BRUGGINK FREDERIK
Form 4
December 19, 2008

FORM 4

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

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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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
BRUGGINK FREDERIK

(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)
12/17/2008

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)
Sr. VP & GM of Ser Prov Gp

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)
			Code	V	Amount	(A) or (D)	Price			

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

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SEC 1474 (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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and A Underlying Se (Instr. 3 and 4

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	(A) or Disposed of (D) (Instr. 3, 4, and 5)				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Stock Appreciation Right	$ 7.69	12/17/2008		A		50,000		12/17/2009	12/17/2010	Common Stock
Employee Stock Option (Right to buy)	$ 11.61	12/17/2008		D			50,000	(2)	04/10/2011	Common Stock
Stock Appreciation Right	$ 7.69	12/17/2008		A		30,000		12/17/2009	12/17/2010	Common Stock
Employee Stock Option (Right to buy)	$ 16.35	12/17/2008		D			60,000	(4)	02/22/2012	Common Stock
Stock Appreciation Right	$ 7.69	12/17/2008		A		20,000		12/17/2009	12/17/2010	Common Stock
Employee Stock Option (Right to buy)	$ 10.52	12/17/2008		D			20,000	(6)	09/20/2012	Common Stock
Stock Appreciation Right	$ 7.69	12/17/2008		A		60,000		12/17/2009	12/17/2010	Common Stock
Employee Stock Option (Right to buy)	$ 10.89	12/17/2008		D			60,000	(8)	03/17/2009	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BRUGGINK FREDERIK 550 MERIDIAN AVE SAN JOSE, CA 95126			Sr. VP & GM of Ser Prov Gp	

Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for Frederik Bruggink	12/19/2008
**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 agreed to cancellation of a stock option granted to him on April 10, 2001, in exchange for a stock appreciation right granted under the Echelon Corporation 1997 Stock Plan (the "Plan") having a lower per share exercise price.

(2) Cancellation of a stock option granted to Reporting Person under the Plan on April 10, 2001 to buy 50,000 shares of Common Stock. The option was exercisable as to 1/4th of the shares on April 10, 2002 and as to 1/48th of the shares on each one month anniversary thereafter.

(3) The Reporting Person agreed to cancellation of a stock option granted to him on February 22, 2002, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.

(4) Cancellation of a stock option granted to Reporting Person under the Plan on February 22, 2002 to buy 60,000 shares of Common Stock. The option was originally exercisable as to 1/4th of the shares on February 22, 2003 and as to 1/48th of the shares on each one month anniversary thereafter; however, on November 18, 2005, vesting was accelerated in full.

(5) The Reporting Person agreed to cancellation of a stock option granted to him on September 20, 2002, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.

(6) Cancellation of a stock option granted to Reporting Person under the Plan on September 20, 2002 to buy 20,000 shares of Common Stock. The stock option was originally exercisable in full as of the September 20, 2002 grant date, subject to a repurchase option in favor of the Issuer. The stock option originally vested as to 1/4th of the shares on September 20, 2003 and as to 1/48th of the shares on each one month anniversary thereafter; however, on November 18, 2005, vesting was accelerated in full.

(7) The Reporting Person agreed to cancellation of a stock option granted to him on March 17, 2004, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.

(8) Cancellation of a stock option granted to Reporting Person under the Plan on March 17, 2004 to buy 60,000 shares of Common Stock. The stock option was originally exercisable in full as of the March 17, 2004 grant date, subject to a repurchase option in favor of the Issuer. The stock option originally vested as to 1/4th of the shares on March 17, 2005 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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