Forecasting Weather Changes

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Forecasting Weather Changes Using Exponential Smoothing

Using the 20 years of daily high temperature data for Atlanta (July through October) (file temps.txt), build and use an exponential smoothing model to help make a judgment of whether the unofficial end of summer has gotten later over the 20 years.

Preparing Our Data

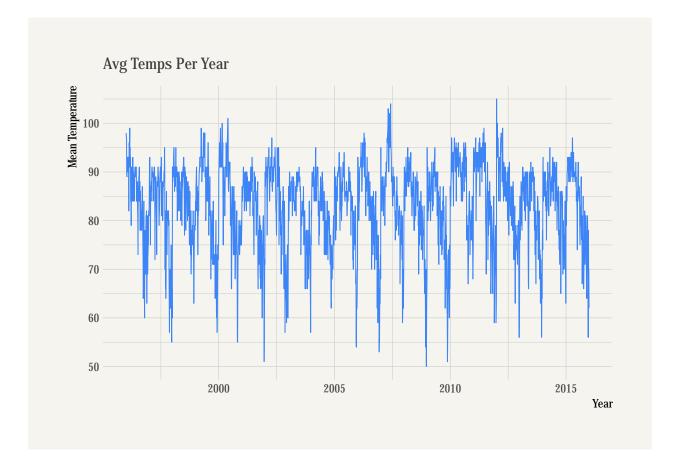
We load in our file as usual and inspect it.

```
file <- 'temps.txt'
temps <- read.table(file,header=T)
col_names <- seq(1996,2015,by=1)
colnames(temps)[-1] <- col_names
head(temps)</pre>
```

```
##
       DAY 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009
## 1 1-Jul
                                                                              95
              98
                    86
                          91
                                84
                                      89
                                           84
                                                 90
                                                       73
                                                            82
                                                                  91
                                                                        93
                                                                                    85
                                                                                         95
## 2 2-Jul
                    90
                                82
                                           87
                                                 90
                                                                  89
                                                                        93
                                                                              85
                                                                                    87
                                                                                         90
              97
                          88
                                      91
                                                       81
                                                             81
## 3 3-Jul
              97
                    93
                          91
                                87
                                      93
                                           87
                                                 87
                                                       87
                                                             86
                                                                  86
                                                                        93
                                                                              82
                                                                                    91
                                                                                         89
## 4 4-Jul
              90
                    91
                          91
                                88
                                      95
                                           84
                                                 89
                                                       86
                                                             88
                                                                  86
                                                                        91
                                                                              86
                                                                                    90
                                                                                         91
                          91
                                90
                                      96
                                                 93
## 5 5-Jul
              89
                    84
                                           86
                                                       80
                                                            90
                                                                  89
                                                                        90
                                                                              88
                                                                                    88
                                                                                         80
## 6 6-Jul
              93
                    84
                          89
                                91
                                      96
                                           87
                                                 93
                                                       84
                                                            90
                                                                  82
                                                                        81
                                                                              87
                                                                                    82
                                                                                         87
     2010 2011 2012 2013 2014 2015
## 1
        87
             92
                  105
                         82
                               90
                                    85
## 2
       84
             94
                   93
                         85
                               93
                                    87
## 3
        83
             95
                   99
                         76
                               87
                                    79
## 4
        85
             92
                   98
                         77
                               84
                                    85
## 5
        88
             90
                  100
                         83
                               86
                                    84
## 6
        89
             90
                   98
                         83
                               87
                                    84
```

In order to build an exponential smoothing model, we need to first convert our data into a time-series object. If we take a look at HoltWinters, it takes in a ts object. But if we inspect the ts() function, we'll notice that it only takes in a vector or a matrix of our time-series values. It's like peeling back one layer of onion only for us to have to peel back another layer!

So, first, we convert our temps data into a vector and then convert it into a time-series object. This is optional, but I chose to plot how our data looks like as a time-series object.



The Holt-Winters' Method

Looks gnarly, but the plot actually helps us identify what kind of smoothing model we need for our data. If we examine the plot, we see some familiar patterns that wax and wane for the same 4-month time period across 20ish years.

This indicates that we may be dealing with data that has seasonal trends (obviously, weather patterns are rather predictable). As a result, we'll seek to build a model that incorporates the level smoothing equation,

plus the trend, and seasonal component, since we're trying to conclusively determine if there is a trend (apart from just looking at the plot).

This is otherwise known as the Holt-Winters' (HW) seasonal method, a generalization of exponential smoothing. There are two "flavors" of the HW method: additive and multiplicative.

The additive method is preferred when the seasonal variations are roughly constant through the series, while the multiplicative method is preferred when the seasonal variations are changing proportional to the level of the series. I'm not sure which one to choose, so I'm going to try both.

But before we do that, we need to determine our best parameters for our Holt-Winters' model. If we don't supply parameters for the model, the function will determine the best values on its own. Before I have the function do it for me, I want to determine the α, β, γ values on our own.

Choosing our α, β, γ Values

```
##
     alpha beta gamma seasonal
## 1
       0.1
              0
                 0.1 additive
## 2
              0
                  0.1 additive
       0.2
## 3
       0.3
              0
                  0.1 additive
## 4
                  0.1 additive
       0.4
              0
## 5
       0.5
              0
                  0.1 additive
## 6
       0.6
                  0.1 additive
```

head(parameter_grid[1101:1106,])

```
##
        alpha beta gamma
                               seasonal
## 1101
         0.1
                0
                     0.1 multiplicative
## 1102
         0.2
                0
                    0.1 multiplicative
        0.3
                    0.1 multiplicative
## 1103
                0
## 1104
         0.4
                     0.1 multiplicative
                Ω
                     0.1 multiplicative
## 1105
         0.5
                0
## 1106
         0.6
                0
                     0.1 multiplicative
```

```
for(i in 1:nrow(parameter_grid)){
                 ## we set each row as params
                 params <- parameter_grid[i,]</pre>
                 ## then we access the seasonal column and check if it matches
                 ## type, if it does, the following happens
                 if(params$seasonal==type){
                         ## we supply our model with the values of each params row
                         hw model <- HoltWinters(temps.ts,</pre>
                                                   alpha = params$alpha,
                                                   beta = params$beta,
                                                   gamma = params$gamma,
                                                   seasonal=type)
                 }
                         ## calculate the mean squared error (MSE)
                         mse <- hw_model$SSE/nrow(hw_model$fitted)</pre>
        ## then moving out of the inner loop, we check our type
        if(type=='additive'){
                 ## if it meets the condition above, we pass it through another test
                 if(mse < best_mse_additive) {</pre>
                         ## if our current MSE is less than the best,
                         ## then we update it as our best and repeat until it
                         ## reaches its highest value
                         best_mse_additive <- mse</pre>
                         best_params_additive <- params</pre>
        } else{
                 ## if type != 'additive', then this happens
                 if(mse < best_mse_multiplicative){</pre>
                          ## we repeat the same process for multiplicative
                         best_mse_multiplicative <- mse</pre>
                         best_params_multiplicative <- params</pre>
                 }
        }
}
best_params <- rbind(best_params_additive, best_params_multiplicative)</pre>
best_params$RMSE <- c(sqrt(best_mse_additive),sqrt(best_mse_multiplicative))</pre>
colnames(best_params) <- c("Alpha", "Beta", "Gamma", "Seasonality", "RMSE")</pre>
kable(
        best_params,
        align='c',
        caption='Best Values'
```

Table 1: Best Values

	Alpha	Beta	Gamma	Seasonality	RMSE
667	0.7	0	0.7	additive	5.326015
1546	0.6		0.5	multiplicative	5.431907

What do our α, β, γ values mean in the context of our data set? As we learned, α controls the smoothing of the level component. It determines how much weight should be given to the most recent observation when updating the estimated level. This is our level equation:

$$S_t = \alpha x_t + (1 - \alpha)S_{t-1} \quad 0 < \alpha \le 1$$

The higher α is the more weight we give to the most recent observation. Conversely, the lower α is the more we rely on past observations. An α value of 0.7 suggests that the model places relatively high weight on the most recent observation when updating the level component.

 β controls the smoothing of the trend component, determining how much weight should be given the most recent change in the level when updating the estimated trend.

$$T_t = \beta(S_t - S_{t-1}) + (1 - \beta)T_{t-1}$$

Like α , β determines how much weight should be given to the most recent change in the level. A higher β places more weight on recent changes, while a lower β places more weight on historical changes in the level equation. A β of 0.1 suggests that the model places relatively low weight on recent changes, implying that our trend is relatively stable and is less responsive to recent changes.

Finally, γ controls the smoothing of the seasonal component. What if our data shows trends and seasonality? In this case, double smoothing will not work, and we will need to include a seasonal component, which includes the γ parameter. γ determines how much weight should be given to seasonal patterns when updating the estimated season component, given as:

$$C_t = \gamma(\frac{x_t}{S_t}) + (1 - \gamma)C_{t-1}$$

As our equation suggests, the higher γ is the more weight we place on seasonal patterns, where previous seasonal patterns matter less as the second term gets smaller and smaller. On the other hand, the smaller γ is the less weight we place on seasonality. A γ of 0.6 means that our model places relatively higher weight on seasonal patterns, making it more sensitive to changes in seasonality.

Put together, we get this nasty-looking equation:

$$S_t = \alpha(\frac{x_t}{C_{t-1}}) + (1 - \alpha)(S_{t-1} + Tt - 1)$$

Another thing that we see in our table is that that our additive model performed slightly better than the multiplicative model with slightly smaller RMSE. I'm inclined to run with additive seasonals, but just for kicks, let's test to see how they both look on graphs compared to our original data.

```
hw.add <- HoltWinters(temps.ts, seasonal='additive')
hw.mult <- HoltWinters(temps.ts, seasonal='multiplicative')</pre>
```

What the Holt-Winters' model does is it uses our data from the year 1996 as its input data to predict the temperatures of the subsequent years. This is why our temps.ts data differs in the number of rows (2460) from hw.add and hw.mult, which contains 2337, missing 123 rows from 1996.

I want to create a chart that fits the models to our original data. To do that, I'm going to prepare the data and put it into a data frame.

```
## we subset our temps.ts vector starting with 1997
temps_subset <- window(temps.ts, start = c(1997, 1))
## we grab the fitted values from the HW additive method
hw.add_fitted <- hw.add$fitted[, "xhat"]
## then we grab the fitted values from the HW multiplicative method
hw.mult_fitted <- hw.mult$fitted[, "xhat"]
dates <- index(temps_subset)
## creating a data frame for plotting</pre>
```

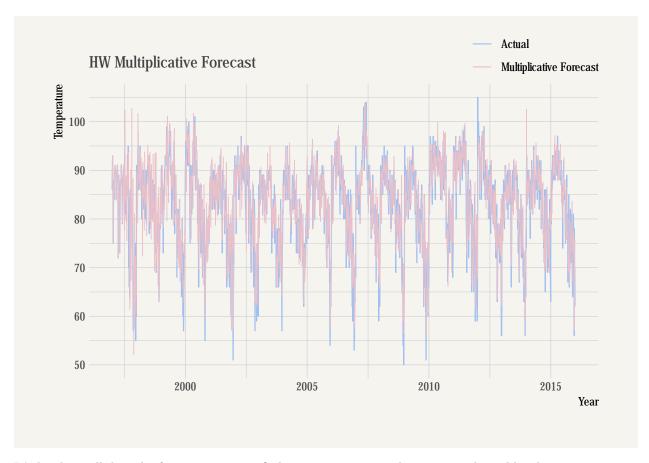
Table 2: Comparing Models with Original Data

Date	Actual Temperature	Additive Forecast	Multiplicative Forecast
1997.000	86	87.17619	87.23653
1997.008	90	90.32925	90.42182
1997.016	93	92.96089	92.99734
1997.024	91	90.93360	90.94030
1997.033	84	83.99752	83.99917
1997.041	84	84.04358	84.04496

Now that we've created our data frame, let's compare them to the original data. I'll plot the multiplicative model first, then the additive.

Multiplicative Model Plot

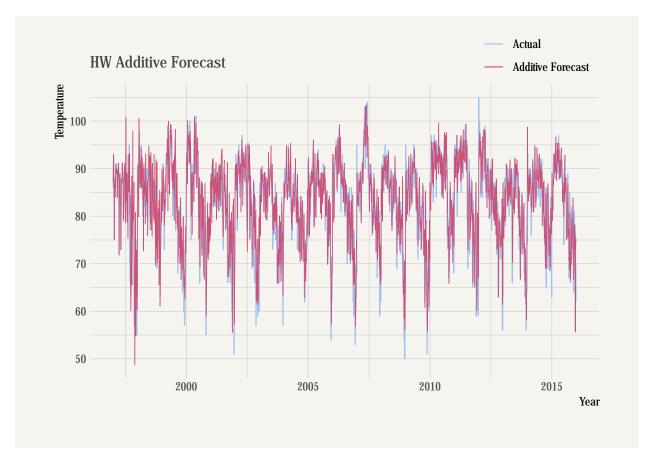
```
## we plot the multiplicative method first
ggplot(plot_data, aes(x = Date)) +
  geom_line(aes(y = Actual, color='Actual'), linewidth = .4) +
  geom_line(aes(y = Multiplicative_Forecast, color = "Multiplicative Forecast"),
            linewidth = .25) +
  xlab("Year") +
  ylab("Temperature") +
  ggtitle("HW Multiplicative Forecast") +
  theme_ipsum() +
  theme(
   plot.title = element_text(size = 12,
                              face = "bold",
                              color = "grey25"),
   axis.text.x = element_text(size = 9),
   axis.text.y = element_text(size = 9),
   plot.background = element_rect(fill = "#F5F4EF", color = NA),
   legend.title=element_blank(),
   legend.direction = 'vertical',
   legend.pos = c(0.875, 1.11)
  scale color manual(values = c("Actual" = "#A2C1F1",
                                "Multiplicative Forecast" = "#EBCOC8"))
```



It's hard to tell, but the forecast seems to fit best in more recent data points, than older data points.

Additive Model Plot

```
ggplot(plot_data, aes(x = Date)) +
  geom_line(aes(y = Actual, color='Actual'), linewidth = .4) +
  geom_line(aes(y = Additive_Forecast, color = "Additive_Forecast"), linewidth = .25) +
  xlab("Year") +
  ylab("Temperature") +
  ggtitle("HW Additive Forecast") +
  theme_ipsum() +
  theme(
   plot.title = element_text(size = 12,
                              face = "bold",
                              color = "grey25"),
   axis.text.x = element_text(size = 9),
   axis.text.y = element_text(size = 9),
   plot.background = element_rect(fill = "#F5F4EF", color = NA),
   legend.title=element_blank(),
   legend.direction = 'vertical',
   legend.pos = c(0.875, 1.11)
 ) +
  scale_color_manual(values = c("Actual" = "#A2C1F1",
                                "Additive Forecast" = "#CC5175"))
```



Honestly, it looks about the same in the additive forecast, so let's get the root mean squared error of both and see how they both compare.

```
add.RMSE <- sqrt(hw.add$SSE/nrow(hw.add$fitted))
mult.RMSE <- sqrt(hw.mult$SSE/nrow(hw.mult$fitted))
cat('HW Additive RMSE:', add.RMSE, '\nHW Multiplicative RMSE:', mult.RMSE)
## HW Additive RMSE: 5.324082</pre>
```

Earlier, we chose our own α, β, γ values. Interestingly, the function produced nearly identical values. Let's see what they are:

HW Multiplicative RMSE: 5.429935

```
kable(cbnd,
    align='c',
    caption='Holt-Winters\'-Produced Values')
```

Table 3: Holt-Winters'-Produced Values

Alpha	Beta	Gamma
0.6610618	0	0.6248076
0.6150030	0	0.5495256

Now that we know the function can produce very reliable values, with slightly better performance, we'll just use the HoltWinters function. Additionally, the additive forecast fares slightly better with a lower RMSE. What the lower RMSE of the additive forecast suggests is that the seasonal variations of the temperatures are roughly constant throughout the series.

Now that we've chosen our model and smoothed our data, the next step is to determine whether the summers get later. We do this by applying the CUSUM method to our smoothed data from 1997 to 2015.

A CUSUM Approach to the Holt-Winters' Model

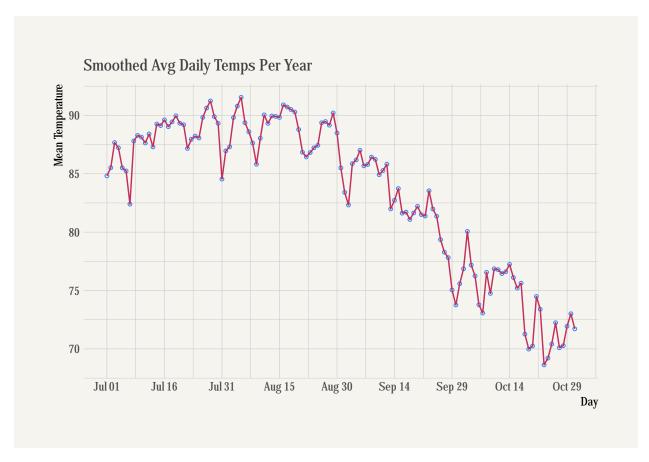
We first convert our model into a data frame, so that it's prepped for CUSUM.

```
##
               1997
                        1998
                                 1999
                                           2000
                                                    2001
                                                             2002
                                                                      2003
## 1 1-Jul 87.17619 65.99606 89.75466 83.65738 87.44361 79.13415 74.12006 86.89937
## 2 2-Jul 90.32925 86.63516 85.05435 86.86490 84.58717 86.97737 72.37889 84.72274
## 3 3-Jul 92.96089 90.46471 85.78686 93.25382 88.90811 90.78638 78.44689 82.61629
## 4 4-Jul 90.93360 88.77120 84.90009 91.79686 87.08965 87.47605 84.41830 83.69406
## 5 5-Jul 83.99752 83.25107 81.12482 89.31287 81.18354 86.29410 84.37192 84.18777
## 6 6-Jul 84.04358 88.40825 85.51084 91.53539 81.69877 88.16103 78.52036 87.15484
##
         2005
                  2006
                           2007
                                    2008
                                              2009
                                                       2010
                                                                2011
## 1 91.15242 79.17602 82.08626 85.64527 81.25471 87.07795 92.70889 83.33264
## 2 92.36299 88.94595 89.18548 80.16002 86.86767 81.30538 87.10638 94.13220
## 3 91.99930 92.92709 86.87669 84.99336 89.07355 82.54299 90.64593 91.82838
## 4 87.06963 93.05548 83.28236 90.20184 88.94787 83.21820 94.17789 95.83964
## 5 84.32874 90.87864 84.51007 89.66314 89.58972 81.21594 90.61737 95.47744
## 6 85.91322 86.97635 82.41612 84.39436 78.92613 85.11707 89.01132 97.60932
##
         2013
                  2014
                           2015
## 1 87.07333 98.76579 89.08086
## 2 75.36736 87.73317 84.11698
## 3 81.93827 88.12055 81.57585
## 4 76.22184 87.01128 79.10413
```

```
## 5 75.44617 85.16544 83.96091
## 6 78.70689 83.29378 82.17153
```

In the following code block, I'm going to average the rows and get the daily averages through the 20ish years. Then I'm going to plot it to determine where we should take the average of the weeks *prior to any significant change*.

```
## forgot the rows weren't numeric lol
num_rows <- sapply(temp_hw, is.numeric)</pre>
## take the average
daily_mean <- rowMeans(temp_hw[,num_rows])</pre>
## put the results in a dataframe
df <- data.frame(Day = as.Date(temp_hw$DAY, format='%d-%b'),</pre>
                  Mean_Temperature=daily_mean)
## cleaning up the column values
breaks <- df$Day[c(seq(1,length(df$Day), by=15))]</pre>
dates <- ymd(breaks)</pre>
custom_labels <- format(dates, format='%B %d')</pre>
## then plot!
df %>%
        ggplot( aes(x=Day, y=Mean_Temperature, group=1)) +
        geom_point(shape=21, color="#3D85F7", fill="#F6F5E9", size=1) +
        geom_line(color = "#C32E5A") +
        theme_minimal(base_family = "Fira Sans Compressed") +
        ggtitle("Smoothed Avg Daily Temps Per Year") +
        labs(x = "Day", y = "Mean Temperature") +
        theme ipsum() +
        theme(
                 plot.title = element_text(
                         size = 12,
                         face = "bold",
                         vjust = 0,
                         color = "grey25"
    ),
                 axis.text.x = element_text(size = 9),
                 axis.text.y = element_text(size = 9),
                 plot.background = element_rect(fill = "#F5F4EF", color = NA)
        ) +
        scale x date(
                 breaks = breaks,
                 labels = custom_labels,
                 date_labels = "%b %d"
```



We see a sizable shift downward around August 30. Then it progressively gets cooler. I'm going to set our pre-shift temperature between July 1 to August 30.

CUSUM on 1997

Now, the question asks whether the summers get later and later. We're going to be using 1997 as our baseline. We will perform CUSUM on 1997 first and then do it for the rest of the years.

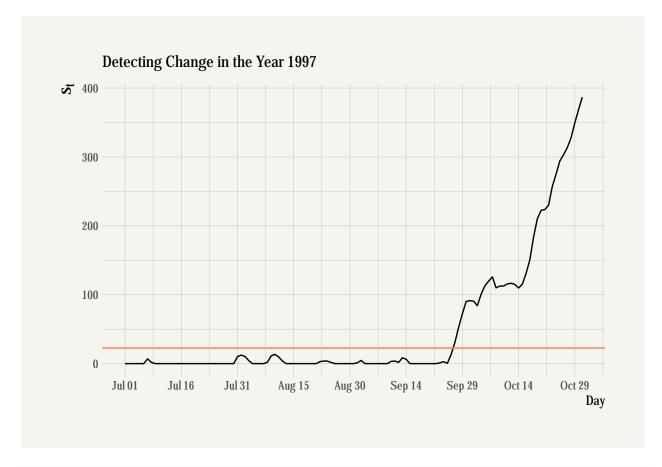
Table 4: Temperatures Stats in 1997 Between Jul 1 to Aug 30

Min.	1st Qu.	Median	Mean	3rd Qu.	Max
81.21594	89.31165	91.67993	91.04611	93.15245	99.63876

Let's build a CUSUM function to produce our results.

```
cusum_metric <- function(x, sigma, mu, c_val, temp, opposite = F){</pre>
        C <- c_val * sigma
        x$Year <- temp
        x$s_t <- 0
        ## if opposite is FALSE, then this runs the lower bound
        if(!opposite){
                 for(i in 2:nrow(x)){
                         x[i, 's_t'] \leftarrow max(0,
                                              (x$s_t[i-1]
                                               + mu
                                               - x[i, temp]
                                               - C))
                 }
                 return(x)
        } else{ ## if opposite is TRUE, then this runs the upper bound
                 for(i in 2:nrow(x)){
                         x[i, 's_t'] \leftarrow max(0,
                                              (x$s t[i-1]
                                               + x[i, temp]
                                               - mu
                                               - C))
                 }
                 return(x)
        }
```

Then we apply the function to the year 1997. I initially ran it with C set to σ , but it flagged a date in early July, which is like peak summer. Atlantans would get mad at me. So I dampened the sensitivity of C, decreasing the number of false alarms.



```
cusum.1997$DAY <- format(cusum.1997$DAY, format='%b %d')</pre>
```

If I had set a lower C, the peaks in July would have triggered a change. With s_t no longer triggering false alarms, we see that CUSUM detects its first significant change at the end of September.

```
)
```

Table 5: Significant Temperatarure Detection in 1997 (T is 22.62)

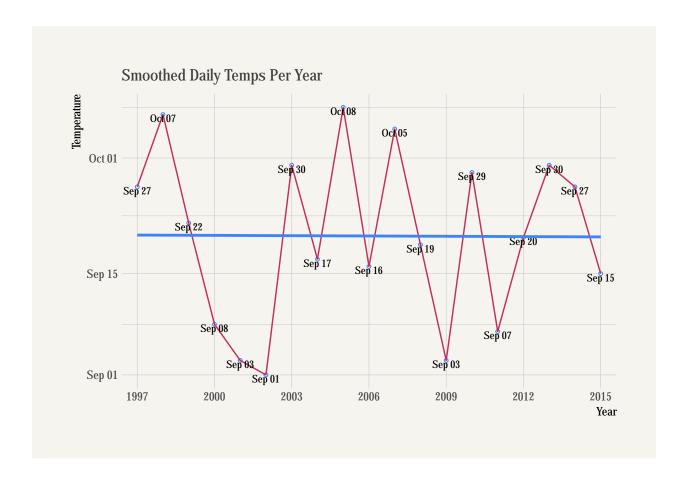
	Changed Detected	Daily High	Year	s_t
89	Sep 27	64.64756	1997	30.60108

Now we repeat this process for the remaining years. I'm going to create an empty data frame to store our results. Again, this only cycles through the years 1997-2015.

CUSUM on 1997-2015

```
detection_df <- data.frame()</pre>
## this looks ugly, so i'll explain line by line
## this skips the DAY column
for(i in 2:(ncol(temp_hw))){
        ## we're going to use col_name in our function call, so we create it
        col_name <- names(temp_hw)[i]</pre>
        ## we apply col name to our average
        mu <- mean(temp_hw[, col_name][1:61])</pre>
        ## to our sigma
        sigma <- sd(temp_hw[, col_name][1:61])</pre>
        ## threshold
        t <- 5*sigma
        ## our cusum function
        ## as you can see, i set c_val to 1.25, i'll explain why later
        cusum <- cusum_metric(temp_hw[,c('DAY',col_name)],</pre>
                               sigma=sigma,
                               mu=mu, c_val=1.25,
                               temp=col_name, opposite=F)
        ## this gets the first change detected (it's a row)
        change_detected <- cusum[which(cusum$s_t>=t),][1,]
        ## then we store it in a sub dataframe
        change_detected_df <- data.frame(Day=change_detected$DAY,</pre>
                                           Year=change_detected$Year,
                                           Temperature=change_detected[,col_name],
                                           s_t=change_detected$s_t,
                                           T value=t)
        ## then append it to our empty data frame above
        detection_df <- bind_rows(detection_df, change_detected_df)</pre>
}
## formatting stuff
detection_df$Day <- as.Date(detection_df$Day, format = "%d-%b")</pre>
## then we plot
## this includes a regression line to see if there's any trend upward or downward
detection_df %>%
        ggplot( aes(x=Year, y=Day, group=1)) +
        geom_point(shape=21, color="#3D85F7", fill="#F6F5E9", size=1) +
        geom_line(color = "#C32E5A") +
```

```
theme_minimal(base_family = "Fira Sans Compressed") +
    geom_text(
            aes(label=format(Day, format='%b %d')),
            vjust=1,
            family=font_an,
            size=2.7
            ) +
   geom_smooth(method = "lm", formula = y ~ x,
                se = FALSE, color='#3D85F7') +
   ggtitle("Smoothed Daily Temps Per Year") +
   labs(x = "Year", y = "Temperature") +
   theme_ipsum() +
    theme(
            plot.title = element_text(
                    size = 12,
                    face = "bold",
                    vjust = 0,
                    color = "grey25"
),
            axis.text.x = element_text(size = 9),
            axis.text.y = element_text(size = 9),
            plot.background = element_rect(fill = "#F5F4EF", color = NA)
    ) +
   scale_x_discrete(
            breaks = detection_df$Year[c(seq(1,
                                          length(detection_df$Year),
                                          by = 3))],
```



Conclusion

After raising our C value slightly higher (1.25σ) , we eliminate a false alarm on July 6 in 2010. After making the adjustment, it appears that our regression line doesn't depict any meaningful trend. It might even ever-so-slightly trend earlier rather than later.

Table 6: Detecting Later Summers

Changed Detected	Year	Temperature	s_t	T
Sep 27	1997	64.64756	27.92920	22.61673
Oct 07	1998	70.16692	34.92750	28.42806
Sep 22	1999	76.00382	27.84704	27.80667
Sep 08	2000	69.42415	39.12205	26.61398
Sep 03	2001	75.71133	23.20604	18.25804

Changed Detected	Year	Temperature	s_t	T
Sep 01	2002	72.50946	21.67308	18.90497
Sep 30	2003	65.81322	24.91062	22.42139
Sep 17	2004	74.15518	24.01879	19.75072
Oct 08	2005	70.75830	27.93089	22.66432
Sep 16	2006	78.38509	28.55007	22.88555
Oct 05	2007	78.85634	35.45695	32.70436
Sep 19	2008	77.87367	20.80316	19.04224
Sep 03	2009	75.30371	22.35021	19.68699
Sep 29	2010	73.17106	19.81733	19.10935
Sep 07	2011	76.03326	24.36615	15.29316
Sep 20	2012	82.24143	24.09020	23.05707
Sep 30	2013	71.98010	26.29229	23.69135
Sep 27	2014	74.23674	23.82140	17.67912
Sep 15	2015	77.94594	22.22694	19.76547

We see the values a little better in this table, but our detected changes hover between early summer to early October. As a result, our CUSUM method does not assure us that summer is actually ending later.