

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

December 6, 2007

Date of Report (Date of earliest event reported)

Active Power, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

000-30939

(Commission File Number)

74-2961657

(IRS Employer
Identification No.)

2128 W. Braker Lane, BK12

Austin, Texas 78758

(Address of principal executive offices, including zip code)

(512) 836-6464

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

At a meeting held on December 6, 2007, Active Power, Inc.'s Board of Directors approved the amendment of Article VII, Sections 7.1 and 7.3(a) of Active Power's Second Amended and Restated Bylaws in order to enable Active Power to comply with Nasdaq Stock Market Marketplace Rule 4350(1) (the "Direct Registration Rule"). The Direct Registration Rule requires Nasdaq-listed securities to be eligible for a direct registration program operated by a clearing agency registered under Section 17A of the Exchange Act on and after January 1, 2008. A direct registration program is a system for book-entry ownership of stock or other securities, in which shares are owned, recorded and transferred electronically without issuance of a physical share certificate. Because Active Power's Bylaws previously required that each Active Power shareholder was entitled to a physical share certificate, Active Power's Board of Directors determined that, in order for Active Power to be able to comply with the Direct Registration Rule, it was necessary and appropriate to amend Active Power's Second Amended and Restated Bylaws to provide Active Power the authority to have uncertificated shares.

Article VII, Section 7.1 of Active Power's Second Amended and Restated Bylaws was amended and restated to provide that the Board of Directors may provide by resolution that some or all of any or all of classes or series of Active Power's stock may be represented by uncertificated shares, and such a resolution would not apply to shares represented by a certificate until it is surrendered. Article VII, Section 7.3(a) was amended to provide that a transfer of stock will require physical surrender of a certificate only if such stock is certificated since in the future shares may be issued in uncertificated form.

The foregoing description is qualified in its entirety by the Amendment to Second Amended and Restated Bylaws, dated December 6, 2007, a copy of which is filed as Exhibit 3.01 to this report, and which is incorporated by reference into this description.

Item 8.01. Other Events.

On December 7, 2007, Active Power issued a press release announcing that it had received notification from the United States Securities and Exchange Commission (the "SEC") that the SEC had completed its investigation into our past stock option granting practices and is not recommending any enforcement action by the SEC against Active Power in connection with such investigation. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

- 3.01 Amendment to Second Amended and Restated Bylaws, dated December 6, 2007
- 99.1 Press Release dated December 7, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ACTIVE POWER, INC.

Date: December 7, 2007

By: /s/ John K. Penver
John K. Penver
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
3.01	Amendment to Second Amended and Restated Bylaws, dated December 6, 2007
99.1	Press Release dated December 7, 2007

**AMENDMENT TO THE
SECOND AMENDED AND RESTATED BYLAWS
OF
ACTIVE POWER, INC.**

Section 7.1 of Article VII of the Second Amended and Restated Bylaws (the “Bylaws”) of Active Power, Inc. (the “Company”), was amended and restated in its entirety by the Company’s Board of Directors on December 6, 2007 to read as follows:

“ **Section 7.1 Stock Certificates.** The shares of the corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the corporation’s stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Every holder of stock of the corporation represented by certificates shall be entitled to have a certificate signed by, or in the name of the corporation by the Chairman or vice-chairperson of the Board of Directors, or the President or vice-president and by the Secretary or an assistant secretary of the corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be by a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The corporation shall not have power to issue a certificate in bearer form.”

Section 7.3(a) of Article VII of the Company’s Bylaws was amended and restated in its entirety by the Company’s Board of Directors on December 6, 2007 to read as follows:

“ **Section 7.3 Transfers.**

(a) Stock of the corporation shall be transferable in the manner prescribed by law and in these Bylaws. Transfers of stock shall be made on the books of the corporation only by the record holder of such stock or by his or her attorney lawfully constituted in writing and, if such stock is certificated, upon the surrender of the certificate therefor, which shall be canceled before a new certificate shall be issued. The Board of Directors shall have the power and authority to make all such other rules and regulations as they may deem expedient concerning the issue, transfer and registration or the replacement of certificates for shares of capital stock of the corporation.”



FOR IMMEDIATE RELEASE

Active Power Receives SEC Notification of Completion of Its Investigation Regarding Stock Option Practices

No Enforcement Action Recommended

AUSTIN, Texas (Dec. 7, 2007) – Active Power, Inc. (NASDAQ: ACPW) today announced it has received notification from the staff of the Securities and Exchange Commission (the “SEC”) it had completed its investigation into the company’s past stock option granting practices and is not recommending any enforcement action by the Commission.

Active Power announced a self-initiated review of its historical stock option granting practices on Jan. 10, 2007. At that time, the company voluntarily notified the SEC of this review. The investigation was completed and the company announced the results and conclusions in a press release issued on May 14, 2007.

“We are pleased to have this formal investigation behind us,” said Jim Clishem, president and CEO of Active Power. “We are enthusiastic about focusing our resources and energy on our continued success in growing the business.”

###

About Active Power

Active Power (NASDAQ: ACPW) provides efficient, reliable and green critical power solutions and uninterruptible power supply (UPS) systems to enable business continuity in the event of power disturbances. Founded in 1992, Active Power’s flywheel-based UPS systems protect critical operations in data centers, healthcare facilities, manufacturing plants, broadcast stations and governmental agencies in more than 40 countries. Active Power also offers CoolAir, the only solution that provides both backup power and backup cooling. With expert power system engineers and worldwide services and support, Active Power ensures organizations have the power to perform. For more information, please visit www.activepower.com.

Cautionary Note Regarding Forward-Looking Statements

This release may contain forward-looking statements that involve risks and uncertainties. Any forward-looking statements and all other statements that may be made in this news release that are not historical facts are subject to a number of risks and uncertainties, and actual results may differ materially. Specific risks include delays in new product development, product performance and quality issues and the acceptance of our current and new products by the power quality market. Please refer to Active Power filings with the Securities and Exchange Commission for more information on the risk factors that could cause actual results to differ.

Active Power, the Active Power logo, CleanSource and CoolAir are registered trademarks of Active Power, Inc. All other trademarks are the properties of their respective companies.

Active Power Investor Contact:

John Penver
Chief Financial Officer
512-744-9234
jpenver@activepower.com

Active Power Media Contact:

Lee Higgins
Public Relations Manager
512-744-9488
lhiggins@activepower.com