

Proposal

The purpose of this proposal is to expand the role of the Gas Funder Committee (was created [here](#)) and to rebrand it into the Gas Supply Committee

. The new authority is to determine the eligibility of gas expense reimbursements arising in day-to-day operation of the protocols within an annual budget capped at 1,000 stETH

The Committee Operations

A [multisig - 0x5181d5D56Af4f823b96FE05f062D7a09761a5a53](#) will be used between the Lido treasury and compensation recipients, refills to be done via on-chain voting solution (ie [Easy Track](#) motions, [Aragon](#), etc) - continuous operation of the protocol is a priority, the first refill of 100 stETH

to be offered via Easy Track soon after the [Snapshot vote](#) for current proposal. The first refill amount based on the current month gas spent (80+ ETH) and [an amount according to Lido on Polygon request](#)

The following will be the initial expenditures authorised for reimbursement with an opportunity to include new (or evict old) ones in the future:

- Lido on Ethereum operational gas expense (previously paid by the Gas Funder Committee)
- Oracles expense reimbursement necessary for the operation (previously paid by the Gas Funder Committee)
- Lido on Polygon operational gas expense (previously paid by Lido-on-Polygon developers)

Any extension of the budget cap of 1,000 stETH can only be explicitly requested and approved by the Lido DAO vote (currently - Snapshot). Quarterly reporting on reimbursements made by the committee will be to ensure transparency.

The Committee Details

Gas Supply Committee powers are enforced by 3/5 multisig [0x5181d5D56Af4f823b96FE05f062D7a09761a5a53](#)) with following signers:

- [zuzu_eeka - 0x004812da927b5DCd07e7329609eDD75E25d2d295](#)
- [Raman - 0x56aAaF3e07507C3f2554c4087b0f3ECC61F78a9e](#)
- [skozin - 0x2CAE3a4D4c513026Ecc6af94A4BA89Df31c8cEA3](#)
- [George - 0x912e21CdA3D7012146da4Df33309d860a9eb0bEb](#)
- [kadmil - 0x9A3f38AF97b791C85c043D46a64f56f87E0283D4](#)

Background

Lido-on-X protocols require gas payments for different operations. For instance, in case of the Lido on Ethereum the main day-to-day ops required for protocol functioning are deposits & Oracle reports.

Ether submitted by the protocol users is buffered on [Lido stETH contract](#) until it is deposited to the Consensus Layer.

Depositor bot ([source code](#)) performs deposit transactions and simultaneously monitors the current gas price on Ethereum to prevent excessive spending of ETH during sudden spikes in short-term gas prices.

Lido DAO has approved funding for this task ([proposal#1](#), [snapshot #1](#), [proposal#2](#), [snapshot #2](#), [proposal#3](#), [Aragon](#)). The committee also [compensates mainnet Oracles gas expense](#) and there is a [proposal to compensate for gas Lido on Polygon](#)

History Of Funding

Previous rounds of gas expense compensations were made quarterly and soon after the last round that took place in May 2022 gas expenses dropped significantly, which in turn built up a long runway for this activity.

Recently gas expenses have risen due to an increased depositing activity ([over 1M ETH were deposited](#) into Lido protocol since the end of Feb 2023) followed by [recent gas price rise](#) in May 2023.

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*please note that 31/05/2023 illustrates May only up to the 21st day.

Although there is a reasonable doubt that gas expense per 1 ETH deposited into Lido on Ethereum will stay as high as it is in May 2023, it's necessary to ensure deposits made in a timely manner to affect higher APRs (ETH in the intermediate buffer not staked) and funds are secured.

The amount of data that Oracles report will also significantly increase after withdrawals introduction, which will lead to an increase of gas spent to some degree.