Power Apps is a low-code/no-code platform that allows businesses to create custom applications, automate workflows, and improve productivity. Power Apps licensing is based on the number of users and the type of app or service required. In this blog, we will discuss the different Power Apps licensing options, their features, and limitations.

Power Apps Standlone Licensing Structure

app

Power Apps per user , Power Apps per app,

Power Apps per app pay as you go plan

Limited use rights included with Dynamics 365 licenses

Limited use rights included with Microsoft 365/Office 365 licenses

per user , per app (Power Apps per app plan)

This plan is designed for businesses that have users who only need access to a single application. With this plan, each user is licensed to run one app (or access one custom portal). If a user needs to access additional apps, additional licenses can be stacked. This plan is a fixed cost per user per app per month.

Example: If a company has a user who only needs to access one specific app, the Per User Per App plan would be the most cost-effective. If the same user later needs to access a second app, an additional Per User Per App license can be purchased.

per app pay as you go plan (Power Apps Per App Active User-1)

This plan is more flexible and is designed for businesses that want to pay only for what they use. With this plan, businesses are billed based on the number of unique users who run the app during a monthly period. This means if a user does not use the app in a given month, there is no charge for that user for that month. This plan can be more cost-effective if app usage varies from month to month.

Example: If a company has an app that is only used occasionally by a large number of users (for example, an annual survey or a quarterly report), the Per App Pay-As-You-Go plan would be the most cost-effective. The company would only be billed for the users who actually use the app each month.

per user (Power Apps per user plan)

This plan is designed for businesses that have users who need access to multiple applications. With this plan, each user is licensed to run unlimited apps (or access unlimited custom portals) for a fixed cost per user per month. This is the most flexible plan and is ideal for users who need to use several apps.

Example: If a company has a user who needs to access 5 different apps, the Per User plan would be the most cost-effective. The user can access all 5 apps for one fixed cost per month.

Power Apps Limited use Licensing Structure

Limited use rights included with Dynamics 365 licenses

Limited Power Apps use rights are included within the same environment(s) as the licensed Dynamics 365 application(s) to allow users to customize and extend Dynamics 365 applications.

 Use of Power Apps capabilities included with Dynamics 365 licenses must be only within the context of the licensed Dynamics 365 application.

Limited use rights included with Microsoft 365/Office 365 licenses

Limited Power Apps use rights are included with select Microsoft 365/Office 365 licenses to allow users to customize and extend Microsoft 365/Office 365 for productivity scenarios, and to deliver a comprehensive low-code extensibility platform for Microsoft Teams.

Power Apps Licensing Features and Limitations

Plan	Features	Limitations	Example
Per User Plan	Access to model-driven and canvas apps, Access to Common Data Service, Run unlimited custom apps, Create custom connectors, Run custom workflows	Cannot share apps with external users, Cannot access premium connectors, Cannot use premium or custom connectors in Power Automate	A small business with five sales reps who need access to a custom-built app to manage customer data
Per App Plan	Access to a single custom-built app, Access to Common Data Service, Run unlimited flows, Create custom connectors	Cannot share apps with external users, Cannot access premium connectors, Cannot use premium or custom connectors in Power Automate	A medium-sized business with 50 employees that needs to access a custom-built HR app
Power Apps for Office 365	Access to model-driven and canvas apps, Access to Common Data Service, Create custom connectors, Run custom workflows	Cannot share apps with external users, Cannot access premium connectors, Cannot use premium or custom connectors in Power Automate	A business with an Office 365 subscription that needs to create custom-built apps
Power Apps per device	Access to model-driven and canvas apps, Access to Common Data Service, Create custom connectors, Run custom workflows	Cannot share apps with external users, Cannot access premium connectors, Cannot use premium or custom connectors in Power Automate	A business with a shared tablet that multiple employees need to access to manage inventory
Power Apps for Dynamics 365	Access to model-driven and canvas apps, Access to Common Data Service, Create custom connectors, Run custom workflows	Cannot share apps with external users, Cannot access premium connectors, Cannot use premium or custom connectors in Power Automate	A large business with 100 employees that uses Dynamics 365 and needs to create a custom app for their customer service team
Power Pages Authenticated Users Per Website	Access to low-code business websites with authenticated access	Limited to 100 users per site per month	A business that wants to create a secure, low-code website for its employees. The cost would be $200 per month for up to 100 authenticated users.
Power Pages Anonymous Users Per Website	Allows users to browse low-code business websites anonymously	Limited to 500 users per site per month	A business that wants to create a public-facing, low-code website. The cost would be $75 per month for up to 500 anonymous users.
AI Builder	Allows you to infuse AI into your apps	AI capabilities depend on the specific AI Builder features used	A business that wants to add AI capabilities, such as object detection or form processing, to their custom app. The cost would be $500 per month per unit.

Comparing Power Apps licensing options

Plans and capabilities		Power Apps per app license	Power Apps per user plan	Power Apps per app pay-as-you-go plan	Power Apps use rights included with Dynamics 365 licenses	Power Apps use rights included with Microsoft 365/Office 365 licenses
Custom apps / websites	Run custom app (canvas or model driven), or access website	1 app or website. Run one custom app (canvas or model driven), or access one website	unlimited	1 app Run one custom app (canvas or model driven)	Within same environment(s) as licensed Dynamics 365 application(s)	Run custom apps (canvas apps) - Unlimited
Connect to your data	Standard connectors	yes	yes	yes	yes	yes
	Premium & custom connectors	yes	yes	yes	yes	Customers can publish their Azure backend service as APIs and export these APIs to the Power Platform as custom connectors via Azure API Management. Customers with eligible M/O365 licenses that include Dataverse for Teams can use these connectors for custom applications, flows, and chatbots running in Teams and to connect Azure backend services, not on-premises or 3rd party clouds.
	On Premises Data Gateway	yes	yes	yes	yes	-
Store and manage data	Utilize Dataverse (formerly Common Data Service)	yes	Yes	yes	yes	Utilize dataverse for teams (use apps in Teams only) - Select O365 licenses. (Refer notes section)
	Create and access custom tables (includes complex tables)	yes	yes	yes	Dynamics 365 Enterprise Applications - yes Dynamics 365 Applications - 15 per application	
	Dynamics 365 restricted tables access	Read only	Read only	Read only	Create, read, update, delete (CRUD)	-
Execute flows	Cloud flows (Automated, instant, and scheduled flows)	within app context	within app context	within app context	within app context	within app context
	Business process flows					
Per license capacity	Dataverse Database capacity	50 MB	250 MB	1 GB per pay as you go environment	-	Dataverse Database and Dataverse File capacity entitlements are pooled at the tenant level.
	Dataverse File capacity	400 MB	2 GB	1 GB per pay as you go environment	-	
AI Builder	AI Builder service credits	250 credits	500 Credits	Add-on for additional cost	Add-on for additional cost	Add-on for additional cost

Key Takeaways

The Power Apps licensing guide contains several important notes and restrictions that businesses should be aware of when using Power Apps. Here are some key takeaways:

- Embedded canvas apps within a model-driven app do not count towards the one-app limit, making it a flexible option for businesses that require multiple applications within a single environment.

- A single user can be covered by multiple 'per app' licenses to access multiple solutions targeted at various business scenarios without requiring a per user license.

- When purchasing a pool of Power Apps per app licenses, individual licenses need to be assigned to specific environments and users. If the same app or website exists in two environments, a user will require two per app User SLs to access both.

- The Power Apps per app plan is available to qualified education customers under faculty and student pricing. Customers and partners are responsible for ensuring that student pricing is only being applied to students.

- Power Automate use rights included with Power Apps standalone plans do not include desktop flow functionality, which requires a separate purchase of the Power Automate per user with attended RPA plan.

- Dataverse database and file capacity entitlements are accrued at the tenant level for Power Apps per user and per app licenses.

- Dataverse database, file, and log capacity are available with pay-as-you-go as alternatives to existing capacity add-ons.

- Dataverse for Teams is a built-in flexible datastore that provides data storage and a one-click solution for app deployment in Teams. It supports premium functionality that comes with the corresponding license.

- There is a cap on accrued capacity of 1,000,000 credits for AI Builder service credits. For more AI Builder service credits, businesses can use the AI Builder capacity add-on.

By understanding these restrictions and notes, businesses can make informed decisions about which Power Apps licensing option is best for their needs and ensure that they are using the platform in compliance with Microsoft's licensing guidelines.

Reference Guide:

https://powerapps.microsoft.com/en-in/pricing/

https://download.microsoft.com/download/9/5/6/9568EFD0-403D-4AE4-95F0-7FACA2CCB2E4/Power%20Platform%20Licensing%20Guide%20January%202023.pdf

https://download.microsoft.com/download/9/5/6/9568EFD0-403D-4AE4-95F0-7FACA2CCB2E4/Power%20Platform%20Licensing%20Guide%20February%202023.pdf