Project Name: Celestia Labs

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with feedback from Mustafa Al-Bassam, John Adler, Nick White, Yaz Khoury, Ismail Khoffi, and Zaki Manian

Number of OP tokens to claim: 300,000

L2 Recipient Address: [TBD]

Relevant Usage Metrics

Celestia is the marriage of Ethereum's rollup centric roadmap, Cosmos' sovereign interoperable zones, and shared security. Celestia is a consensus and data availability layer and is currently poised to be a leading ecosystem (check out the current testnet here).

Optimism Alignment

A Celestium is an improvement on a validium that uses Celestia instead of a centralized and unaccountable data availability committee (DAC). Celestiums are not technically Ethereum rollups as the data availability is off-chain to Ethereum, but are Ethereum sidechains with higher data availability guarantees, or the "optimistic" version of validiums.

Celestiums use Ethereum for settlement and dispute resolution, while using Celestia as a data availability layer. Optimistic and zero-knowledge sidechains can leverage a Celestium to decrease calldata costs and still maintain cryptoeconomic security guarantees.

Celestia Labs plans to deploy a Celestium Testnet, leveraging a fork of Optimism and the quantum gravity bridge, a Celestia-to-EVM message relay. This testnet will be focused on cutting edge R&D experimentation, starting with alternate data availability layers (referenced by the Optimism team here). No tokens/tokenomics are currently planned for the Celestium Testnet.

Celestia Labs is requesting 300,000 OP tokens.

Builders are crucial to any ecosystem and as such, 50% (150,000 tokens) will be allocated to grants which will encourage the community to build on top of the testnet and add core features. The remaining 50% (150,000 tokens) will be allocated to fund core development of this work.

Proposal for Token Distribution

1. How will OP tokens be distributed?

If this governance proposal is passed, Celestia Labs will allocate 150,000 OP to ecosystem grants funding builders building on top of the testnet. Celestia Labs will retain the 150,000 OP as funding to build out the Celestium Testnet.

1. How will this distribution incentivize usage and liquidity on Optimism?

This will help bootstrap the growth of the Optimism ecosystem and allow for broader experimentation. This will also further contribute to core development and improvement on the upstream Optimism codebase which will ensure more usage as more builders test out new features and core improvements to Optimism.

1. Why will incentivized users and liquidity remain after incentives dry up?

Funding builders to add features on the testnet can bring in more users. Those users may become regular users of the Optimism ecosystem and may not leave easily (as seen with other ecosystems like Polygon). With the contributions brought by builders on the Optimism-fork, it can become an R&D-focused testnet for Optimism where core-features and improvements can be merged upstream to the Optimism codebase. As more core features are added, builders are incentivized to test out those new features with their smart contracts and dApps built on top of the Optimism-fork prior to deploying on Optimism mainnet.

1. Over what period of time will the tokens be distributed?

6-12 months.

1. How much will your project match in co-incentives?

Celestia Labs is willing to match 50% of the Optimism grant, as 50% of the asking amount will be distributed to ecosystem efforts. The co-incentive match will be based on the USD amount at the time $OP is granted. Celestia Labs will also fund the core developers working on this project beyond the 150,000 tokens allocated to core development.