Carbon Renaissance Proposed Design

A Preprint

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Abstract

EIP-1559 is a new proposed pricing mechanism for the Ethereum protocol developed to mitigate short-term volatility in demand for transactions. To properly understand this as a stochastic process, it is necessary to develop the mathematical foundations to understand under what conditions the base fee gas price outcomes behave as a stationary process, and when it does not. We believe understanding these mathematical fundamentals is critical to engineering a well-designed system.

Keywords EIP 1559 · Base Fees · Stochastic Processes · Stationarity

1 Introduction

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2 Conclusion

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References

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