The purpose of this thread is to collect discussion and community alignment with regards to min-bid

usage by Node Operators participating in in the Lido Protocol.

As a start, I propose we begin the discussion based on Irina's post from the relay voting proposal thread.

Lido on Ethereum: Relay Voting Proposal [Proposals

](/c/proposals/9)

Hey everyone, Taking into consideration three parameters which guide an optimal min-bid choice: amount of blocks produced locally, change in Lido's protocol APR and percent of validators who do not opt-in to use min-bid functionality, we developed a model. The key driver in the model to determine an appropriate min-bid is the expected usage of min-bid across Lido validators. Based on an approximation that ~60% (i.e. 40% do not) of all Lido validators opt-in to using min-bid, the model yields a…

In general I think that ~28-40% of blocks produced locally sounds about high but isn't a prohibitive starting point, although a maximum APR decrease of 15% sounds high, given that it's currently not easily discernable what effect this level of local block production would have on ameliorating overall service degradation in the network. That said, due to how min-bid

works, it's to be expected that APR effects will be worse during lull periods (vs busy periods), so if based on feedback the NO community feels that overall more validators would opt in than the estimated 60%, the configured min-bid can be lowered.

I propose that the DAO can make min-bid

> 0 an opt-in measure for NOs who wish to use it, with a value up to (but not exceeding) the initial suggestion of 0.07

, which can then be tweaked down if either large negative effect on APR and/or higher usage of min-bid than expected is noted, and then after ~1-2 month of usage and hopefully with some initial results from RFP: Ethereum censorability monitor to fine-tune the suggested min-bid

value based on:

- how many NOs are actually using min bid > 0
- approximate effect on amelioration of (possible) service degradation