🚀 Testnet V2 Rewards: Smarter, Fairer, and More Dynamic!

In **Testnet V2**, we're rolling out a major upgrade to how rewards are distributed to executors. **Instead of fixed or random incentives, the system now dynamically adjusts based on network activity and transaction volume.**

- **Fairer reward scaling for high-value transactions**
- **Smoother fee adjustments based on network traffic**
- **More sustainable allocation of the 200,000 BRN monthly budget**

Here's what's changing and why it matters. 👇

📊 Dynamic Volume-Based Boosts: Bigger Transactions, Bigger Bonuses

Instead of applying **random** bonuses, we now **track average transaction sizes per asset** and reward **significantly larger transactions proportionally**.

🔢 How It Works

1️⃣ The system **tracks the moving average** transaction amount per asset in real time.
2️⃣ If a transaction is **above the asset's average**, it **qualifies for a bonus**.
3️⃣ The **larger the transaction**, the **bigger the bonus**—but it **scales proportionally**:

$$Bonus\ Percentage\ = \frac{Transaction\ Size - Average\ Size}{2 \times Average\ Size}\%$$

When:

$$0\ \leq\ Bonus\ Percentage\ \leq\ 50$$

=IF(C2<=C3, 0, MIN(50, 50(C2-C3)/C3))*

4️⃣ **Bonus is capped at 50%** of the base reward to **prevent excessive payouts**.

📌 Example Scenarios

✅ **Scenario 1: Normal Transaction**

- **Asset Average:** 1,000 TRN
- **Transaction Size:** 950 TRN
- **No bonus applied.**

✅ **Scenario 2: 50% Above Average**

- **Asset Average:** 1,000 TRN
- **Transaction Size:** 1,500 TRN
- **Bonus: 25% of base reward.**

✅ **Scenario 3: 300% Above Average (3x the normal size)**

- **Asset Average:** 1,000 TRN
- **Transaction Size:** 3,000 TRN
- **Bonus: 50% of base reward (max cap reached).**

🔥 **The result? High-value orders become significantly more attractive for execution.**

⚡ Fee Smoothing: Real-Time Adjustments Based on Network Traffic

To **keep execution incentives stable** while ensuring we **don't overspend the budget**, we introduced **real-time fee adjustments** based on network activity.

🔢 How It Works

1️⃣ Each month, **200,000 TRN** is allocated across an estimated **3M transactions (~100k/day).**
2️⃣ The system **tracks daily transaction volume** to determine whether rewards need to **increase or decrease dynamically**.
3️⃣ If transactions **fall below pace**, per-tx rewards **increase slightly** to boost execution incentives.
4️⃣ If transactions **exceed the target pace**, per-tx rewards **decrease slightly** to maintain the monthly budget.

$$Target\ Average\ Reward\ =\ \frac{Remaining\ Budget}{Remaining\ Expected\ Transactions}$$

$$Smoothed\ Reward\ =\ Base\ Reward\ \times\ (1\ \pm\ Adjustment\ Factor)$$

📌 Example Scenarios

✅ **Scenario 1: Transactions Below 100k/day**

- 📈 The system **boosts per-transaction rewards** to encourage execution.

✅ **Scenario 2: Transactions Exceed 100k/day**

- 📉 The system **reduces per-transaction rewards** to maintain the **$0.25 avg per tx** and avoid budget depletion.

✅ **Scenario 3: Large Transactions Get a Volume-Based Bonus**

- 🎲 A **scaling bonus** (up to 50%) is added **for larger transactions**, ensuring fair execution incentives.

🛠️ Why This Matters

✅ **Predictable earnings** 📊 – Smoothed fees prevent extreme fluctuations.
✅ **Long-term sustainability** 🌱 – Rewards stay balanced across the entire month.
✅ **Fair incentives** ⚖️ – Larger transactions get proportionally larger bonuses.

🚀 Smarter Rewards, Stronger Execution

With **Season v2 Rewards**, executors get:
✔️ **Stable and predictable payouts**
✔️ **Fair compensation for high-value orders**
✔️ **A more sustainable, intelligent reward structure**