

[TEMP CHECK] Deploy an Ethena Aave v3 Instance

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Summary

This proposal suggests deploying an Aave v3 instance focused on providing liquidity for sUSDe and USDe holders to borrow stablecoins.

Motivation

Ethena's USDe stablecoin has grown to over \$3b TVL with success as a supply and borrow asset on the mainnet Aave v3 instance. It has also seen large demand for use as collateral on other lending protocols.

In order to capitalize on this demand, we propose deploying a dedicated Aave v3 instance for Ethena's stablecoins and related collateral assets.

To start the instance will use sUSDe and USDe as main collateral assets, with USDC, DAI and USDT as supply assets.

We also propose providing the Ethena instance with an initial GHO facilitator.

The goals for this instance will be to grow Aave market share for borrowers using sUSDe and USDe as well as create an additional steady revenue stream of GHO.

Specification

The proposed Ethena Aave v3 instance will implement the following:

- The market will include sUSDe, USDe, USDC, DAI, USDT and a new GHO facilitator. Additional assets to consider during ARFC are Ethena's Pendle PT tokens and rsUSDe.
- This GHO facilitator will be limited in size to start both to limit risk to Ethena collateral and protect liquidity and the GHO peg.
- The market will have stablecoin E-Mode to allow for high leverage borrowing between the correlated assets.
- The market will use the existing sUSDe and USDe capped oracles, so that borrowers are not affected by fluctuations in the secondary market price.
- Borrow parameters will match the mainnet Aave v3 instance, making it the most competitive location to borrow against sUSDe and USDe.

Disclaimer

The ACI has not been compensated by Ethena for the publication of this proposal.

ACI team members are holders of sUSDe, USDe and ENA.

Next Steps

1. If consensus is reached on this [TEMP CHECK], escalate this proposal to the Snapshot stage.
2. If the Snapshot outcome is Yae, escalate to the ARFC stage.
3. Publish a standard ARFC and collect community & service provider feedback before an ARFC snapshot.
4. If the ARFC snapshot passes, publish an AIP vote for final confirmation and enforcement.

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