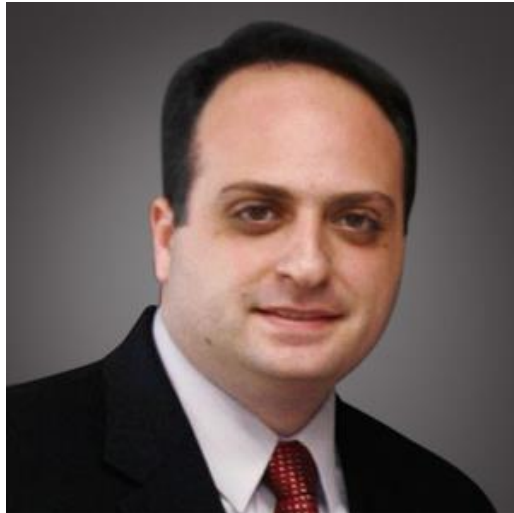


# Understanding EC2 Pricing



Elias Khnaser

@ekhnaser | [www.eliaskhnaser.com](http://www.eliaskhnaser.com)

# EC2 Pricing

On-  
demand

Reserved  
Instances

Spot  
Instances

Misc.  
Pricing

AWS EC2 Pricing:

<http://aws.amazon.com/ec2/pricing/>

# On-Demand Instances



- The default type
- The most expensive option
- No commitment
- Prices vary by AWS Region
- Billed on an hourly basis

# Reserved Instances (RI)



- Less expensive
- Requires a commitment (1 or 3 years)
- Has an upfront cost
- Lower hourly rate
- RI can be sold on the AWS Marketplace
- You commit to utilization

# Reserved Instances (RI)

Annual Utilization	Medium Utilization RI	Heavy Utilization RI
20%	-32%	-233%
40%	5%	-66%
60%	17%	-11%
80%	24%	17%
100%	27%	33%

- **Light Utilization RIs**

- Ideal for couple of h/day or couple days/week

- **Medium Utilization RIs**

- Ideal for couple of h/day or couple days/week

- **Heavy Utilization RIs**

- Committing to running 100%
- Highest savings

# Reserved Instances (RI)

Utilization rate	r3.xlarge on-demand	r3.xlarge 1yr medium	r3.xlarge 1yr heavy
1y (8h/d)	\$1,786	\$2,466	\$3,306
1y (10h/d)	\$2,232	\$2,622	\$3,306
1y (12h/d)	\$2,678	\$2,778	\$3,306
1y (14h/d)	\$3,125	\$2,935	\$3,306
1y (16h/d)	\$3,571	\$3,091	\$3,306
1y (24h/d)	\$5,357	\$3,716	\$3,306
3y (8h/d)	\$5,357	\$7,398	\$7,415
3y (10h/d)	\$6,696	\$7,867	\$7,415
3y (12h/d)	\$8,035	\$8,335	\$7,415
3y (14h/d)	\$9,374	\$8,804	\$7,415
3y (16h/d)	\$10,714	\$9,273	\$7,415
3y (24h/d)	\$16,070	\$11,148	\$7,415

# Spot Instances



- Unused AWS capacity
- Very cheap hourly rate
- Not guaranteed
- Based on a bid
- Ideal for raw processing power, grid-like applications
- Highly scriptable

# Summary



On-demand Instances

Reserved Instances (RI)

Spot Instances