Microsoft Fabric Pricing & Transaction – Q&A

1. How will we address customers who have special pricing for PowerBI Premium Capacity SKU's when/if migrating to F SKUs? For example: Reserved pricings for Power BI Premium Capacity SKUs are around $4900/month but Level D customers get Premium SKUs for $3300 or so, EDU customers get it at an even cheaper price. So how do we convince such customers to leave Premium SKUs and purchase Fabric SKUs?

   Answer: [Nate] The answer here is reserved instances for fabric that apply at GA. F Sku RIs will have pricing match P skus in base markets. There is regional uplift on the Fabric Azure skus, so there will be a discrepancy in those markets. There is a long-term plan to sunset P skus, but that will not be communicated until at/after Fabric GA. [Hannah] The standard process is that sellers to provide a special discounting proposal to Deal Desk for approval.

2. Is there a long-term plan to remove Power BI Premium Capacity SKU's pricing and merge them in Fabric Capacity pricing?

   Answer: [Nate] Short answer, yes. There is a long-term plan to sunset P skus, but that will not be communicated until at/after Fabric GA. [Hannah] a more detailed P SKU transition plan is under work/approval.

3. What is the pricing guidance for Shortcuts (S3, GCS) when GA in terms of egress, same/cross region, bandwidth, and other charges?

   Answer: [Hannah] I believe this question is refer to Pricing - Bandwidth | Microsoft Azure. If so, we are at the stage of revisiting the pricing and billing approach. At high-level, we are thinking if there's a need to fold networking charges mentioned in Pricing - Bandwidth | Microsoft Azure into capacity and drain Fabric capacity/PBI Premium per capacity OR charge them separately (I.e., how ADLS gen 2, Blobs storage do today). I would like to hear GBB's feedback.

4. When will we release OneLake pricing for regions other than US West 2? Is there a significant OneLake pricing difference within different regions?

   Answer: [Hannah] OneLake storage is a new data lake built upon ADLS Gen 2(Hierarchical Namespace, ZRS, Hot to be specific) (Azure Storage Data Lake Gen2 Pricing | Microsoft Azure). Our goal is to keep the pricing consistency between OneLake storage and ADLS Gen 2 to avoid cannibalization. And yes, I believe the engineering goal is to roll out OneLake in regions where Fabric capacity becomes available on/after 8/1.

5. Let's say the customer has a Power BI Premium Capacity (P1) plan and starts utilizing Fabric capabilities (64 CUs) now. On August 1st, 2023:
   a. Would the Premium Capacity SKU's (P1) automatically convert to Fabric Capacity SKUs (F64)?

      Answer: [Nate] No... or it kind of depends on how I am translating your question.

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If a customer is using their P1 capacity to use fabric, which they can, then on 8/1 their usage for fabric capabilities would start counting against their P1 compute limits.

If a customer already bought an F-sku to have access to fabric, then it would just remain exactly the same, but, like P skus, the fabric capability usage would start counting against their compute limits on 8/1.

If a customer was using a trial for access to the 64CU, on 8/1 they would continue to have trial access as normal with no changes.

b. What happens if the workloads start hitting or exceeding 64 Fabric CUs, should the customer purchase PAYGO Fabric Capacity SKUs or upgrade Power BI Premium Capacity plan to P2 or above?

Answer: [Nate] Great question. The price doubles when going to a P2 from a P1, so that is a hard sell if they are only intermittently hitting the limits. If they are hitting limits and exceeding frequently then an upgrade to a P2 may be in play. In the interim they could turn on P-sku autoscale, which would require they attach an azure subscription for billing. This is described here -> Using Autoscale with Power BI Premium - Power BI | Microsoft Learn. This can soften the blow somewhat, but is also more expensive.

Another way to approach this is isolate workspaces that are causing the load, and moving them to PAYGO F skus. While higher priced, they have the ability to scale up/down more easily to match the load profile.

The long term plan for this is to update the smoothing and throttling so customers don't feel the pain from hitting limits until it is a clear call to action that they need to spend more on Fabric. This would also coincide with some additional autoscale options that can follow the trend more easily with Spark and DW workloads

c. Would the performance of Power BI workloads degrade when the customer utilizes ~64 Fabric CUs?

Answer: [Nate] Yes, throttling impacts all workloads on a capacity, regardless of how limits were reached.

6. Would the Reserved Instances pricing for Fabric Capacity SKU comparable or better than Power BI Premium Capacity SKU's pricing?

Answer: [Nate] In base markets it would be equivalent, but there will regional uplift that will make the fabric skus more expensive in some markets.

7. If we are charging customers for Fabric SKUs (PAYGO) from August 1st, 2023, what is our SLA commitment?

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Answer: [Nate] We are actually charging customers $$ for Fabric SKUs right now, but the only workload that is currently counting against the compute limits are Power BI. On 8/1 the additional fabric workloads will begin counting as well. The SLA for PBI remains the same, but for the preview workloads there are preview terms/clauses that differ.

8. Do we know if Fabric SKUs are eligible for Azure Core Discount that most customers have on their EA? Also, would the MACC discount be applicable for Fabric SKUs?

   Answer: [Hannah] I believe the "Azure Core Discount" refers to "Azure Commitment Discount (ACD)" - a paygo discounting mechanism usually negotiated together with MACC. Fabric capacity is powered by Azure commerce system and will be MACC/MC/ACO eligible starting from 8/1. Power BI Premium per capacity is not eligible for those.

9. If the customers are already using Synapse Gen 2 (dedicated SQL pools, pipelines, spark etc.), what is the equivalent/negotiated pricing recommendation?

   Answer: [Nate] It is not an apples to apples comparison as there are many additional factors in fabric. With that said, the intent for existing users is that an existing operation/load in existing Synapse Gen 2 instances should be the same $ or cheaper in Fabric from the price-perf perspective. We have a session on this with GBBs and the Fabric CTO tomorrow on the very topic of communicating/guiding here for existing or new customers.

   > **Commented [HC2]:** Adding "from the price-perf perspective" @Nate Findley FYI

10. Do we expect PBI Copilot to trigger extra cost or be included in PBI Premium / Fabric? What guidance can we provide to customers seeking to better understand incremental investment needed to use co-pilot once GA?

    Answer: [Nate] I believe this is still developing, but others may know more. [Hannah] Biz model is under work/approval. Will share once it's ready.

    > **Commented [HC3]:** @Mateo Hernandez-Ysasi any high-level thinking you can share here for PBI co-pilot?

11. Why F SKU is better than P SKU? Why should P SKU customers switch to F SKU?
    Answer:
    a) F SKU offers both PAYGO (allowing pause/resume) and RI (RI planned for GA)
    b) F SKU is eligible for MACC,MC,ACO
    c) F SKU has a smaller/cheaper entry point, i.e. F2
    d) F SKU may have more granular SKU (planned. TBD for now)