

## Reserved Instances

Reserved Instances are not physical instances, and they are not even instances. They are just On-Demand instances with billing discount applied to them.

These On-Demand Instances must match certain attributes in order to benefit from the billing discount.

You can have maximum of **20** Reserved Instances in one **Availability Zone**, and additional **20** instances within the **region** which does not belong to any AZ.

Therefore, in a region that has **3 Availability Zones**, you can purchase **80** Reserved Instances in total:

20 per Availability Zone (60) plus 20 regional Reserved Instances.

Maximum instances that can be launched in a single AZ is **20**.

Now, Suppose you already have 20 C4 on-demand instances running in the AZ. Means you cannot launch any more instances.

But, if you have already purchased 5 reserved T2 instances for the same AZ. You can launch 5 new on-demand T2 instances and RI billing will be applied to it.

This, means you just bypassed the limit of 20 instances, running 25 instances in the AZ, and this is allowed.