Kessner Steven Form 4 May 05, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or

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

Form 5 obligations may continue. See Instruction

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(b).

1. Name and Address of Reporting Person *

Kessner Steven

ENVIRONMENTAL POWER CORP [(EPG)]

(Last) (First) (Middle)

16 PADDINGTON ROAD

(Street)

2. Transaction Date 2A. Deemed

(Zip)

Execution Date, if

(Month/Day/Year)

(State)

(Month/Day/Year)

SCARSDALE, NY 10583

(City)

1.Title of

Security

(Instr. 3)

2. Issuer Name and Ticker or Trading

Symbol

(Month/Day/Year) 05/03/2006

3.

Code

(Instr. 8)

4. If Amendment, Date Original

3. Date of Earliest Transaction

Filed(Month/Day/Year)

4. Securities

Disposed of (D)

(Instr. 3, 4 and 5)

(A)

or

TransactionAcquired (A) or

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

Securities Beneficially Owned Following

Issuer

below)

Person

X_ Director

Applicable Line)

Officer (give title

Reported

5. Amount of

6. Ownership Form: Direct (D) or Indirect Beneficial (I) (Instr. 4)

Indirect Ownership (Instr. 4)

7. Nature of

10% Owner

Other (specify

OMB APPROVAL

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January 31,

2005

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OMB

Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

6. Individual or Joint/Group Filing(Check

X Form filed by One Reporting Person Form filed by More than One Reporting

(Check all applicable)

Estimated average

burden hours per

Transaction(s) (Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of 3. Transaction Date 3A. Deemed Derivative Conversion (Month/Day/Year) Execution Date, if or Exercise Security any

5. Number of 6. Date Exercisable and 4. TransactionDerivative **Expiration Date** (Month/Day/Year) Code Securities

7. Title and Amou Underlying Securi (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr.	8)	Acquired (or Dispose (D) (Instr. 3, 4 and 5)	Disposed of tr. 3, 4,				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amo or Nun of S
Non-statutory stock option (right to buy)	\$ 8.89	05/03/2006		A		15,000		05/03/2006	05/02/2016	Common Stock	15,

Reporting Owners

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

Signatures

/s/ Scott Pueschel, Attorney-in-fact 05/05/2006

**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) Not Applicable

Remarks:

Automatic annual grant under the issuer's 2006 Director Option Plan.

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.

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