

title: [ARFC] Activate emode for rETH Aave Ethereum V3 Pool

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## Summary

rETH is a decentralized Liquid Staking Derivative minted by Rocket Pool operators.

rETH is minted by rocket pool protocol when users Stake ETH via mini-pools.

For more information about rETH please refer to [rETH V3 ARC](#)

This ARFC presents the Aave governance with the opportunity to Activate emode for rETH Aave Ethereum V3 Pool.

## Abstract

This ARFC proposes to add rETH asset to emode category 1

for "ETH correlated" assets.

## Motivation

rETH is currently the third largest ETH Liquid staking token of the V3 market.

Allowing the activation of emode has a clear use-case for leveraged strategies based on rETH as collateral to both "long" rETH on secondary markets and increased staking yield via loops strategies.

With the current supply and borrowing caps, this activation can be done while keeping a conservative approach.

## Specification

Ticker: rETH (rETH)

Contract Address: 0xae78736Cd615f374D3085123A210448E74Fc6393

The AIP implementation is to call `setEModeCategory()` from `POOL.CONFIGURATOR` to set it to 1

More technical details will be available in payload deployment & contracts published at the AIP stage of this proposal

## Disclaimer

The Aave-Chan Initiative is not linked nor paid by Rocket Pool to publish this ARFC

The ACI supports LST diversity as part of its delegate platform

At the time of Writing, Marc Zeller, ACI's founder, does not hold any rETH but owns a small amount of RPL with the intention to use them to deploy Mini-pools in the future.

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