

Kessner Steven  
 Form 4  
 December 19, 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)  
 12/13/2005

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	12/13/2005		P	3,428 A \$ 5.5	23,428	I	See footnote <sup>(1)</sup>
Common Stock	12/13/2005		P	857 A \$ 5.5	5,857	I	See footnote <sup>(2)</sup>
Common Stock	12/13/2005		S <sup>(4)</sup>	4,285 D \$ 5.5	171,289	I	See footnote <sup>(3)</sup>
Common Stock	12/13/2005		P	900 A \$ 6.6	172,189	I	See footnote <sup>(3)</sup>
Common Stock	12/13/2005		P	10,200 A \$ 6.65	182,389	I	See footnote <sup>(3)</sup>

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Common Stock	12/13/2005	P	3,200	A	\$ 6.67	185,589	I	See footnote <sup>(3)</sup>
Common Stock	12/13/2005	P	200	A	\$ 6.69	185,789	I	See footnote <sup>(3)</sup>
Common Stock	12/13/2005	P	1,800	A	\$ 6.7	187,589	I	See footnote <sup>(3)</sup>
Common Stock	12/13/2005	P	100	A	\$ 6.73	187,689	I	See footnote <sup>(3)</sup>
Common Stock	12/13/2005	P	1,000	A	\$ 6.74	188,689	I	See footnote <sup>(3)</sup>
Common Stock	12/13/2005	P	3,800	A	\$ 6.75	192,489	I	See footnote <sup>(3)</sup>
Common Stock	12/15/2005	P	500	A	\$ 6.74	192,989	I	See footnote <sup>(3)</sup>
Common Stock	12/15/2005	P	5,300	A	\$ 6.75	198,289	I	See footnote <sup>(3)</sup>

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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)	
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	Amount or Number of Shares
Common Stock Warrants (right to buy)	\$ 7.7	12/13/2005		G	V 1,715	05/19/2004 05/19/2007	Common Stock	1,715
Common Stock Warrants (right to	\$ 7.7	12/13/2005		G	V 428	05/19/2004 05/19/2007	Common Stock	428

buy)

Common  
Stock

Warrants	\$ 7.7	12/13/2005	G	V	2,143	05/19/2004	05/19/2007	Common Stock	2,143
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(right to  
buy)

## Reporting Owners

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

## Signatures

/s/ Steven  
Kessner

12/16/2005

\*\*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 and warrants acquired and the shares and warrants 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 and warrants held by such trusts.
  - (2) The shares and warrants acquired and the shares and warrants 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.
  - (4) The reported sale represented a sale by RE Funding LLC to the trusts described in the footnotes above and to the reporting person as custodian for one of his children. As a result, the reporting person remains the beneficial owner of the shares so sold.
  - (5) Not Applicable

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.