This short post is intended to inform about the details of the solver rewards mechanism used on Base. As specified in <u>CIP-57</u>, with the launch on a new chain, the core team needs to ensure that solver rewards are provided right away. This was indeed the case with Base, where there have been 5 weeks of rewards already distributed.

Per CIP-57, the same mechanism that is used in other chains is also used on Base, and the only degrees of freedom that the mechanism allows are the the caps on rewards on a per auction/quote basis. As there was no clear reason to deviate from the existing ones, the core team decided to proceed with the same caps that are used on Arbitrum (as specified in CIP-57), which concretely are the following:

- upper cap on per batch auction reward: 0.012 ETH (same as Mainnet and Arbitrum)
- lower cap on per batch auction reward: -0.010 ETH (same as Mainnet and Arbitrum)
- COW cap of 6 COW for the per quote reward (same as Mainnet and Arbitrum)
- 0.0002 ETH cap for the per quote reward (same as Arbitrum)

Moreover, as CIP-57 provides the core team with the option to reconsider caps only within the first month of rewards (and this deadline has passed), the above caps are now official and the only way to change those would be via a new CIP.

The core team will ensure to monitor rewards and in case excessive overspending is observed (note that, as CIP-57 discussed, the goal is to distribute rewards that are roughly equal to the revenue generated on the corresponding chain), a new CIP with updated caps might be needed.