name / Address                              | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| Kessner Steven<br>16 PADDINGTON ROAD<br>SCARSDALE, NY 10583 | X             |           |         |       |

## Signatures

/s/ Scott E. Pueschel, Attorney-in-Fact for Steven  
Kessner

11/17/2008

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Held by RE Funding, LLC, of which the reporting person is the sole officer and director and over which he has sole voting and investment control
  - (2) Held by The Adam Kessner Trust, of which the reporting person is the sole trustee and exercises sole voting and investment control over the shares held by this trust.
  - (3) Held by The Michael Kessner Trust, of which the reporting person is the sole trustee and exercises sole voting and investment control over the shares held by this trust.
  - (4) Held by The Robert Kessner Trust, of which the reporting person is the sole trustee and exercises sole voting and investment control over the shares held by this trust.
  - (5) Held by The Richard Kessner Trust, of which the reporting person is the sole trustee and exercises sole voting and investment control over the shares held by this trust.
  - (6) Held by the reporting person as custodian for Jonathan Kessner, one of the reporting person's children. The reporting person exercises sole voting and investment control over these shares.  
  
Represents the aggregate number of shares purchased on the date indicated and the weighted average price at which such purchases were made. Such purchases were made at prices ranging from \$0.3775 to \$0.38 per share. The reporting person will provide to the Commission, the issuer and any stockholder, upon request, full information regarding the number of shares purchased or sold at each separate price.
  - (7) Represents the aggregate number of shares purchased on the date indicated and the weighted average price at which such purchases were made. Such purchases were made at prices ranging from \$0.37 to \$0.40 per share. The reporting person will provide to the Commission, the issuer and any stockholder, upon request, full information regarding the number of shares purchased or sold at each separate price.
  - (8) Represents the aggregate number of shares purchased on the date indicated and the weighted average price at which such purchases were made. Such purchases were made at prices ranging from \$0.37 to \$0.40 per share. The reporting person will provide to the Commission, the issuer and any stockholder, upon request, full information regarding the number of shares purchased or sold at each separate price.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.