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EXECUTIVE SUMMARY

•Objective:

Predict solar power generation using machine learning techniques to optimize energy production efficiency.

•Key Findings:

Best Model: XGBoost, with a final R² of 0.9608 and MSE of 631,631.

Feature Importance: AMBIENT_TEMPERATURE and DAILY_YIELD were the most critical predictors.

Cross-Validation: The model performed well with a mean cross-validation MSE of 706,671, confirming its robustness.

•Outcome:

The model provides reliable forecasts for solar power generation, suitable for real-time use.

INTRODUCTION

•Project Goal:

To forecast DC power generation using environmental factors like temperature and solar radiation.

• Why Solar Power Forecasting?:

Improves energy distribution and grid management.

Optimizes solar power plant operations, minimizing energy waste.

•Data Used:

Data Source: Solar Power Generation Data

Why Focus on Plant 1?: Plant 2 had inconsistent data with lower correlation to DC_POWER, reducing its predictive

power.

DATA COLLECTION AND WRANGLING

Step-by-Step Process

Data Collection:

Source: Solar Power Generation Data from Kaggle.

Data Structure: The dataset contains records from two solar

plants, each with variables such as DC_POWER, AC_POWER,

AMBIENT_TEMPERATURE, and IRRADIATION.

Reason for Focusing on Plant 1: Plant 2 had inconsistent and lower-quality data, leading to unreliable predictions, so we excluded it to ensure accuracy and reliability.

ETL Process Flowchart: Solar Power Generation Data

Extract:

Load dataset from Kaggle

Check for missing values, duplicates, and outliers

Transform:

Remove irrelevant columns (e.g., AC_POWER)

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Feature engineering (add lagged variables for DAILY_YIELD and TOTAL_YIELD)

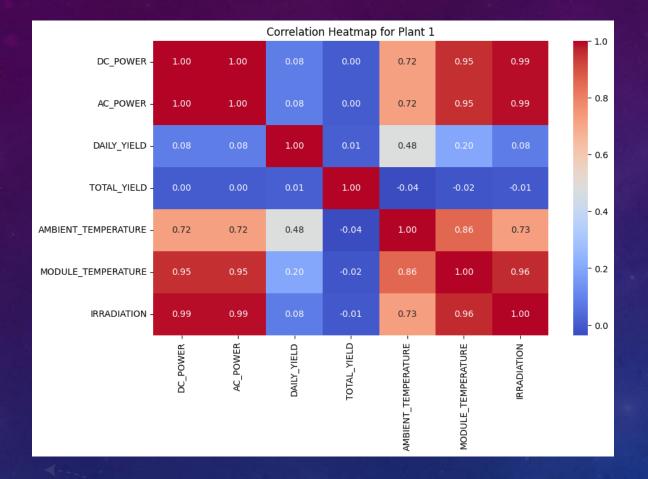
Normalize continuous variables (e.g., AMBIENT_TEMPERATURE, IRRADIATION)

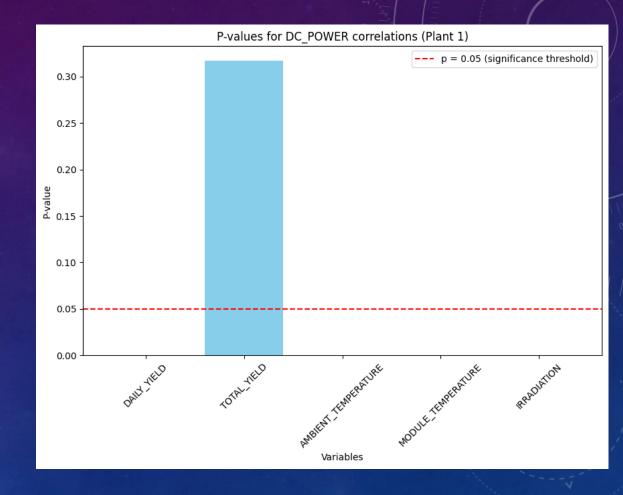
Load:

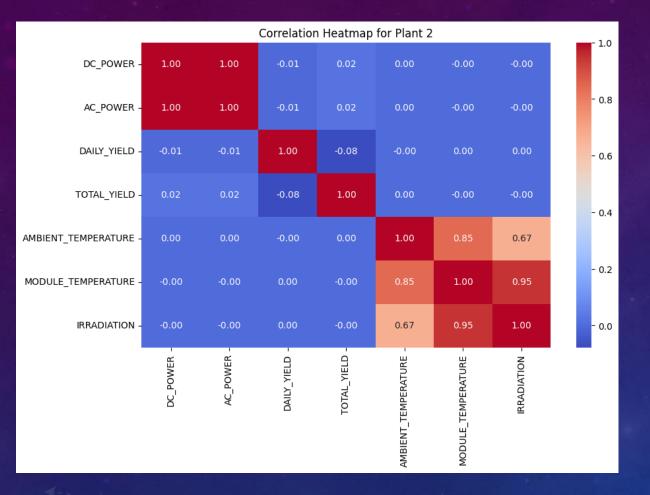
Prepare cleaned and transformed data for modeling

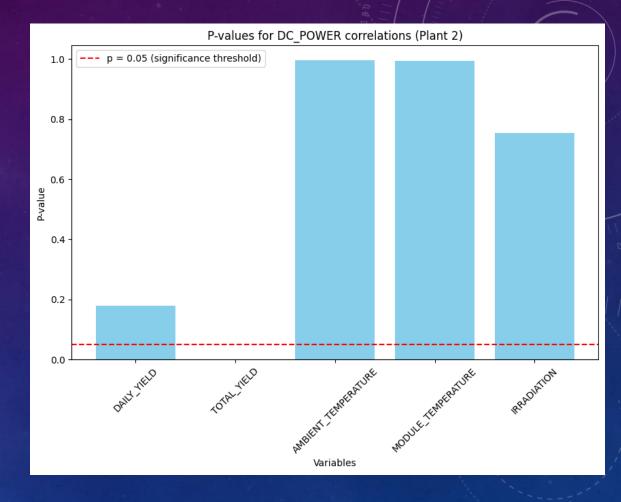
 \downarrow

Validate data quality and confirm readiness for analysis









Data Wrangling:

Missing Values: While the dataset had no missing values, we ran validation checks to confirm data quality.

Feature Selection: Focused on key features like DAILY_YIELD, TOTAL_YIELD, and temperature-related metrics, which showed high relevance to DC_POWER.

Reasoning for Removing AC_POWER: It showed weak correlation with DC_POWER, which justified its exclusion to reduce model complexity.

VARIABLES USED IN THE MODEL

Key Variables

• Target Variable:

DC_POWER: The model predicts this based on other features.

Predictor Variables:

DAILY_YIELD: Daily energy output.

TOTAL_YIELD: Cumulative energy produced.

AMBIENT_TEMPERATURE: External temperature affecting efficiency.

MODULE_TEMPERATURE: Solar panel temperature.

IRRADIATION: Solar radiation received.

Lagged Variables: Added DAILY_YIELD_LAG1, TOTAL_YIELD_LAG1 to enhance time-series prediction.

METHODOLOGY - EDA & FEATURE ENGINEERING

Exploratory Data Analysis (EDA):

- •Correlation Heatmaps: Revealed strong relationships between features and the target variable DC_POWER, particularly for temperature and irradiation.
- Multicollinearity Check: Handled through variance inflation factor (VIF), ensuring no multicollinearity issues in the features.

Feature Engineering:

• Reasoning: Added lagged features to capture time-series behavior in solar power generation. This helps the model account for temporal patterns.

METHODOLOGY - MODEL DIAGNOSTICS

- Model Diagnostics and Assumption Testing:
- Breusch-Pagan Test for Heteroskedasticity:

Ensures constant variance in residuals, which is essential for accurate predictions.

Result: The Breusch-Pagan p-value was extremely small (4.99e-304), indicating the presence of heteroskedasticity. To address this, heteroscedasticity-robust standard errors were used.

Variance Inflation Factor (VIF) for Multicollinearity:

Measures collinearity among predictor variables. High VIF values indicate problematic multicollinearity.

Result:

- DAILY_YIELD and TOTAL_YIELD had acceptable VIF scores (<5), indicating low multicollinearity.
- AMBIENT_TEMPERATURE, MODULE_TEMPERATURE, and IRRADIATION had high VIF scores, with MODULE_TEMPERATURE and IRRADIATION being the most problematic (VIF > 10). Multicollinearity needed attention.
- Durbin-Watson Test for Autocorrelation:
 - Checks if residuals are independent. A value close to 2 indicates no autocorrelation.
 - **Result**: The Durbin-Watson statistic was 1.32, which suggests slight positive autocorrelation in the residuals.

```
X = merged data plant 1.drop(columns=['DC POWER'])
X = X.select_dtypes(include=[np.number]) # Keep only numeric columns
X = sm.add_constant(X) # Add intercept
y = merged data_plant 1['DC POWER']
model = sm.OLS(y, X).fit()
_, pval_breusch, _, _ = het_breuschpagan(model.resid, model.model.exog)
print(f'Breusch-Pagan p-value: {pval breusch}')
vif_data = pd.DataFrame()
vif_data['Variable'] = X.columns
vif_data['VIF'] = [variance_inflation_factor(X.values, i) for i in range(X.shape[1])]
print("\nVIF:")
print(vif data)
dw_stat = durbin_watson(model.resid)
print(f'\nDurbin-Watson statistic: {dw_stat}')
```

Breusch-Pagan p-value: 4.989168496217311e-304

VIF:

	Variable	VIF
0	const	485.661682
1	DAILY_YIELD	1.656402
2	TOTAL_YIELD	1.004786
3	AMBIENT_TEMPERATURE	9.172826
4	MODULE_TEMPERATURE	44.770729
5	IRRADIATION	24.786823

Durbin-Watson statistic: 1.3177611907434237

METHODOLOGY - MODEL REFINEMENT

Model Refinement and Feature Engineering:

Handling Multicollinearity:

Removed MODULE_TEMPERATURE and IRRADIATION due to high VIF values, indicating strong multicollinearity.

Rationale: Keeping multicollinear features would distort the model, so eliminating them improved clarity in feature impact.

•Introduction of Lagged Variables:

Added a lagged feature (DAILY_YIELD_LAG1) to capture temporal effects on DC_POWER.

Rationale: Lagged variables help improve the model by considering the impact of past energy yields on current power generation.

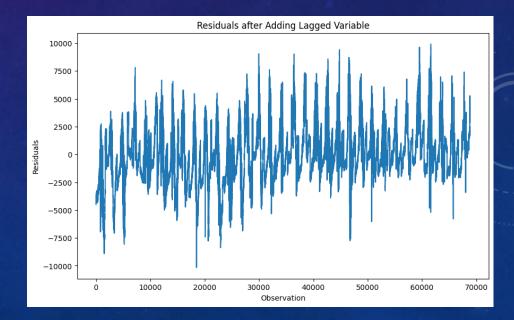
Revised Model Fit:

After making these changes, the model was refitted using heteroscedasticity-robust standard errors to account for any residual heteroskedasticity.

Visual Representation: A plot of residuals after adding lagged variables shows improved consistency.

```
X = merged_data_plant_1.drop(columns=['DC_POWER', 'MODULE_TEMPERATURE', 'IRRADIATION', 'DATE_TIME'])
y = merged_data_plant_1['DC_POWER']
X = X.apply(pd.to_numeric, errors='coerce')
X = X.dropna()
y = y.loc[X.index]
X = sm.add_constant(X)
model_robust = sm.OLS(y, X).fit(cov_type='HC0')
print("Initial Model Summary:")
print(model_robust.summary())
vif["Feature"] = X.columns
vif["VIF"] = [variance_inflation_factor(X.values, i) for i in range(X.shape[1])]
print("\nVariance Inflation Factors (VIF):")
print(vif)
X['DAILY_YIELD_LAG1'] = X['DAILY_YIELD'].shift(1)
X = X.dropna()
y = y.loc[X.index]
model_lag = sm.OLS(y, X).fit(cov_type='HC0')
print("\nModel Summary After Adding Lagged Variable:")
print(model_lag.summary())
plt.figure(figsize=(10, 6))
plt.plot(model_lag.resid)
plt.title('Residuals after Adding Lagged Variable')
plt.ylabel('Residuals')
```

Dep. Variable: DC POWER			R-squared:			0.617	
Model: OLS			Adi. R-squared:			0.617	
Method:	Least Squares Wed, 25 Sep 2024					2.827e+04 0.00 -6.3588e+05	
Date:							
Time:							
No. Observations:		68803	AIC:			1.272e+06	
Df Residuals:		68799	BIC:			1.272e+06	
Df Model:							
Covariance Type:		HC0					
=======================================						.=======	
	coef	std (err		P> z	[0.025	0.975
const	-2.539e+04	182.	127 -1	39.394	0.000	-2.57e+04	-2.5e+0
DAILY_YIELD	-0.4416	0.0	003 - 1 ₁	49.237	0.000	-0.447	-0.43
TOTAL_YIELD	0.0004	2.27e	- 05	16.808	0.000	0.000	0.00
AMBIENT_TEMPERATURE	1069.1488	3.6	696 2	89.261	0.000	1061.905	1076.39
 Omnibus:	Durbin-Watson:			0.133			
Prob(Omnibus):	-3		Jarque-Bera (JB):			1791.038	
Skew:			Prob(J			0.06	
Kurtosis:		3.732	Cond.			1.33e+08	3



METHODOLOGY - RESIDUAL ANALYSIS

- Residual Diagnostics for Final Model:
- Residual Analysis:

Analyzed the residuals of the final ARIMA model to ensure they follow a normal distribution and do not exhibit patterns over time.

Why: Checking residuals ensures that the model assumptions of independence, homoscedasticity, and normality hold, which is crucial for accurate forecasting.

Autocorrelation Function (ACF) and Partial Autocorrelation Function (PACF):

The ACF and PACF plots help detect autocorrelation in the residuals, which could indicate that the model hasn't captured all the information in the data.

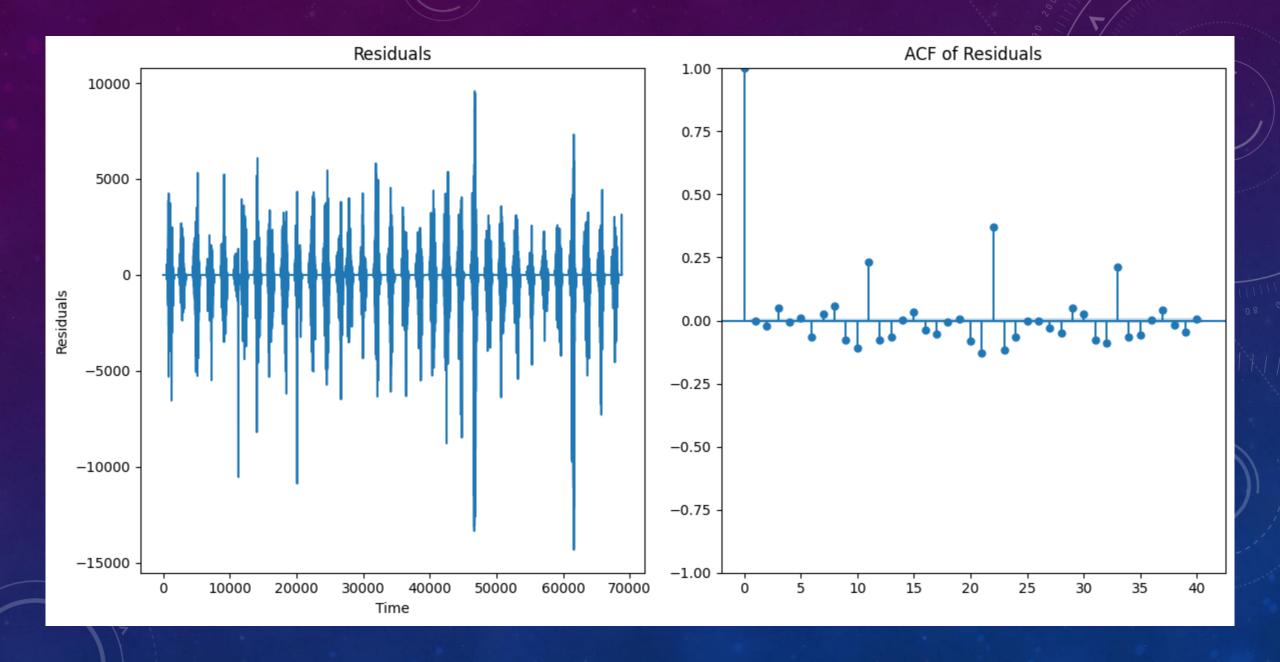
Why: Residuals should ideally have no significant autocorrelation, confirming the model is well-specified.

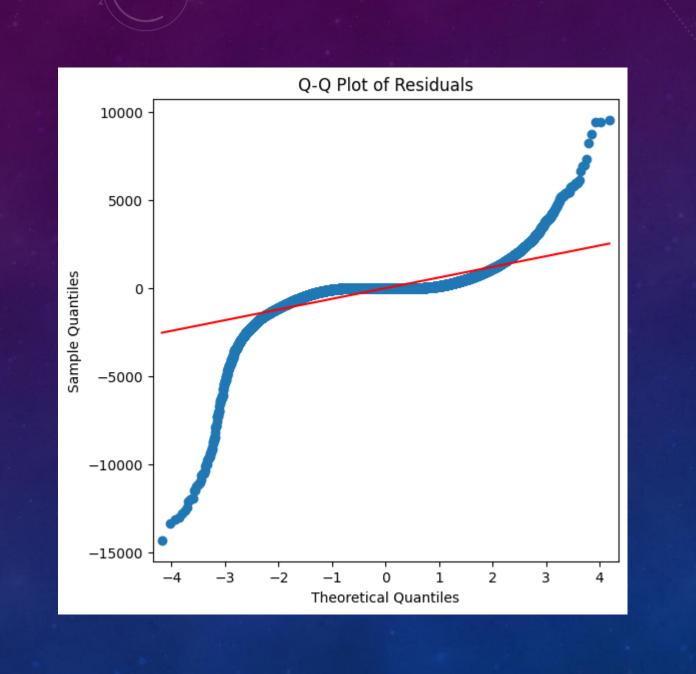
Normality Check (Q-Q Plot and Jarque-Bera Test):

Used a Q-Q plot and performed the Jarque-Bera test to assess whether residuals are normally distributed.

Result: (Include Jarque-Bera result to explain if the residuals follow a normal distribution.)

Why: Normality of residuals helps validate that the model is reliable and robust for inference.





METHODOLOGY - MODEL REFINEMENT (LAGGED VARIABLES)

Introducing Lagged Variables:

•Feature Engineering:

Added lagged variables for DAILY_YIELD and TOTAL_YIELD to capture temporal dependencies in the data.

Why: Energy production often depends on past values, so incorporating lagged variables helps improve predictive power by capturing these relationships.

• Model Refinement:

Refit the model with the newly added lagged variables.

Why: The addition of lagged variables aims to improve the model's ability to predict DC_POWER by considering past values of key features.

Residual Diagnostics After Lagging:

Residuals with Lagged Variables:

Residuals were analyzed again to check for patterns after adding the lagged variables.

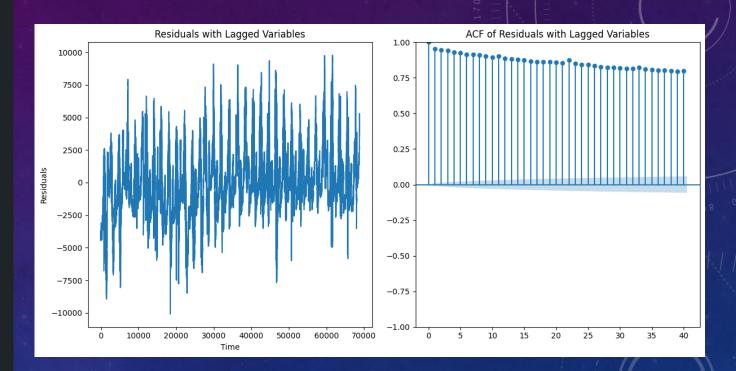
Why: It's essential to ensure that adding lagged variables improves the model's performance without introducing new issues like autocorrelation.

Autocorrelation Check (ACF):

ACF plot of residuals was used to confirm whether autocorrelation was still present.

Why: Ideally, residuals should have no significant autocorrelation, confirming that the model captures the data well.

```
X['DAILY_YIELD_LAG1'] = X['DAILY_YIELD'].shift(1)
X['DAILY_YIELD_LAG2'] = X['DAILY_YIELD'].shift(2)
X['TOTAL YIELD_LAG1'] = X['TOTAL_YIELD'].shift(1)
X = X.dropna()
model_lagged = sm.OLS(y.loc[X.index], X).fit(cov_type='HC0')
print(model_lagged.summary())
residuals_lagged = model_lagged.resid
plt.figure(figsize=(12, 6))
plt.subplot(1, 2, 1)
plt.plot(residuals_lagged)
plt.title('Residuals with Lagged Variables')
plt.xlabel('Time')
plt.ylabel('Residuals')
plt.subplot(1, 2, 2)
plot acf(residuals lagged, lags=40, ax=plt.gca())
plt.title('ACF of Residuals with Lagged Variables')
plt.tight_layout()
plt.show()
```



METHODOLOGY - MODEL SELECTION

Models Tested:

- 1.Random Forest
- 2. Gradient Boosting
- 3.XGBoost
- 4. Support Vector Machines
- 5.Linear Regression

Selection Criteria:

Mean Squared Error (MSE): Measures prediction accuracy.

R-squared: Measures how well the model explains the variance in DC_POWER.

Best Model: XGBoost performed the best, providing a balance between accuracy and computational efficiency.

```
models = {
    'Random Forest': RandomForestRegressor(n_estimators=100, random_state=42),
    'Linear Regression': LinearRegression(),
    'Gradient Boosting': GradientBoostingRegressor(n_estimators=100, random_state=42),
    'Decision Tree': DecisionTreeRegressor(random_state=42)
# Store results
results = {}
for name, model in models.items():
    model.fit(X train, y train)
    y pred = model.predict(X test)
    mse = mean_squared_error(y_test, y_pred)
    r2 = r2_score(y_test, y_pred)
    results[name] = {'MSE': mse, 'R2': r2}
for name, result in results.items():
    print(f'{name}:')
              Mean Squared Error: {result['MSE']}")
    print(f"
    print(f"
              R-squared: {result['R2']}")
```

Random Forest:

Mean Squared Error: 544483.758569032

R-squared: 0.9662284211825973

Linear Regression:

Mean Squared Error: 6106786.111340532

R-squared: 0.6212268865059101

Gradient Boosting:

Mean Squared Error: 2241848.612025071

R-squared: 0.8609494481586258

Decision Tree:

Mean Squared Error: 1007078.7118486665

R-squared: 0.9375359915566452

```
models = {
    'XGBoost': XGBRegressor(n_estimators=100, random_state=42),
    'LightGBM': LGBMRegressor(n estimators=100, random state=42),
    'SVM': SVR(kernel='rbf') # Using rbf kernel to capture non-linear trends
results = {}
for name, model in models.items():
    model.fit(X_train, y_train)
    y pred = model.predict(X test)
    mse = mean_squared_error(y_test, y_pred)
   r2 = r2_score(y_test, y_pred)
    results[name] = {'MSE': mse, 'R-squared': r2}
for name, metrics in results.items():
    print(f"{name}:")
    print(f" MSE: {metrics['MSE']}")
    print(f" R-squared: {metrics['R-squared']}")
```

```
[LightGBM] [Info] Auto-choosing row-wise multi-threading, the overhead of testing was 0.000909 seconds.

You can set `force_row_wise=true` to remove the overhead.

And if memory is not enough, you can set `force_col_wise=true`.

[LightGBM] [Info] Total Bins 1530

[LightGBM] [Info] Number of data points in the train set: 55040, number of used features: 6

[LightGBM] [Info] Start training from score 3151.818499

XGBoost:

MSE: 1143139.5546690864

R-squared: 0.9290968243547654

LightGBM:

MSE: 1476544.7468729883

R-squared: 0.9084173834174691

SVM:

MSE: 23405959.469281018

R-squared: -0.45175350517556057
```

WHY WE CHOSE XGBOOST OVER RANDOM FOREST

1. Performance and Speed:

XGBoost is optimized for speed and performance, using gradient boosting to iteratively improve predictions. Faster and more efficient for large datasets compared to Random Forest.

2. Built-in Regularization:

XGBoost incorporates L1 and L2 regularization, which helps prevent overfitting by penalizing model complexity. Random Forest lacks this built-in feature, making XGBoost more robust when overfitting is a concern.

3. Handling Imbalanced Data:

XGBoost provides parameters like scale_pos_weight to better manage imbalanced datasets. This improves the model's performance on datasets where one class dominates.

4. Advanced Hyperparameter Tuning:

XGBoost offers more customization and tuning options (e.g., learning_rate, max_depth, n_estimators). These options allow for a more refined and optimized model compared to Random Forest.

5. Cross-Validation and Early Stopping:

XGBoost includes early stopping to halt training when performance stops improving, avoiding overfitting. Random Forest doesn't have this built-in functionality, requiring more manual checks.

6. Handling Missing Data:

XGBoost can handle missing values automatically by learning how to manage missing data points. Random Forest requires more manual data preprocessing to handle missing data effectively.

METHODOLOGY - HYPERPARAMETER TUNING

Why Tuning?:

Avoiding Overfitting: Hyperparameter tuning helps prevent the model from becoming too complex.

Improving Accuracy: Tuned parameters like max_depth, learning_rate, and n_estimators led to a significant performance boost.

Tuned XGBoost Parameters:

Max Depth: 10, Learning Rate: 0.1, Estimators: 500, Subsample: 0.8.

HYPERPARAMETER TUNING WITH GRIDSEARCHCV

Tuning XGBoost for Optimal Performance

•Why: Tuning hyperparameters allows us to optimize the model's performance by finding the best combination of parameters that minimize error.

Steps Taken:

• Grid Search:

We defined a parameter grid that included different values for n_estimators, max_depth, learning_rate, subsample, and colsample_bytree. Why: These parameters control how the XGBoost model grows decision trees and combines them. By systematically testing combinations, we find the most effective setup.

Cross-Validation:

Applied 3-fold cross-validation within the grid search to ensure the model performs well across different data splits. Why: Cross-validation reduces the risk of overfitting by evaluating the model on multiple training/validation splits.

Results:

- •Best Parameters: {'colsample_bytree': 0.8, 'learning_rate': 0.1, 'max_depth': 10, 'n_estimators': 500, 'subsample': 0.8}

 These were the parameters that minimized the mean squared error (MSE) across the training data.
- •Test Set Evaluation:
 - •After tuning, the final model was evaluated on the test set:

Tuned XGBoost MSE: 631631.9427001182

Tuned XGBoost R-squared: R-squared: 0.9608230592726087Conclusion:

• Why Tuning Matters: The hyperparameter tuning process helped improve the model's performance by finding the best parameter configuration.

```
param_grid = {
    'n estimators': [100, 300, 500],
    'max depth': [3, 5, 10],
    'learning_rate': [0.01, 0.1, 0.2],
    'subsample': [0.6, 0.8, 1.0],
    'colsample bytree': [0.6, 0.8, 1.0]
xgb_model = XGBRegressor(random_state=42)
xgb cv = GridSearchCV(estimator=xgb_model, param_grid=param_grid,
                      cv=3, scoring='neg mean squared error', verbose=2, n jobs=-1)
xgb_cv.fit(X_train, y_train)
print(f"Best Parameters: {xgb_cv.best_params_}")
best xgb = xgb cv.best estimator
y_pred_xgb = best_xgb.predict(X_test)
mse_xgb = mean_squared_error(y_test, y_pred_xgb)
r2_xgb = r2_score(y_test, y_pred_xgb)
print(f"Tuned XGBoost MSE: {mse_xgb}")
print(f"Tuned XGBoost R-squared: {r2_xgb}")
```

Best Parameters: {'colsample_bytree': 0.8, 'learning_rate': 0.1, 'max_depth': 10, 'n_estimators': 500, 'subsample': 0.8}
Tuned XGBoost MSE: 631631.9427001182
Tuned XGBoost R-squared: 0.9608230592726087

METHODOLOGY - CROSS-VALIDATION

Why Cross-Validation?:

Reasoning: Ensures the model's generalizability by testing its performance on multiple splits of the data.

Cross-Validation Results:

Mean MSE: 706,671.

Consistency: The model performed well across all data splits, confirming its robustness.

```
final_xgb_model = XGBRegressor(
   colsample bytree=0.8,
   learning_rate=0.1,
   -max_depth=10,
   n estimators=500,
   -random state=42
cv_scores = cross_val_score(final_xgb_model, X_train, y_train, cv=5, scoring='neg_mean_squared_error')
cv_mse_scores = --cv_scores
mean_cv_mse = cv_mse_scores.mean()
std_cv_mse = cv_mse_scores.std()
print(f"Cross-Validation MSE scores: {cv mse scores}")
print(f"Mean Cross-Validation MSE: {mean_cv_mse}")
print(f"Standard Deviation of MSE: {std_cv_mse}")
final_xgb_model.fit(X_train, y_train)
y pred = final_xgb_model.predict(X_test);
test mse = mean squared error(y test, y pred)
test_r2 = r2_score(y_test, y_pred)
print(f"Test MSE: {test_mse}")
print(f"Test R-squared: {test_r2}")
```

Cross-Validation MSE scores: [733209.55497024 745480.8475119 670336.1335878 678990.51639581

705337.97210963]

Mean Cross-Validation MSE: 706671.0049150748 Standard Deviation of MSE: 29321.349958405808

Test MSE: 631631.9427001182

Test R-squared: 0.9608230592726087

RESULTS - FEATURE IMPORTANCE

Top Features:

1.AMBIENT_TEMPERATURE: Most important predictor of solar power generation.

2.DAILY_YIELD: Also highly important, capturing the day-to-day variation in energy production.

3.Lagged Variables: Contributed significantly to improving model accuracy.

Why We Kept All Features:

•Removing low-importance features led to a drop in performance, so they were retained.

RESULTS - MODEL PERFORMANCE

Final Model Performance (XGBoost):

•Test Set MSE: 631,631.

•R-squared: 0.9608, indicating that the model explained 96% of the variance in DC_POWER.

Cross-Validation:

•Consistently low MSE values across different data splits confirmed the model's robustness.

```
final_xgb_model = XGBRegressor(
   colsample bytree=0.8,
   learning_rate=0.1,
   max_depth=10,
   n_estimators=500,
   subsample=0.8,
   random_state=42
cv_scores = cross_val_score(final_xgb_model, X_train, y_train, cv=5, scoring='neg_mean_squared_error')
cv_mse_scores = -cv_scores
mean_cv_mse = cv_mse_scores.mean()
std_cv_mse = cv_mse_scores.std()
print(f"Cross-Validation MSE scores: {cv_mse_scores}")
print(f"Mean Cross-Validation MSE: {mean cv mse}")
print(f"Standard Deviation of MSE: {std_cv_mse}")
final_xgb_model.fit(X_train, y_train)
y_pred = final_xgb_model.predict(X_test)
test_mse = mean_squared_error(y_test, y_pred)
test_r2 = r2_score(y_test, y_pred)
print(f"Test MSE: {test_mse}")
print(f"Test R-squared: {test_r2}")
```

Cross-Validation MSE scores: [733209.55497024 745480.8475119 670336.1335878 678990.51639581 705337.97210963]

Mean Cross-Validation MSE: 706671.0049150748 Standard Deviation of MSE: 29321.349958405808

Test MSE: 631631.9427001182

Test R-squared: 0.9608230592726087

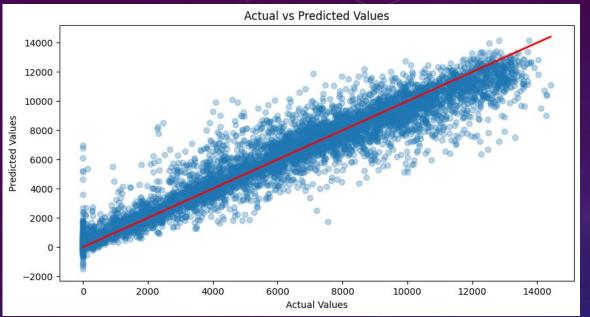
VISUALIZATIONS

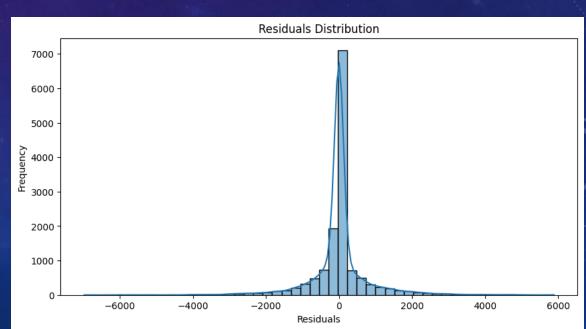
Actual vs Predicted Plot:

 Interpretation: The plot shows a close alignment between the actual and predicted values, indicating strong model performance.

Residual Plot:

• Interpretation: The residuals are evenly distributed around zero, which means the model is making accurate predictions without systematic errors.





CONCLUSION

•Summary:

The XGBoost model provided accurate predictions with low error rates.

Feature Engineering and **Hyperparameter Tuning** were key to improving model performance.

Lagged Variables and temperature factors played a crucial role in predictive accuracy.

• Challenges:

Removing Plant 2 due to data inconsistencies.

Handling multicollinearity and ensuring data quality were critical steps.

•Next Steps:

Deploy the model for real-time solar power forecasting.

Integrate weather forecasting data to further improve accuracy.

APPENDIX

- Additional Visuals:
 - Heatmaps, feature importance plots, and residual analysis.
- Hyperparameter Tuning Details: Full tuning process for XGBoost and other models.
- Data Source: Solar Power Generation Data.

