HashiCorp Terraform is available in multiple editions with varying licensing models:

1. **Open Source (CLI) Edition**
   * **Cost**: Free.
   * **License**: Historically licensed under the MPL 2.0 (Mozilla Public License), but starting with Terraform 1.5, HashiCorp transitioned Terraform’s source code to the Business Source License (BSL) for future releases. Despite this change, the Terraform CLI remains freely available for individual and commercial use (with some limitations on creating competing services).
   * **Key Features**:
     + Core functionality for writing infrastructure-as-code in HCL (HashiCorp Configuration Language).
     + Large ecosystem of community and official providers to manage infrastructure across many platforms (AWS, Azure, Google Cloud, on-prem, etc.).
     + State management (tracking and mapping real-world resources).
     + Command-line tooling with no built-in user interface.
     + Users handle their own storage backend for Terraform state (e.g., local disk, AWS S3, etc.).
     + No official support from HashiCorp beyond community forums and documentation.
2. **Terraform Cloud (SaaS) and Terraform Enterprise (Self-Hosted)**
   * **Cost**: Paid plans vary. HashiCorp typically offers:
     + **Terraform Cloud Free** – includes basic remote state management and remote execution for up to five users at no cost.
     + **Terraform Cloud for Teams** – starts around $20/user/month (subject to change) for enhanced workflow features (e.g., role-based access control, private module registry, etc.).
     + **Terraform Cloud for Governance/Business** – can be $70/user/month or more. Includes advanced governance features like policy as code (Sentinel), team management, cost estimation, detailed reporting, etc.
     + **Terraform Enterprise** (on-premises) – negotiated pricing, typically used by large enterprises that need self-hosting, advanced security, single sign-on (SSO), and custom SLAs.
   * **License**: Commercial license.
   * **Key Paid Features**:
     + **UI & Collaboration**: A hosted or on-premises UI to manage workspaces, runs, and logs, plus collaboration features for teams.
     + **Policy as Code (Sentinel)**: Write policies to enforce compliance or security rules before infrastructure changes are applied.
     + **Role-Based Access Control (RBAC)**: Fine-grained permissions for different teams and users.
     + **Private Module Registry**: Host internal Terraform modules for version management and sharing.
     + **Automated Workflows**: Automated plan and apply steps, VCS integration (GitHub, GitLab, Bitbucket, etc.).
     + **Single Sign-On (SSO)** and enterprise authentication integrations.
     + **Technical Support**: Direct support from HashiCorp, including SLAs for enterprise customers.

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| **Feature / Aspect** | **Open Source (CLI)** | **Terraform Cloud / Enterprise** |
| **Cost** | Free | Subscription / per-user or usage-based |
| **Infrastructure as Code** | Yes (core Terraform functionality) | Yes (same Terraform under the hood) |
| **Collaboration** | Manual (self-managed Git workflows, etc.) | Centralized management and UI |
| **State Management** | Self-managed (S3, local, etc.) | Managed remote state in Terraform Cloud |
| **Governance / Policies** | Requires community or custom solutions | Sentinel policy-as-code built-in |
| **Support & SLAs** | Community support only | Official HashiCorp support & SLAs |
| **Security Integrations** | Custom or manual setups (e.g., vault, tooling) | Native SSO, RBAC, private registry, etc. |
| **Deployment Model** | Local CLI | SaaS (Terraform Cloud) or on-prem (Enterprise) |

**Cost Summary**

* **Terraform Open Source (CLI)**: $0.
* **Terraform Cloud**:
  + **Free tier**: Limited to five users; includes basic remote state and remote execution.
  + **Team & Governance tiers**: Ranging roughly $20–$70 per user per month (may vary).
* **Terraform Enterprise**: Custom pricing typically for larger organizations needing self-hosted deployments, advanced features, and dedicated support.

**Which Edition Should You Choose?**

* **Open Source (CLI)** if:
  + You want to learn Terraform or manage smaller-scale infrastructure.
  + You prefer to fully self-manage your workflows (CI/CD, state, etc.).
  + You do not need advanced governance, policy enforcement, or centralized collaboration tools.
* **Terraform Cloud / Enterprise** if:
  + You have larger teams that need advanced collaboration and governance (e.g., policy as code, cost estimation).
  + You want or need official support and SLAs from HashiCorp.
  + You require enterprise features such as single sign-on (SSO), custom compliance controls, and private networking.
  + You would rather not manage your own infrastructure or prefer a centralized UI/portal.

In summary, **the open-source Terraform CLI** is free and fully capable of provisioning and managing infrastructure as code but **Terraform Cloud/Enterprise** adds enterprise-grade features—collaboration, governance, security, and official support—that come with a paid license.