

# Comparing the Cost of Cloud Services Provided by AWS and Azure

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# Background





## What is Cloud Computing?

- Cloud Computing is the practice of using networked remote servers hosted on the internet to store, manage, process, and deliver data
- Cloud Service Providers (CSPs) have invested heavily into large optimized data centers stacked with computational resources that can be shared with customers
- Data centers allow customers to shift focus away from development and maintenance of infrastructure by accessing a readily available and scalable solution for a fee
- CSPs define all rules for purchasing a portion of the computational infrastructure with defined rates based on region, performance characteristics, and utilization time

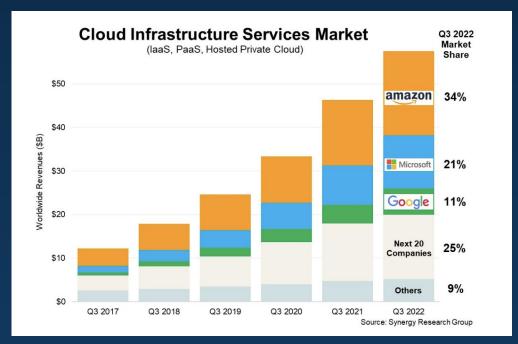


#### Why Amazon Web Services vs Microsoft Azure?

- AWS and Azure currently hold more than half of the total market share for Cloud Infrastructure Services (34% and 21% respectively)
  - Does not consider investment/profit, only annual revenue
  - Similar flexibility and options (laaS, PaaS, SaaS, and Private Cloud)
  - Multiple global regions offered
  - Government Cloud offerings



- AWS and Azure offer comprehensive pricing calculators for Virtual Machine computing
  - Similar specification selection: CPU cores, memory, instance storage, GPU
  - Allows for customers to perform quick estimation without tediously requesting individual quotations
  - · Results available as dollars/hour of usage



Market Share Image Source: WIRE19 Utilizing Data from Synergy Research Group



## **Analysis Objectives and Scope**

#### Objective

 Identify and quantify any cost variances for analogous cloud offerings present within the AWS and Azure pricing calculators

#### Scope

- · Infrastructure as a Service (laaS) cloud environment
- Calculator pricing for all Instances / Virtual Machines (VMs) in common region for cloud services with various Operating Systems
- · Data validated to be accurate in both CSPs pricing calculators on February 20, 2023



## **Data Collection**





#### **Data Collection Preliminaries**

- Selected United States East as common region (US East Region for AWS and East US Region for Azure) for public cloud hosting
- Pricing data is for on-demand capacity with pay-as-you-go billing, no discount rates considered (reserved instances or forward financed)
- Comparison of publicly listed CSP pricing calculator rates for AWS and Azure, not actual usage data
- Cloud Services beyond usage of instances/VMs are not considered
- Underlying data center hardware was not considered, only technical specifications of instances/VMs stated in pricing calculator

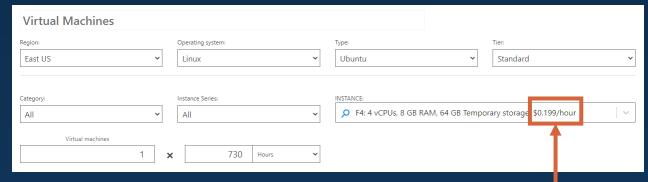




#### **Azure Virtual Machine Data**

- Azure VM data compiled directly from the Azure Pricing Calculator
- Pricing data for 442 VM types recorded for Commercial (East US) and US Gov (Virginia)
- Identified 6 VM categories with the following counts:
  - General Purpose 105 VMs
  - Compute Optimized (CO) 23 VMs
  - Memory Optimized 235 VMs
  - Storage Optimized 10 VMs
  - GPU Instances 39 VMs
  - Other 30 VMs
- Compiled 2,655 hourly rate data points for Azure VMs

#### Azure VM Pricing Calculator



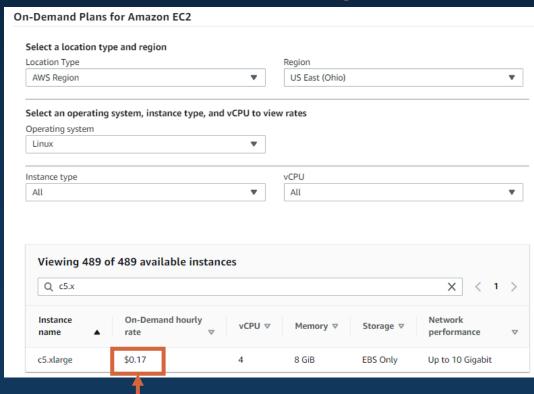
VM Series	Category	vCPUs	Momony	Instance	Commercial - On-Demand Instances East US (\$/Hr)					On-Demand Instances US Gov Virginia (\$/Hr)				
			Memory (GB)		Linux Usage	Windows Usage	Red Hat Enterprise Linux Usage	Windows with SQL Enterprise Usage	Linux Usage	Windows Usage	Red Hat Enterprise Linux Usage	Windows with SQL Enterprise Usage		
F4	Compute Optimized	4	8	64	\$0.199	\$0.383	\$0.259	\$1.883	\$0.239	\$0.423	\$0.299	\$1.923		



#### **AWS Instance Data**

- AWS Instance data compiled directly from the AWS EC2 Pricing Calculator
- Pricing data for 309 instance types recorded for Commercial (US East)
   and GovCloud (US East)
- Identified 6 instance categories with the following counts:
  - General Purpose 103 Instances
  - Compute Optimized (CO) 56 Instances
  - Memory Optimized 92 Instances
  - Storage Optimized 28 Instances
  - GPU Instances 19 instances
  - Other 11 Instances
- Compiled 2,143 hourly rate data points for AWS Instances

#### **AWS EC2 On-Demand Pricing Calculator**



Instance Type			Momony	Instance	Cor	Commercial - On-Demand Instances East US (\$/Hr)				On-Demand Instances US Gov Virginia (\$/Hr)				
	Category	vCPU	Memory (GiB)		Linux Usage	Windows Usage	Red Hat Enterprise	Windows with SQL	Linux Usage	Windows Usage	Red Hat Enterprise	Windows with SQL		
			(GID)	Storage (GD)			Linux Usage	Enterprise Usage	Liliux Osage	willidows osage	Linux Usage	Enterprise Usage		
c5.xlarge	Compute Optimized	4	8	EBS Only	\$0.170	\$0.354	\$0.230	\$1.854	\$0.204	\$0.264	\$0.388	\$0.868		



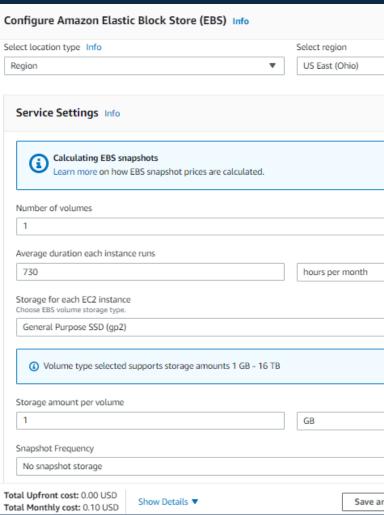
#### **AWS EBS Pricing**

- Most AWS instances utilize Elastic Block Storage (EBS) for instance storage, a
  variable storage volume that can be mounted to the instance
  - EBS costs are independent from instance costs
  - AWS instances can utilize less EBS when it is not needed
    - Azure doesn't offer this flexibility for temporary storage
- EBS pricing was determined utilizing Amazon EBS Calculator
  - General Purpose SSD (gp2) has been utilized
  - 30 different EBS storage and duration combinations were entered to determine the representative hourly cost per GB of \$0.000137 (\$0.10/730 hours) for Commercial and \$0.000165 (\$0.12/730 hours) for GovCloud
- AWS instances utilizing EBS storage have been evaluated using the instance memory value associated with an analogous Azure VM to increase the sample size of comparisons

Co	Commercial EBS									
Statistics	EBS H	ourly Cost Per GB								
Average:	\$	0.0001373								
Min	\$	0.0001350								
Max	\$	0.0001400								
Range	\$	0.0000050								
Std Dev	\$	0.0000016								

(	GovClo	oud EBS
Statistics	EBS	Hourly Cost Per GB
Average:	\$	0.00016478
Min	\$	0.00016191
Max	\$	0.00016801
Range	\$	0.00000609
Std Dev	\$	0.00000190

#### **AWS EBS Pricing Calculator**





### **EBS Analysis – AWS EBS vs Dedicated instances**

			Reso	urces				Comme	ercial Servi	ces [EBS	/Fixed]	Government Services [EBS/Fixed]			
AWS	w/ Fixe	d Storage		AWS w/ EBS Only				Linux	Windows	Red Hat	SQL Ent.	Linux	Windows	Red Hat	SQL Ent.
AWS Instance (Dedicated)	vCPUs	Memory (GiB)	Instance Storage (GB)	AWS Instance (EBS)	vCPUs	Memory (GiB)	Instance Storage (GB)	% EBS/ Fixed	% EBS/ Fixed	% EBS/ Fixed	% EBS/ Fixed		% EBS/ Fixed	% EBS/ Fixed	% EBS/ Fixed
m5d.8xlarge	32	128	1200	m5.8xlarge	32	128	EBS Only	94.07%	96.73%	94.47%	99.30%	93.26%	95.90%	93.62%	99.02%
m5d.xlarge	4	16	150	m5.xlarge	4	16	EBS Only	94.07%	96.73%	95.31%	99.30%	93.26%	95.90%	94.43%	99.02%
m5d.2xlarge	8	32	300	m5.2xlarge	8	32	EBS Only	94.07%	96.73%	95.39%	99.30%	93.26%	95.90%	94.51%	99.02%
m5d.4xlarge	16	64	600	m5.4xlarge	16	64	EBS Only	94.07%	96.73%	94.81%	99.30%	93.26%	95.90%	93.95%	99.02%
m5d.12xlarge	48	192	1800	m5.12xlarge	48	192	EBS Only	94.07%	96.73%	94.34%	99.30%	93.26%	95.90%	93.50%	99.02%
m5d.16xlarge	64	256	2400	m5.16xlarge	64	256	EBS Only	94.07%	96.73%	94.27%	99.30%	93.26%	95.90%	93.44%	99.02%
r5d.2xlarge	8	64	300	r5.2xlarge	8	64	EBS Only	94.65%	96.74%	95.64%	99.22%	94.43%	96.36%	95.31%	99.05%
r5d.8xlarge	32	256	1200	r5.8xlarge	32	256	EBS Only	94.65%	96.74%	94.94%	99.22%	94.43%	96.36%	94.68%	99.05%
r5d.12xlarge	48	384	1800	r5.12xlarge	48	384	EBS Only	94.65%	96.74%	94.85%	99.22%	94.43%	96.36%	94.60%	99.05%

- Comparing AWS Instances with dedicated instance storage against analogous instances without dedicated instances storage storage shows that dedicated instances storage is more expensive. This is in part because they are supported by NVMe SSD rather than general purpose SSD
- The technical specifications for the dedicated temporary storage for Azure VMs couldn't be identified, so nothing has been done to account for this within the analysis

# **Analysis and Results**





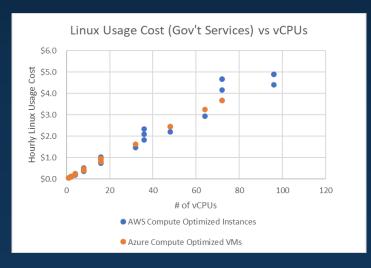
#### **Analysis Plan**

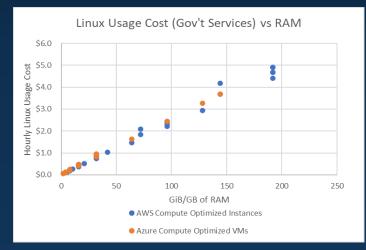
- Investigate relationships between technical parameters and usage cost
- 2. Identify instance/VM pairs with identical technical parameters in the CSP provided calculators
- 3. Compare the cost of each instance/VM pair between the two CSPs for each usage case
- 4. Utilize each of the comparisons to determine a weighted average that represents the relative cost for instance/VMs of a specific performance category for a specific usage case



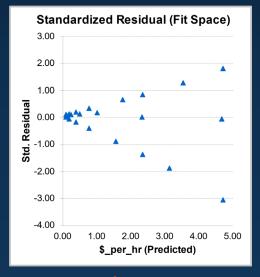
#### Resource Utilization Cost Trends – Compute Optimized

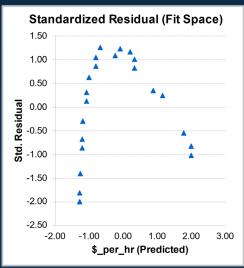
(vCPU/RAM) vs Usage for Compute Optimized AWS Instances / Azure VMs (Linux Usage)





Residuals from Multivariate Regression on AWS Compute Optimized Instances (Linux Usage)





Linear

Log-Linear

- Usage cost for instances/VMs demonstrate a strong linear relation to vCPU quantities or RAM sizing
- Multivariate regression exhibits undesirable patterns within standardized residual plot
- To make a fair comparison between the CSPs the analysis will focus on investigating a subset of AWS Instances and Azure VMs with identical specifications



## **Identifying Reasonable Comparisons – Compute Optimized**

vCPU	<b>AWS Instance</b>	Azure VM	Potential
Values	Count	Count	Comparisons
1	2	2	4
2	7	3	21
4	7	4	28
8	7	3	21
16	7	3	21
32	3	1	3
36	4	0	0
48	5	1	5
64	5	1	5
72	4	1	4
Summary	51	19	112

<b>Potential</b>	Com	parisons	<b>Based</b>	on vCPU
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RAM Values (GiB/GB)	AWS Instance Count	Azure Count	Potential Comparisons
2	2	2	4
4	5	3	15
8	5	3	15
16	5	3	15
32	5	3	15
64	3	1	3
96	6	1	6
128	5	1	5
144	2	1	2
Summary	38	18	80

**Potential Comparisons Based on RAM** 

- Tables represent instances/VMs from both CSPs with analogous vCPU/RAM values
- Restricting analysis to identical specifications significantly reduces available data points
  - Provides a reasonable comparison utilizing only parameters provided within CSP pricing calculators
- Fun Fact: AWS reports instance RAM as GiB (gibibyte) while Azure uses GB (gigabyte) within pricing calculator
  - 1 GiB is comprised of 1,073,741,824 bytes while mathematically 1 GB is 1,000,000,000 bytes
  - Difference not considered in analysis, assumed Azure uses simplified designation of RAM easily understood by consumers familiar with 1,2,4,8,16,...GB RAM module sizes

#### **Summary of Valid Comparisons**

 Identified 38 AWS instances and 46 Azure VMs valid for comparison

 Each pair of instances/VMs with analogous specifications from both AWS and Azure were compared

- Each Instance/VM contributes only one value to the weighted average for the category they are a member of
  - This value is the average of all comparisons the Instance/VM was grouped into

Comparison Type	AWS Instances	Azure VMs	Potential Comparisons
All Instances/VMs	56	23	1288
Same vCPUs	51	19	112
Same RAM	38	18	80
Same Instance Storage (Excluding EBS)	0	0	0
Same vCPUs and RAM	11	13	23

#### **Compute Optimized Valid Comparisons**

Category	AWS Instances	Azure VMs	Comparisons
Identical Specifications	10	18	18
General Purpose	9	8	10
Compute Optimized	11	13	23
Memory Optimized	8	7	10
Storage Optimized	N/A	N/A	N/A
GPU Instances	N/A	N/A	N/A

**Instance Categories and Comparisons** 



## **Cost Comparison – Example Calculation**

	AWS Instance													
		Specifications			Comme	rcial - On-Den	nand Instance	es (\$/Hr)	GovCloud - On-Demand Instances (\$/Hr)					
Instance Type	Category   vCPU		Memory (GiB)	Instance Storage (GB)	Linux Usage	Windows Usage	Red Hat Usage	SQL Enterprise Usage	Linux Usage	Windows Usage	Red Hat Usage	SQL Enterprise Usage		
c5.xlarge	Compute Optimized	4	8	EBS Only	\$0.170	\$0.354	\$0.230	\$1.854	\$0.204	\$0.388	\$0.264	\$1.888		
			7	EBS Storage (64 GB)	\$0.009	\$0.009	\$0.009	\$0.009	\$0.011	\$0.011	\$0.011	\$0.011		
	EBS Storage inpu	ts		Total	\$0.179	\$0.363	\$0.239	\$1.863	\$0.215	\$0.399	\$0.275	\$1.899		
Instance GB   Commercial Cost/GB hr   GovCloud Cost/GB hr			]											
64	64 \$0.000137 \$0.000165													

	Azure VM												
			Commercia	l - On-Demand	d Instances Ea	ast US (\$/Hr)	On-Demand Instances US Gov Virginia (\$/Hr)						
VM	l Series	Category	vCPU	Memory (GB)	Instance Storage (GB)	Linux Usage	Windows Usage	Red Hat Usage	SQL Enterprise Usage	Linux Usage	Windows Usage	Red Hat Usage	SQL Enterprise Usage
	F4	Compute Optimized	4	8	64	\$0.199	\$0.383	\$0.259	\$1.883	\$0.239	\$0.423	\$0.299	\$1.923

VM Cost Comparison – AWS c5.xlarge vs Azure F4

	AWS vs Azure VM Comparison														
Comparison	Linux Usage	Windows Usage	Red Hat Usage	SQL Enterprise Usage	Linux Usage	Windows Usage	Red Hat Usage	SQL Enterprise Usage							
AWS - Azure Total \$/hr	(\$0.020)	(\$0.020)	(\$0.020)	(\$0.020)	(\$0.024)	(\$0.024)	(\$0.024)	(\$0.024)							
Azure / AWS %	111%	106%	108%	101%	111%	106%	109%	101%							



## **Computing the Weighted Average – Gov't Linux: Compute Optimized**

Gov't Services %	AWS	AWS Instance	A = 1.100 \/ N4	Azure Instance
Azure/AWS (Linux)	Instance	Weighted %	Azure vivi	Weighted %
111.40%	c5.xlarge		F4	117.12%
115.66%	c5.xlarge	108.18%	F4s	121.86%
97.48%	c5.xlarge		F4s v2	102.63%
122.85%	c5a.xlarge		F4	
128.06%	c5a.xlarge	119.56%	F4s	
107.78%	c5a.xlarge		F4s v2	
111.63%	c5.2xlarge		F8	117.37%
115.90%	c5.2xlarge	108.34%	F8s	122.11%
97.48%	c5.2xlarge		F8s v2	102.63%
123.11%	c5a.2xlarge		F8	
128.32%	c5a.2xlarge	119.74%	F8s	
107.78%	c5a.2xlarge		F8s v2	
111.51%	c5.4xlarge		F16	117.25%
115.78%	c5.4xlarge	108.26%	F16s	121.99%
97.48%	c5.4xlarge		F16s v2	102.63%
122.98%	c5a.4xlarge		F16	
128.19%	c5a.4xlarge	119.65%	F16s	
107.78%	c5a.4xlarge		F16s v2	
107.78%	c5a.8xlarge	107.78%	F32s v2	107.78%
97.48%	c5.12xlarge	97.48%	F48s v2	102.63%
107.78%	c5a.12xlarge	107.78%	F48s v2	102.03%
107.78%	c5a.16xlarge	107.78%	F64s v2	107.78%
97.48%	c5.18xlarge	97.48%	F72s v2	97.48%
111.72%		109.28%		110.87%
We	ighted Average		110.07%	
	Azure/AWS (Linux)  111.40%  115.66%  97.48%  122.85%  128.06%  107.78%  111.63%  115.90%  97.48%  123.11%  128.32%  107.78%  111.51%  115.78%  97.48%  122.98%  128.19%  107.78%  107.78%  107.78%  97.48%  107.78%  97.48%  107.78%  97.48%  107.78%  97.48%  111.72%	Azure/AWS (Linux)         Instance           111.40%         c5.xlarge           115.66%         c5.xlarge           97.48%         c5.xlarge           122.85%         c5a.xlarge           128.06%         c5a.xlarge           107.78%         c5a.xlarge           111.63%         c5.2xlarge           115.90%         c5.2xlarge           97.48%         c5.2xlarge           123.11%         c5a.2xlarge           128.32%         c5a.2xlarge           107.78%         c5a.2xlarge           111.51%         c5.4xlarge           115.78%         c5.4xlarge           97.48%         c5.4xlarge           122.98%         c5a.4xlarge           127.78%         c5a.4xlarge           107.78%         c5a.8xlarge           97.48%         c5.12xlarge           107.78%         c5a.12xlarge           107.78%         c5a.12xlarge           107.78%         c5a.16xlarge           97.48%         c5.18xlarge	Azure/AWS (Linux)         Instance         Weighted %           111.40%         c5.xlarge         108.18%           97.48%         c5.xlarge         108.18%           97.48%         c5.xlarge         119.56%           122.85%         c5a.xlarge         119.56%           107.78%         c5a.xlarge         119.56%           107.78%         c5a.xlarge         108.34%           97.48%         c5.2xlarge         108.34%           97.48%         c5.2xlarge         119.74%           107.78%         c5a.2xlarge         119.74%           107.78%         c5a.2xlarge         119.74%           107.78%         c5a.2xlarge         108.26%           97.48%         c5.4xlarge         108.26%           97.48%         c5.4xlarge         108.26%           97.48%         c5.4xlarge         108.26%           107.78%         c5a.4xlarge         119.65%           107.78%         c5a.4xlarge         119.65%           107.78%         c5a.4xlarge         107.78%           107.78%         c5a.12xlarge         107.78%           107.78%         c5a.12xlarge         107.78%           107.78%         c5a.16xlarge         107.78%	Azure/AWS (Linux)         Instance         Weighted %         Azure VM           111.40%         c5.xlarge         F4           115.66%         c5.xlarge         108.18%         F4s           97.48%         c5.xlarge         F4s v2           128.06%         c5a.xlarge         F4s           107.78%         c5a.xlarge         F8s           107.78%         c5a.xlarge         F8           115.90%         c5.2xlarge         F8s           115.90%         c5.2xlarge         F8s           123.11%         c5a.2xlarge         F8           128.32%         c5a.2xlarge         F8s           107.78%         c5a.2xlarge         F8s           115.78%         c5.4xlarge         F16           115.78%         c5.4xlarge         F16s           122.98%         c5a.4xlarge         F16s           107.78%         c5a.4xlarge         F16s           107.78%         c5a.8xlarge         107.78%         F32s v2           97.48%         c5.12xlarge         97.48%         F48s v2           107.78%         c5a.12xlarge         107.78%         F48s v2           107.78%         c5a.12xlarge         107.78%         F48s v2

 Because the comparisons are based on indistinguishable parameters, each set of identical instances/VMs are compared

 The relative cost for each of the comparisons that an instance/VM participates in are averaged to establish the value that VM contributes to the category average

 This category average is computed for each CSP, and these two values are then averaged to determine the weighted average for each usage case.

## **Compute Optimized Comparisons**

							Commer	cial Service	es (Delta \$/Hr)	\$[AWS - A	zure], [Azure	e/AWS]%		Governm	zure]\$, [Azure/AWS]%						
		Re	esources			Linux		Windows		Red Hat Enterprise Linux		Windows with SQL Enterprise		Linux		Windows		Red Hat Enterprise Linux		Windows with SQL Enterprise	
	AWS Instance	Azure VM	vCPUs	Memory (GiB/GB)	Instance Storage (GB)	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS
	c5.xlarge	F4	4	8	64	(\$0.02)	111%	(\$0.02)	106%	(\$0.02)	108%	(\$0.02)	101%	(\$0.02)	111%	(\$0.02)	106%	(\$0.02)	109%	(\$0.02)	101%
	c5.xlarge	F4s	4	8	16	(\$0.03)	116%	(\$0.03)	108%	(\$0.03)	112%	(\$0.03)	101%	(\$0.03)	116%	(\$0.03)	108%	(\$0.03)	112%	(\$0.03)	102%
	c5.xlarge	F4s v2	4	8	32	\$0.01	97%	\$0.03	91%	\$0.01	98%	\$0.03	98%	\$0.01	97%	\$0.01	99%	\$0.01	98%	\$0.01	100%
	c5a.xlarge	F4	4	8	64	(\$0.04)	122%	(\$0.04)	110%	(\$0.04)	116%	(\$0.04)	102%	(\$0.04)	123%	(\$0.04)	112%	(\$0.04)	117%	(\$0.04)	102%
	c5a.xlarge	F4s	4	8	16	(\$0.04)	127%	(\$0.04)	113%	(\$0.04)	120%	(\$0.04)	102%	(\$0.05)	128%	(\$0.05)	114%	(\$0.05)	121%	(\$0.05)	103%
	c5a.xlarge	F4s v2	4	8	32	(\$0.01)	107%	\$0.02	95%	(\$0.01)	105%	\$0.02	99%	(\$0.01)	108%	(\$0.01)	104%	(\$0.01)	106%	(\$0.01)	101%
	c5.2xlarge	F8	8	16	128	(\$0.04)	111%	(\$0.04)	106%	(\$0.04)	108%	(\$0.04)	101%	(\$0.05)	112%	(\$0.05)	106%	(\$0.05)	109%	(\$0.05)	101%
	c5.2xlarge	F8s	8	16	32	(\$0.05)	116%	(\$0.05)	108%	(\$0.05)	111%	(\$0.05)	101%	(\$0.07)	116%	(\$0.07)	108%	(\$0.07)	112%	(\$0.07)	102%
	c5.2xlarge	F8s v2	8	16	64	\$0.01	97%	\$0.07	91%	\$0.01	98%	\$0.07	98%	\$0.01	97%	\$0.01	99%	\$0.01	98%	\$0.01	100%
	c5a.2xlarge	F8	8	16	128	(\$0.07)	122%	(\$0.07)	110%	(\$0.07)	116%	(\$0.07)	102%	(\$0.09)	123%	(\$0.09)	112%	(\$0.09)	117%	(\$0.09)	102%
Compute Optimized	c5a.2xlarge	F8s	8	16	32	(\$0.09)	127%	(\$0.09)	113%	(\$0.09)	119%	(\$0.09)	102%	(\$0.11)	128%	(\$0.11)	114%	(\$0.11)	121%	(\$0.11)	103%
(EBS)	c5a.2xlarge	F8s v2	8	16	64	(\$0.02)	107%	\$0.03	95%	(\$0.02)	105%	\$0.03	99%	(\$0.03)	108%	(\$0.03)	104%	(\$0.03)	106%	(\$0.03)	101%
(LB3)	c5.4xlarge	F16	16	32	256	(\$0.08)	111%	(\$0.08)	106%	(\$0.08)	110%	(\$0.08)	101%	(\$0.10)	112%	(\$0.10)	106%	(\$0.10)	110%	(\$0.10)	101%
	c5.4xlarge	F16s	16	32	64	(\$0.11)	116%	(\$0.11)	108%	(\$0.11)	113%	(\$0.11)	101%	(\$0.13)	116%	(\$0.13)	108%	(\$0.13)	114%	(\$0.13)	102%
	c5.4xlarge	F16s v2	16	32	128	\$0.02	97%	\$0.13	91%	\$0.02	98%	\$0.13	98%	\$0.02	97%	\$0.02	99%	\$0.02	98%	\$0.02	100%
	c5a.4xlarge	F16	16	32	256	(\$0.14)	122%	(\$0.14)	110%	(\$0.14)	119%	(\$0.14)	102%	(\$0.18)	123%	(\$0.18)	112%	(\$0.18)	120%	(\$0.18)	102%
	c5a.4xlarge	F16s	16	32	64	(\$0.17)	127%	(\$0.17)	113%	(\$0.17)	123%	(\$0.17)	102%	(\$0.21)	128%	(\$0.21)	114%	(\$0.21)	124%	(\$0.21)	103%
	c5a.4xlarge	F16s v2	16	32	128	(\$0.04)	107%	\$0.07	95%	(\$0.04)	106%	\$0.07	99%	(\$0.06)	108%	(\$0.06)	104%	(\$0.06)	107%	(\$0.06)	101%
	c5a.8xlarge	F32s v2	32	64	256	(\$0.09)	107%	\$0.14	95%	(\$0.09)	106%	\$0.14	99%	(\$0.12)	108%	(\$0.12)	104%	(\$0.12)	107%	(\$0.12)	101%
	c5.12xlarge	F48s v2	48	96	384	\$0.06	97%	\$0.06	99%	\$0.06	97%	\$0.06	100%	\$0.06	97%	\$0.06	99%	\$0.06	98%	\$0.06	100%
	c5a.12xlarge	F48s v2	48	96	384	(\$0.13)	107%	(\$0.13)	103%	(\$0.13)	106%	(\$0.13)	101%	(\$0.18)	108%	(\$0.18)	104%	(\$0.18)	107%	(\$0.18)	101%
	c5a.16xlarge	F64s v2	64	128	512	(\$0.17)	107%	\$0.27	95%	(\$0.17)	106%	(\$0.85)	103%	(\$0.24)	108%	(\$0.24)	104%	(\$0.24)	107%	(\$0.24)	101%
c5.18xlarge F72s v2 72 144 576							97%	\$0.59	91%	\$0.09	97%	\$0.59	98%	\$0.09	97%	\$0.09	99%	\$0.09	98%	\$0.09	100%
Weighted Average ->							109.4%		100.8%		107.3%		100.5%		110.1%		105.2%		108.2%		101.0%

• For these comparisons AWS EBS storage pricing was factored in to determine hourly pricing for AWS instances

 With EBS is factored in, AWS instances appear to be marginally cheaper for all usage cases across Compute Optimized Instances with analogous specifications

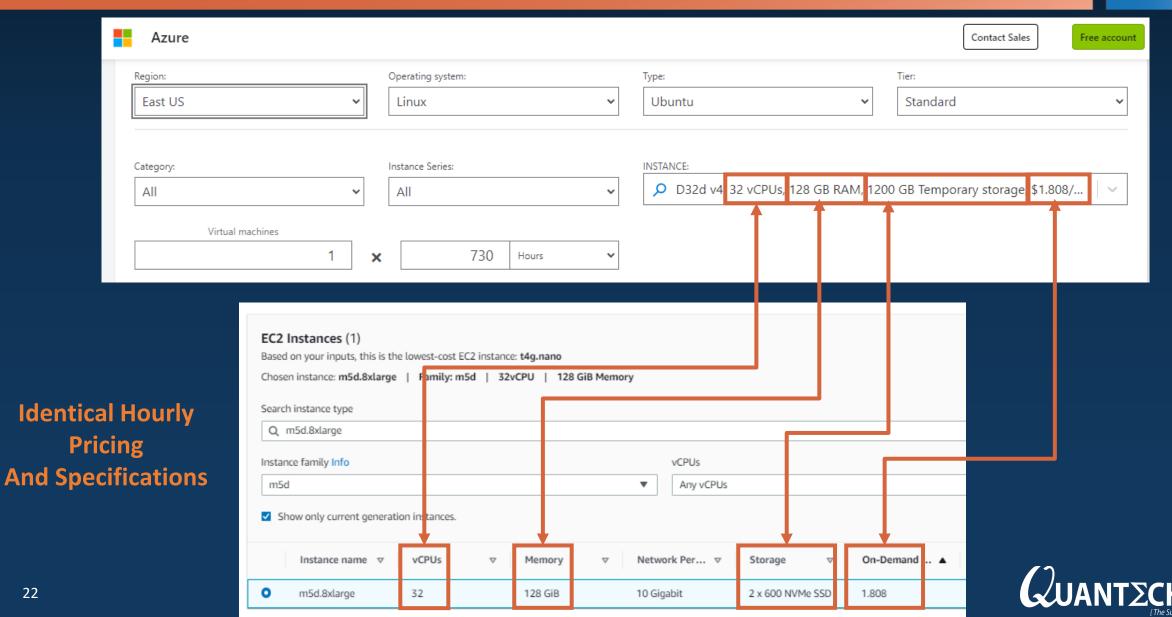
### **Identical Specification Comparisons**

						С	ommercial s	Services	(Delta \$/Hr)	\$[AWS	- Azure] , [ <i>A</i>	Azure/A\	NS]%	G	overnment	Services	(Delta \$/hr)	[AWS -	Azure]\$ , [/	Azure/AWS]%		
		ı	Resources	i		Linux		Windows		Red Hat Enterprise Linux		Windows with SQL Enterprise		Linux		Windows		Red Hat Enterprise Linux		Windows with SQ Enterprise		
	AWS Instance	Azure VM	vCPUs	Memory (GiB/GB)	Instance Storage (GB)	Delta \$/Hr	% Azure/ AWS	Delta \$/Hr	% Azure/ AWS	Delta \$/Hr	% Azure/ AWS	Delta \$/Hr	% Azure/ AWS	Delta \$/Hr	% Azure/ AWS	Delta \$/Hr	% Azure/ AWS	Delta \$/Hr	% Azure/ AWS	Delta \$/Hr	% Azure/ AWS	
	m5d.8xlarge	D32d v4	32	128	1200	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	m5d.xlarge	D4d v4	4	16	150	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	m5d.xlarge	D4ds v4	4	16	150	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	m5d.2xlarge	D8d v4	8	32	300	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	m5d.2xlarge	D8ds v4	8	32	300	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	m5d.4xlarge	D16d v4	16	64	600	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	m5d.4xlarge	D16ds v4	16	64	600	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
Identical	m5d.12xlarge	D48d v4	48	192	1800	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
Specification	m5d.12xlarge	D48ds v4	48	192	1800	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
(Various	m5d.16xlarge	D64d v4	64	256	2400	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
Categories)	m5d.16xlarge	D64ds v4	64	256	2400	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	r5d.xlarge	E4d v4	4	32	150	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	r5d.xlarge	E4ds v4	4	32	150	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	r5d.2xlarge	E8d v4	8	64	300	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	r5d.2xlarge	E8ds v4	8	64	300	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	r5d.8xlarge	E32ds v4	32	256	1200	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	r5d.12xlarge	E48d v4	48	384	1800	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
	r5d.12xlarge	E48ds v4	48	384	1800	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	
Weighted Averages->							100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	\$0.00	100%	

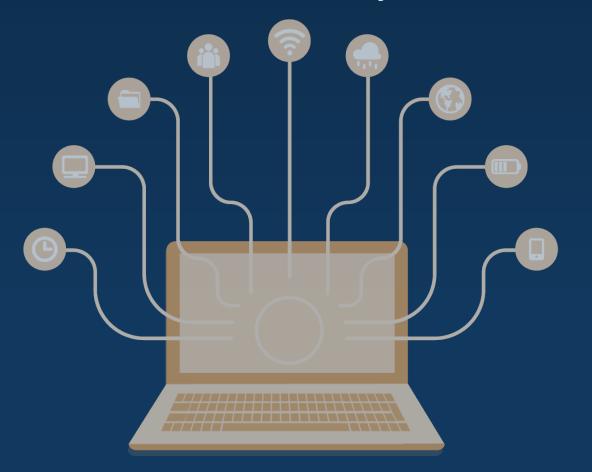
- For these comparisons AWS instances have associated instance storage (no EBS was added)
- Instances/VMs with identical resources were observed to have identical pricing for General Purpose and Memory Optimized instances
  - Efficient Market Hypothesis in action between highly competitive companies with readily available pricing information



## **Identical Specification – Raw Data Sample**



# Conclusions and Key Takeaways





#### **Summary of Results**

Azure/AWS			Commercial Serv	rices	Government Services (NIPR)										
Percent Comparison	Linux	Windows	Red Hat	Windows with	Average	Linux	Windows	Red Hat	Windows with	Average					
Tercent companson	Liliux	Williaows	Enterprise Linux	SQL Enterprise	Average	Liliux	villaows	Enterprise Linux	SQL Enterprise	Avelage					
Identical Specifications	100.00%	100.00%	100.00%	100.00%	100.00%	99.99%	100.00%	100.00%	100.00%	100.00%					
General Purpose	95.24%	78.64%	96.14%	95.84%	91.46%	95.18%	84.51%	96.11%	96.52%	93.08%					
Compute Optimized	109.41%	100.80%	107.34%	100.47%	104.50%	110.07%	105.18%	108.18%	101.04%	106.12%					
Memory Optimized	107.02%	104.03%	106.43%	100.90%	104.59%	110.32%	106.33%	109.38%	101.55%	106.89%					

**Instance Categories Percent Comparisons** 

- Values are formatted as Azure/AWS cost
  - 95.24% means 'Azure is 4.76% cheaper than AWS for this instance/VM type on Average' within the dataset of analogous comparisons for Linux usage in General Purpose
  - 107.02% means 'Azure is 7.02% more expensive than AWS for this instance/VM type on Average' within the dataset of analogous comparisons for Linux usage in memory optimized instances
- For General Purpose, Compute, and Memory Optimized categories AWS instances EBS Storage cost was added to instance usage costs which may not be technically analogous to Azure temporary storage



#### When can Cost matter?

 Instance/VM pricing should not be the starting point for deciding on a CSP; CSPs offer an ecosystem of services, the technical consequences of which must be informed by an expert

• When an expert has provided a scenario where the cost between CSPs should be investigated, the available pricing tools are an excellent resource when utilized properly

 Establishing a starting point to estimate an intricate cloud service effort should be done by direct analogy to an effort understood to be analogous by experts





#### Resources and Fun Facts for Estimating Cloud Services

Cloud Services come with many hidden costs. For a fantastic overview of these and the many
"gotchas" that come when estimating cloud service costs consult "Comparing Cloud Costs Equitability

Overview (2018)" presented at ICEAA Workshop in 2019 by MITRE team

 For a primer on some available techniques for estimating Cloud Infrastructure consult "Estimating Cloud Infrastructure: Requirements, Methodologies, and Uncertainty Implementations" by Olivia Lindsey and Alex Smith,
 Quantech Services Inc. – ICEAA 2021 Online Workshop



On Dec 7th 2022, the Joint Warfighting Cloud Capability (JWCC) contract was awarded to AWS, Google,
Microsoft, and Oracle establishing a novel acquisition pathway shifting how mission critical Cloud
Services may be obtained DoD wide



#### **Concluding Remarks**

- Pricing for Cloud Services is complex, but the instance/VM data present in CSP pricing calculators suggests that when considering identical specifications AWS and Azure are highly competitive.
- Navigating the nuances of pricing for Cloud Computing services requires a technically detailed understanding of precisely how those services will be provided











Questions?







# Backup



#### **Memory Optimized**

						Commercial Services (Delta \$/Hr) \$[AWS - Azure] , [Azure/AWS]%									Government Services (Delta \$/hr) [AWS - Azure]\$, [Azure/AWS]%								
		Re	esources			,	inux	Wi	ndows		Enterprise inux		vs with SQL erprise	L	inux	Wi	indows		Enterprise inux		ws with SQL terprise		
	AWS Instance	Azure VM	vCPUs	Memory (GiB/GB)	Instance Storage (GB)	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS		
	r5a.xlarge	E4s v3	4	32	64	(\$0.02)	107%	(\$0.02)	104%	(\$0.02)	106%	(\$0.02)	101%	(\$0.04)	113%	(\$0.04)	108%	(\$0.04)	111%	(\$0.04)	102%		
,	r5.2xlarge	E8s v3	8	64	128	\$0.02	97%	\$0.02	98%	\$0.02	97%	\$0.02	100%	(\$0.01)	102%	(\$0.01)	101%	(\$0.01)	102%	(\$0.01)	100%		
1	r5a.2xlarge	E8s v3	8	64	128	(\$0.03)	107%	(\$0.03)	104%	(\$0.03)	106%	(\$0.03)	101%	(\$0.07)	113%	(\$0.07)	108%	(\$0.07)	110%	(\$0.07)	102%		
1	r5a.4xlarge	E16s v3	16	128	256	(\$0.07)	107%	(\$0.07)	104%	(\$0.07)	106%	(\$0.07)	101%	(\$0.15)	113%	(\$0.08)	104%	(\$0.15)	112%	(\$0.08)	101%		
Memory Optimized	r5a.8xlarge	E32s v3	32	256	512	(\$0.14)	107%	(\$0.14)	104%	(\$0.14)	107%	(\$0.14)	101%	(\$0.29)	113%	(\$0.15)	104%	(\$0.29)	112%	(\$0.15)	101%		
(EBS)	r5.12xlarge	E48 v3	48	384	1200	\$0.16	95%	\$0.16	97%	\$0.16	95%	\$0.16	99%	\$0.20	95%	\$0.20	97%	\$0.20	95%	\$0.20	99%		
	r5.12xlarge	E48s v3	48	384	768	\$0.11	97%	\$0.11	98%	\$0.11	97%	\$0.11	100%	\$0.13	97%	\$0.13	98%	\$0.13	97%	\$0.13	99%		
	r5a.12xlarge	E48 v3	48	384	1200	(\$0.15)	105%	(\$0.15)	103%	(\$0.15)	105%	(\$0.15)	101%	(\$0.16)	105%	(\$0.16)	103%	(\$0.16)	105%	(\$0.16)	101%		
1	r5a.12xlarge	E48s v3	48	384	768	(\$0.21)	107%	(\$0.21)	104%	(\$0.21)	107%	(\$0.21)	101%	(\$0.23)	107%	(\$0.23)	104%	(\$0.23)	107%	(\$0.23)	101%		
	r5.16xlarge	M64ls	64	512	2048	(\$1.10)	126%	(\$1.10)	115%	(\$1.10)	125%	(\$1.10)	104%	(\$1.33)	126%	(\$1.92)	124%	(\$1.33)	125%	(\$1.92)	106%		
			Weighte	ed Average ->		107.0%		104.0%		106.4%		100.9%		110.3%		106%		109.4%		101.5%			

- For these comparisons AWS EBS storage pricing was factored in to determine hourly pricing for AWS instances
- With EBS is factored in, AWS instances appear to be marginally cheaper for all usage cases across Memory Optimized Instances with analogous specifications
- Memory Optimized instances exhibit the lowest variation in % Azure/AWS across all use cases for



#### **General Purpose**

						Commercial Services (Delta \$/Hr) \$[AWS - Azure] , [Azure/AWS]%									Government Services (Delta \$/hr) [AWS - Azure]\$, [Azure/AWS]%								
		Ro	tesources			Linux Window			ndows		Enterprise inux		ws with SQL erprise	Ľ	inux	Windows			Enterprise inux	Windows with SQL Enterprise			
	AWS Instance	Azure VM	vCPUs	Memory (GiB/GB)	Instance Storage (GB)	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS	Delta \$/Hr	% Azure/AWS		
	m5.xlarge	B4ms	4	16	32	\$0.03	85%	\$0.20	48%	\$0.03	88%	\$0.20	89%	\$0.05	79%	\$0.20	53%	\$0.05	83%	\$0.20	89%		
	m5.xlarge	D4 v3	4	16	100	\$0.01	93%	\$0.01	96%	\$0.01	95%	\$0.01	99%	\$0.01	97%	\$0.01	99%	\$0.01	98%	\$0.01	100%		
	m5.2xlarge	B8ms	8	32	64	\$0.06	85%	\$0.40	48%	\$0.06	89%	\$0.40	89%	\$0.10	79%	\$0.31	64%	\$0.10	83%	\$0.31	92%		
	t3a.2xlarge	B8ms	8	32	64	(\$0.02)	108%	\$0.09	80%	(\$0.02)	105%	\$0.09	97%	(\$0.03)	108%	(\$0.04)	108%	(\$0.03)	106%	(\$0.04)	101%		
General Purpose	m5.4xlarge	B16ms	16	64	128	\$0.12	85%	\$0.79	48%	\$0.12	87%	\$0.79	89%	\$0.21	79%	\$0.88	49%	\$0.21	81%	\$0.88	89%		
(EBS)	m5a.4xlarge	B16ms	16	64	128	\$0.04	94%	\$0.71	51%	\$0.04	95%	\$0.71	90%	\$0.11	87%	\$0.79	52%	\$0.11	89%	\$0.79	90%		
	m5.8xlarge	D32s v3	32	128	256	\$0.04	98%	\$0.04	99%	\$0.04	98%	\$0.04	100%	(\$0.04)	102%	(\$0.04)	101%	(\$0.04)	102%	(\$0.04)	100%		
	m5a.8xlarge	D32s v3	32	128	256	(\$0.12)	109%	(\$0.12)	104%	(\$0.12)	108%	(\$0.12)	101%	(\$0.23)	113%	(\$0.23)	107%	(\$0.23)	112%	(\$0.23)	102%		
	m5.12xlarge	D48s v3	48	192	384	\$0.05	98%	\$0.05	99%	\$0.05	98%	\$0.05	100%	(\$0.06)	102%	(\$0.06)	101%	(\$0.06)	102%	(\$0.06)	100%		
	m5.16xlarge	D64s v3	64	256	512	\$0.07	98%	\$0.07	99%	\$0.07	98%	\$0.07	100%	(\$0.08)	102%	(\$0.08)	101%	(\$0.08)	102%	(\$0.08)	100%		
				Weighter	ed Average ->		95.2%		78.6%		96.1%		95.8%		95.2%		84.5%		96.1%		96.5%		

- For these comparisons AWS EBS storage pricing was factored in to determine hourly pricing for AWS instances
- With EBS is factored in, AWS instances appear to be marginally cheaper for all usage cases across General Purpose Instances with analogous specifications
- If AWS VMs could be utilized with a bit less EBS instance storage, prices would be comparable for all use cases except Windows



#### Resources for learning about Cloud Estimating and Cost Savings

- Estimating Cloud Infrastructure (ICEAA 2020)
  - Olivia Lindsey and Alex Smith Quantech Services Inc.
  - https://www.iceaaonline.com/wp-content/uploads/2021/06/CYC04-ppt-Lindsey-Estimating-Cloud-Infrastructure.pdf
- Comparing Cloud Costs Equitability Overview (ICEAA 2018)
  - Kevin Buck, John Dubelko, Matt Griesbach and Anthony Rojas MITRE
  - https://www.iceaaonline.com/wp-content/uploads/2019/06/CC01-Comparing-Cloud-Closts-Buck.pdf
- Realizing the Financial Value of Cloud (When does cloud realize cost savings)
  - Gaurav Aggarwal Forbes Technology Council
  - <a href="https://www.forbes.com/sites/forbestechcouncil/2021/05/03/realizing-the-financial-value-of-cloud/?sh=5ab566203467">https://www.forbes.com/sites/forbestechcouncil/2021/05/03/realizing-the-financial-value-of-cloud/?sh=5ab566203467</a>



#### **Resources for Cloud Pricing and General Cloud Information**

- AWS vs Azure: Comparing the Cloud Computing Giants
  - Edward Jones: <a href="https://kinsta.com/blog/aws-vs-azure/">https://kinsta.com/blog/aws-vs-azure/</a>
- AWS Pricing Calculator
  - https://calculator.aws/
- Azure Pricing Calculator
  - https://azure.microsoft.com/en-us/pricing/calculator/
- Google Cloud Pricing Calculator
  - https://cloud.google.com/products/calculator
  - Oracle Cloud Pricing Calculator
    - https://www.oracle.com/in/cloud/costestimator.html

