Project Name:

Gelato Network

Author Name:

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Defillama TVL (at snapshot):

$0.0 M

Transactions/day (at snapshot):

183

Transactions/lifetime on Optimism:

23,000

Tier: 3

Optimism native:

No

Revisions to metrics used:

N/A

Number of OP tokens to claim:

300k

L2 Recipient Address:

0x01ea687Be2937D4Bfd9e302b8dbD3be8d9bDb14e

Proposal for token distribution:

Background

Gelato is web3's leading smart contract automation protocol. We provide a decentralised network of bots used by web3 developers to automate smart contract executions on public EVM compatible blockchains - including Optimism. Our products include:

- Gelato Ops - smart contract automation hub

- Relay SDK - simple API for transaction relaying (e.g.meta transactions)

- DEX Trading SDK - limit orders and other advanced order types for DEXs such as Uniswap v3

We have already helped execute close to 23,000 txns on Optimism; for example Connext uses Gelato's Relay SDK to enable their users to automatically claim their bridged tokens on Optimism using meta-transactions executed by Gelato. We're excited to present this proposal for how we can help even more projects outsource their web3 devOps and accelerate their product development on Optimism.

Goals

We can support the growth of the chain by:

1. Making it quicker and easier for protocols to build and deploy their applications to Optimism enabling them to outsource their web3 devOps needs to Gelato

2. Increasing the number of daily transactions on Optimism

3. Helping projects to provide a significantly better UX to their users on Optimism by providing the infrastructure for projects to use smart contract automation to enable a) advanced functionalities such as conditional trading and b) meta transactions for e.g. gasless NFT minting or gaming experiences.

How will the tokens be distributed?

Projects using Gelato

1. Subsidies (250k OP)

Subsidising infrastructure costs for web3 developers is the cleanest and least subjective way Gelato can help projects go live and bootstrap on new networks such as Optimism. We will be subsidising usage of Gelato's infrastructure network by having the network charge 0% fees on transactions that are automated by Gelato.

The node operators that comprise the Gelato Network still need to be incentivized to run their infrastructure and execute these transactions, thus 250k OP incentives will be used to enable these operators to cover their fixed costs and generate a small profit, so that we make sure the decentralized network of Executor Operators are still sufficiently incentivised to keep operating. Note: Only Executors operating on Optimism will receive those subsidies.

2. Gelato/OP Builder Bounties (50k OP)

Builders are the lifeblood of any ecosystem. Gelato provides builders with bounties for developing interesting automation use cases on top of DeFi, NFT and gaming protocols. We will use 50k of the OP incentives to help more of these developers figure out how to automate certain functionalities that they are looking to build for their dApps on Optimism. Example ideas would be e.g. building Resolver smart contracts which help automate Synthetix reward claimings on Optimism using Gelato. We will post certain ideas which anyone can start implementing as well as being open for anyone to propose interesting use cases for Optimism themselves!

How will this distribution incentivize usage and liquidity on Optimism?

Gelato Ops makes it super-easy for users to set up the automation tasks in an entirely self-service and permissionless manner. We are seeing some fantastic levels in the growth of usage across our networks:

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857×605 23.6 KB

](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/1X/a225a826fc5de5c37f2fb685bf1e5ddf50c4d615.png)

Since May 2022, Gelato Ops is also finally live on Optimism. By incentivising its adoption by providing "free transactions", we hope to encourage builders to become "Optimism Natives". Reduced fees on Optimism also make it viable to economically execute higher frequency automated transactions further boosting usage.

Examples:

- Harvesting Vaults (i.e. compounding fees) every hour

- Rebasing algorithmic stablecoins every 10 minutes

- Executing Range Orders on Uniswap v3 if prices change

- Updating TWAP Oracles every hour

- Automatically claiming Synthetix rewards when they become claimable

Why will the incentivized users and liquidity remain after incentives dry up?

- Automating executing recurring tasks is a core concept that makes most of DeFi work today. Projects rely on Gelato to conduct these executions on their behalf so that they don't have to run their own centralised infrastructure to do it themselves. Even if incentives dry up and Gelato needs to start charging a fee, it will still be significantly cheaper for projects to use Gelato for their web3 devOps as it is significantly cheaper than having to build, run and maintain their own infrastructure.

Over what period of time will the tokens be distributed?

- Tokens will be distributed periodically to the Gelato Executor operators in order for them to be incentivized to execute transactions on behalf of the projects deployed on Optimism. We anticipate distributing tokens over an approximate 12 month period depending on the growth of the Gelato Network and how long the incentives will last the network. The distribution will be handled by the Gelato DAO.

How much will your project match in co-incentives?

- Gelato is already currently helping to subsidise the cost for these infrastructure operators with its own funds and will continue to do so in a similar manner & timeframe than what was previously done on networks such as Polygon or Fantom.