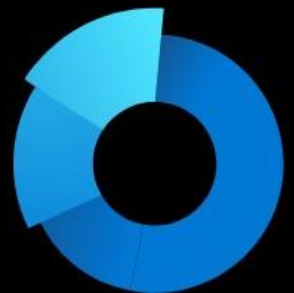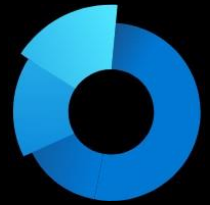Microsoft Azure

Microsoft Azure Stack Hub

Licensing, Packaging, & Pricing Guide

May 2024

Microsoft Azure Stack Hub
Licensing, Packaging, & Pricing Guide

Microsoft Azure Stack Hub brings the agility and fast paced innovation of cloud computing to on-premises environments.

Working together, Azure and Azure Stack Hub deliver a hybrid cloud platform for building modern applications.

Introduction

This licensing guide is for people who would like to gain a basic understanding of how to license Microsoft Azure Stack Hub and workloads on Azure Stack Hub. This licensing guide is not a legal use rights documents, nor does it supersede or replace terms and conditions in the Microsoft Product Terms and Online Service Terms covering Azure Stack Hub use or the use of Microsoft workloads running on Azure Stack Hub. Program specifications and business rules are subject to change. The details in this licensing guide do not pertain to Azure Stack Hub in China.

Contents

Licensing

- How Azure Stack Hub is sold
- Azure Stack Hub software: packaging and pricing
- Pay-as-you-use
- The Azure Stack Hub model for hosters and service providers
- Indirect CSP for Azure Stack Hub
- Capacity Model
- Azure Stack Hub Support
- Using existing software with Azure Stack Hub
- Windows Server licensing
- SQL Server licensing
- Example scenarios
- Acquiring Azure Stack Hub through a service provider
- Definitions

FAQ

How Azure Stack Hub is sold

Azure Stack Hub is sold as an integrated system, meaning that software comes installed on prescribed hardware. A complete Azure Stack Hub system is comprised of hardware, software, and support. (Note: service providers who want to provide Azure Stack Hub services to end customers will need to procure all three of these components.)

An organization can choose to purchase Azure Stack Hub hardware, software, and support; or it can purchase Azure Stack Hub services from a service provider.

Hardware: Hardware is purchased directly from the hardware vendor. A complete list of Azure Stack Hub hardware partners can be found on the Azure Stack Hub product web page. If you are purchasing Azure Stack Hub from a service provider, you may not need to purchase your own hardware.

Software: Individual customers may purchase Azure Stack Hub services via their Microsoft Enterprise Agreement (EA) or from a service provider. Service providers should purchase software via the Cloud Service Provider (CSP) program. When purchasing Azure Stack Hub from a service provider, the service provider will set the terms and prices for the services.

Support: If you purchase Azure Stack Hub services via your Microsoft EA, support comes in two parts—hardware support and software support.

- Hardware support is contracted directly with the hardware partners.

- Software support is contracted directly with Microsoft. If you already have software support from Microsoft (Azure or Premier support plans for users; Partner Support for service providers), those contracts cover Azure Stack Hub support, and no additional contracts or fees are needed. While support is provided by the hardware partner and Microsoft, our integrated support experience provides coordinated escalation and resolution, so you get a consistent support experience no matter who you call first.

If you purchase Azure Stack Hub services from a service provider, your provider will provide support. If you are an Indirect CSP (or reseller), your software support will come from your distributor. As in Azure, CSPs are responsible for providing support to their end users.

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Azure Stack Hub software: packaging and pricing

There are two main layers to Azure Stack Hub software: the cloud infrastructure that powers the system, including the portal, and the services (customer workloads) running on the system. Only the services running on Azure Stack Hub are billed. Examples of billed services are VMs deployed from the Azure Stack Hub marketplace and Azure services such as Azure App Service. Services can be licensed in one of two ways as shown in Table 1--a pay-as-you-use (consumption-based) model and a capacity model.

Table 1. Licensing Model

Packaging	Description	Licensing - EA	Program - CSP
Pay-as-You-Use	• Pay for services on a usage basis • Best for hybrid use cases • Transaction model aligned with Azure billing • Cost-effective solution	X	X
Capacity	• Fixed fee annual subscription • Best for disconnected deployments • Billing not aligned with Azure	X	

Pay-as-you-use

The pay-as-you-use model has no up-front fees, and you pay only when you use a service. In this model, the experience is similar to Azure. Usage for each service is metered and transmitted to Microsoft Azure commerce, where the information is integrated and billed with your Azure usage.

There is no initial deployment fee for pay-as-you use. Additionally, you are not charged for the virtual machines and software required to power the Azure Stack Hub infrastructure. This means there are no charges for Cloud Infrastructure, Management, Security, and Identity Services, and Networking. For example, when you run App Service, you are only generating App Service meters. Please refer to the Azure Stack Hub web site for current services. New PaaS services may be added in the future. You may also try Azure Stack Hub for free by downloading the Azure Stack Hub Development Kit (ASDK).

Azure Stack Hub pay-as-you-use services are available in Enterprise Agreement (EA) or Cloud Service Provider (CSP) and are sold in the same way as Azure services. This means Azure Stack Hub is acquired via a monetary commit SKU on your Azure or SCE enrollment. You can use the same agreement, pool of monetary commit, and subscription IDs for your Azure and Azure Stack Hub services. If you have an existing Azure agreement, you don't need any additional agreements or monetary commitment purchases—you need only enter your subscription ID when you install the system. Your Azure Stack Hub usage will be metered and integrated into one bill with your Azure usage. Please visit our pricing site for more pricing information.

To run Windows Server virtual machines, you have the option of either using the native meters within Azure Stack Hub or deploying existing Windows Server licenses in conjunction with the Azure Stack Hub Base VM hourly meters. To run SQL Server virtual machines, you may deploy existing licenses in conjunction with Windows virtual machines. Details for how existing licenses work in conjunction with Azure Stack Hub can be found in the "Using existing software" section of this document.

Capacity Model

The capacity model offers a more traditional licensing model for customers who need to deploy Azure Stack Hub in disconnected scenarios and cannot report their usage to Microsoft. An annual subscription fee is required for all the physical cores on your Azure Stack Hub. An annual subscription can be purchased for all the physical cores in your Azure Stack Hub, and allows unlimited use of resources, without the need to report usage to Azure commerce. The capacity model is available as an App Service package or an IaaS package and there are additional services available that complement the available packages.

The capacity model is available in an IaaS package ($144/core/year) or an App Service package ($400/core/year). The IaaS package allows use of the compute and storage services. The App Service package includes all the services in the IaaS package, plus Azure App Service (including Web, Mobile, Logic Apps, and Functions). Other Azure services that can be run on Azure Stack Hub (for example, Event Hubs) need to be licensed according to their own disconnected licensing requirements. Please refer to the table down below for the current price for each service. Either the IaaS or App package is always required as a prerequisite for all additional services.

Table 2. Azure Stack capacity pricing for packages and additional services

Service	IaaS Package $144/physical core/year	App Service Package $400/physical core/year
App Service	N/A	✓
Storage	✓	✓
Base Virtual Machine	✓	✓
Windows Virtual Machine	VL license required	VL license required
SQL Server Virtual Machine	VL license required	VL license required
The following services can be added to your Azure Stack Hub capacity package		
Event Hubs	$2400/core/year Minimum order 10 cores	$2400/core/year Minimum order 10 cores
Azure Site Recovery	$96/physical core/year (all physical cores need to be licensed)	$96/physical core/year (all physical cores need to be licensed)

Guest software licenses are not included with the capacity packages. You need existing Windows Server or SQL Server licenses to run Windows Server and SQL Server virtual machines in the capacity model. Details on how existing licensing works in conjunction with Azure Stack Hub are discussed in the "Using existing software" section of this document.

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The capacity model is available in EA only and can be ordered via standard Volume Licensing channels. The capacity model will not have integrated billing with Azure. Azure monetary commitment cannot be applied to the capacity model. Third-party access to solutions built on the capacity model procured via EA will be granted via the Azure hosting exception.

Acquiring Azure Stack Hub through a service provider

Service providers may offer Azure Stack Hub as part of their portfolio, enabling Azure-consistent hybrid cloud services. The service provider will license Azure Stack Hub from Microsoft through the Cloud Solution Provider channel, and then provide you with finished services, value-add offerings, and support, just like they do in Azure.

The Azure Stack Hub model for hosters and service providers

Azure Stack Hub is available to service providers to offer and works just like other Azure services offerings. As the service provider, you own the relationship with the end customer, including billing and support. Microsoft will have a billing and support relationship only with you, the service provider. Note that, in order to transact via CSP, the Azure Stack Hub system must be registered to an Azure subscription owned by the service provider.

Figure 1. Azure Stack Hub for Hosters and Service Providers
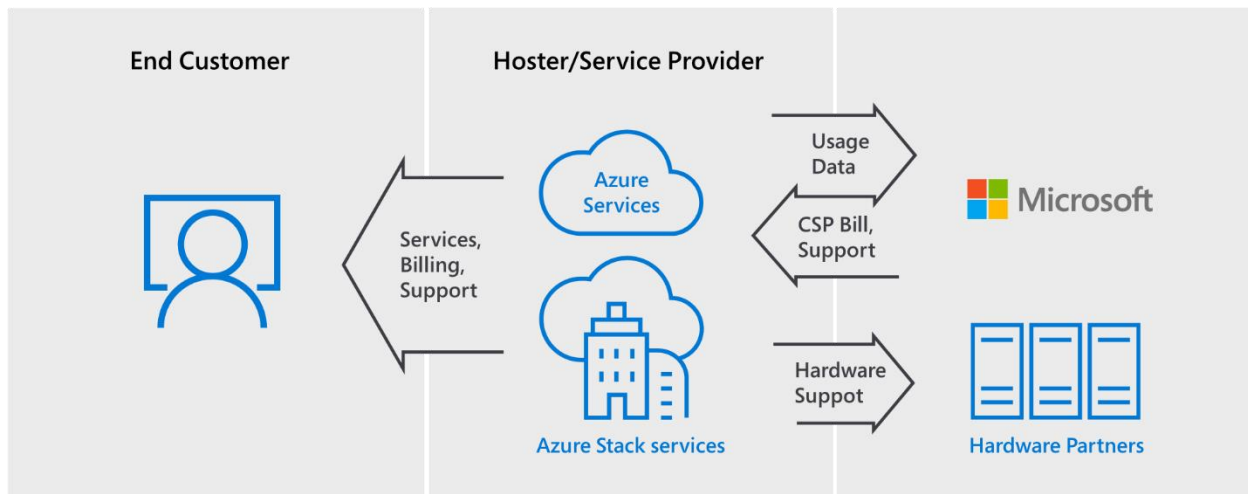
The same CSP agreement and tenant subscriptions can be used for both Azure and Azure Stack Hub. Azure Stack Hub usage data will flow to Microsoft commerce in the same way as Azure usage data. Azure Stack Hub usage by generated by tenants will be reported in the Microsoft Partner Center, just like Azure usage. The CSP partner will get one bill which includes both Azure and Azure Stack Hub usage. Azure Stack Hub usage will qualify for all the same CSP rebates and discounts as Azure.

Internal-use rights subscriptions can be used for registering Azure Stack Hub if the Azure Stack Hub is used for internal CSP workloads; you will not need to sign any additional agreements to enable this.

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The Azure hosting exception covers Azure Stack Hub. This means that, if the end customer requires to deploy a disconnected Azure Stack Hub, a hoster/service provider needing a disconnected scenario will be able to use the Azure Stack Hub capacity model purchased with an EA. The capacity model does not offer the same per-tenant billing and CSP Partner Center integration benefits as the pay-as-you-use model, but it eliminates the need to connect the Azure Stack Hub to Azure to report usage.

Indirect CSPs and Azure Stack Hub

Azure Stack Hub supports indirect CSP (reseller) arrangements, just like in Azure does. As a reseller, you will be able to manage tenant subscriptions and resources just like you do in Azure today. Indirect providers (distributors) and resellers will have the same responsibilities for billing and end customer support as they do in Azure today. The only additional criterion for Azure Stack Hub is that the Azure subscription used to register the Azure Stack Hub must be owned by the top-tier CSP (aka distributor or indirect provider). Furthermore, the local default provider subscription created by the Azure Stack Hub will be registered to this subscription provided by the indirect provider (distributor). Key responsibilities associated with the Default Provider subscription on Azure Stack Hub are administering the infrastructure (e.g., patch and update) and onboarding tenants to the Azure Stack Hub. As an indirect provider, you may provide your Default Provider subscription login credentials to your reseller if they are taking on responsibilities for owning and administering the Azure Stack Hub.

Azure Stack Hub support

Azure Stack Hub support is a consistent, integrated, hybrid support experience that covers the full system lifecycle. To fully support your Azure Stack Hub system, you need two support instruments—one with Microsoft for cloud services support and one with your hardware provider for system support. Our integrated support experience provides coordinated escalation and resolution, so you get a consistent support experience no matter who you call first. If you already have Premier, Azure, or Partner support with Microsoft, your Azure Stack Hub software support is included.

Although support is purchased in separate components, Microsoft and the hardware providers have partnered to create a unified support experience. You need only make one call to the vendor of your choice (Microsoft or partner) for any Azure Stack Hub issue. That vendor will help you diagnose the source of the issue and route your question accordingly.

Microsoft

Using existing software with Azure Stack Hub

Customers may use existing software licenses (e.g., Windows Server, SQL Server, Marketplace services), from any channel (EA, SPLA, Open, and others), in conjunction with Azure Stack Hub. Azure Stack Hub is treated like on-premises hardware for the purposes of licensing existing software. Customers must comply with all product licensing terms under which the software is acquired. When existing licenses are used in conjunction with Azure Stack Hub, the fee structure is: Licensing fees for the software (paid to the software vendor) + virtual machines consumed to run the service.

Guidelines for how Microsoft Windows Server and SQL Server licensing are applied to Azure Stack Hub systems are discussed in the following sections.

Windows Server licensing

When deploying Windows Server virtual machines on Azure Stack Hub, you may use existing Windows Server licenses as an alternative to the native hourly Windows Server meters in the pay-as-you-use model. Windows Server licenses acquired apart from Azure Stack Hub are subject to terms and conditions stated in the Microsoft Product Terms, Service Provider Use Rights (SPUR) for Services Provider License Agreement (SPLA) or the Microsoft Product Terms in the case of volume licensing.

What follows are some guidelines for how the licensing terms and conditions can be applied when existing Window Server licenses are used with Azure Stack Hub:

1. Number of licenses required for Windows Server used with Azure Stack Hub
> To comply with Windows Server licensing, all cores in an Azure Stack Hub region must be covered, just like when licensing Hyper-V. Furthermore, all cores must be covered with the same edition of license (all Datacenter or all Standard), since the virtual machine may be sitting anywhere on the Azure Stack Hub. We recommend Windows Server Datacenter for Azure Stack Hub, since we anticipate your workloads will be heavily virtualized. You can use EA, Open, or Select Plus Windows Server licenses. Customers using volume licensing licenses must also have sufficient CALs to cover the use case. Since Azure Stack Hub is on your own hardware, you do not need Azure Hybrid Use Benefit (AHUB) rights to use Windows Server in conjunction with Azure Stack Hub.

2. Use rights for hosted dedicated and multi-tenant environments.
> Service providers may use SPLA or EA licenses in accordance with the conditions set forth in the SPUR or Microsoft Product Terms, respectively. The next two paragraphs describe in more detail how SPLA and EA licensing guidelines can be applied in hosted dedicated and multi-tenant Azure Stack Hub environments. Table 2 shows a summary of how existing Windows Server licenses can be procured for use in hosted dedicated or multi-tenant environments. Windows Server may be licensed under EA by service providers via self-hosting rights or by end customers in dedicated hosted environments.

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Table 3. Windows Server Virtual Machine Licensing on Azure Stack Hub

Service	Windows Server Virtual Machines on Azure Stack				
	Native Azure Stack Windows Server Virtual Machine Meter	OR	On-Premises Service Provider License	OR	On-Premises End-Customer License
Dedicated Hosting Single customer per Azure Stack region	Meter available, see CSP price list		SPLA + Base VM		EA + Base VM
Multi-Tenant Hosting Multiple different customers per Azure Stack region	Meter available, see CSP price list		SPLA + Base VM		n/a – AHUB not enabled

3. AHUB with Azure Stack Hub

Azure Stack Hub is considered on-premises hardware for licensing purposes. As such, EA customers do not need AHUB to use existing Windows Server licenses in conjunction with dedicated Azure Stack Hub environments. Furthermore, the AHUB benefit does not extend to bringing Windows Server EA licenses to hosted, multi-tenant environments; you may not bring Windows Server EA licenses to such environments.

4. Third party access for software purchased via hoster's Enterprise Agreement.

Product terms for both Windows Server and Azure Stack Hub offer provisions for hosting workloads when licensing via EA. However, Windows Server and Azure Stack Hub have different third-party access rights. The Azure hosting exception applies to Azure Stack Hub, while self-hosting rights apply to Windows Server. When using Windows Server in conjunction with Azure Stack Hub to support third party access, you must comply with the more restrictive of the two sets of licensing terms.

SQL Server licensing

SQL Server virtual machines can be deployed on Azure Stack Hub by using separately acquired SQL Server licenses in conjunction with Windows virtual machines. SQL Server licenses acquired outside Azure Stack Hub are subject to the SPUR or the Microsoft Product Terms.

What follows are some guidelines that illustrate how licensing terms and conditions are applied when existing SQL Server licenses are used with Azure Stack Hub:

1. Number of core licenses required for SQL Server used with Azure Stack Hub

SQL Server may be licensed either by physical cores or by virtual machines. If licensing by physical cores, you must license the entire Azure Stack Hub region or system. If licensing by virtual

machines, you only need enough licenses to cover the virtual machines using SQL Server (subject to a minimum of 4 per virtual machine). If licensing by virtual machines, you may separately allocate SQL Server Enterprise and Standard edition licenses by virtual machine. Since Azure Stack Hub runs on the customer's own hardware, you do not need License Mobility when using SQL Server under EA on your own Azure Stack Hub hardware.

2. License Mobility

Azure Stack Hub is considered on-premises hardware for licensing purposes. As such, you do not need License Mobility to use SQL Server licenses in dedicated Azure Stack Hub environments. You will, however, need License Mobility if you bring your own SQL Server EA licenses to a service provider's multi-tenant hosted environment. In that situation, you must also ensure your service provider is an authorized License Mobility provider.

3. Use rights on hosted dedicated or multi-tenant environments

Table 4 offers a summary of how SQL Server on-premises licenses can be deployed in hosted dedicated or multi-tenant environments. Since Azure Stack Hub is on-premises hardware, you do not need License Mobility to use SQL Server licensed under your own EA, but you will need to comply with the terms and conditions of Self-Hosting rights. Likewise, in dedicated environments, your end customer will not need License Mobility to use SQL Server licensed under their EA. However, end customers will need license mobility to bring their EA licenses to your hosted, multi-tenant environment. You will need to be an Authorized Licensed Mobility partner per the SPLA terms in order to accept License Mobility licenses.

Table 4. SQL Server Virtual Machine Licensing on Azure Stack Hub

	App Service Package		IaaS Package
	On-Premises Service Provider License	OR	On-Premises End-Customer License
Dedicated Hosting Single customer per Azure Stack region	SPA + Windows virtual machine		EA + Windows virtual machine
Multi-Tenant Hosting Multiple different customers per Azure Stack region	SPLA _ Windows virtual machine		EA with license mobility + Windows virtual machine

4. Datacenter Provider (DCP) provisions

SQL Server SPLA licenses used in conjunction with Azure Stack Hub to provide software services to third parties must comply with SPLA licensing terms. Therefore, DCP provisions apply if the Azure Stack tenant is a second-tier hoster. This means that if a hoster is running SPLA SQL Server on Azure Stack Hub hardware they do not own, they must either license the virtual machines with SALs or use the hardware owner's SPLA core licenses.

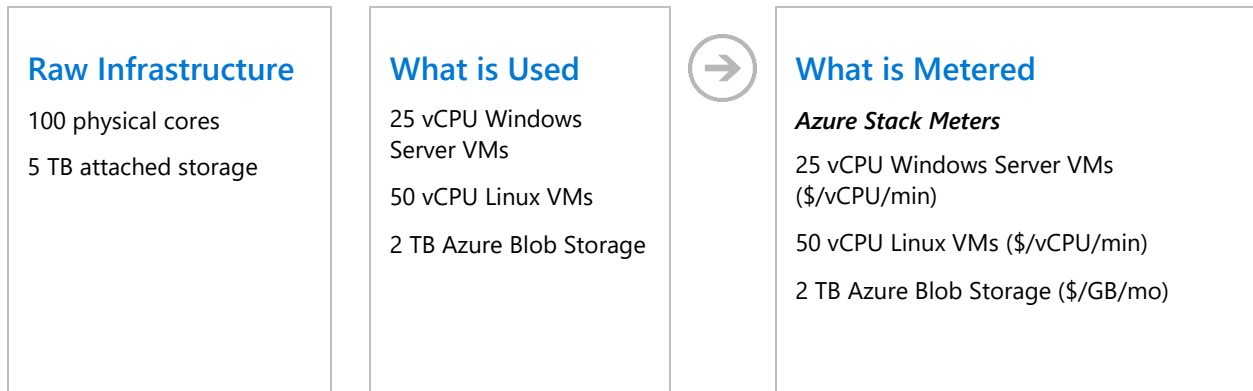### *5. Third Party Access for software purchased via EA*

Both Azure Stack Hub and SQL Server product terms contain provisions for hosting workloads when licensing through EA. However, Azure Stack Hub and SQL Server have different third-party access terms. The Azure hosting exception applies to Azure Stack Hub, while Self Hosting rights apply to SQL Server. When using SQL Server in conjunction with Azure Stack Hub to support third party access, you must comply with the more restrictive of the two sets of licensing terms.

Example Scenarios

The following figures and text illustrate a few examples for how services are licensed on Azure Stack Hub, particularly focused on contrasting the licensing for pure Azure Stack Hub meters with scenarios where on-premises licenses are used in conjunction with Azure Stack Hub.

If using all native meters, as in Figure 2, you pay only for what you use. Usage is metered on a per minute basis. Storage is decoupled from virtual-machine instances and paid for separately.

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Raw Infrastructure	What is Used	→	What is Metered
100 physical cores 5 TB attached storage	25 vCPU Windows Server VMs 50 vCPU Linux VMs 2 TB Azure Blob Storage		*Azure Stack Meters* 25 vCPU Windows Server VMs ($/vCPU/min) 50 vCPU Linux VMs ($/vCPU/min) 2 TB Azure Blob Storage ($/GB/mo)

When you use existing licenses to deploy Windows Server virtual machines on Azure Stack Hub, you bring your own license and pay only a consumption rate on Base VM meters. You must have enough Windows Server core licenses to cover the entire Azure Stack Hub region, regardless of how many Windows Server virtual machines are deployed on the Azure Stack Hub. In the scenario shown in Figure 3, 25 of the 75 virtual machine cores (vcores) are using Windows Server. However, since there are 100 physical cores in the system, 100 Windows Server core licenses are needed. When used with existing Windows Server licenses, Azure Stack Hub only runs consumption meters at the Base VM rate for the Windows Server virtual machines.

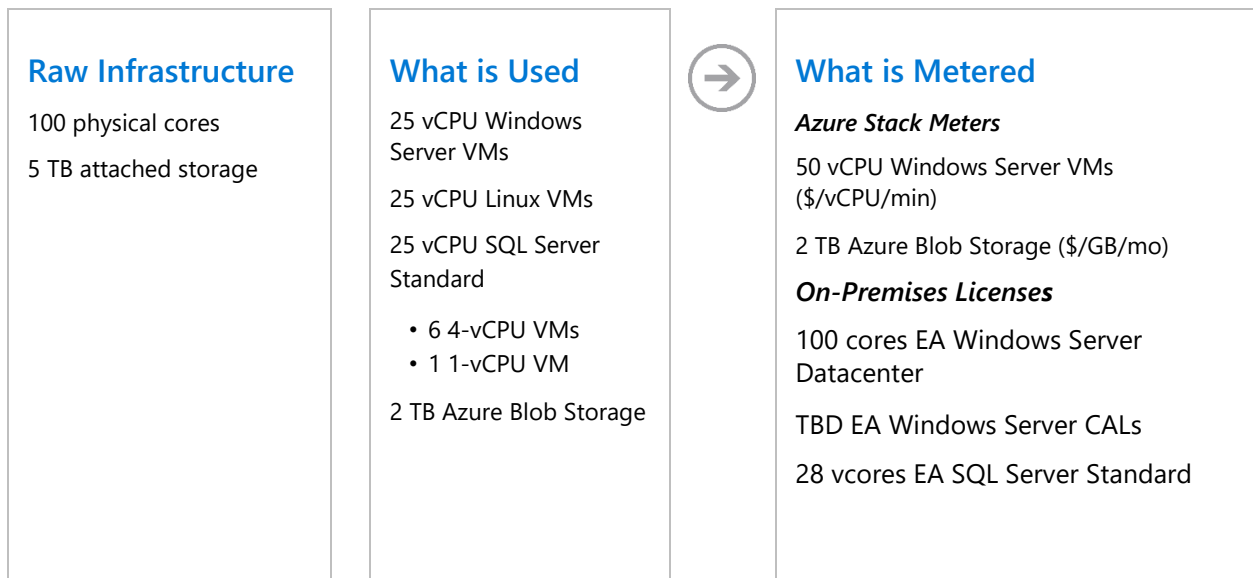*Figure 3. On-Premises License with Azure Stack Hub*

Raw Infrastructure	What is Used	→	What is Metered

100 physical cores
 	
5 TB attached storage
	25 vCPU Windows Server VMs
	
	25 vCPU Linux VMs
	
	25 vCPU SQL Server Standard
	
	  • 6 4-vCPU VMs
	  • 1 1-vCPU VM
	
	2 TB Azure Blob Storage
			Azure Stack Meters
			
			50 vCPU Windows Server VMs ($/vCPU/min)
			
			2 TB Azure Blob Storage ($/GB/mo)
			
			On-Premises Licenses
			
			100 cores EA Windows Server Datacenter
			
			TBD EA Windows Server CALs
			
			28 vcores EA SQL Server Standard

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Figure 4. On-Premises License with Azure Stack Hub – Service Provider and Hoster

Raw Infrastructure

100 physical cores

5 TB attached storage

What is Used

25 vCPU Windows Server VMs

25 vCPU Linux VMs

25 vCPU SQL Server Standard

- 6 4-vCPU VMs
- 1 1-vCPU VM

2 TB Azure Blob Storage

What is Metered

Azure Stack Meters

75 vCPU Windows Server VMs ($/vCPU/min)

2 TB Azure Blob Storage ($/GB/mo)

On-Premises Licenses

100 cores Windows Server Datacenter SPLA

28 vcores EA SQL Server Standard

When using existing licenses to deploy SQL Server virtual machines on Azure Stack Hub, you pay for those SQL Server licenses, plus Windows virtual machines. If you are only using SQL Server for part of your deployment, you may license it on a per-virtual machine basis. In accordance with SQL Server licensing rules, there is a 4-core licensing minimum per virtual machine. Even if you deploy a 1-node SQL Server virtual machine, you must still pay for and allocate 4 core licenses. Service providers also need Software Assurance and are required to comply with the terms and conditions of Self Hosting rights.

Definitions

Azure Stack Hub region: A region is a logical concept describing a set of physical resources to which workloads can be assigned. The Azure Stack Hub ARM may assign a workload deployed to an Azure Stack Hub region to any of the physical resources within the region. Regions have a minimum of 4 physical nodes. At present, Azure Stack Hub supports only one region per deployment.

Microsoft

FAQ

Can I use MSDN, Free Trial, or Biz Spark with Azure Stack Hub?

Only EA and CSP subscription IDs may be used with Azure Stack Hub. Azure MSDN, Free Trial, and Biz Spark subscription IDs cannot be used in conjunction with Azure Stack Hub. However, MSDN software (for example, MSDN Windows Server, MSDN SQL Server) may be used in conjunction with Azure Stack Hub. If you bring you own license, you will be charged only the Azure Stack Hub base virtual machine fees. For example, if you bring an MSDN Windows Server license and deploy a Windows Server virtual machine on Azure Stack Hub, your consumption will be metered only at the base virtual machine rate. MSDN software used in conjunction with Azure Stack Hub must comply with all MSDN licensing terms.

I am an EA customer. Can my monetary commitment be used for Azure Stack Hub?

Yes, your monetary commitment can be applied toward Azure Stack Hub consumption. Of course, the subscriptions you use must fall under your EA enrollment. In other words, if your use Azure Stack Hub via a service provider, it will not consume your monetary commitment. US government, Germany, and China enrollments will be handled separately.

Do I need Azure Hybrid Use Benefit to use my on-premises Windows Server license with Azure Stack Hub?

Azure Hybrid Use Benefit is not required for using Windows Server on Azure Stack Hub because Azure Stack Hub is an on-premises hardware system.

Do I need SQL Server License Mobility to use my on-premises SQL Server license with Azure Stack Hub?

SQL Server License Mobility is needed only if you are using a multi-tenant system shared with multiple entities. For example, if you are a hosting provider operating a multi-tenant Azure Stack Hub system, your customers would need to have SQL Server License Mobility to bring their own SQL Server licenses to Azure Stack Hub. However, if you are operating a single-tenant Azure Stack Hub, or a multi-tenant system within a single enterprise, you do not need SQL Server License Mobility.

I already have Azure Standard, Azure Pro, or Premier—do I need to buy additional support for my Azure Stack Hub?

Support for Azure Stack Hub consists of two parts—one contract with the hardware partner for hardware and system support, and one contract with Microsoft for Azure Stack Hub services support. If you already have an Azure or Premier support contract with Microsoft, your existing Azure or Premier support contract extends to cover Azure Stack Hub at no additional cost. You will, however, still need a support contract with the hardware partner.

Learn more at https://azure.microsoft.com/en-us/products/azure-stack/hub/

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