💡 EC2 Major Purchasing Options

1. **On Demand Instances –** Pay for the compute capacity per second , no up- front payment.We can decide when to launch,terminate,start.stop,or reboot.
📅 *Use cases*: short-term work-loads , irregular workloads that cannot be interrupted.

2. **Reserved Instances –** We can reserve instances in terms of 1year and 3year. Provide up to 70% discount compared to On-Demand. Payment method can be all upfront, partial upfront,no upfront. If you purchase Reserved Instances of a specific type in an availability zone and the same type is available in same zone then automatically charge at lower rate.
📅 *Use cases* – Long-term workloads , Applications with steady state or predictable usage.

3. **Spot Instances –** Most cost effective , We can request for unused instances up to 90% discount. But if someone is paying more than of yours, then instance will get loosed. So it is less reliable.
📅 *Use cases* – Image processing , non-critical applications.

4. **Dedicated Hosts–** Physical server completely dedicated for your use. More expensive and can be purchase as on demand or reserved.Billing will be per-host.
📅 *Use cases* - Companies that have strong regulatory or compliance needs.

5.**Dedicated Instances –** Instances running on hardware that's dedicated to a single user. It can share hardware with other instances in same account. Billing will be per-instance.

6.**Savings Plans –** This will assist the user to lower the EC2 costs if they agree to keep it for a specific period - ideally, one or three years. The number of active instances are unrestricted.