

BLOCH KATHLEEN B  
 Form 4  
 February 12, 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 \*  
**BLOCH KATHLEEN B**

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**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**02/08/2007**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Sr. VP, Gen Counsl & Secretary**

**SAN JOSE, CA 95126**  
 (City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | 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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**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 of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3)            | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8) | Acquired<br>(A) or<br>Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | Code  | V | (A) | (D) | Date<br>Exercisable | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of<br>Shares |
|-----------------------|------------------------------------|------------------|------------|---|-------|---|-----|-----|---------------------|--------------------|-----------------|--|
| Performance<br>Shares | <u>(1)</u>                         | 02/08/2007       | A          | V   | 5,932 |   |     |     | <u>(2)</u>          | 02/08/2010         | Common<br>Stock | 5,932                                  |

## Reporting Owners

| Reporting Owner Name / Address                             | Relationships |           |                                |       |
|--|---------------|-----------|--------------------------------|-------|
|  | Director      | 10% Owner | Officer                        | Other |
| BLOCH KATHLEEN B<br>550 MERIDIAN AVE<br>SAN JOSE, CA 95126 |               |           | Sr. VP, Gen Counsl & Secretary |       |

## Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for Kathleen B. Bloch  
 02/12/2007  
 \*\*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) 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 Reporting Person was granted 5,932 performance shares. Upon the Issuer achieving two consecutive quarters of profitability, calculated on a non-GAAP basis excluding equity compensation and extraordinary expense, 5,932 shares of common stock of the Issuer will be issued to the Reporting Person upon settlement of the performance shares, subject to the Reporting Person continuing to be employed by the Issuer as of the end of the second consecutive quarter of profitability.

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.