TLDR: Aztec is requesting a $10,000 grant to offer users cheap and private deposits into Lido via our zkrollup. This integration will provide users with 75-97% gas savings and fuel adoption of Lido and stETH on L2.

Background

Depositing to Lido is expensive and many users have been priced out, limiting the potential growth of the protocol's users and TVL. At the same time, the utility of stETH is largely driven by protocol contracts on mainnet.

Users who are looking for cheaper alternatives are depositing funds into L2s and doing more transactions via rollups, which can bundle and compress transactions and amortize transaction costs across users.

However, the transition isn't as simple for the protocols themselves. Protocols have to redeploy contracts, rebuild liquidity, and, in Lido's case, establish liquidity mining programs to maintain the 1:1 ETH/stETH peg.

Aztec is offering an alternative that provides users with up to 75-97% gas savings versus mainnet without needing to redeploy contracts or rebuild liquidity. Users will also be able to use their stETH across Aztec via integrations with Curve, Element, and Yearn.

Gas savings provided via Aztec rollup

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- assumes 102,000 gas limit for Lido deposit with $2,500/ETH and 100 gwei

How it works

Users will deposit ETH into Aztec and initiate the Lido deposit via zk.money. Aztec's zkrollup will batch transactions across users and interact with Lido's L1 contract via a bridge contract. Users will receive stETH, which can be used across other DeFi protocols on Aztec.

Through the Aztec Grants Program, we funded the development of the Lido integration and will integrate Lido into our frontend, zk.money, once it has been audited by Solidified. There is no additional work needed by the Lido dev team. Aztec will promote the Lido integration to the 45,000+ zk.money users and cross promote to Lido users.

Grant request

Aztec is requesting a $10,000 grant to subsidize user deposits to Lido via L2. This subsidy will simulate the gas savings that will benefit users when the rollup is full and the gas cost associated with the rollup. Aztec will also be joining the Lido referral program and will direct rewards to drive transaction costs down even further.

We believe this partnership will kickstart wider adoption of Lido by users who have been priced out and introduce the concept of private staking. This budget can substantially improve the user experience when minting stETH on Aztec and accelerate the adoption of other DeFi integrations that use stETH on Aztec. We're happy to answer questions about the proposal and integration.