

ECHELON CORP
Form 4
August 15, 2007

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
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

OMB APPROVAL

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(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)
08/13/2007

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)
Common Stock	08/13/2007		M	24,328 D	\$ 16.44	24,328	D
Common Stock	08/13/2007		F	15,678 D	\$ 25.51	8,650	D
Common Stock	08/13/2007		M	39,685 D	\$ 12.91	48,335	D
Common Stock	08/13/2007		F	27,091 D	\$ 25.51	21,244	D

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

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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
Employee Stock Option (Right to buy)	\$ 16.44	08/13/2007		M		24,328		<u>(1)</u>	09/04/2011	Common Stock	24,328
Employee Stock Option (Right to buy)	\$ 12.91	08/13/2007		M		39,685		<u>(2)</u>	05/21/2008	Common Stock	39,685

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

08/15/2007

__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 exercised 24,328 of a 150,000 share option grant dated September 4, 2001. This option vested 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, with this option being 100% vested

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on September 4, 2005.

- The Reporting Person exercised 39,685 of the 50,000 share option granted on May 21, 2003. Previous vesting was such that this 50,000
- (2) share option vested as to 1/4th of the shares on May 21, 2004 and as to 1/48th of the shares on each one month anniversary thereafter; however, on November 18, 2005 vesting was accelerated in full.

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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