

The Stochastic Model: 2-Stage SLP

$$\min c^\top x + \mathbb{E}_\xi [Q(x; \xi)]$$



here-and-now

wait-and-see

- The mathematical expectation, E , contains **all** the stochastic information.
- Multiple stages are easily incorporated by summation.
- LP is used here, but general nonlinear optimization is also possible.