Following the successful launch of Lido V2 and requests from the community to expand the Node Operator set, the Lido Node Operator Subgovernance Group (LNOSG) has suggested to the DAO that an onboarding round should take place for the Lido on Ethereum protocol.

Lido on Ethereum

The last Lido on Ethereum onboarding round (wave 4) was completed in June of 2022, expanding the number of Node Operators participating in the protocol on mainnet to 29. As of the most recent VaNOM release, a majority of these operators now have stake over the 1% soft cap outlined in the Operator Set Strategy.

With solid staking inflows since the last onboarding round and the successful completion of the Lido V2 Upgrade, the timing is appropriate for another onboarding round.

The general areas that the LNOSG will assess through the application process include:

- Expertise with validator software and managing validator infrastructure at scale

- Key Generation and Management

- Infrastructure and Client Diversity

- Geographic and Jurisdictional distribution

- Business Continuity & Disaster Recovery

Factors to Consider:

- As of Q1, over 50% of validators operated by Node Operators participating in Lido on Ethereum connect to Lighthouse or Prysm and 84.5% connect to Geth. Applicants are encouraged to utilize minority clients that would improve the protocol's client diversity as outlined in the Operator Set Strategy.

- As of Q1, 49% of validators operated by Lido Node Operators are based in public cloud providers. Applicants are encouraged to utilize solutions that decrease reliance on public cloud.

- As of Q1, over 50% of validators operated by Lido Node Operators are located in the EU or the United States. Applicants are encouraged to locate validators in geographies that would further improve Ethereum's geographic distribution as suggested in the Operator Set Strategy.

- The Lido V2 upgrade implemented the Staking Router, which will allow for Node Operators to join the operator set in novel ways. It is expected that the protocol will become less reliant on the curated set over the next 12 months as new methods of participation become available.

You can find the Lido Node Operator portal here. This landing page contains information relating to previous and current onboarding rounds, and provides a general summary of the application process for all permissioned networks on which Lido operates.

Applying

If you are a Node Operator interested in joining Lido's Ethereum Node Operator set, you are invited to submit an application by following the link on the operator portal or directly here.

The LNOSG has proposed a two part process for this onboarding round, with an initial evaluation held limited to return-applicant Node Operators from recent rounds who received high scores in prior Lido on Ethereum LNOSG evaluations.

Return-applicant Node Operators interested in expedited evaluation must apply to Lido on Ethereum Wave 5 by June 26th to be eligible.

Applications for any interested party (returning or new) would still be accepted during this time, and another LNOSG evaluation round would be held in the weeks following with the goal of proposing additional Node Operators to join the set.

If you've applied in a previous Lido on Ethereum onboarding round but weren't selected for the short-list, you may indicate that you have already applied and you will not need to fill out the entire form. Alternatively, you may choose to re-fill out the form in case you wish to add additional details to your application.

Deadline

The application form will be open from June 8 - July 13 23:59 UTC. For those Node Operators that are re-applying, to be eligible for expedited evaluation an application must be submitted by June 26th 23:59 UTC.

Evaluation and Onboarding

Applications will be evaluated by the Lido Node Operator Subgovernance Group (LNOSG) and proposed shortlists will be

sent to the DAO for approval. Please note that being shortlisted is not a guarantee that you will be onboarded. The DAO ultimately chooses who will be onboarded, and can modify or reject the proposed list, in the event of DAO and/or community requests to review and propose further options.

Once approved, onboarding new operators usually takes 1-3 weeks, so tentative timing for the new set of operators to be live on mainnet will likely be in August.