

HARRIS RUSSELL
Form 4
September 07, 2007

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 *
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)
09/05/2007

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	09/05/2007		M		17,500	A	\$ 8.19
Common Stock	09/05/2007		F		9,426	D	\$ 29.05
Common Stock	09/05/2007		M		10,315	A	\$ 12.91
Common Stock	09/05/2007		F		6,632	D	\$ 29.05
Common Stock	09/05/2007		S		1,934	D	\$ 29

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Common Stock	09/05/2007	S	400	D	\$ 29.04	9,423	D
Common Stock	09/05/2007	S	200	D	\$ 29.05	9,223	D
Common Stock	09/06/2007	S	62	D	\$ 29.3	9,161	D
Common Stock	09/06/2007	S	100	D	\$ 29.25	9,061	D
Common Stock	09/06/2007	S	100	D	\$ 29.23	8,961	D
Common Stock	09/06/2007	S	100	D	\$ 29.22	8,861	D
Common Stock	09/06/2007	S	100	D	\$ 29.18	8,761	D
Common Stock	09/06/2007	S	918	D	\$ 29.16	7,843	D
Common Stock	09/06/2007	S	500	D	\$ 29.14	7,343	D
Common Stock	09/06/2007	S	100	D	\$ 29.13	7,243	D
Common Stock	09/06/2007	S	600	D	\$ 29.12	6,643	D
Common Stock	09/06/2007	S	100	D	\$ 29.11	6,543	D
Common Stock	09/06/2007	S	200	D	\$ 29.105	6,343	D
Common Stock	09/06/2007	S	700	D	\$ 29.1	5,643	D
Common Stock	09/06/2007	S	100	D	\$ 29.08	5,543	D
Common Stock	09/06/2007	S	100	D	\$ 29.07	5,443	D
Common Stock	09/06/2007	S	400	D	\$ 29.06	5,043	D
Common Stock	09/06/2007	S	100	D	\$ 29.05	4,943	D
Common Stock	09/06/2007	S	300	D	\$ 28.61	4,643	D
Common Stock	09/06/2007	S	400	D	\$ 28.57	4,243	D
	09/06/2007	S	100	D	\$ 28.55	4,143	D

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Common
Stock

Common Stock	09/06/2007	S	500	D	\$ 28.52	3,643	D
Common Stock	09/06/2007	S	400	D	\$ 28.51	3,243	D
Common Stock	09/06/2007	S	3,243	D	\$ 28.5	0	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)	\$ 8.19	09/05/2007		M	17,500	<u>(1)</u> 08/15/2010	Common Stock 17,500
Employee Stock Option (Right to buy)	\$ 12.91	09/05/2007		M	10,315	<u>(2)</u> 05/21/2008	Common Stock 10,315

Reporting Owners

Reporting Owner Name / Address

Relationships

HARRIS RUSSELL
550 MERIDIAN AVE

Director 10% Owner Officer Other

Senior VP of Operations

SAN JOSE, CA 95126

Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for Russell
Harris

09/06/2007

__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 17,500 of the 35,000 share option granted on August 15, 2005. The option became exercisable at the rate of 1/4th of the shares on August 15, 2006 and as to 1/4th of the shares on each one year anniversary thereafter.
- The Reporting Person exercised 10,315 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. 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.