

ENVIRONMENTAL POWER CORP  
Form SC 13G/A  
February 13, 2009

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
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SCHEDULE 13G/A  
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INFORMATION STATEMENT PURSUANT TO RULES 13d-1 AND 13d-2  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

Amendment No. 1

Environmental Power Corporation  
(NAME OF ISSUER)

Common Stock, par value \$0.01 per share  
(TITLE OF CLASS OF SECURITIES)

29406L201  
(CUSIP NUMBER)

December 31, 2008  
(Date of Event which requires Filing of this Statement)

Check the appropriate box to designate the rule  
pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

(Page 1 of 14 Pages)  
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\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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(1) NAME OF REPORTING PERSON

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S.S. OR I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSON  
Ardsley Partners Renewable Energy Fund, L.P.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*  
(a)   
(b)

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF (5) SOLE VOTING POWER  
SHARES 0  
BENEFICIALLY (6) SHARED VOTING POWER  
OWNED BY 443,900  
EACH (7) SOLE DISPOSITIVE POWER  
REPORTING 0  
PERSON WITH (8) SHARED DISPOSITIVE POWER  
443,900

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
443,900

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\*

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
2.84%

(12) TYPE OF REPORTING PERSON \*\*  
PN

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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(1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSON  
Ardsley Renewable Energy Offshore Fund, Ltd.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*  
(a)   
(b)

(3) SEC USE ONLY

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-----  
(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
British Virgin Islands  
-----

NUMBER OF (5) SOLE VOTING POWER  
SHARES 0  
-----

BENEFICIALLY (6) SHARED VOTING POWER  
OWNED BY 430,389  
-----

EACH (7) SOLE DISPOSITIVE POWER  
REPORTING 0  
-----

PERSON WITH (8) SHARED DISPOSITIVE POWER  
430,389  
-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
430,389  
-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]  
-----

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
2.75%  
-----

(12) TYPE OF REPORTING PERSON \*\*  
CO  
-----

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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(1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSON  
Ardsley Advisory Partners  
-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*  
(a) [x]  
(b) [ ]  
-----

(3) SEC USE ONLY  
-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Connecticut  
-----

NUMBER OF (5) SOLE VOTING POWER  
0

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SHARES -----  
BENEFICIALLY (6) SHARED VOTING POWER  
874,289  
OWNED BY -----  
EACH (7) SOLE DISPOSITIVE POWER  
0  
REPORTING -----  
PERSON WITH (8) SHARED DISPOSITIVE POWER  
874,289  
-----  
(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
874,289  
-----  
(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]  
-----  
(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
5.60%  
-----  
(12) TYPE OF REPORTING PERSON \*\*  
PN; IA  
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\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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(1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSON  
Ardsley Partners I  
-----  
(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*  
(a) [x]  
(b) [ ]  
-----  
(3) SEC USE ONLY  
-----  
(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Connecticut  
-----

NUMBER OF (5) SOLE VOTING POWER  
0  
SHARES -----  
BENEFICIALLY (6) SHARED VOTING POWER  
443,900  
OWNED BY -----  
EACH (7) SOLE DISPOSITIVE POWER

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0

REPORTING -----

PERSON WITH (8) SHARED DISPOSITIVE POWER  
443,900

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
443,900

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
2.84%

(12) TYPE OF REPORTING PERSON \*\*  
PN

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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(1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSON  
Philip J. Hempleman

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*  
(a) [x]  
(b) [ ]

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

NUMBER OF (5) SOLE VOTING POWER  
SHARES 0

BENEFICIALLY (6) SHARED VOTING POWER  
OWNED BY 1,074,289

EACH (7) SOLE DISPOSITIVE POWER  
REPORTING 0

PERSON WITH (8) SHARED DISPOSITIVE POWER  
1,074,289

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED

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BY EACH REPORTING PERSON  
1,074,289

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
6.88%

(12) TYPE OF REPORTING PERSON \*\*  
IN

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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ITEM 1(a). NAME OF ISSUER:

The name of the issuer is Environmental Power Corporation (the "Company").

ITEM 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

One Cate Street 4th Floor, Portsmouth, New Hampshire 03801

ITEM 2(a). NAME OF PERSON FILING:

This statement is filed by:

- (i) Ardsley Partners Renewable Energy Fund, L.P., a Delaware limited partnership ("Ardsley Energy"), with respect to the shares of Common Stock, par value \$0.01 per share ("Common Stock") directly owned by it;
- (ii) Ardsley Renewable Energy Offshore Fund, Ltd., a British Virgin Islands corporation ("Ardsley Energy Offshore"), with respect to the shares of Common Stock directly owned by it;
- (v) Ardsley Advisory Partners, a New York general partnership ("Ardsley") which serves as Investment Manager of Ardsley Energy Offshore and the Investment Adviser of Ardsley Energy and certain managed accounts, with respect to the shares of Common Stock directly owned by Ardsley Energy Offshore, Ardsley Energy and the managed accounts;
- (vi) Ardsley Partners I, a New York general partnership ("Ardsley Partners") which serves as General Partner of Ardsley Energy; and
- (vii) Philip J. Hempleman ("Mr. Hempleman"), the Managing Partner of Ardsley and Ardsley Partners, with respect to the shares of Common Stock owned by Ardsley Energy, Ardsley Energy Offshore and the managed accounts and with respect to the shares of Common Stock owned by certain managed accounts managed by him directly.

The foregoing persons are hereinafter sometimes collectively referred to as the "Reporting Persons." Any disclosures herein with respect to persons other than the Reporting Persons are made on information and belief after making inquiry to the appropriate party.

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ITEM 2(b). ADDRESS OF PRINCIPAL OFFICE OR, IF NONE, RESIDENCE:

The address of the business office of each of the Reporting Persons, with the exception of Ardsley Energy Offshore, is 262 Harbor Drive, Stamford, Connecticut 06902.

The address of the registered office of Ardsley Energy Offshore is Romasco Place, Wickhams Cay 1, Roadtown Tortola, British Virgin Islands.

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ITEM 2(c). CITIZENSHIP:

Ardsley Energy is a Delaware limited partnership. Ardsley Energy Offshore is British Virgin Islands corporation. Ardsley and Ardsley Partners are New York general partnerships. Mr. Hempleman is a United States Citizen.

ITEM 2(d). TITLE OF CLASS OF SECURITIES: Class A Common Stock, par value \$0.01 per share

ITEM 2(e). CUSIP NUMBER: 29406L201

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULES 13d-1(b), OR 13d-2(b), CHECK WHETHER THE PERSON FILING IS A:

- (a)  Broker or dealer registered under Section 15 of the Act
- (b)  Bank as defined in Section 3(a)(6) of the Act
- (c)  Insurance Company as defined in Section 3(a)(19) of the Act
- (d)  Investment Company registered under Section 8 of the Investment Company Act
- (e)  Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940
- (f)  Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or Endowment Fund; see Rule 13d-1(b)(1)(ii)(F)
- (g)  Parent Holding Company, in accordance with Rule 13d-1(b)(ii)(G); see item 7
- (h)  Group, in accordance with Rule 13d-1(b)(1)(ii)(H)

If this statement is filed pursuant to Rule 13d-1(c), check the box. [X]

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ITEM 4. OWNERSHIP.

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- A. Ardsley Partners Renewable Energy Fund, L.P.  
(a) Amount beneficially owned: 443,900  
(b) Percent of class: 2.84% (The percentages used herein and in the rest of Item 4 are calculated based upon 15,624,104 shares of Common Stock issued and outstanding as of September 30, 2008 as reported in the Company's 10-Q as filed with the Securities and Exchange Commission on November 10, 2008)  
(c) (i) Sole Power to vote or direct the vote: -0-  
(ii) Shared power to vote or direct the vote: 443,900  
(iii) Sole power to dispose or direct the disposition: -0-  
(iv) Shared power to dispose or direct the disposition: 443,900
- B. Ardsley Renewable Energy Offshore Fund, Ltd.  
(a) Amount beneficially owned: 430,389  
(b) Percent of class: 2.75%  
(c) (i) Sole Power to vote or direct the vote: -0-  
(ii) Shared power to vote or direct the vote: 430,389  
(iii) Sole power to dispose or direct the disposition: -0-  
(iv) Shared power to dispose or direct the disposition: 430,389
- C. Ardsley Advisory Partners  
(a) Amount beneficially owned: 874,289  
(b) Percent of class: 5.60%  
(c) (i) Sole Power to vote or direct the vote: -0-  
(ii) Shared power to vote or direct the vote: 874,289  
(iii) Sole power to dispose or direct the disposition: -0-  
(iv) Shared power to dispose or direct the disposition: 874,289
- D. Ardsley Partners I  
(a) Amount beneficially owned: 443,900  
(b) Percent of class: 2.84%  
(c) (i) Sole Power to vote or direct the vote: -0-  
(ii) Shared power to vote or direct the vote: 443,900  
(iii) Sole power to dispose or direct the disposition: -0-  
(iv) Shared power to dispose or direct the disposition: 443,900
- E. Philip J. Hempleman  
(a) Amount beneficially owned: 1,074,289  
(b) Percent of class: 6.88%  
(c) (i) Sole Power to vote or direct the vote: -0-  
(ii) Shared power to vote or direct the vote: 1,074,289  
(iii) Sole power to dispose or direct the disposition: -0-  
(iv) Shared power to dispose or direct the disposition: 1,074,289



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ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

Ardsley, the Investment Manager of Ardsley Energy Offshore and the Investment Adviser of certain managed accounts, has the power to vote and direct the disposition of the proceeds from the sale of the shares of Common Stock owned by Ardsley Energy Offshore and the managed accounts, and accordingly may be deemed the direct "beneficial owner" of such shares of Common Stock.

Ardsley, the Investment Adviser of Ardsley Energy, shares the power to vote and direct the disposition of the proceeds from the sale of the shares of Common Stock owned by Ardsley Energy, and, accordingly, may be deemed the direct "beneficial owner" of such shares of Common Stock.

Ardsley Partners, the General Partner of Ardsley Energy, shares the power to vote and direct the disposition of the shares of Common Stock owned by Ardsley Energy, and, accordingly, may be deemed the direct "beneficial owner" of such shares of Common Stock.

Mr. Hempleman is the Managing Partner of Ardsley and Ardsley Partners and in that capacity directs their operations and therefore may be deemed to be the indirect "beneficial owner" of the shares of Common Stock owned by Ardsley Energy Offshore, Ardsley Energy and the managed accounts. Mr. Hempleman disclaims beneficial ownership of all of the Shares of Common Stock reported in this 13G/A

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY.

Not applicable.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

Not applicable.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP.

Not applicable.

ITEM 10. CERTIFICATION.

Each of the Reporting Persons hereby makes the following certification:

By signing below I certify, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business, were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

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SIGNATURE

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

DATED: as of February 13, 2009

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ARDSLEY PARTNERS RENEWABLE ENERGY FUND, L.P.  
BY: ARDSLEY PARTNERS I,  
GENERAL PARTNER

BY:/s/ Steve Napoli  
-----  
Steve Napoli  
General Partner

ARDSLEY RENEWABLE ENERGY OFFSHORE FUND, LTD.

BY:/s/ Steve Napoli  
-----  
Steve Napoli  
Director

ARDSLEY ADVISORY PARTNERS  
By: ARDSLEY PARTNERS I  
GENERAL PARTNER

BY:/s/ Steve Napoli  
-----  
Steve Napoli  
General Partner

ARDSLEY PARTNERS I

BY:/s/ Steve Napoli  
-----  
Steve Napoli  
General Partner

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PHILIP J. HEMPLEMAN, INDIVIDUALLY

BY:/s/ Steve Napoli\*  
-----  
Steve Napoli  
As attorney in fact for  
Philip J. Hempleman

\* Evidence of Power of Attorney was filed with the Schedule 13G/A filed on

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February 15, 2006 (Acc-no: 0000902664-06-000895) and is incorporated by reference into this filing.

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EXHIBIT 1

JOINT FILING AGREEMENT PURSUANT TO RULE 13d-1(k) (1)

The undersigned acknowledge and agree that the foregoing statement on Schedule 13G/A is filed on behalf of each of the undersigned and that all subsequent amendments to this statement shall be filed on behalf of each of the undersigned without the necessity of filing additional joint filing statements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him, her or it contained herein, but shall not be responsible for the completeness and accuracy of the information concerning the other entities or persons, except to the extent that he, she or it knows or has reason to believe that such information is inaccurate.

Dated as of February 13, 2009

ARDSLEY PARTNERS RENEWABLE ENERGY FUND, L.P.  
BY: ARDSLEY PARTNERS I,  
GENERAL PARTNER

BY:/s/ Steve Napoli  
-----  
Steve Napoli  
General Partner

ARDSLEY RENEWABLE ENERGY OFFSHORE FUND, LTD.

BY:/s/ Steve Napoli  
-----  
Steve Napoli  
Director

ARDSLEY ADVISORY PARTNERS

By: ARDSLEY PARTNERS I  
GENERAL PARTNER

BY:/s/ Steve Napoli  
-----  
Steve Napoli  
General Partner

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ARDSLEY PARTNERS I

BY:/s/ Steve Napoli

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Steve Napoli  
General Partner

PHILIP J. HEMPLEMAN, INDIVIDUALLY

BY:/s/ Steve Napoli \*

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Steve Napoli  
Attorney-in-fact  
for Philip J. Hempleman

\* Evidence of Power of Attorney was filed with the Schedule 13G/A filed on February 15, 2006 (Acc-no: 0000902664-06-000895) and is incorporated by reference into this filing.