

TL;DR

Present to the community our proposal to do an operational update of different oracle aspects, for the sake of consistency across instances of Aave.

Context

Given limitations on for example the availability of price feeds, or changes in community strategies of assets' pricing, sometimes it is necessary to have purely operational proposals to align all Aave components.

In order to not create a big overhead, we have decided to batch some of these required updates, and before going forward with an on-chain proposal, we want to transparently present to the community what will be proposed.

The update. What is included?

1. Unify pricing of WBTC based on a WBTC feed

Discussion

<https://governance.aave.com/t/wbtcs-and-others-pricing-mechanism-on-aave/10825/10>

Following the previous discussion and the outcome on [Snapshot](#), the community decided to price WBTC based on a feed that properly prices the WBTC component and not just assumes that the price of WBTC is equal to BTC's.

The proposal will swap the WBTC price feed on Aave v2 Ethereum from BTC/ETH to WBTC/ETH.

2. Activate Price Oracle Sentinel on Aave v3 Optimism

Discussions

N/A, just live in production on the instances where it was available

Aave v3 has a mechanism called "Price Oracle Sentinel" by which if the network infrastructure is down (mainly the sequencer on rollups), new borrowings and liquidations are not processed, and a grace period is given to the user to refill their positions and avoid liquidation.

This mechanism is part of Aave v3, but its activation depends on having an underlying oracle providing the "health check" of the network infrastructure.

Aave uses the [L2 Sequencer Uptime Feeds](#) for Arbitrum since day 0, but at that point, Optimism was not available.

Following its introduction on Metis with the new deployment of Aave v3 there, now this proposal will activate its Price Oracle Sentinel on Optimism too.

3. Generalized price sync components update, LSTs

Discussions

<https://governance.aave.com/t/bgd-generalised-price-sync-adapters/11416>

<https://governance.aave.com/t/arfc-maticx-supply-cap-increase-polygon-v3/12657/5>

<https://governance.aave.com/t/arfc-gauntlet-e-mode-methodology-aave-v3-liquid-staking-tokens/12700/6>

<https://governance.aave.com/t/arfc-gauntlet-and-bgd-chainlink-synchronicity-price-adapter-2-0/13046>

With the Generalized price sync solution already applied on multiple assets, in cases like Optimism and Arbitrum, when listing some assets like wstETH, not all underlying price feed components were available to "plug" into the adapter contract.

Additionally, before the risk teams evaluated better the risk associated with the pricing of LSTs it was not completely clear if the "primary market" exchange rate of the assets should be used. Both following discussions of the community, activation of withdrawals in some LSTs, and after checking with Gauntlet and Chaos Labs, seems legitimate to unify all pricing methods to use "official" (and non-manipulatable) exchange rates on all generalized price syncs.

To do that, the proposal will include the following specific changes:

- wstETH on both Optimism and Arbitrum will be priced based on a generalized price sync adapter using wstETH/ETH/USD composition.

- stMATIC and MATICX will be priced based on their on-chain exchange rates stMATIC/MATIC and MATICX/MATIC combined with MATIC/USD, also following an adapter approach
- . The stMATIC/MATIC and MATICX/MATIC exchange rates will be taken directly from the smart stMATIC and MATICX, as they are non-manipulatable.
- The price feed of cbETH will be slightly changed. Currently, it already uses the generalized price sync adapter, with the underlying feeds being cbETH/ETH from Chainlink and ETH/USD. However, we are swapping the cbETH/ETH Chainlink component to use directly the rate from cbETH.

Next steps

Given the operational nature of the proposal, we think it is more optimal to directly submit an on-chain governance proposal, and not create voting overhead.

However, we target the governance proposal early next week, in order to get feedback from the community, if any.