

The reWARDS Committee was established on Jan. 2022. Having operation for half a year, the reWARDS Committee kept working on a monthly budget proposal and quarterly report, which made the process more transparent and efficient.

In the past couple of weeks, I tried to make a deeper dive on the LPs incentive performance based on [the data](#) and internal community dialogues with some of the members. Although the mapping became much more clear, there are still some unanswered questions in my mind. As a community member, I think it is my duty to raise these questions openly and hope you can help me find out the answers.

Q1: What's the basic strategy of LPs incentive plan on Ethereum?

What's the mechanism of calculating the overall stETH-ETH liquidity demands? Is there a segmentation strategy based on different expectations, like bottomline expectation(for low volatility), baseline expectation(for middle level volatility), and lifeline expectation(for critical volatility)?

Q2: How do you manage the LPs' rewards expectations?

Is there a strategy like pessimistic expectation, realistic expectation and optimistic expectation strategy?

Q3: What's the balance mechanism between liquidity utilization and rewards demands?

As the rewards increase, more liquidity may join the pools and reduce the liquidity utility and make the overall LPs' APR kept at the same level.

Q4: Is there an LPs segmentation framework based on your data analysis?

I think these questions are important for the long-term LPs incentive operation. I hope I can be a better community contributor with your help.

[@jbeezy](#) [@GrStepanov](#) [@kadmil](#) [@kai](#)