
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported)
April 23, 2008

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))
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Item 1.01. Entry into a Material Definitive Agreement.

On April 23, 2008, Active Power, Inc. (the “Company”) entered into a purchase agreement (the “Purchase Agreement”) with Caterpillar, Inc. (“Caterpillar”), effective as of January 1, 2008, governing the sale of products by the Company to Caterpillar. The Purchase Agreement has an initial term of three years and provides that Caterpillar will continue to market certain of the Company’s flywheel-based uninterruptible power supply products under the Caterpillar brand as a complement to Caterpillar’s own product line. Under the terms of the Purchase Agreement, the Company will supply and Caterpillar will purchase all of Caterpillar’s Electric Power Division’s requirements for the Company’s products.

On April 24, 2008, the Company issued a press release announcing the Purchase Agreement. The press release is being filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by this reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Active Power, Inc. Press Release dated April 24, 2008.

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: April 24, 2008

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

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Active Power, Inc. Press Release dated April 24, 2008.



Active Power Renews Global OEM Agreement with Caterpillar

New Agreement Demonstrates Commitment to Active Power and Validates Underlying Flywheel Energy Storage Technology

AUSTIN, Texas (April 24, 2008) – Active Power, Inc. (NASDAQ: ACPW), inventor and manufacturer of the most energy-efficient critical power systems in the world, announced today it has renewed its global distribution agreement with its largest OEM partner and customer Caterpillar, Inc. (NYSE: CAT). The new three-year contract contains substantially similar terms and conditions to the previous agreement with enhancements to reflect new products, operational processes and pricing. As part of the distribution agreement, Caterpillar will continue to market Active Power products under the Caterpillar brand and as a complement to its own product line.

“Today’s announcement reinforces the importance of Caterpillar’s business relationship with Active Power,” said Jim Clishem, president and CEO of Active Power. “This renewal agreement is a solid example of how we want to maintain and strengthen all of our various sales channels as the company continues to grow. Caterpillar and its dealer network are a key part of Active Power’s global growth strategy to market our energy efficient, economically green backup power solutions to an increasingly informed and receptive audience.”

An initial agreement with Caterpillar was signed in 1999 to develop and market a fully integrated flywheel based UPS (uninterruptible power supply) system. These UPS systems were designed and manufactured to Caterpillar specifications based on Active Power’s patented flywheel technology. In August 2000, Active Power signed a multi-year worldwide distribution agreement with Caterpillar, allowing the company to market Active Power’s CleanSource® UPS solution under the ‘CAT UPS’ brand name. Sales to Caterpillar continued to climb and in 2007 revenue from Caterpillar and its dealer network represented 31 percent of Active Power’s total revenue. In the fourth quarter of 2007, Active Power announced a significant single 8 megawatt order via Caterpillar for a preeminent name brand global data center operator.

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

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