

# Copilot Studio Billing Configuration Guide

Compare prepaid capacity, tenant spillover, pay-as-you-go, and Microsoft 365 Copilot inclusion — then decide how each environment should behave when usage exceeds its plan.

**Know the difference**

**Capacity allocation** assigns prepaid credits to an environment. **Spillover settings** determine which capacity source can be used next. **Azure budgets** notify you about PAYG cost but don't stop consumption.

## Billing configurations and overage behavior

| Configuration                              | How capacity is assigned                                                                                                                             | How ongoing usage is handled                                                                                                                                                                                                                                                                     | Azure charge?                      | Stop / alert behavior                                                                                        |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>Prepaid only<br/>No fallback</b>        | Tenant-pooled credits are allocated to the environment.                                                                                              | For general custom-agent usage, Microsoft documents enforcement when the tenant reaches 125% of prepaid capacity. An active conversation can finish; affected agents are then disabled until capacity is added or reset. Agent flows are enforced separately when prepaid capacity is exhausted. | <b>No</b>                          | <b>Prepaid enforcement</b><br>Automatic at documented tenant thresholds, not at the environment allocation.  |
| <b>Prepaid +<br/>Tenant spillover</b>      | Environment allocation plus available tenant prepaid capacity.                                                                                       | Draws from the remaining tenant pool after its allocation. This reduces capacity otherwise available to other environments. Prepaid enforcement applies when the relevant shared capacity reaches its documented thresholds.                                                                     | <b>No</b>                          | <b>Prepaid enforcement</b><br>Automatic at documented tenant thresholds; agent flows are handled separately. |
| <b>PAYG only</b>                           | If available in the target GCC tenant, the environment is linked to an Azure billing plan.                                                           | While linked, billable Copilot Credits are metered to Azure. Removing PAYG stops future Azure charges but doesn't turn off the agent; continued operation depends on another entitlement or capacity path.                                                                                       | <b>Yes</b><br>All billable usage.  | <b>Cost alerts only</b><br>Azure budgets don't stop usage. Turn off the agent to stop agent activity.        |
| <b>Prepaid +<br/>PAYG overage</b>          | If available and configured in the target GCC tenant, prepaid allocation is used first and a linked Azure plan covers overage.                       | Additional usage is billed to Azure after prepaid capacity is consumed. Removing PAYG stops future Azure charges but doesn't itself turn off the agent.                                                                                                                                          | <b>Yes</b><br>Overage only.        | <b>Cost alerts only</b><br>Azure budgets don't stop PAYG. Turn off the agent to stop agent activity.         |
| <b>Microsoft 365 Copilot<br/>inclusion</b> | Employee-facing usage is included when the user has a Microsoft 365 Copilot license and the agent operates using that authenticated user's identity. | Fair-use limits apply. Agent-flow inclusion applies only to <b>When an agent calls the flow</b> ; computer-using agents are excluded. Nonincluded scenarios use the configured credit path.                                                                                                      | <b>Depends</b><br>On the scenario. | <b>Fair-use terms</b><br>Not an organizational spending control.                                             |

## What each control actually does

|                                                                                                  |                                                                                                           |                                                                                            |                                                                                                            |                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Environment allocation</b><br>Assigns prepaid credits from the tenant pool to an environment. | <b>Draw from tenant</b><br>Lets an environment use available shared prepaid credits after its allocation. | <b>Bill to PAYG</b><br>Sends applicable usage or overage to the linked Azure subscription. | <b>Azure budget</b><br>Sends actual or forecasted cost alerts. It doesn't stop agents or PAYG consumption. | <b>Disable or disconnect</b><br>Turning off the agent stops activity. Removing PAYG stops future Azure charges but doesn't itself turn off the agent. |
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**Reference only.** Based on public Microsoft documentation as of **July 23, 2026**. Confirm pricing, licensing, PAYG availability, overage routing, and reporting in the target GCC tenant and Microsoft agreement. Official Microsoft terms and documentation control.