Aligned Delegate Compensation - Prime Delegate Slots, AD Buffers

Prime Delegate (PD) Slots

As per the text of MIP113.12.3 as amended in MIP102c2-SP7:

The first Aligned Delegate season lasts from the moment this Scope Artifact is accepted, until the first deployment of the Sagittarius Engine. After the first deployment of the Sagittarius Engine, the next Aligned Delegate season then lasts until Q2 of the following year.

As a reminder, the Atlas states:

At the end of the election season, the PD slots are determined directly based on the top ranking of the total amount of MKR delegated to the later Seasonally Active GSLs of the ADs.

Since there was no Election Season, but the Delegate season started immediately on closing of the poll, GovAlpha's interpretation of this is that the Prime Delegate slots should be assigned as per the amounts of MKR delegated to Aligned Delegates at the time of the poll closing. This means that the current Prime Delegates are as follows, in descending order of total MKR delegated:

1. vigilant

2. 0xDefensor

3. BONAPUBLICA

4. QGov

5. TRUE NAME

6. UPMaker

7. WBC

Also note the criteria for a PD slot passing to a new AD:

Outside of the Election Season, a PD can only lose their slot if an RD achieves twice as much total delegated MKR to their Seasonally Active GSLs compared to the incumbent PD.

This means that in order to become the new "number 7" PD, an AD must have 2x the amount of MKR delegated to the current "number 7".

Reserve Delegate (RD) Slots

RDs work slightly differently. Per the Atlas:

The available RD slots change in real time based on the top ranking of ADs that aren't PDs by total amount of MKR delegated to their Seasonally Active GSLs.

Based on this, GovAlpha as the Governance Scope Facilitator will continue to calculate the RD rankings at the end of the month to ensure that the available information is up-to-date.

Payment Amounts

The Atlas defines Delegate compensation amounts denominated in NewToken. It also states a 1:1200 conversion between MKR and NewToken. Until NewToken is launched, Delegate compensation will be paid in MKR calculated using this ratio.

This gives the following monthly base payment amounts:

- PD - 29.76 MKR per month per PD

(3 million NewToken/year = 2,500 MKR/year = 357.14 MKR/year/PD = 29.76 MKR/month/PD).

- RD - 9.92 MKR per month per RD

(1 million NewToken/year = 833.3 MKR/year = 199.04 MKR/RD/year = 9.92 MKR/RD/month).

AD Buffers

What is the AD Buffer?

The AD buffer is an account of MKR that builds up when an AD is either a PD or RD (ATLAS_2.6.3.4).

The AD buffer contains a maximum of one months worth of income for a given PD or RD (ATLAS_2.6.3.4).

An AD's MKR compensation is used to fill each AD's buffer until it is full (ATLAS_2.6.3.4).

MKR is not paid out to an AD address until its AD buffer is full (ATLAS_2.6.3.4).

When is an AD buffer paid out to an AD?

If an AD loses all of its income, MKR in their buffer is used to pay it at its previous rate until the buffer is empty. (ATLAS_2.6.3.4.1).

If an AD loses part of its income by moving from PD to RD, MKR in their buffer is used to pay it as though it was a PD until the buffer reaches the level required of an RD. (ATLAS_2.6.3.4.1).

If an AD is derecognized, any remaining MKR of an AD's buffer can be used to pay the AD after whistleblower bounties and confiscation has taken place. (Interpretation)

When is an AD buffer not paid out to an AD?

An AD's buffer can be used to provide a whistleblower bounty if the AD acts misaligned (ATLAS_2.6.3.4.2)

An AD's buffer can be used to provide a whistleblower bounty if the AD has their privacy compromised (ATLAS_2.6.3.4.2)

A FacilitatorDAO may confiscate an AD's buffer if they are derecognized due to misalignment or breach of requirements. (ATLAS_2.6.5.1)

The AD's buffer can be used to provide a whistleblower bounty if information provided leads to derecognition of the AD. (ATLAS_2.6.5.1 - CONFLICT)

Half of the AD's buffer can be used to provide a whistleblower bounty if information provided leads to the determination that the privacy of an AD has been compromised. (ATLAS_2.6.6 - CONFLICT)

FacilitatorDAO's Role

A FacilitatorDAO can derecognize an AD if the AD has performed a misaligned act. (ATLAS_2.6.5.1)

A FacilitatorDAO can derecognize an AD if the AD has breached the AD requirements. (ATLAS_2.6.5.1)

Transition

AD Buffers were ratified partway through May. AD MKR compensation for May will be used to fill the AD Buffers, where applicable, based on the PDs and RDs at the end of the vote, as listed above. This will not include

any delegates offboarded following the passage (Facilitator Decision/Interpretation)

One month's worth of additional compensation will be paid to all PDs and RDs existing at the time of MIP102c2-Sp7 ratification who were eligible for payment as part of next compensation payout. This will include

any ADs that qualified for compensation who have subsequently been derecognized and will still be modified by metric performance. (GOV_12.2 + INTERPRETATION)

May 2023 Payments

The payment amounts for May and the status of each AD Buffer will be posted in a separate post for clarity (and brevity).

Due to operational constraints caused by the volume of contents in the forthcoming executive spell, they will be paid out in the next available spell.