Celo Governance Call #7

April 29, 2021

CGP-0028:
- <u>Proposal Summary:</u> There's a hard fork called Donut coming up next month, and the Uptime Lookback Window value (which is 12 right now) won't be set anymore after the hard fork unless we specifically set it to a value. This proposal sets the value for Uptime Lookback Window as 12, so it's the same as before.
  - The *Uptime Lookback Window* basically determines how long a validator can be down without being penalized—a value of 12 means 12 blocks, which happen every ~5 seconds, so validators can be down for about a minute without being penalized.
- <u>Why It's Needed:</u> If we don't do this, it'll cause minor errors, so we'd like to do this because it's better to have fewer errors given the solution is easy. It's not mission critical, though.
- <u>Discussion Summary:</u>
  - No concerns from validators.
- <u>Decision / Next Step:</u>
  - The proposal will be submitted to Mainnet in early May.

CGP-0029: Increase Validator Set Size
- <u>Proposal Summary:</u> Right now, there can only be 100 validators elected each day. This proposal would increase that number to 110. Timeline is post-Donut.
- <u>Why It's Needed:</u> A lot of people want to validate on Celo, but not everyone who wants to is able to. This would make it so more people can validate.
- <u>Discussion Summary:</u>
  - The community has wanted to increase the validator set for a while to include more people, and other Proof of Stake networks have also increased their sizes recently.
  - This proposal would add more time to consensus (10ms / extra validator, 100 ms total). With new rollouts, we expect this to have a minimal impact.
  - There are some empty validators—validators that exist but aren't actually maintained—still in validator groups, and we want to make sure that they don't cause unnecessary slashing if they get elected as part of the extra 10 validators.
  - This could increase spending out of the reserve. We are already over-spending, so this could make the problem more significant.
- <u>Decision / Next Step:</u>
  - Identify the 10 validators that would likely be elected after the proposal is implemented, and make sure that the transition is smooth and doesn't lead to unnecessary slashing.
  - Joshua Gutow to understand how this will impact reserve spending.

CGP-0030: Enabling Larger Stablecoin Mints *(Pre-Draft)*
- Proposal Summary: Partners may be interested in purchasing large blocks of stablecoins, and this would be difficult right now. This proposal would make it so that large blocks of stablecoins could be created when those partners want to make large purchases.
- Why It's Needed: If stablecoins are traded on an exchange, a lot of people buy them, which helps the network overall. But, most exchanges require a certain amount of liquidity to be listed. These large mints would help increase stablecoin liquidity to make it easier to get to a point where Celo stablecoins can be listed on an exchange.
- Discussion Summary:
  - Some expressed a concern that this could involve allowing the partners to sell large amounts of Celo to the reserve without slippage, which could make it lose money. *Slippage* is the difference between the expected price of a trade and the price at which the trade is executed.
  - There was a sentiment that it seems unfair to be able to sell a lot of Celo without worrying about a price drop.
- Decision / Next Step:
  - Discussion to continue on the forum post and #celo-governance Discord channel.

Coinbase Earn & Governance Hotfixes

The community will put together a framework for deciding when governance hotfixes should be used.
- A new Governance Working Group called the Hotfix Working Group will be created to focus on this. Some mentioned it was important to make sure we have enough people from the security and validator parts of the community involved.
- Yaz Khoury will schedule a call for this working group in the next few weeks.