Title: [TEMP CHECK] Aave V3 Deployment on Base

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Simple Summary

This Temperature Check seeks the community's input on the opportunity to deploy Aave V3 on Base mainnet, expanding Aave to a unique, OP-stack network.

Background

Base is an open-source, developer-friendly L2 EVM blockchain, built on the MIT-licensed OP Stack. Base is incubated inside of Coinbase and will serve as both a home for Coinbase's on-chain products and a sandbox for permissionless development.

Coinbase has partnered with Optimism throughout the inception and launch of Base to help realize the Optimism superchain vision. Base testnet is currently live — and mainnet soon around the corner.

Docs are available at docs.base.org

Its mission and identity are stated clearly in the docs: Base is a secure, low-cost, developer-friendly Ethereum L2 built to bring the next billion users to web3.

As a core developer, Coinbase will collaborate with OP Labs in contributing to the Optimism Collective's mission of extending the OP Stack as a public good. Moreover, as a chain, Base will commit a portion of its transaction fee revenue to the Optimism Collective treasury.

Four key principles have shaped Base that will continue to guide its approach:

Open-source

Base is built on the MIT-licensed OP Stack, in collaboration with Optimism. Coinbase is joining as the second Core Dev team working on the OP Stack to ensure it's a public good available to everyone.

A bridge, not an island

Base is optimized for easy, secure access to Ethereum L1, other L2s, as well as other L1 ecosystems like Bitcoin, Solana, and Cosmos. Builders and users may start on Base, but go everywhere Base is a "bridge" for users into the crypto economy.

Decentralization

Decentralization is essential for the crypto economy "to remain open, global, and accessible to everyone." Coinbase is deeply committed to progressing toward full decentralization over the years ahead.

For everyone

Base is a vision to be an open ecosystem, seeded with Coinbase products, users, and assets. Coinbase is working with the broader community to bring the chain to life.

Base has launched with a diverse array of launch partners, servicing different developer and user needs across data, block explorers, bridging, custody, DeFi, and others.

Please see the list below of robust launch partners:

Motivation

The Aave community has voted to deploy the Aave V3 codebase across other prominent L2s such as Arbiturm, Metis, and Optimism.

By enabling Base on Aave, it creates valuable (and differentiated) revenue opportunities for Aave, capturing the growth and interest of users who live on the Coinbase platform.

Base is a way for Aave to instantly leverage Coinbase's products and distribution: seamless Coinbase integrations, fiat onramps, and access to 110mm+

users and $80B+

assets in the Coinbase ecosystem.

In the first week of Base, 18k developers deployed 55k smart contracts on testnet. This activity sustained through the network's announcement has the potential to introduce new, valuable users to DeFi and Aave.

Since Base's testnet launch on 02/23/2023, metrics illustrate strong activity:

- 2,000,000 accounts created
- 17,000,000 transactions
- 1,000,000+ addresses holding a Base Builder NFT for participating in in Quests

In addition, Base has shown impressive retention for a blockchain, with ~70,000 unique wallets returning to Base for subsequent transactions within one day. The users, likely early developers, paint a promising outlook for the activity that may be seen on mainnet.

Specification

This TEMP CHECK

presents Aave governance with the opportunity to deploy Aave V3 on the Base mainnet on day one of its launch.

Suggested risk parameters for this asset are provided in the table below.

Flipside Crypto invites risk service providers ([@Pauljlei](#) & [@ChaosLabs](#)) to provide feedback on these assets - as teams wait to confirm native or non-native versions of the token.

Risk Parameter	wETH	USDC	wstETH	cbETH
Isolation Mode	NO	NO	NO	NO
Enable Borrow	NO	YES	YES	YES
Enable Collateral	YES	YES	YES	YES
Emode Category	N/A	N/A		

N/A

N/A

Loan To Value

N/A

82.5%

70.0%

67.0%

Liquidation Threshold

80%

85%

79%

74%

Liquidation Bonus

82.5%

5%

7.2%

7.5%

Reserve Factor

5%

10%

15%

15%

Liquidation Protocol Fee

10%

10%

10%

10%

Borrow Cap

N/A

10,000,000

940

1200

Supply Cap

25,000

25,000,000

6000

10000

Debt Ceiling

N/A

N/A

0

0

uOptimal

45%

80%

45%

45%

Base

0%

0%

0.25%

0%

Base will deploy using the [Superchain token list](#), which an overview can be found [here](#). The community may decide to list more assets on this market depending on risk tolerance.

More information on the [Network Specifications](#) may be found here.

Disclaimer

The information provided above about Base is from public sources and Flipside Crypto cannot guarantee that it is or will stay accurate.

For full disclosure, Coinbase partnered with Flipside Crypto upon the announcement of the network to make Base on-chain data available for free for analysts.

Coinbase has not compensated Flipside to create this proposal and we are doing this because we believe that the deployment would be in the best interest of the Aave.

As a cautionary measure to prevent an appearance of a conflict of interest, Flipside will abstain from voting on this proposal - in line with other proposals we put forward.

This TEMP CHECK has been prepared solely to facilitate community discussion.

Next Steps

Temperature Check:

Gather community feedback and assess sentiment towards the proposal of deploying Aave V3 on Base Mainnet.

ARFC:

If the Temperature Check Snapshot indicates positive sentiment, proceed to the ARFC stage for further discussion, risk parameter evaluation network analysis, and finalization of the proposal.

AIP:

If the ARFC stage Snapshot is successful, submit the proposal as an AIP for voting and on-chain governance approval.

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