Optimal Control of Nonlinear Systems with Controlled Transitions

Ming-Qing Xiao

Department of Mathematics, Southern Illinois University, Carbondale, IL62901/USA

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Abstract: This paper studies the optimum stochastic control problem with piecewise deterministic dynamics. The controls enter through the system dynamics as well as the transitions for the underlying Markov chain process, and are allowed to depend on both the continuous state and the current state of the Markov chain. The paper shows that the feedback optimal control relies on the viscosity solutions of a finite set of coupled Hamilton-Jacobi-Bellman (HJB) equations. Explicit control structures are provided by using the concept of subdifferential of a continuous function.

Keywords: Markov process; Hamilton–Jacobi–Bellman equations; viscosity solutions; β-stochastically stabilizable.

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1 Introduction

In this paper, we consider a dynamical system which is nonlinear in the state and linear in the piecewise continuous control \( u_1 \):

\[
\frac{dx}{dt}(t) = f(x(t), \theta(t)) + B(x(t), \theta(t))u_1(t),
\]

\[x(0) = x_0,\]

where \( x \in \mathbb{R}^n \), \( x_0 \) is a fixed (known) initial state, \( u_1 \) is a control, taking values in a bounded set \( U_1 \subset \mathbb{R}^r \), and \( \theta(t) \) is a controlled, continuous time Markov process, taking values in a finite state space \( S \), of cardinality \( s \). Transitions from state \( i \in S \) to \( j \in S \) occur at a rate controlled by a second controller, who chooses at time \( t \) an action \( u_2(t) \)

*Corresponding author: mxiao@math.siu.edu