# An Intelligent Capacity Planning Model for Cloud Market

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#### Abstract

Cloud computing is a promising way providing users computing resources. These resources are provided by means of standard computing instances. Currently there are three price schemas including spot, reservation and on-demand in cloud market, but the average difference among these three pricing schema can be as much as 2.7 times even for the same instance type. In the premise of ensuring service level object, how many and which compute instance are needed, which price schema is needed is important for company. In this paper, an intelligent capacity planning model was proposed. Experimental result shows that our model can save more money while the quality of service does not degrade.

### **1** Introduction

Cloud computing, which refers to services (hardware such as CPUs and storage, platform and application) provisioning and consumption over the Internet in elastic approach, is becoming a hot topic both in academia and industry around the world. A modern compute cloud allows users to share the underlying computing resources (such as CPU, memory and networking bandwidth) in an elastic manner and thus cut down the costs of IT infrastructure[1],more and more companies has been migrating a huge amount of business into compute clouds.

Typically, the price of a cloud computing resource consists of the following parts:

 $P = P_c + P_s + P_{in} + P_{out} + P_{tran}$ 

 $P_c$ : the price of the compute instance. For example, Amazon EC2 instances are grouped into six types: Standard, Micro, High-Memory, High-CPU, Cluster and GPU Cluster, the price is counted by hours consumed.

 $P_s$ : the price of user data (the computing result through virtual instance or other data) stored on the cloud, the money is count by GB used per month.

 $P_{in}P_{out}$ : the price of network traffic mainly including uploading data to or downloading data from the cloud, or transferring data between different regions of the same cloud vendor.

 $P_{tran}$ : the price of file operations(such as put,get,copy, post, list etc.) within a virtual instance. For example, the  $P_{tran}$  of Amazon EC2 is \$0.10 per 1 million file operations.

Currently, resources can be remotely acquired from cloud providers through three different methods, each with its own pricing scheme and associated quality of service.

On-demand Market: This model allows users apply resource on demand at any time, and the user is charged by the hour with no long-term commitments. Pricing is per instance-hour consumed from the time an instance is launched until it is terminated. Each partial instance-hour consumed will be billed as a full hour. This model can frees user from the costs and complexities. But the price of this model is highest among three models. Table 1 shows the services prices of different vendors at on demand schema, where the basic configuration of compute is of 1 GB (= $10^9$  bytes) RAM, and 40 GB Disk. We

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Price Type	Amazon	IBM	Azure	Google	GoGrid	Rack-space
Compute CPU/hours	\$0.085/linux \$0.12/windows	\$0.139	\$0.12	\$0.10	\$0.10	\$0.06
Storage GB/month	\$0.15	\$0.0792	8015	\$0.15 0.5GB free	\$0.15 10GB free	\$0.15
Data Upload GB	\$0.10	\$0.11	\$0.10	\$0.12	\$free	\$0.08
Data Download GB	\$0.17 \$0.13 if>10TB	\$0.11	\$0.15	\$0.10	\$0.29	\$0.22

#### Figure 1: PRICES OF SAME TYPE INSTANCES FROM DIFFERENT VENDORS

can see that the prices of compute range from \$0.06 to 0.12 with a maximal difference as much as \$0.06 per hour.

Reservation Market: This market enables a cloud resource user to purchase a bundle of resources for a long term (e.g., a whole year, three years etc.), and an one time reservation fee is required in advance so that they can get great discount. When instances previously reserved are used, the user is charged for the use of the cloud resources at a lower price than the instances acquired at the on-demand market.

Spot market. This market is a one side auction market for users to consume resources at a lower and more flexible cost. The price is set by the cloud provider depending on the supply and demand situation of cloud resource market. To use spot Instances, the user should specify the type, region desired, number

Price Method Instance Type		On-Demand	Reservation	One Time Fee /Year	SPOT
Standard	Small	\$0.085/h	\$0.03/h	\$227.50	\$0.029/h
	Large	\$0.34/h	\$0.12/h	\$910	\$0.123/h
	Extra Large	\$0.68/h	\$0.24/h	\$1,820	\$0.228/h
Micro	Micro	\$0.02/h	\$0.007/h	\$82	0.007/h
High-Memory	Extra Large	\$0.50/h	\$0.17/h	\$1,325	\$0.165/h
	Double Extra Large	\$1.00/h	\$0.34/h	\$2,650	\$0.434/h
	QuadrupleEx tra Large	\$2.00/h	\$0.68/h	\$5,300	\$0.875/h
High-CPU	Medium	\$0.17/h	\$0.06/h	\$455	\$0.062/h
	Extra Large	\$0.68/h	\$0.24/h	\$1,820	\$0.246/h
Cluster	Quadruple Extra Large	\$1.60/h	\$0.56/h	\$4290	\$0.55/h
GPU Cluster	Quadruple Extra Large	\$2.1/h	\$0.74/h	\$5630	\$0.745/h

#### Figure 2: THREE PRICING SCHEME OF AMAZON EC2 INSTANCES

of instances required, and the maximum price are willing to pay per instance hour. If the maximum price bid of user exceeds the current spot price, your request will be fulfilled and your instances will run until

either you choose to terminate them or the spot price increases above your maximum price. The usage fee charged is the one set by the cloud resource provider at the time the resource is used. In most case, the price of spot market is lower than on demand, but is a little higher than reservation market.

Table 2 is the price comparison of Amazon's instances using different pricing methods; From the table we can see that the price of instance above is the half of price of below in the table and the average difference can be as high as 2.7 times even for the same instance. [3][21] has proposed a global cloud resources trading market mechanism and users can buy resource from the different vendors. Meanwhile, the resource requirement of many applications such as online video, e-commerce is high peak-to-mean-ratios, recurring and shifting seasonal patterns as well as bursts leading to heavy tail demand distributions[2][4]. How to take full advantage of the elastic of cloud, according to the workload characteristics of client, in the premise of ensuring the service level object , the planning of how many and which compute instance are needed, which price schema is more suitable are vital for the users[5], so users would use less resource wasting and save more money.

The rest of the paper is organized as follows. Section 2 gives an overview of related work. In Section 3 explains the intelligent capacity planning model and Section 4 is the experimental result. The section 5 is the conclusion and future work.

#### 2 Related Work

Capacity Planning includes the process of planning for compute resources required to fulfill current and future requirement. Current research pay more attention on the provider's capacity planning, or short term resource planning in a hybrid environment[6][7] [8][9] [10][11] [13]. However, there is, little research being done on the customer's need for long term capacity planning in a fully cloud computing environment.

There is amount of research on on-demand resource allocation in Grids [12][14] [15][16]. To find out the amount of resources for an application during its execution is there research goal. More important, they focus on the scheduling and not on the capacity planning of the compute resource, these research take less providers costs into account.[18][17] [19][20] [22].

Unlike them, in this paper we proposed a long term capacity planning model for client in an entirely clouds environment. The main concern in the capacity planning of this kind of cloud-based infrastructure is with the different pricing models used by cloud resource providers. The prices of resources can vary significantly from reservation, spot to on-demand usage. In this paper, we propose an intelligent capacity planning model, it take the workload characteristics, different pricing schema into account, can use less resource and save more money.

### 3 Intelligent Capacity planning Model

Resource planning in cloud is the activity of estimating the computer instance, pricing model, operating system, and network bandwidth necessary according user's application model in order to meet the service level object at lower costs.

In this paper, we mainly concern on the capacity planning activity for client user. First of all, We define following parameters in our model:

 $\lambda$ : the average arrival rate of requests entering the system.

 $\mu$ : the average rate of serving entering requests.

 $T_w$ : the mean wait time of each request in the queue.

 $\rho$ : the general utility rate of instances, offered work load rate to a instance,  $\rho = \frac{\lambda}{n\mu}$ .

n: the number of reservation instances required.

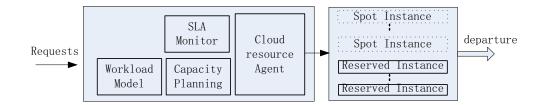


Figure 3: framework of capacity planning model

m: the number of spot instances required.

T: the mean time of a request stay in the system.

 $r=\lambda/\mu$ : the average arrivals load in mean service time.

We assume that both arrival intervals of request and service times are Poisson distribution. Furthermore, We also assume that all instances can work together seamless to process all incoming requests that they are waiting in a single queue.

The framework of intelligent capacity planning model is shown in figure 3. The work process of this model can be described as follows:

- From the history information for a old system that the system type and size is similar, characterize the workload. Web workload is unique in its characteristics and some studies [2,5] identified workload properties and invariants, such as the heavy-tailed distributions of file sizes in the Web. It has been also observed that Web traffic is busty in several time scales [20,8].
- Set the threshold. The threshold can be workload of reservation instance, or the mean response time or the arrive rate. We use the queue theory, for example, the mean response time can be set as the threshold  $T_b$ . T: the mean waiting time in the system.

$$T = 1/\mu + \left(\frac{r^n}{n!(n\mu(1-\rho)^2)}\right)p_0$$
(1)

 $p_0$ : the steady-state probabilities of all instances are idles.

$$p_0 = \left(\frac{r^n}{n!(1-\rho)} + \sum_{c=0}^{n-1} \frac{r^c}{c!}\right)$$
(2)

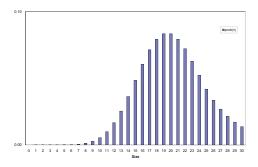
 $l_q$ : the expected number in the whole queue.

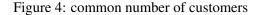
$$L_q = \left(\frac{r^n \rho}{n! (1-\rho)^2}\right) \tag{3}$$

 $T_w$ : the mean waiting time in queue, according to Little's law.

$$T_w = \left(\frac{r^n}{n!(n\mu(1-\rho)^2)}\right)p_0\tag{4}$$

• By solving the formula (1), get n, the number of reservation instances to meet the threshold requirement. Because the workload is relative stable under the condition that  $T \le T_b$ . We buy n compute instances in a long-term commitment through reservation market.





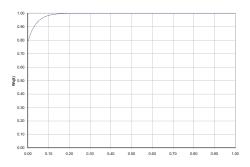


Figure 5: common queue-Wait distribution

- The SLA monitor get the performance parameter. If  $T > T_b$  and the response time is higher than the threshold, the capacity planning service calculate the resource should added is m, fast applying the new cloud resource from spot market, the reservation instance and spot instance can work together seamlessly to deal with the peak workload to meet with the service level object.
- $T < T_b$ , When the value of response time down to below the threshold, the spot instance temporally added will be released.

### 4 Experiment

Capacity planning service through SLA monitor to evaluate the service performance. When vast users visit the same service in short time, bad performance can be resulted. This can result in two sides. First, all of the compute instances work too busy to reach fast response to all the requests. Second, due to the extremely slow response, the users maybe become out of the patience. Many factors can change response time to user such as network state, instance workload and the number of user request. In this paper, according to queuing theory, we focus on the reservation instance workload. In common case, reservation instance should keep 20% idle time in order to do some important work. When the percentage of reservation instance workload exceed 80%, we should buy more spot instances to reduce the system workload.

During below experiment, we give arrival rate 100, mean time to complete service 0.2.

In following figure, we use capacity planning model to simulate the service provided by 25 reservation instance. The client arrival complies with Poisson distribution.

The related parameter is that Arrival rate( $\lambda$ ) is 100, service rate( $\mu$ ) is 5, the service time distribution with mean 1/ $\mu$ , and number of reservation instances in the system is 25. In this case, instance utilization can keep 80.00% or so. For network service, when one client's request comes in, if one of reservation instances keeps idle, this request can be handled at once without any wait. Otherwise, the request must be queued in the queue of requests. When queue becomes long, the reservation instance must allocate much memory. Due to the extremely stability of client visiting, 80% utilization is a safe number. In our system, we control system utilization under 80% all the time.

We also process another M/M/C experiment to reflect the users' visiting action. First, the number of visiting users close to the reservation instance limit. Second, the number of visiting users exceed the service limit. For the first case, all the reservation instances show high workload, but they still can accept the incoming requests. For the second case,  $\lambda > n \times \mu$ . In order to satisfy the users' visiting, more spot instances must be provide at once, at this time, capacity planning service buy new instance from spot market through cloud resource agent.

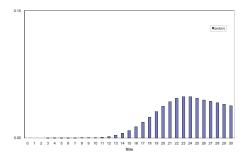


Figure 6: many number of Customers

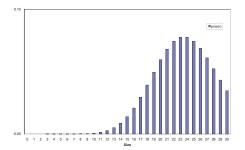


Figure 8: more customers and more instances

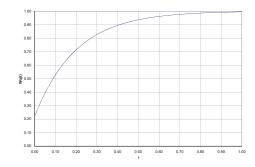


Figure 7: Queue-wait distribution in the case of many users

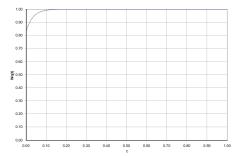


Figure 9: queue wait distribution in the case of more users and more instances

Figure 4 and figure 5 reflect the common case, each user can get the service in very short time. In this case, each reservation instance can show fast response and keep certain idle time to execute other important tasks.

Figure 6 and figure 7 reflect the case that many users send request to reservation instances. When visiting number becomes big and the number of total instances keep constant, the workload become improved and the mean waiting time also becomes long. Another change is that queue wait distribution become longer that the common case.

By adding more spot instances, the mean workload reduces and the mean response time becomes short, correspondingly. In figure 8 and figure 9, we add more 5 spot instances to the service system. By comparison to the common case, this scheme also keeps the idle time 50%, and also keep fast response.

In figure 10 and figure 11, we simulate the special visiting action. In this case, we let the number

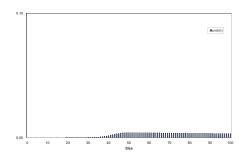


Figure 10: more customers and more instances

Figure 11: queue wait distribution in the case of more users and more instances

of visiting user improve from 100 to 249 in very short time. At the beginning, the reservation instances suddenly can not handle this sudden event due to the incoming numerous requests. By monitor the workload of each instance, the workload shows the sudden adding. By catching this special case, through computing according to related parameters, we add the number of spot instance up to 50. By this, the whole system can keep common state in short time.

# 5 Conclusion and Future Work

Nowadays, Cloud computing is becoming a computing buzzword both in industry and academia. A modern compute cloud allows users to share the underlying computing resources (such as CPU, memory and networking bandwidth) in an elastic manner, the user is charged according to the number and hours of compute instance used. There are three types of price schema in cloud market, the difference of different price is big, so capacity planning is crucial for common user. In this paper, a intelligent capacity model based on queue theory, user can conduct capacity planning combined reservation market and spot market. Experiment result shows that this model is flexible and more profitable.

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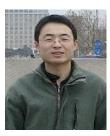
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