HARRIS RUSSELL
Form 4
December 19, 2008

FORM 4

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

OMB APPROVAL

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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 *
HARRIS RUSSELL

(Last) (First) (Middle)

550 MERIDIAN AVE

(Street)

SAN JOSE, CA 95126

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ECHELON CORP [ELON]

3. Date of Earliest Transaction (Month/Day/Year)
12/17/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Senior VP of Operations

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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			

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

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

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying (Instr. 3 and

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	Disposed of (D) (Instr. 3, 4, and 5)				
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title
Stock Appreciation Right	$ 7.69	12/17/2008		A	62,836		12/17/2009	12/17/2010	Common Stock
Employee Stock Option (Right to buy)	$ 16.44	12/17/2008		D		125,672	(2)	09/04/2011	Common Stock
Stock Appreciation Right	$ 7.69	12/17/2008		A	2,354		12/17/2009	12/17/2010	Common Stock
Employee Stock Option (Right to buy)	$ 8.52	12/17/2008		D		2,354	(4)	03/17/2009	Common Stock
Stock Appreciation Right	$ 7.69	12/17/2008		A	5,577		12/17/2009	12/17/2010	Common Stock
Employee Stock Option (Right to buy)	$ 8.52	12/17/2008		D		5,577	(6)	02/22/2012	Common Stock
Stock Appreciation Right	$ 7.69	12/17/2008		A	17,500		(7)	12/17/2011	Common Stock
Employee Stock Option (Right to buy)	$ 8.19	12/17/2008		D		17,500	(9)	08/15/2010	Common Stock
Stock Appreciation Right	$ 7.69	12/17/2008		A	26,250		(10)	12/17/2012	Common Stock
Stock Appreciation Right	$ 8.43	12/17/2008		D		26,250	(12)	10/31/2011	Common Stock
Stock Appreciation Right	$ 7.69	12/17/2008		A	11,250		(13)	12/17/2013	Common Stock
Stock Appreciation Right	$ 27.8	12/17/2008		D		33,750	(15)	09/10/2012	Common Stock

Stock Appreciation Right	$ 7.69	12/17/2008		A	22,500		(16)	12/17/2013	Common Stock
Stock Appreciation Right	$ 13.32	12/17/2008		D		33,750	(18)	05/27/2013	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARRIS RUSSELL 550 MERIDIAN AVE SAN JOSE, CA 95126			Senior VP of Operations	

Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for Russell Harris	12/19/2008
**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) The Reporting Person agreed to cancellation of a stock option granted to him on September 4, 2001, in exchange for a stock appreciation right granted under the Echelon Corporation 1997 Stock Plan (the "Plan") having a lower per share exercise price.

(2) Cancellation of a stock option granted to Reporting Person under the Plan on September 4, 2001 to buy 150,000 shares of Common Stock, of which 24,328 shares were previously exercised. The option was exercisable as to 1/4th of the shares on September 4, 2002 and as to 1/48th of the shares on each one month anniversary thereafter.

(3) The Reporting Person agreed to cancellation of a stock option granted to him on April 22, 2005, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.

(4) Cancellation of a stock option granted to Reporting Person under the Plan on April 22, 2005 to buy 60,000 shares of Common Stock, of which 57,646 shares were previously exercised. The option was originally exercisable as to 31,250 shares on April 22, 2006 and as to 1,250 shares on each one month anniversary thereafter; however, on November 18, 2005, vesting was accelerated in full.

(5) The Reporting Person agreed to cancellation of a stock option granted to him on April 22, 2005, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.

(6) Cancellation of a stock option granted to Reporting Person under the Plan on April 22, 2005 to buy 25,000 shares of Common Stock, of which 19,423 shares were previously exercised. The option was originally exercisable as to all of the shares on April 22, 2006; however, on November 18, 2005, vesting was accelerated in full.

(7) Pursuant to the Plan, the Reporting Person was granted a stock appreciation right with respect to 17,500 shares of Common Stock. 1/2 of such shares becomes exercisable on each of December 17, 2009 and December 17, 2010.

(8) The Reporting Person agreed to cancellation of a stock option granted to him on August 15, 2005, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.

(9) Cancellation of a stock option granted to Reporting Person under the Plan on August 15, 2005 to buy 35,000 shares of Common Stock, of which 17,500 shares were previously exercised. The stock option was exercisable as to 1/4th of the shares on August 15, 2006 and each one year anniversary thereafter.

(10) Pursuant to the Plan, the Reporting Person was granted a stock appreciation right with respect to 26,250 shares of Common Stock. 1/3rd of such shares becomes exercisable on December 17, 2009 and each one year anniversary thereafter.

(11) The Reporting Person agreed to cancellation of a stock appreciation right granted to him on October 31, 2006, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.

(12) Cancellation of a stock appreciation right granted to Reporting Person under the Plan on October 31, 2006 with respect to 26,250 shares of Common Stock. The stock appreciation right was exercisable as to 1/4th of the shares on October 31, 2007 and each one year anniversary thereafter.

(13) Pursuant to the Plan, the Reporting Person was granted a stock appreciation right with respect to 11,250 shares of Common Stock. 1/4th of such shares becomes exercisable on December 17, 2009 and each one year anniversary thereafter.

(14) The Reporting Person agreed to cancellation of a stock appreciation right granted to him on September 10, 2007, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.

(15) Cancellation of a stock appreciation right granted to Reporting Person under the Plan on September 10, 2007 with respect to 33,750 shares of Common Stock. The stock appreciation right was exercisable as to 1/4th of the shares on September 10, 2008 and each one year anniversary thereafter.

(16) Pursuant to the Plan, the Reporting Person was granted a stock appreciation right with respect to 22,500 shares of Common Stock. 1/4th of such shares becomes exercisable on December 17, 2009 and each one year anniversary thereafter.

(17) The Reporting Person agreed to cancellation of a stock appreciation right granted to him on May 27, 2008, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.

(18) Cancellation of a stock appreciation right granted to Reporting Person under the Plan on May 27, 2008 with respect to 33,750 shares of Common Stock. The stock appreciation right was exercisable as to 1/4th of the shares on May 27, 2009 and each one year anniversary thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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