

AWS Certified Cloud Practitioner
Training Bootcamp

Cost Optimization through Reservations

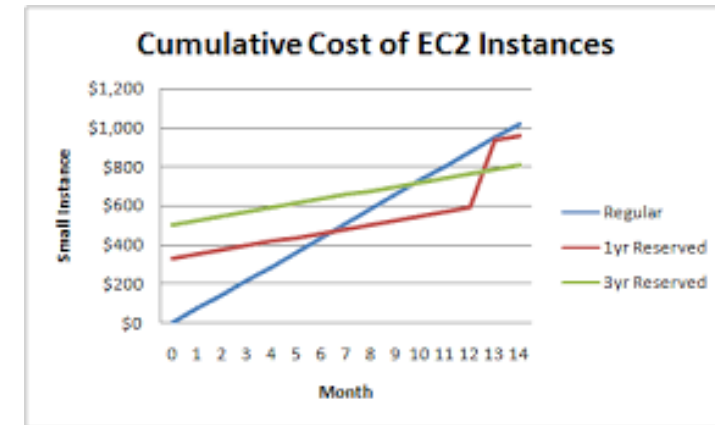
Optimizing Costs with Reservations

- Companies can achieve significant cost savings by using Reserved Instances (RIs) and other reservation models for compute and data services
- With RIs, you commit in advance for usage which in return means a lower price
- With reservations, you can choose to pay with no-upfront, partial upfront or all upfront
- The larger the upfront payment, the bigger discount



Amazon EC2 Reserved Instances

- EC2 RIs allow you to reserve capacity and receive a big discount on your instance usage compared to running on an on-demand paying model
- With EC2 RIs, you can predict compute costs over the contract term
- When you want to use the capacity you reserved, you launch EC2 instance with the configuration as the reserved capacity that you purchased and AWS will automatically apply the discounted price



Amazon EC2 Savings Example with RIs

PRICE



Standard 1-Year Term

Payment Option	Upfront	Monthly*	Effective Hourly	Savings over On-Demand	On-Demand Hourly
No Upfront	\$0	\$44.53	\$0.061	36%	\$0.096 per Hour
Partial Upfront	\$256	\$21.17	\$0.058	39%	
All Upfront	\$501	\$0	\$0.057	40%	

PRICE



Standard 3-Year Term

Payment Option	Upfront	Monthly*	Effective Hourly	Savings over On-Demand
No Upfront	\$0	\$30.66	\$0.042	56%
Partial Upfront	\$515	\$14.60	\$0.040	59%
All Upfront	\$968	\$0	\$0.037	62%

Amazon Pricing Wrap-up

- *You pay as you go, pay for what you use, pay less as you use more and pay even less when you reserve capacity*
- In order to estimate your monthly bill, you can use **AWS Simple Monthly Calculator**, which will be covered in the next section

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Thank you