

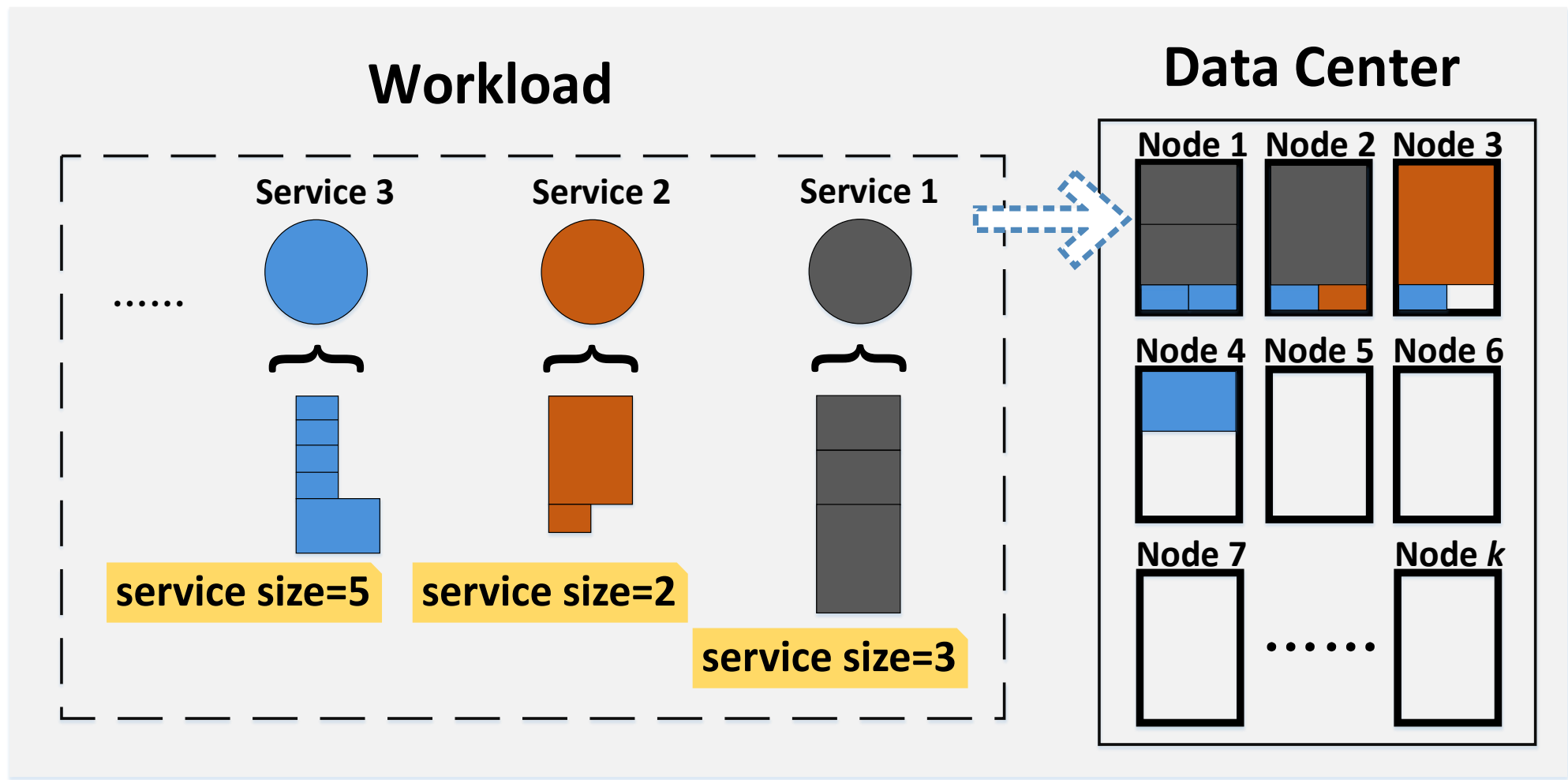
# A Shapley Value Approach for Cost Allocation in the Cloud

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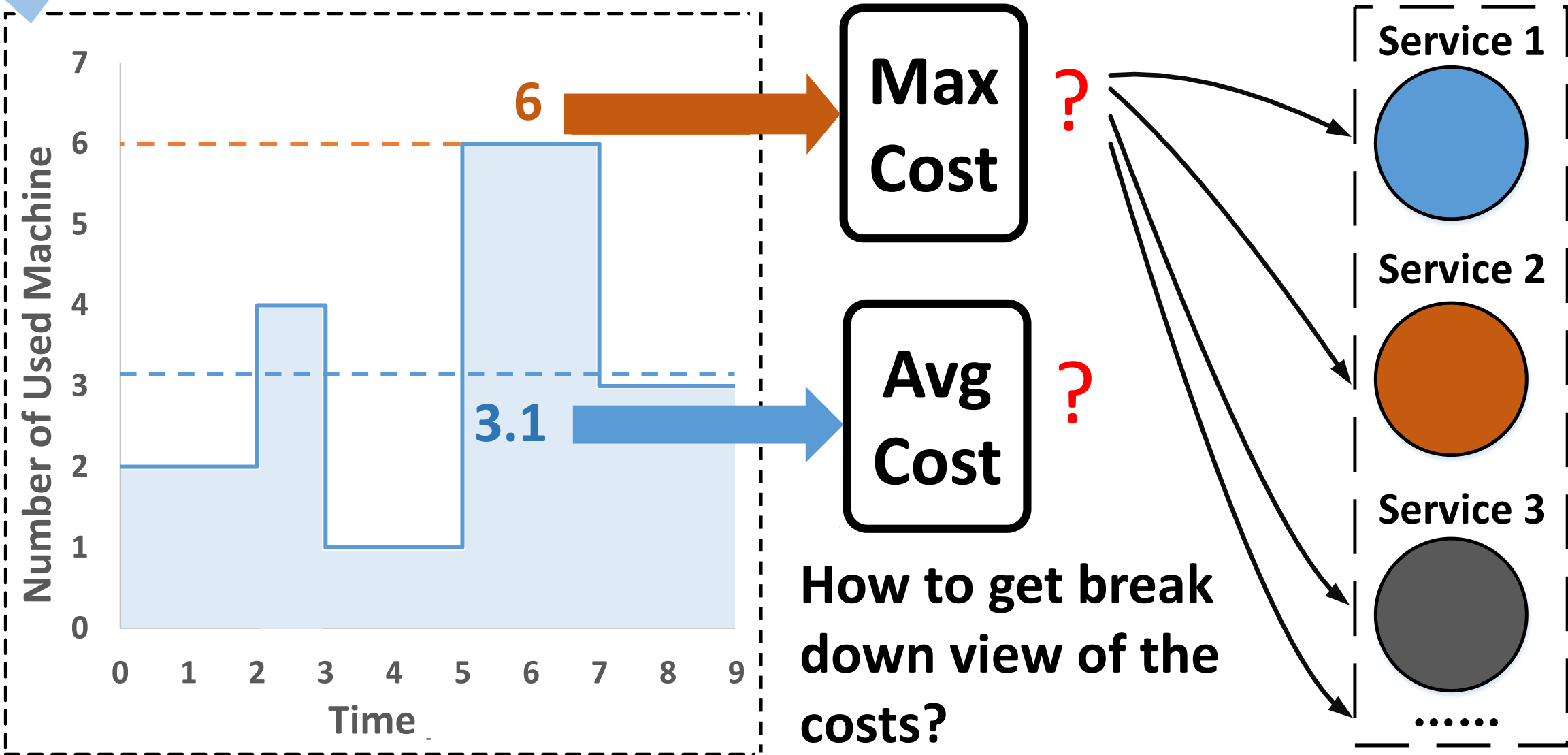
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## Bin Packing in the Cloud



Resource allocation in the cloud can be seen as bin packing problem. A *workload* is a sequence of *services*, each of which is constituted of several *instances*, i.e. virtual machines.

## Workload Cost in the Cloud



What is the cost of a service? → **Cost allocation in the cloud:** Allocate total cost to all services in a fair way.

## Pricing in the Cloud



INSTANCE	CORES	RAM	PRICE
A1	1	1.75 GB	\$0.09/hr (~\$67/mo)
A2	2	3.5 GB	\$0.18/hr (~\$134/mo)
A3	4	7 GB	\$0.36/hr (~\$268/mo)
A4	8	14 GB	\$0.72/hr (~\$536/mo)



	vCPU	Memory (GiB)	Linux/UNIX Usage
m3.medium	1	3.75	\$0.067 per Hour
m3.large	2	7.5	\$0.133 per Hour
m3.xlarge	4	15	\$0.266 per Hour
m3.2xlarge	8	30	\$0.532 per Hour

Current cloud pricing is linear in resource size. Is the cost incurred by a service really linear to its size?

## Cost Allocation based on Shapley Value

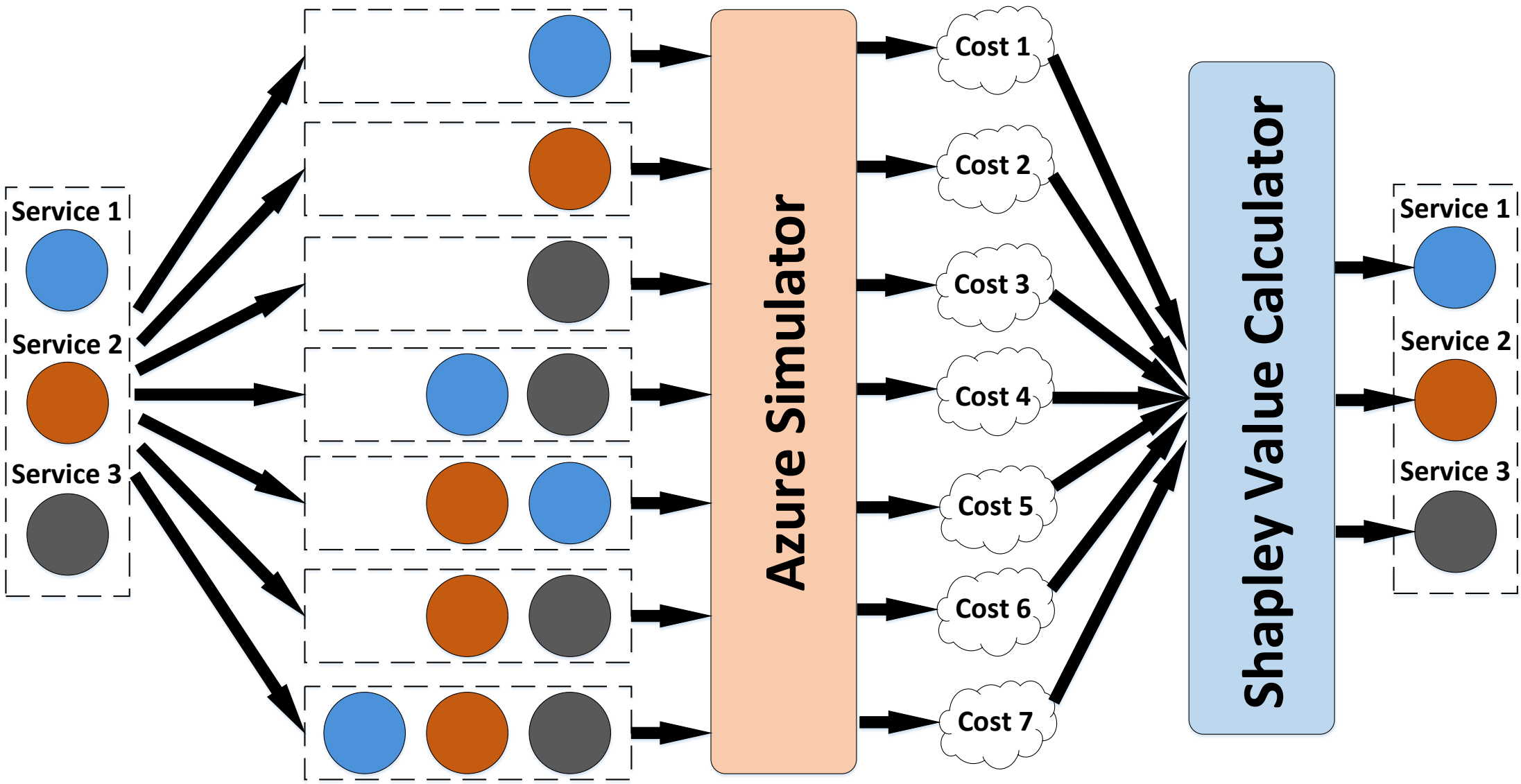
**Marginal Cost:**  
 $\phi_i(v) = v(N) - v(N \setminus \{i\})$

Shapley value takes all possible coalitions into account:  $O(2^{|N|})$

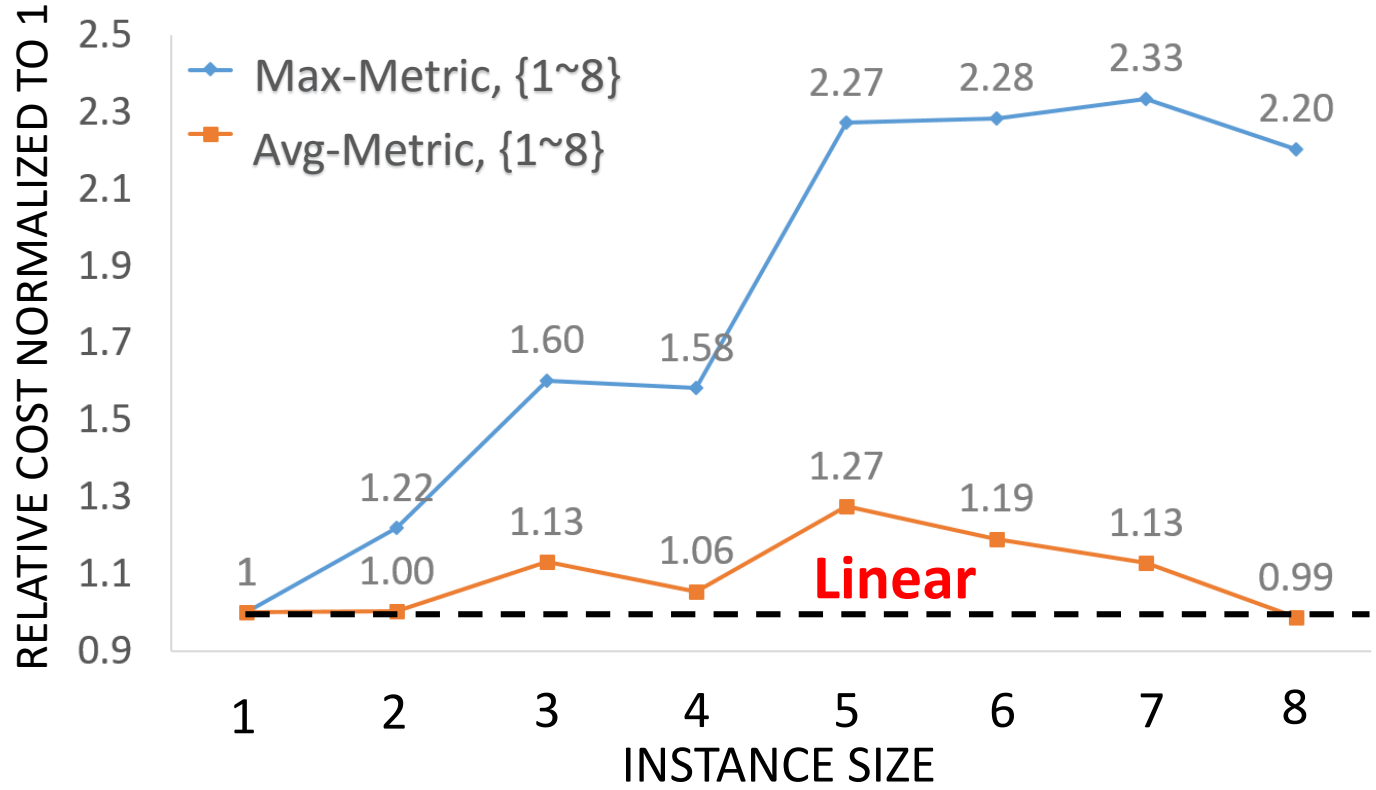
Groups of similar services form **coalitions**

Shapley Value is a classic concept, widely applied to cost allocation problems in coalition games. The goal is to fairly allocate surplus or cost to each player in the game.

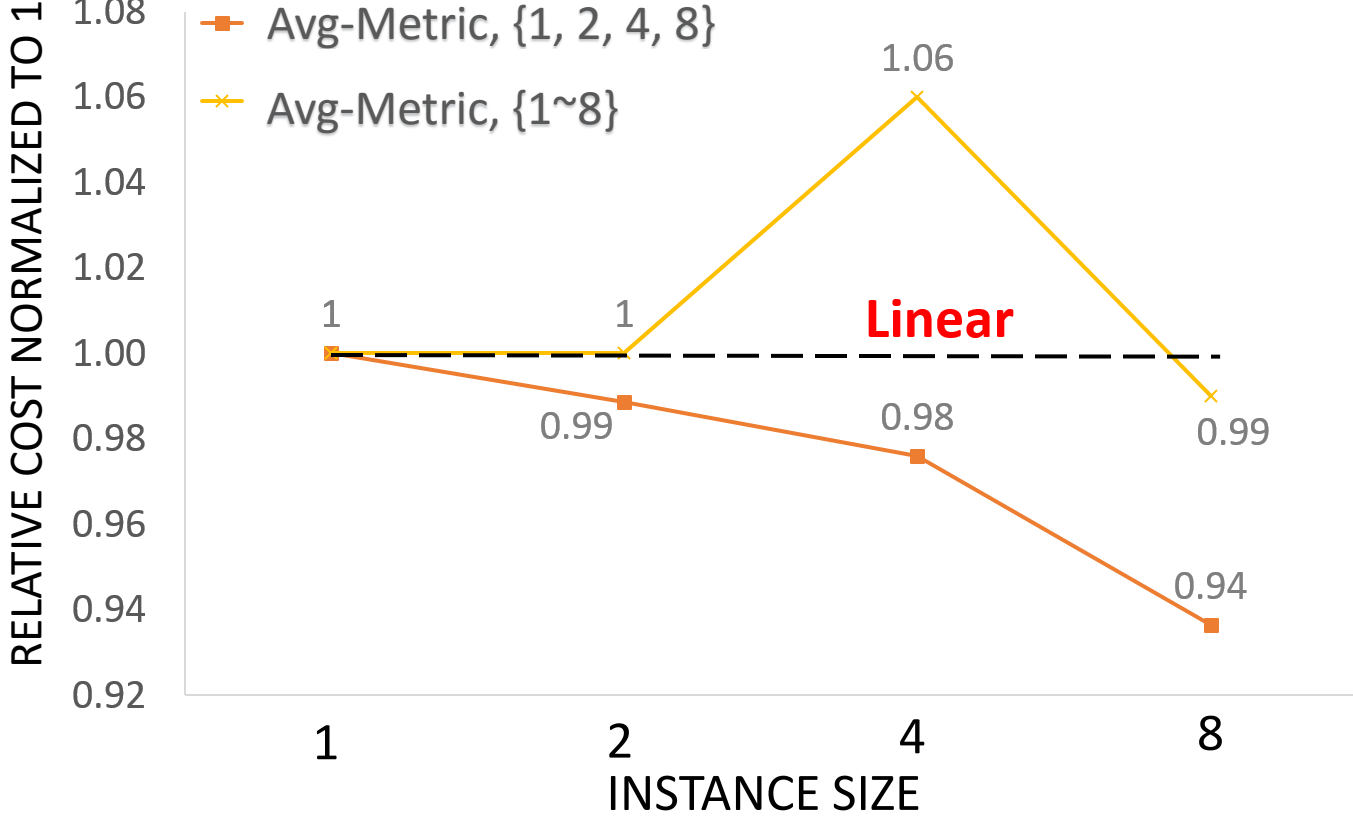
$$\phi_i(v) = \sum_{S \subseteq N \setminus \{i\}} \frac{|S|! (|N| - |S| - 1)!}{|N|!} (v(S \cup \{i\}) - v(S))$$



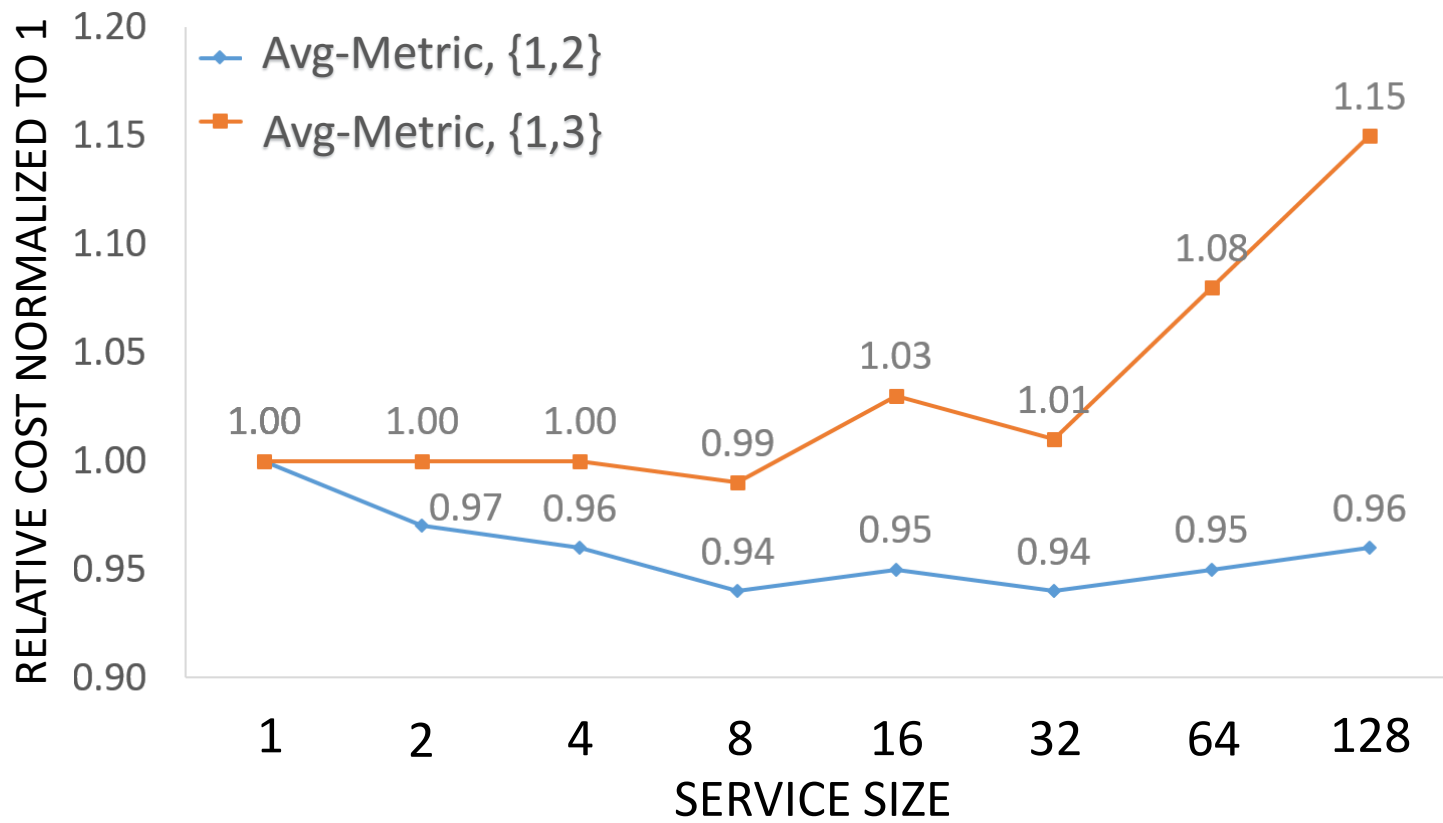
## Experimental Results



Service costs are non-linear in their instance size.



Instance type composition influences cost allocation. Instance types with low fragmentation incur less cost.



Service size also impacts costs. Large services are more expensive.

## Summary

- Systematic approach for cost allocation in the cloud using Shapley Value.
- Derive cost incurred by a specific type of service.
- Study impact on cost of workload distribution, service size, VM types, fault-tolerance constraints, etc...