

# [Gauntlet] 2023-08-14: Ethereum WETH - Risk Parameter, IR Curve, & Incentive Updates

Updated as of block [19319873](#) at 2/27/2024, 10:45:59 AM ET

- ID: 176
- Proposer: [0x683a4F9915D6216f73d6Df50151725036bD26C02](#)
- Start Block: 17930185 (8/16/2023, 5:51:11 PM ET)
- End Block: 17949895 (8/19/2023, 12:05:23 PM ET)
- Targets: [0x316f9708bB98af7dA9c68C1C3b5e79039cD336E3](#) ;  
[0x316f9708bB98af7dA9c68C1C3b5e79039cD336E3](#) ;  
[0x316f9708bB98af7dA9c68C1C3b5e79039cD336E3](#) ;  
[0x316f9708bB98af7dA9c68C1C3b5e79039cD336E3](#) ;  
[0x316f9708bB98af7dA9c68C1C3b5e79039cD336E3](#) ;  
[0x1EC63B5883C3481134FD50D5DAebc83Ecd2E8779](#)

## Forum Post

Forum post is present here: [Forum Post](#)

## Table of contents

- [Proposal Text](#)
- [Checks](#)
  - [Checks Compound Proposal Details](#)  Passed

## Proposal Text

### [Gauntlet] 2023-08-14: Ethereum WETH - Risk Parameter, IR Curve, & Incentive Updates

#### Simple Summary

A proposal from Gauntlet to adjust 2 asset-specific risk parameters, 1 global risk parameter, 1 Interest Rate curve parameter, and 1 incentive parameter.

Specifically, Gauntlet recommends the following changes:

- Increase storefront price factor from 50% to 100%
- Decrease wstETH liquidation penalty from 5% to 2.5%.
- Decrease cbETH liquidation penalty from 5% to 2.5%.
- Decrease Annual Borrow Interest Rate Slope Low from 0.051 to 0.037.
- Increase COMP daily supply distribution from 38 to 70.

For more details, see the full forum post [here](#).

#### Motivation

To stimulate growth, Gauntlet proposes updating the IR borrow curve, liquidation bonus, and rewards for the protocol. These adjustments aim to increase capital efficiency and TVL growth, by incentivizing higher utilization and more supply.

[Full proposal and forum discussion](#)

## Specification

The proposal uses the `updateAssetLiquidationFactor`, `setBaseTrackingSupplySpeed`, `setStoreFrontPriceFactor`, and `setBorrowPerYearInterestRateSlopeLow` methods of the Ethereum v3 WETH Configurator contract.

By approving this proposal, you agree that any services provided by Gauntlet shall be governed by the terms of service available at [gauntlet.network/tos](https://gauntlet.network/tos).

## Checks

### Checks Compound Proposal Details Passed

Info:

- 1- Set liquidation factor for [cbETH](#) on [WETH](#) via [Configurator](#) from **97.5%** to **97.5%** (It remains the same)
- 2- Set liquidation factor for [wstETH](#) on [WETH](#) via [Configurator](#) from **97.5%** to **97.5%** (It remains the same)
- 3- Set BaseTrackingSupplySpeed of [WETH](#) from 0.000000810185185185 to 0.000000810185185185 (It remains the same)
- 4- Set StoreFrontPriceFactor for [WETH](#) from **1000000000000000000%** to **1000000000000000000%** (It remains the same)
- 5- Set BorrowPerYearInterestRateSlopeLow of [WETH](#) from 2.9999999983824 to 3.7 (It's getting increased by **0.7000000016176**)
- 6- Deploy and upgrade new implementation for [WETH](#) via [Configurator](#).