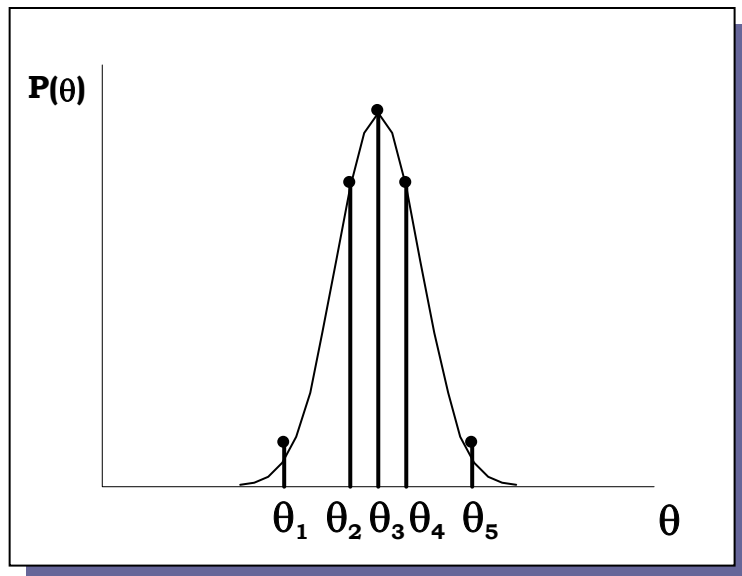


# SCENARIOS

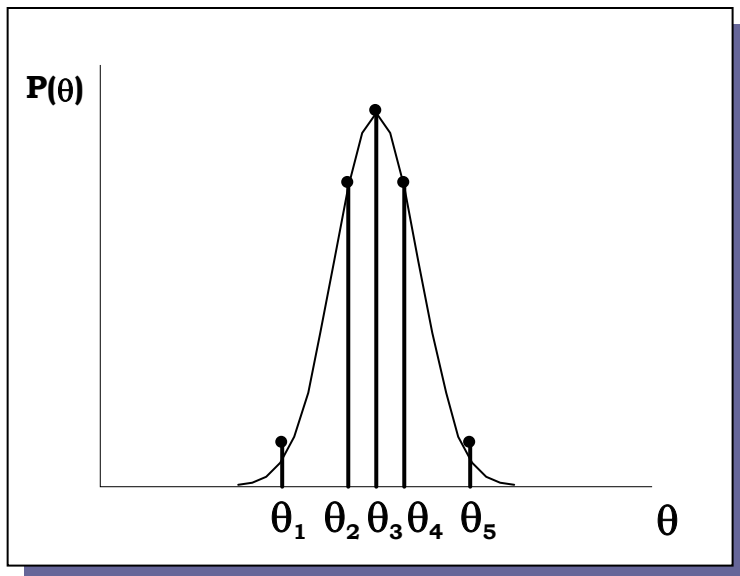
Consider each parameter probability distribution.



Discretize it.

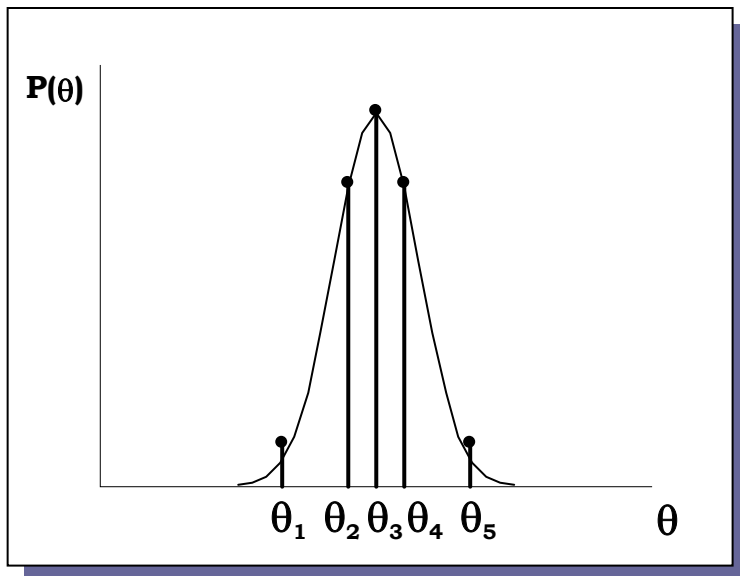
Option 1: pick values of probabilities. For example, for 3 values, pick 25%, 50% and 25% probability and find the values. Use the cumulative curve to locate the numbers.

# SCENARIOS



Option 2: pick equal probability values and find parameter values. For example, for 3 values, pick 33% and locate the points. Use the cumulative curve to do this.

# SCENARIOS



Option 3: pick values (equidistantly or randomly) and find the probability that corresponds to them from the area they “span”. Use the cumulative curve for this.

# SCENARIOS

Each scenario is constructed by picking one realization for each parameter.

## EXAMPLE:

2 parameters ( $\theta_1, \theta_2$ ). If each parameter is discretized in three instances ( $\theta_{i,\text{low}}$  25%,  $\theta_{i,\text{avg}}$  50%,  $\theta_{i,\text{hig}}$  25%)

# SCENARIOS

Scenario	Probability	Scenario	Probability
$\theta_{1,\text{low}}, \theta_{2,\text{low}}$	6.25%	$\theta_{1,\text{hig}}, \theta_{2,\text{low}}$	6.25%
$\theta_{1,\text{low}}, \theta_{2,\text{avg}}$	12.5%	$\theta_{1,\text{hig}}, \theta_{2,\text{avg}}$	12.5%
$\theta_{1,\text{low}}, \theta_{2,\text{hig}}$	6.25%	$\theta_{1,\text{hig}}, \theta_{2,\text{hig}}$	6.25%
$\theta_{1,\text{avg}}, \theta_{2,\text{low}}$	12.5%	SUM OF ALL PROBABILITIES=1	
$\theta_{1,\text{avg}}, \theta_{2,\text{avg}}$	25.0%		
$\theta_{1,\text{avg}}, \theta_{2,\text{hig}}$	12.5%		