

Protocol Delegation Program Renewal

Protocols building on Optimism are among its most important stakeholders and they value having a voice in the development of the ecosystem. In Season 3, the Protocol Delegation Program was piloted as a way to enable protocols to participate in governance.

The Protocol Delegation Program temporarily delegates a portion of idle OP from the Governance Fund to value-aligned protocols based on pre-defined criteria. This program was designed to last two Seasons in total, at which point protocols will need to reaffirm their commitment to Optimism governance via their own treasuries.

You can see the original proposal [here](#). You can see the Season 3 delegations [here](#).

The continuation of this program for a second Season must be approved by the Token House in Special Voting Cycle #12a. Protocols participating in the program are permitted to vote on this proposal. If this proposal is renewed by the Token House for a second and final Season:

- A total of 5M OP will be available for delegation in Season 4 (the same 5M that was delegated in Season 3)
- Delegations to the top 15 protocols based on gas fees will be re-set based on total gas fees generated during Season 3. Any new qualifying protocols will be subject to the same terms outlined in the original post.
- The 8 protocols elected to receive delegation during Special Voting Cycle #9b

will remain the same.

- All participating protocols must have fulfilled the voting participation requirement (>70%) during Season 3.
- Please note that all participating protocols will be required to KYC before the start of Season 4 in order to continue to participate in the program.

The Foundation will reach out to collect this information according to the same process used for Governance Fund Grants.

- If any qualifying protocols opt-out of participating in Season 4, their delegation amount will remain undelegated, with no impact to all other delegation amounts.
- As a reminder:
- Each protocol receives a flat delegation amount.
- Protocols that are Optimism Native receive a multiplier of 1.25x the flat rate.
- Protocols that already have an Optimism delegate receive a multiplier of 1.25x the flat rate. Delegates must have identified their protocol affiliation in a delegate commitment posted by 11/9/22 (end of Season 2) and have voted on at least 10 votes through Season 2.
- Protocols may receive both multipliers if they meet both criteria.
- If any qualifying protocols have misused grant funding in the past, they will not be eligible.
- All protocol delegations will be capped at the point at which a protocol reaches a total of 2M delegated OP. If a protocol already has 2M OP in total delegation, they will not be delegated additional OP through this program. If delegation through the program would push a protocol over the 2M total OP delegated, they will only be delegated OP up to the amount at which they reach 2M total OP delegated.

What Does This Mean for Delegates?

The continuation of this program for a second Season must be approved by the Token House in Special Voting Cycle #12a.

- Each protocol receives a flat delegation amount.
- Protocols that are Optimism Native receive a multiplier of 1.25x the flat rate.
- Protocols that already have an Optimism delegate receive a multiplier of 1.25x the flat rate. Delegates must have identified their protocol affiliation in a delegate commitment posted by 11/9/22 (end of Season 2) and have voted on at least 10 votes through Season 2.
- Protocols may receive both multipliers if they meet both criteria.

- If any qualifying protocols have misused grant funding in the past, they will not be eligible.
- All protocol delegations will be capped at the point at which a protocol reaches a total of 2M delegated OP. If a protocol already has 2M OP in total delegation, they will not be delegated additional OP through this program. If delegation through the program would push a protocol over the 2M total OP delegated, they will only be delegated OP up to the amount at which they reach 2M total OP delegated.