

Kessner Steven
 Form 3
 August 12, 2005

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 (Last) (First) (Middle) 16 PADDINGTON ROAD (Street) SCARSDALE, NY 10583 (City) (State) (Zip) | 2. Date of Event Requiring Statement (Month/Day/Year) 08/11/2005 | 3. Issuer Name and Ticker or Trading Symbol ENVIRONMENTAL POWER CORP [(EPG)] | 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) | 5. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |
|---|--|---|---|--|---|

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock | 171,829 | I | See Foot note ⁽³⁾ |
| Common Stock | 12,000 | I | See Foot note ⁽¹⁾ |
| Common Stock | 3,000 | I | See Foot Note ⁽²⁾ |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership |
|---|---|--|---------------------------|----------------------|--|
|---|---|--|---------------------------|----------------------|--|

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| | Date Exercisable | Expiration Date | (Instr. 4) Title | Amount or Number of Shares | Price of Derivative Security | Derivative Security: Direct (D) or Indirect (I) (Instr. 5) | (Instr. 5) |
|---|------------------|-----------------|---------------------|----------------------------|------------------------------|--|------------------------------|
| Common Stock Warrants (right to buy) | 05/19/2004 | 05/19/2007 | Common Stock | 23,571 | \$ 7.7 | I | See Foot note ⁽³⁾ |
| Non-Statutory Stock Option (right to buy) | 09/14/2005 | 09/14/2010 | Common Stock | 42,751 | \$ 7.25 | D | ^ |
| Non-Statutory Stock Option (right to buy) | 08/11/2005 | 08/11/2015 | Common Stock | 14,286 | \$ 6.24 | D | ^ |

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: 08/12/2005
**Signature of Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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).
Comprised of 3000 shares held by the Adam Kessner Trust, 3000 shares held by the Michael Kessner Trust, 3000 shares held by the (1) Richard Kessner Trust and 3000 shares held by the Robert Kessner Trust, Mr. Kessner is the sole trustee of each of the foregoing trust and has sole voting and investment control over the shares held by such trusts.
- (2) Held as custodian for Jonathan Kessner, over which Mr. Kessner exercises sole voting and investment control.
- (3) Held by RE Funding, LLC, of which Mr. Kessner 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.