

AXELSSON ANDERS

Form 4

May 18, 2009

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 *
AXELSSON ANDERS

2. Issuer Name **and** Ticker or Trading
Symbol
ECHELON CORP [ELON]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

550 MERIDIAN AVE

3. Date of Earliest Transaction
(Month/Day/Year)
05/14/2009

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)

Senior VP of Sales & Marketing

(Street)

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

SAN JOSE, CA 95126

(City) (State) (Zip)

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	(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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Performance Shares	(1)	05/14/2009	A	V			10,000		(2)	05/14/2014	Common Stock	10,000
Stock Appreciation Right	\$ 7.47	05/14/2009	A				30,000		(3)	05/14/2014	Common Stock	30,000

Reporting Owners

Reporting Owner Name / Address

Relationships

AXELSSON ANDERS
550 MERIDIAN AVE
SAN JOSE, CA 95126

Director 10% Owner Officer Other

Senior VP of Sales & Marketing

Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for Anders B.
Axelsson

05/18/2009

__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) Each performance share represents the right to receive one share of the Issuer's Common Stock.

Pursuant to the Issuer's 1997 Stock Plan (the "Plan") the Reporting Person was granted 10,000 performance shares. 1/4th of such shares
(2) will vest on May 14, 2010 and on each one year anniversary thereafter, and in each case subject to the satisfaction of certain performance criteria.

(3) Pursuant to the Plan the Reporting Person was granted stock appreciation rights with respect to 30,000 shares. 1/4th of such shares will vest on May 14, 2010 and on each one year anniversary thereafter.

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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