

ENVIRONMENTAL POWER CORP
 Form 4
 August 22, 2005

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)
 08/22/2005

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 08/18/2005 | | P | 5,200 A \$ 6.2 | 17,200 | I | See Footnote (1) |
| Common Stock | 08/18/2005 | | P | 1,300 A \$ 6.2 | 4,300 | I | See Footnote (2) |
| Common Stock | | | | | 171,289 | I | See Footnote (3) |

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 Beneficially Owned (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 16 PADDINGTON ROAD SCARSDALE, NY 10583 | | X | | |

Signatures

/s/ Tammy Johnson,
Attorney-in-fact
Date: 08/22/2005

**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) The shares acquired and the shares reported as indirectly beneficially held were acquired, and are held, by trusts for the benefit of the reporting person's children. The reporting person is the sole trustee of each of the foregoing trusts and has sole voting and investment control over the shares held by such trusts.
 - (2) The shares acquired and the shares reported as indirectly beneficially held were acquired, and are held, by the reporting person as custodian for one of the reporting person's children, over which the reporting person exercises sole voting and investment control.
 - (3) 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.

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.