

DISTRIBUTED ENERGY SYSTEMS CORP  
 Form 4  
 January 05, 2006

**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 \*  
 OZANNE JAMES

2. Issuer Name and Ticker or Trading Symbol  
 DISTRIBUTED ENERGY SYSTEMS CORP [DESC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 01/04/2006

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

10 TECHNOLOGY DRIVE

(Street)

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

WALLINGFORD, CT 06492

(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 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.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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 Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3)                                      | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8) | Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | Code | V | (A)    | (D) | Date Exercisable          | Expiration<br>Date | Title           |
|---|------------------------------------|------------------|------------|--|------|---|--------|-----|---------------------------|--------------------|-----------------|
| Non-Qualified<br>Stock Option<br>(right to buy) | \$ 8.09                            | 01/04/2006       | 01/04/2006 | A  |      |   | 10,000 |     | 01/04/2007 <sup>(1)</sup> | 01/04/2016         | Common<br>Stock |
| Non-Qualified<br>Stock Option<br>(right to buy) | \$ 8.09                            | 01/04/2006       | 01/04/2006 | A  |      |   | 2,500  |     | 04/04/2006 <sup>(2)</sup> | 01/04/2016         | Common<br>Stock |
| Non-Qualified<br>Stock Option<br>(right to buy) | \$ 8.09                            | 01/04/2006       | 01/04/2006 | A  |      |   | 6,000  |     | 01/04/2006 <sup>(3)</sup> | 01/04/2016         | Common<br>Stock |

## Reporting Owners

| Reporting Owner Name / Address                               | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| OZANNE JAMES<br>10 TECHNOLOGY DRIVE<br>WALLINGFORD, CT 06492 | X             |           |         |       |

## Signatures

By: John A. Glidden For: James Ozanne  
Date: 01/05/2006

\_\_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) Vest ratably over 12 months
- (2) Grant vests over 3 months.
- (3) 100% Vested at Grant

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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