

Title: [ARFC] Safety Module stkGHO - Rewards Adjustment

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## Summary

This publication proposes replacing the AAVE emissions to stkGHO holders within the Safetey Module (SM) with GHO.

## Motivation

The stkGHO category within the SM currently holds 21.43M units of GHO and receives 100 AAVE/day. This is equivalent to 36,500 units of AAVE emissions per year worth an estimated \$3,394,500 at an AAVE price of \$93.00/unit. The current annualised accrued GHO revenue, with 50M units of supply and Borrow Rate of [12.26%](#) is 6.13M. The Aave DAO's GHO revenue is sufficient to replace the AAVE emissions to stkGHO holders and meaningfully contribute to offsetting other DAO expenses like [Merit](#).

With a bullish GHO revenue outlook, migrating stkGHO holders' rewards from AAVE to GHO is a positive step forward for Aave DAO. As a direct result of this proposed change, the AAVE Emissions runway is extended by 13.89%. After a successful migration of stkGHO rewards to GHO, other Safety Modules can be evaluated for similar adjustments. In particular, stkBPT would make a good candidate once GHO supply is large enough to cover the corresponding \$AAVE emissions.

Given the recent price action in the AAVE price and the resulting lower yield on the stkGHO category, this publication propose a 20% yield on current GHO deposits. This is equivalent to 4.33M annualised, 11,850 daily GHO spend on the stkGHO category. The reward rate will be periodically reviewed to ensure targets on supply and APR vary within reasonable ranges. In order to reduce governance burden, this post additionally proposes to pursuit future updates with direct-to-AIP proposals.

Details on GHO Revenue can be found on [TokenLogic's GHO Dashboard](#).

Longer term, we envisage migrating from fixed daily GHO emissions to GHO emissions to stkGHO holders being a function of the DAO's GHO nominated revenue. This publication represents the initial step of transitioning from AAVE to GHO, and then later to a more revenue correlated emission schedule.

## Specification

Update SM Category 3 - stkGHO as per the below:

Parameter

Current

Proposed

Reward Type (Token)

AAVE

GHO

Deposits (Current/Target)

21.43M

21.43M

Daily Withdrawal Limit (GHO)

2.5M

2.5M

Daily Reward Amount (Units)

100.00

11,850.00

APR (%)

15.84

20.00

Slashing (%)

100.00

100.00

Emission Duration (Days)

NA

180.00

Enable future updates on GHO Emissions to the stkGHO Safety Module through direct-to-AIP proposals.

## Disclosure

TokenLogic and karpatkey receive no payment for this proposal. TokenLogic and karpatkey are both delegates within the Aave community.

## Next Steps

1. Gather feedback from the community.
2. If consensus is reached on this ARFC, escalate this proposal to the Snapshot stage.
3. If Snapshot outcome is YAE, escalate this proposal to AIP stage

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