

Edgar Filing: ENVIRONMENTAL POWER CORP - Form 8-K

- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

ITEM 8.01. OTHER EVENTS

On September 15, 2009, Environmental Power Corporation (the Company), its subsidiary, Microgy Holdings, LLC (Holdings), the purchasers of the \$62.425 million in tax-exempt bonds (the Bonds) issued in connection with Holdings tax-exempt bond financing in California in September 2008 (the Bondholders) and Wells Fargo Bank, National Association, as Trustee (the Trustee) entered into a Second Amendment (the Amendment) to the Demand Purchase Agreement, dated as of September 3, 2008, among the Company, Holdings, the Bondholders and the Trustee (the Demand Purchase Agreement) to extend to September 30, 2009 the date until which the Bondholders may exercise the Option (as defined below), and to extend to October 15, 2009, the date on which the Company would be required to pay costs of issuance if the Option is exercised.

The Company, Holdings and the Bondholders deem it in their mutual best interests to extend again the period of time during which the Option may be exercised, in light of current capital raising activities by the Company and Holdings. The purpose of the Amendment is to provide adequate time for continued discussions between the Company and Holdings, on the one hand, and the Bondholders, on the other hand.

Pursuant to the Demand Purchase Agreement, if certain conditions set forth in the Loan Agreement, dated as of August 1, 2008, with the California Statewide Community Development Authority were not met by June 30, 2009, the holders of a majority of the Bonds would have the option, exercisable by written notice to Holdings on or before July 31, 2009, to require Holdings to purchase the Bonds at par plus accrued interest on or before August 31, 2009 (the Option).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENVIRONMENTAL POWER CORPORATION

By: /s/ Michael E. Thomas

Michael E. Thomas

Senior Vice President,

Chief Financial Officer and Treasurer

Dated: September 15, 2009