

Workload License Charges (WLC)

Workload License Charges (WLC) is a monthly license pricing metric designed to support today's on demand business requirements. WLC may be applied to IBM z Systems servers running z/OS or z/TPF in z/Architecture (64-bit) mode.

System z10 EC, System z9 EC, eServer zSeries 990, and eServer zSeries 900 servers may have WLC when in a Parallel Sysplex or when stand-alone. System z10 BC, System z9 BC, eServer zSeries 890, and eServer zSeries 800 servers may have WLC only when in a fully qualified Parallel Sysplex. zEnterprise EC12, zEnterprise BC12, zEnterprise 196, and zEnterprise 114 servers may have WLC only when under the terms of AWLC Transition Charges for Sysplexes in a fully qualified Parallel Sysplex with at least one other server which is either a System z10 or System z9 server. More information on [AWLC](#) is available on the web.

WLC enables customers to:

- Grow hardware capacity without necessarily increasing your software charges
- Pay for key software, such as DB2, CICS, IMS, WebSphere MQ and z/OS with LPAR-level granularity
- Experience a low cost of incremental growth
- Manage software cost by managing workload utilization

Once a customer chooses to adopt WLC, then neither PSLC nor Usage License Charges (ULC) will apply. WLC is broken into two types of charges: Variable WLC (VWLC) and Flat WLC (FWLC). VWLC apply to products such as z/OS, DB2, IMS, CICS, WebSphere MQ, and Lotus Domino. FWLC apply to legacy products such as less current compilers and older MVS/VM/VSE utilities. VWLC vary based upon server size and/or utilization, while FWLC are a flat charge per server. Once WLC is adopted, applicable VWLC and FWLC charges are applied.

Variable Workload License Charges Structure

(cumulative monthly pricing)

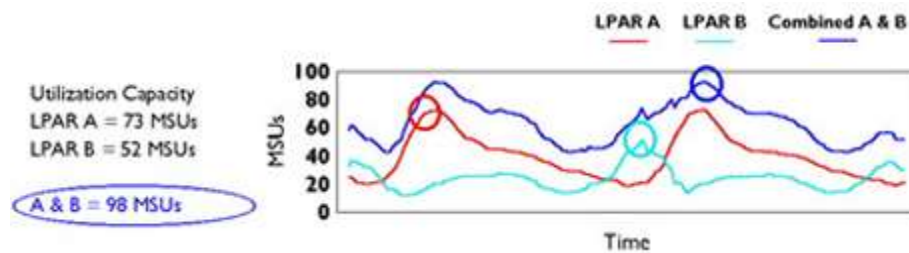
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| Base WLC | 3 MSUs |
| Level 0 | 4 - 45 MSUs |
| Level 1 | 46 - 175 MSUs |
| Level 2 | 176 - 315 MSUs |
| Level 3 | 316 - 575 MSUs |
| Level 4 | 576 - 875 MSUs |
| Level 5 | 876 - 1315 MSUs |
| Level 6 | 1316 - 1975 MSUs |
| Level 7 | 1976+ MSUs |

Customers may choose to implement WLC in one of two ways:

- **Full-Capacity WLC** - charges are based on the full z Systems server capacity where each VWLC product executes
- **Sub-Capacity WLC** - charges are based on the utilization of the LPAR or LPARs where a VWLC product executes

Mechanics of Sub-Capacity WLC

The graph below shows a zSeries 2064-1C3 rated at 119 MSUs with Sub-Capacity WLC. The machine is configured with two LPARs, **LPAR A** and **LPAR B**. The customer sees a highest observed rolling 4-hour average for LPAR A at 73 MSUs. Accordingly, software running only in LPAR A would be charged at 73 MSUs. Likewise, LPAR B has a highest observed rolling 4-hour average of 52 MSUs. Accordingly, software running only in LPAR B would be charged at 52 MSUs. They do not have set a defined capacity or any LPAR cap for either LPAR A or LPAR B.



WLC News

Effective 1 July 2003, IBM is making the base charges for Variable Workload License Charges more granular, by reducing the base from 45 MSUs to 3 MSUs. Since the base charge is reduced to 3 MSUs, a Level 0 has also been introduced to cover the MSUs between 4 MSUs and 45 MSUs. The more granular base provides customers with a lower cost of entry for VWLC products, requiring a minimum of 3 MSUs rather than a minimum of 45 MSUs. Customers with workloads smaller than 45 MSUs may license as little as 3 MSUs of VWLC software.

Effective 1 Oct 2002, IBM is introducing two new pricing slopes, Level 6 and Level 7, that deliver continued price performance improvements for z/OS under Workload License Charges. The new price points established for Level 6 and Level 7 apply to the z/OS base operating system and z/OS priced features only. Level 6 begins above 1,315 MSUs and will be priced 25% below Level 5. Level 7 begins above 1,975 MSUs and will be priced 20% below Level 6.

Effective 1 July 2002, IBM introduced a new Level 5 Slope for Workload License Charges, above 875 MSUs. This new slope applies to all Variable WLC products. For z/OS and the priced features of z/OS, the Level 5 price points will be approximately 30% lower than the current Level 4 z/OS price points. IBM is also reducing the current price points on the Level 4 Slope, above 575 MSUs by approximately 25%, compared to the current level 4 price points. For these middleware products, the Level 5 price points will be equal to the reduced Level 4 price points.

Effective 1 May 2002, customers may select Parallel Sysplex License Charges (PSLC) for WLC-eligible machines. This new flexibility allows the customer to determine when to adopt WLC.

Effective 1 July 2002, WLC is being transformed into an LPAR Utilization Model. Product capacity will now be based on the highest observed rolling 4-hour average utilization of an LPAR or LPARs where that product is executing.