

ENV 790.30 - Time Series Analysis for Energy Data | Spring 2021

Assignment 4 - Due date 02/25/21

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Directions

You should open the .rmd file corresponding to this assignment on RStudio. The file is available on our class repository on Github. And to do so you will need to fork our repository and link it to your RStudio.

Once you have the project open the first thing you will do is change “Student Name” on line 3 with your name. Then you will start working through the assignment by **creating code and output** that answer each question. Be sure to use this assignment document. Your report should contain the answer to each question and any plots/tables you obtained (when applicable).

When you have completed the assignment, **Knit** the text and code into a single PDF file. Rename the pdf file such that it includes your first and last name (e.g., “LuanaLima_TSA_A04_Sp21.Rmd”). Submit this pdf using Sakai.

Questions

Consider the same data you used for A2 from the spreadsheet “Table_10.1_Renewable_Energy_Production_and_Consumption”. The data comes from the US Energy Information and Administration and corresponds to the January 2021 Monthly Energy Review.

R packages needed for this assignment: “forecast”, “tseries”, and “Kendall”. Install these packages, if you haven’t done yet. Do not forget to load them before running your script, since they are NOT default packages.

```
#Load/install required package here
#install.packages("readxl")
library("readxl")
library(lubridate)
```

```
##
## Attaching package: 'lubridate'

## The following objects are masked from 'package:base':
##
##   date, intersect, setdiff, union
```

```
library(ggplot2)
#install.packages("forecast")
library(forecast)
```

```
## Registered S3 method overwritten by 'quantmod':
##   method           from
##   as.zoo.data.frame zoo
```

```
#install.packages("tseries")
library(tseries)
library(Kendall)

#install.packages("outliers")
library(outliers)
#install.packages("tidyverse")
library(tidyverse)
```

```
## -- Attaching packages -----
```

```
## v tibble 3.0.1      v dplyr 0.8.5
## v tidyr 1.1.0      v stringr 1.4.0
## v readr 1.3.1      v forcats 0.4.0
## v purrr 0.3.4
```

```
## -- Conflicts ----- tidy
```

```
## x lubridate::as.difftime() masks base::as.difftime()
## x lubridate::date() masks base::date()
## x dplyr::filter() masks stats::filter()
## x lubridate::intersect() masks base::intersect()
## x dplyr::lag() masks stats::lag()
## x lubridate::setdiff() masks base::setdiff()
## x lubridate::union() masks base::union()
```

Stochastic Trend and Stationarity Test

For this part you will once again work only with the following columns: Total Biomass Energy Production, Total Renewable Energy Production, Hydroelectric Power Consumption. Create a data frame structure with these three time series and the Date column. Don't forget to format the date object.

```
#Importing data set
```

```
MonthlyData <- read_excel("../Data/Table_10.1_Renewable_Energy_Production_and_Consumption_by_Source.xls",
                           sheet = 1, skip = 9)
```

```
# number of obs
```

```
nobsv <- nrow(MonthlyData)
```

```
# Select columns: Total Biomass Energy Production, Total Renewable Energy Production, Hydroelectric Power Consumption
```

```
MonthlyData_subset <- MonthlyData[2:nobsv, c(1, 4, 5, 6)]
```

```
# Checking data
```

```
head(MonthlyData_subset)
```

```
## # A tibble: 6 x 4
```

```
##   Month          'Total Biomass Ene~ 'Total Renewable E~ 'Hydroelectric Po~
##   <dtm>          <chr>                <chr>                <chr>
## 1 1973-01-01 00:00:00 129.787          403.981          272.703
## 2 1973-02-01 00:00:00 117.338          360.9            242.199
```

```
## 3 1973-03-01 00:00:00 129.938      400.161      268.81
## 4 1973-04-01 00:00:00 125.636      380.47       253.185
## 5 1973-05-01 00:00:00 129.834      392.141      260.77
## 6 1973-06-01 00:00:00 125.611      377.232      249.859
```

```
str(MonthlyData_subset)
```

```
## tibble [574 x 4] (S3: tbl_df/tbl/data.frame)
## $ Month                : POSIXct[1:574], format: "1973-01-01" "1973-02-01" ...
## $ Total Biomass Energy Production : chr [1:574] "129.787" "117.338" "129.938" "125.636" ...
## $ Total Renewable Energy Production: chr [1:574] "403.981" "360.9" "400.161" "380.47" ...
## $ Hydroelectric Power Consumption : chr [1:574] "272.703" "242.199" "268.81" "253.185" ...
```

```
# Change tbl_df to data frame
```

```
MonthlyData_subset = as.data.frame(MonthlyData_subset)
str(MonthlyData_subset)
```

```
## 'data.frame':    574 obs. of  4 variables:
## $ Month                : POSIXct, format: "1973-01-01" "1973-02-01" ...
## $ Total Biomass Energy Production : chr  "129.787" "117.338" "129.938" "125.636" ...
## $ Total Renewable Energy Production: chr  "403.981" "360.9" "400.161" "380.47" ...
## $ Hydroelectric Power Consumption : chr  "272.703" "242.199" "268.81" "253.185" ...
```

```
# number of col
```

```
ncoln<- ncol(MonthlyData_subset)-1
```

```
# Change column names
```

```
#colnames(MonthlyData_subset)[1] <- "Date"
```

```
colnames(MonthlyData_subset)=c("Date","Biomass","Renewable","Hydroelectric")
str(MonthlyData_subset)
```

```
## 'data.frame':    574 obs. of  4 variables:
## $ Date                : POSIXct, format: "1973-01-01" "1973-02-01" ...
## $ Biomass             : chr  "129.787" "117.338" "129.938" "125.636" ...
## $ Renewable           : chr  "403.981" "360.9" "400.161" "380.47" ...
## $ Hydroelectric       : chr  "272.703" "242.199" "268.81" "253.185" ...
```

```
# change character format to numeric format
```

```
MonthlyData_subset[,2:4] <- sapply(MonthlyData_subset[,2:4],as.numeric)
str(MonthlyData_subset)
```

```
## 'data.frame':    574 obs. of  4 variables:
## $ Date                : POSIXct, format: "1973-01-01" "1973-02-01" ...
## $ Biomass             : num  130 117 130 126 130 ...
## $ Renewable           : num  404 361 400 380 392 ...
## $ Hydroelectric       : num  273 242 269 253 261 ...
```

```
# Create a data frame structure with these three time series
```

```
# From Jan 1973 to Oct 2020 as a time series object
```

```
MonthlyData_subset_ts <- ts(MonthlyData_subset[,2:4], frequency = 12,
                             start = c(1973, 1, 1), end = c(2020, 10, 1))
str(MonthlyData_subset_ts)
```

```
## Time-Series [1:574, 1:3] from 1973 to 2021: 130 117 130 126 130 ...
## - attr(*, "dimnames")=List of 2
## ..$ : NULL
## ..$ : chr [1:3] "Biomass" "Renewable" "Hydroelectric"
```

```
MyDate <- as.Date(MonthlyData_subset$Date)

#create new df
MonthlyData_new <- cbind.data.frame(MyDate, MonthlyData_subset_ts)
str(MonthlyData_new)
```

```
## 'data.frame': 574 obs. of 4 variables:
## $ MyDate : Date, format: "1973-01-01" "1973-02-01" ...
## $ Biomass : num 130 117 130 126 130 ...
## $ Renewable : num 404 361 400 380 392 ...
## $ Hydroelectric: num 273 242 269 253 261 ...
```

```
class(MonthlyData_new)
```

```
## [1] "data.frame"
```

```
head(MonthlyData_new)
```

```
##      MyDate Biomass Renewable Hydroelectric
## 1 1973-01-01 129.787   403.981      272.703
## 2 1973-02-01 117.338   360.900      242.199
## 3 1973-03-01 129.938   400.161      268.810
## 4 1973-04-01 125.636   380.470      253.185
## 5 1973-05-01 129.834   392.141      260.770
## 6 1973-06-01 125.611   377.232      249.859
```

Q1

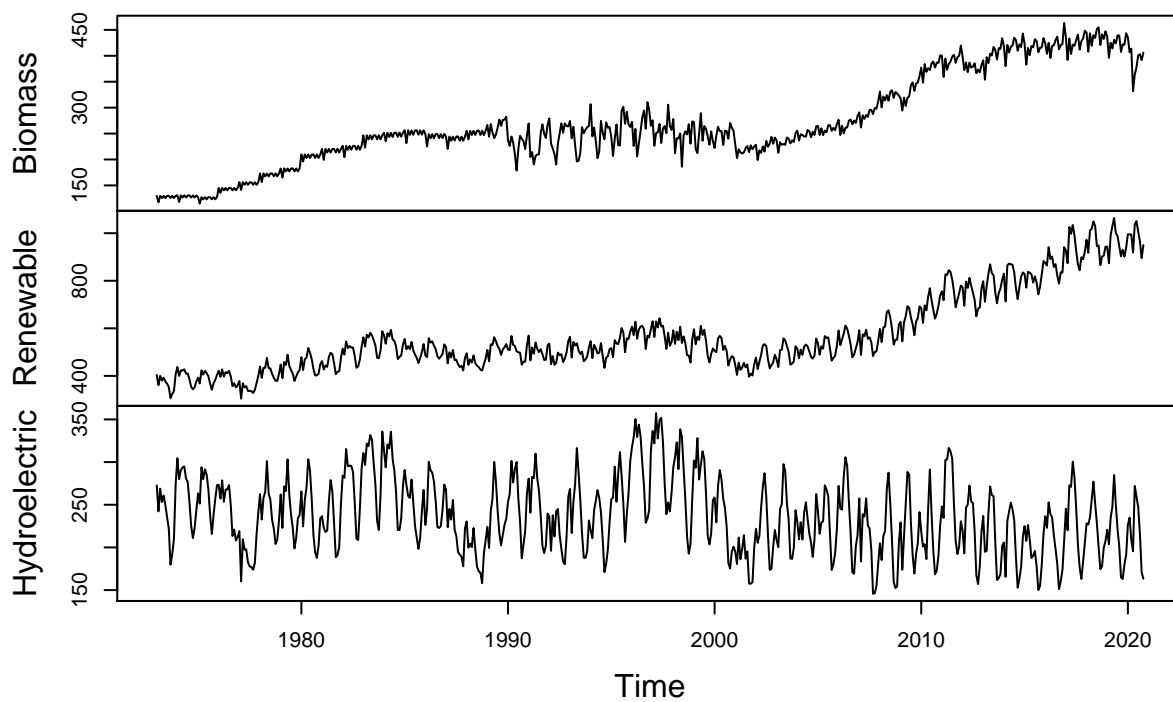
Now let's try to difference these three series using function `diff()`. Start with the original data from part (b). Try differencing first at lag 1 and plot the remaining series. Did anything change? Do the series still seem to have trend?

```
MonthlyData_subset_ts_diff <- diff(MonthlyData_subset_ts, lag = 1, differences = 1)

# Change MonthlyData_subset_ts_diff to data frame
#df_diff<- as.data.frame(MonthlyData_subset_ts_diff)

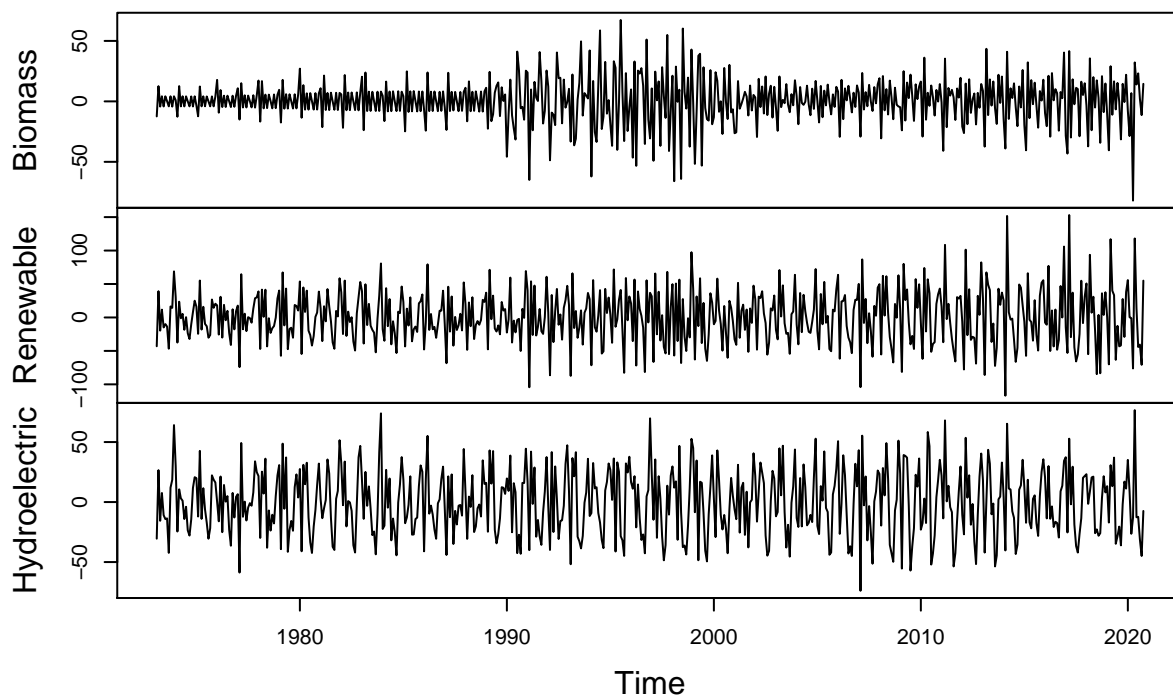
#plot
plot(MonthlyData_subset_ts)
```

MonthlyData_subset_ts



```
plot(MonthlyData_subset_ts_diff)
```

MonthlyData_subset_ts_diff



Q2

Compute Mann-Kendall and Spearman's Correlation Rank Test for each time series. Ask R to print the results. Interpret the results.

```
#Mann-Kendall Correlation
#There is seasonality in Hydro data, so use "SeasonalMannKendall"
for(ColNum in 1:3){
  SMKtest_MonthlyData <- SeasonalMannKendall(MonthlyData_subset_ts[,ColNum])
  print("Results for Seasonal Mann Kendall")
  print(summary(SMKtest_MonthlyData))
}
```

```
## [1] "Results for Seasonal Mann Kendall"
## Score = 9874 , Var(Score) = 150368.7
## denominator = 13442
## tau = 0.735, 2-sided pvalue =< 2.22e-16
## NULL
## [1] "Results for Seasonal Mann Kendall"
## Score = 9476 , Var(Score) = 150368.7
## denominator = 13442
## tau = 0.705, 2-sided pvalue =< 2.22e-16
## NULL
## [1] "Results for Seasonal Mann Kendall"
## Score = -3880 , Var(Score) = 150368.7
## denominator = 13442
## tau = -0.289, 2-sided pvalue =< 2.22e-16
## NULL
```

All p value are less than 0.05, so they all have significant correlation between two variables (time and energy data). Biomass and Renewable data has the positive correlation, but hydro one has negative correlation.

```
#Because we know hydro data has seasonality from Assignment3 Question6,
#so we need to deseason the hydro data first.
```

```
EnergyType=3
```

```
#First create the seasonal dummies
Energy_dummies <- seasonaldummy(MonthlyData_subset_ts[,EnergyType])

#this function only accepts ts object, no need to add one here because date
#object is not a column

#Then fit a linear model to the seasonal dummies
seasonal_model=lm(MonthlyData_subset[, (EnergyType+1)]~Energy_dummies)
print(summary(seasonal_model))
```

```
##
## Call:
## lm(formula = MonthlyData_subset[, (EnergyType + 1)] ~ Energy_dummies)
##
## Residuals:
```

```
##      Min      1Q  Median      3Q      Max
## -92.064 -22.897  -2.654  20.642  98.058
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)      238.887      4.863  49.125 < 2e-16 ***
## Energy_dummiesJan   13.270      6.841   1.940  0.05291 .
## Energy_dummiesFeb   -8.133      6.841  -1.189  0.23499
## Energy_dummiesMar   20.442      6.841   2.988  0.00293 **
## Energy_dummiesApr   17.199      6.841   2.514  0.01221 *
## Energy_dummiesMay   40.726      6.841   5.953  4.64e-09 ***
## Energy_dummiesJun   31.764      6.841   4.643  4.28e-06 ***
## Energy_dummiesJul   10.858      6.841   1.587  0.11306
## Energy_dummiesAug  -17.907      6.841  -2.618  0.00909 **
## Energy_dummiesSep  -50.121      6.841  -7.326  8.26e-13 ***
## Energy_dummiesOct  -49.165      6.841  -7.187  2.12e-12 ***
## Energy_dummiesNov  -32.757      6.877  -4.763  2.43e-06 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 33.34 on 562 degrees of freedom
## Multiple R-squared:  0.4345, Adjusted R-squared:  0.4234
## F-statistic: 39.25 on 11 and 562 DF,  p-value: < 2.2e-16
```

```
#Look at the regression coefficient. These will be the values of Beta
```

```
#Store regression coefficients
```

```
beta_int=seasonal_model$coefficients[1]
beta_coeff=seasonal_model$coefficients[2:12]
```

```
#compute seasonal component
```

```
seasonal_comp=array(0,nobsv-1)
for(n in 1:nobsv-1){
  seasonal_comp[n]=(beta_int+beta_coeff%%Energy_dummies[n,])
}
```

```
#Removing seasonal component
```

```
Deseason_Hydro_data <- MonthlyData_subset[, (1+EnergyType)]-seasonal_comp
str(Deseason_Hydro_data)
```

```
## num [1:574(1d)] 20.55 11.45 9.48 -2.9 -18.84 ...
```

```
#change deseason hydro num to data frame
```

```
Deseason_Hydro <- as.data.frame(Deseason_Hydro_data)
```

```
#create new data frame with Original Biomass, Renewable, and deseason hydro data
```

```
df_MonthlyData_new <-
  subset(MonthlyData_subset, select = -Hydroelectric) %>%
  cbind(Deseason_Hydro)
head(df_MonthlyData_new)
```

```
##      Date Biomass Renewable Deseason_Hydro_data
```

```
## 1 1973-01-01 129.787 403.981 20.546146
## 2 1973-02-01 117.338 360.900 11.445479
## 3 1973-03-01 129.938 400.161 9.480812
## 4 1973-04-01 125.636 380.470 -2.900792
## 5 1973-05-01 129.834 392.141 -18.843250
## 6 1973-06-01 125.611 377.232 -20.791458
```

```
#Change new data frame to ts format
df_MonthlyData_new_ts <- ts(df_MonthlyData_new[,2:4], frequency = 12,
                             start = c(1973, 1, 1), end = c(2020, 10, 1))
str(df_MonthlyData_new_ts)
```

```
## Time-Series [1:574, 1:3] from 1973 to 2021: 130 117 130 126 130 ...
## - attr(*, "dimnames")=List of 2
## ..$ : NULL
## ..$ : chr [1:3] "Biomass" "Renewable" "Deseason_Hydro_data"
```

```
for(ColNum in 1:3){
  #Group data in yearly steps instances
  MonthlyData_new_matrix <- matrix(df_MonthlyData_new_ts[,ColNum],byrow=FALSE,nrow=12)
  YearlyData_mean <- colMeans(MonthlyData_new_matrix)

  #library(dplyr) #move this to package chunk later
  Year <- c(year(first(df_MonthlyData_new$Date)):year(last(df_MonthlyData_new$Date)))

  YearlyData <- data.frame(Year, YearlyData_mean)
  str(YearlyData)

  print("Results from Spearman Correlation")
  SpCor_MonthlyData=cor.test(YearlyData_mean,Year,method="spearman")
  print(SpCor_MonthlyData)
}
```

```
## Warning in matrix(df_MonthlyData_new_ts[, ColNum], byrow = FALSE, nrow = 12):
## data length [574] is not a sub-multiple or multiple of the number of rows [12]
```

```
## 'data.frame': 48 obs. of 2 variables:
## $ Year : int 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 ...
## $ YearlyData_mean: num 127 128 125 143 153 ...
## [1] "Results from Spearman Correlation"
##
## Spearman's rank correlation rho
##
## data: YearlyData_mean and Year
## S = 2214, p-value < 2.2e-16
## alternative hypothesis: true rho is not equal to 0
## sample estimates:
## rho
## 0.8798307
```

```
## Warning in matrix(df_MonthlyData_new_ts[, ColNum], byrow = FALSE, nrow = 12):
## data length [574] is not a sub-multiple or multiple of the number of rows [12]
```



```
## 'data.frame': 48 obs. of 2 variables:
## $ Year : int 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 ...
## $ YearlyData_mean: num 368 395 391 394 351 ...
## [1] "Results from Spearman Correlation"
##
## Spearman's rank correlation rho
##
## data: YearlyData_mean and Year
## S = 2560, p-value < 2.2e-16
## alternative hypothesis: true rho is not equal to 0
## sample estimates:
## rho
## 0.8610508

## Warning in matrix(df_MonthlyData_new_ts[, ColNum], byrow = FALSE, nrow = 12):
## data length [574] is not a sub-multiple or multiple of the number of rows [12]

## 'data.frame': 48 obs. of 2 variables:
## $ Year : int 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 ...
## $ YearlyData_mean: num 1.55 27.81 25.98 11.12 -42.46 ...
## [1] "Results from Spearman Correlation"
##
## Spearman's rank correlation rho
##
## data: YearlyData_mean and Year
## S = 27400, p-value = 0.0005208
## alternative hypothesis: true rho is not equal to 0
## sample estimates:
## rho
## -0.4871906
```

```
#cor(YearlyData,Year,method="spearman")
```

First two rho are almost 0.9, which shows strong positive relationship between the Energy data and time. The last one shows negative relationship. And all p value are less than 0.05, so they all have significant correlation with each other.

Decomposing the series

For this part you will work only with the following columns: Solar Energy Consumption and Wind Energy Consumption.

Q3

Create a data frame structure with these two time series only and the Date column. Drop the rows with *Not Available* and convert the columns to numeric. You can use filtering to eliminate the initial rows or convert to numeric and then use the `drop_na()` function. If you are familiar with pipes for data wrangling, try using it!

```

#Importing data set
MonthlyData2 <- read_excel("../Data/Table_10.1_Renewable_Energy_Production_and_Consumption_by_Source.xlsx",
                           sheet = 1, skip = 9)

# number of obs
nobsv <- nrow(MonthlyData2)

# Select columns: Solar Energy Consumption and Wind Energy Consumption
MonthlyData_subset2<- MonthlyData2[2:nobsv, c(1, 8, 9)]

# change 'Not Available' to 'NA'
MonthlyData_subset2[] <- lapply(MonthlyData_subset2, gsub, pattern='Not Available', replacement='NA')

# Checking data
str(MonthlyData_subset2)

```

```

## tibble [574 x 3] (S3: tbl_df/tbl/data.frame)
##   $ Month           : chr [1:574] "1973-01-01" "1973-02-01" "1973-03-01" "1973-04-01" ...
##   $ Solar Energy Consumption: chr [1:574] "NA" "NA" "NA" "NA" ...
##   $ Wind Energy Consumption : chr [1:574] "NA" "NA" "NA" "NA" ...

```

```

# Change column names
#colnames(MonthlyData_subset2)[1] <- "Date"
colnames(MonthlyData_subset2) <- c("Date", "Solar", "Wind")
MonthlyData_subset2$Date <- as.Date(MonthlyData_subset2$Date)
str(MonthlyData_subset2)

```

```

## tibble [574 x 3] (S3: tbl_df/tbl/data.frame)
##   $ Date : Date[1:574], format: "1973-01-01" "1973-02-01" ...
##   $ Solar: chr [1:574] "NA" "NA" "NA" "NA" ...
##   $ Wind : chr [1:574] "NA" "NA" "NA" "NA" ...

```

```

# change character format to numeric format
MonthlyData_subset2[,2:3] <- sapply(MonthlyData_subset2[,2:3], as.numeric)

```

```

## Warning in lapply(X = X, FUN = FUN, ...): NAs introduced by coercion

```

```

## Warning in lapply(X = X, FUN = FUN, ...): NAs introduced by coercion

```

```

# Drop NA
#library(dplyr)
MonthlyData_subset_new <- na.omit(MonthlyData_subset2)
str(MonthlyData_subset_new)

```

```

## tibble [442 x 3] (S3: tbl_df/tbl/data.frame)
##   $ Date : Date[1:442], format: "1984-01-01" "1984-02-01" ...
##   $ Solar: num [1:442] -0.001 0.001 0.002 0.003 0.007 0.01 0.003 0.009 0.01 0.007 ...
##   $ Wind : num [1:442] 0 0.002 0.002 0.006 0.008 0.006 0.005 0.003 0.005 0.009 ...
##   - attr(*, "na.action")= 'omit' Named int [1:132] 1 2 3 4 5 6 7 8 9 10 ...
##   ..- attr(*, "names")= chr [1:132] "1" "2" "3" "4" ...

```

```
head(MonthlyData_subset_new)
```

```
## # A tibble: 6 x 3
##   Date      Solar Wind
##   <date>    <dbl> <dbl>
## 1 1984-01-01 -0.001 0
## 2 1984-02-01 0.001 0.002
## 3 1984-03-01 0.002 0.002
## 4 1984-04-01 0.003 0.006
## 5 1984-05-01 0.007 0.008
## 6 1984-06-01 0.01 0.006
```

```
tail(MonthlyData_subset_new)
```

```
## # A tibble: 6 x 3
##   Date      Solar Wind
##   <date>    <dbl> <dbl>
## 1 2020-05-01 131. 251.
## 2 2020-06-01 130. 266.
## 3 2020-07-01 139. 201.
## 4 2020-08-01 128. 201.
## 5 2020-09-01 109. 206.
## 6 2020-10-01 101. 262.
```

```
# Create a data frame structure with these three time series
```

```
# From Jan 1984 as a time series object
```

```
MonthlyData_subset_ts2 <- ts(MonthlyData_subset_new[,2:3], frequency = 12,
                             start = c(1984,1,1),end = c(2020,10,1))
```

```
MyDate2 <- as.Date(MonthlyData_subset_new$Date)
```

```
#create new df
```

```
MonthlyData_new2 <- cbind.data.frame(MyDate2, MonthlyData_subset_ts2)
str(MonthlyData_new2)
```

```
## 'data.frame': 442 obs. of 3 variables:
## $ MyDate2: Date, format: "1984-01-01" "1984-02-01" ...
## $ Solar : num -0.001 0.001 0.002 0.003 0.007 0.01 0.003 0.009 0.01 0.007 ...
## $ Wind : num 0 0.002 0.002 0.006 0.008 0.006 0.005 0.003 0.005 0.009 ...
```

```
head(MonthlyData_new2)
```

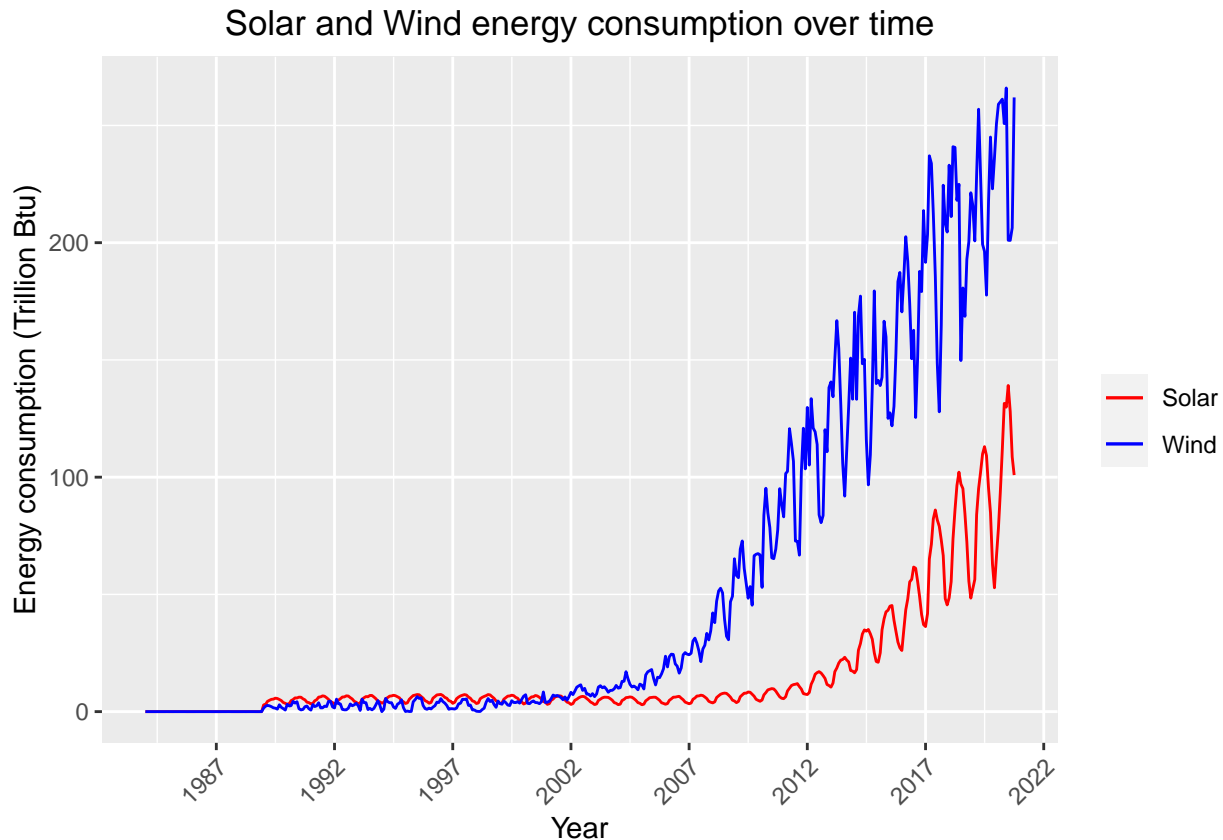
```
##   MyDate2 Solar Wind
## 1 1984-01-01 -0.001 0.000
## 2 1984-02-01 0.001 0.002
## 3 1984-03-01 0.002 0.002
## 4 1984-04-01 0.003 0.006
## 5 1984-05-01 0.007 0.008
## 6 1984-06-01 0.010 0.006
```

Q4

Plot the Solar and Wind energy consumption over time using ggplot. Explore the function `scale_x_date()` on ggplot and see if you can change the x axis to improve your plot. Hint: use `scale_x_date(date_breaks = "5 years", date_labels = "%Y")`

Try changing the color of the wind series to blue. Hint: use `color = "blue"`

```
ggplot(MonthlyData_new2) +  
  geom_line(aes(MyDate2, y=Solar, colour = "Solar")) +  
  geom_line(aes(MyDate2, y = Wind, colour = "Wind")) +  
  ggtitle("Solar and Wind energy consumption over time") +  
  xlab("Year") +  
  ylab("Energy consumption (Trillion Btu)") +  
  scale_x_date(date_breaks = "5 years", date_labels = "%Y") +  
  scale_colour_manual("", values = c("Solar" = "red", "Wind" = "blue")) +  
  theme(axis.text.x = element_text(angle = 45, hjust = 1),  
        plot.title = element_text(hjust=0.5))
```



Q5

Transform wind and solar series into a time series object and apply the `decompose` function on them using the additive option. What can you say about the trend component? What about the random component? Does the random component look random? Or does it appear to still have some seasonality on it?

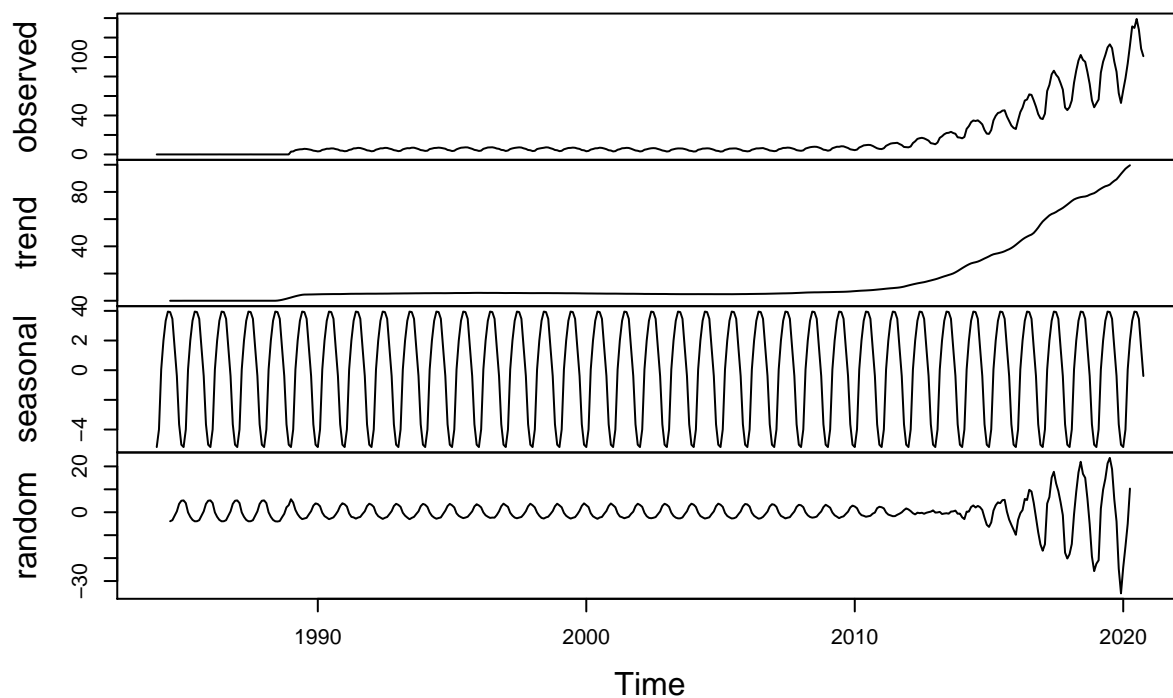
```
str(MonthlyData_subset_ts2)
```

```
## Time-Series [1:442, 1:2] from 1984 to 2021: -0.001 0.001 0.002 0.003 0.007 0.01 0.003 0.009 0.01 0.  
## - attr(*, "dimnames")=List of 2  
## ..$ : NULL  
## ..$ : chr [1:2] "Solar" "Wind"
```

#Using R decompose function

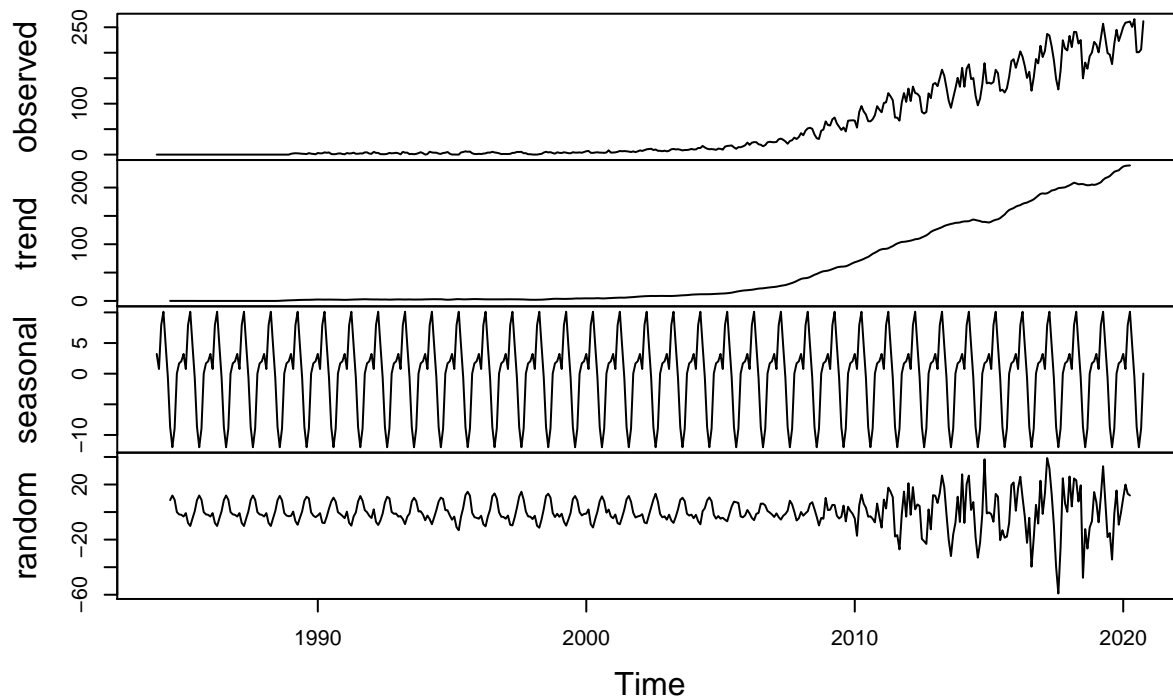
```
decompose_Solar_ts2 <- decompose(MonthlyData_subset_ts2[, "Solar"], "additive")  
plot(decompose_Solar_ts2)
```

Decomposition of additive time series



```
decompose_Wind_ts2 <- decompose(MonthlyData_subset_ts2[, "Wind"], "additive")  
plot(decompose_Wind_ts2)
```

Decomposition of additive time series



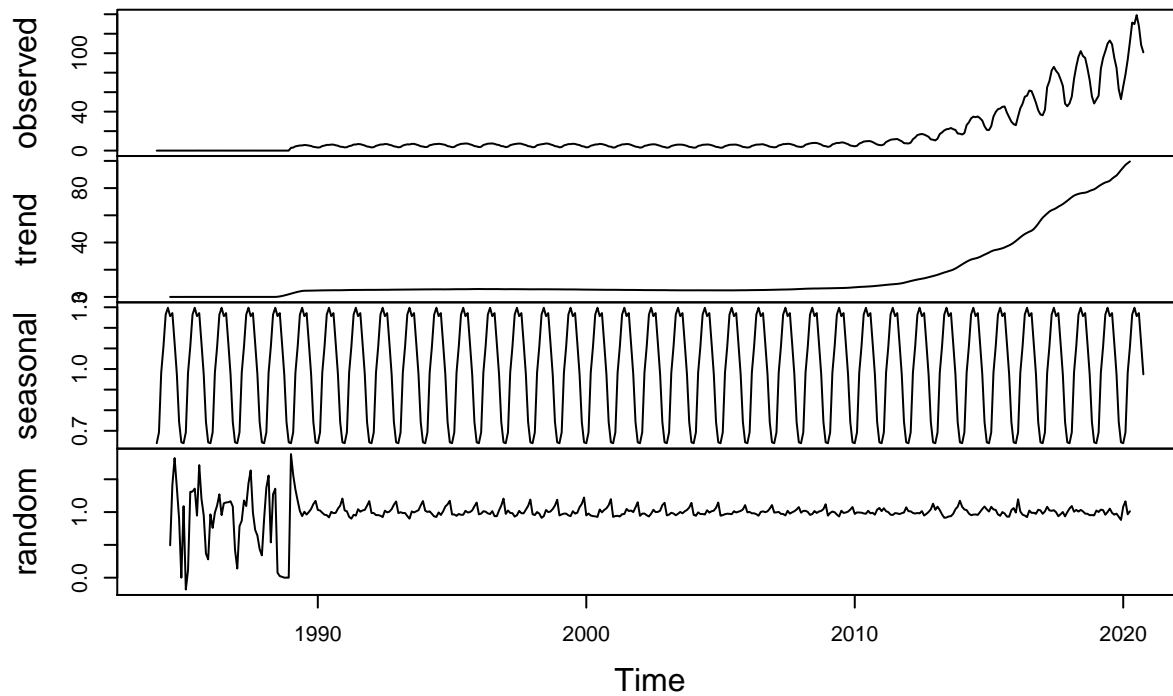
>The trend component of both of them is an increasing pattern. The random component is not that kind of random and it is a regularly repeating pattern before 2015 in Solar dataset and before 2010 in Wind dataset. So there still are some seasonality on that.

Q6

Use the `decompose` function again but now change the type of the seasonal component from additive to multiplicative. What happened to the random component this time?

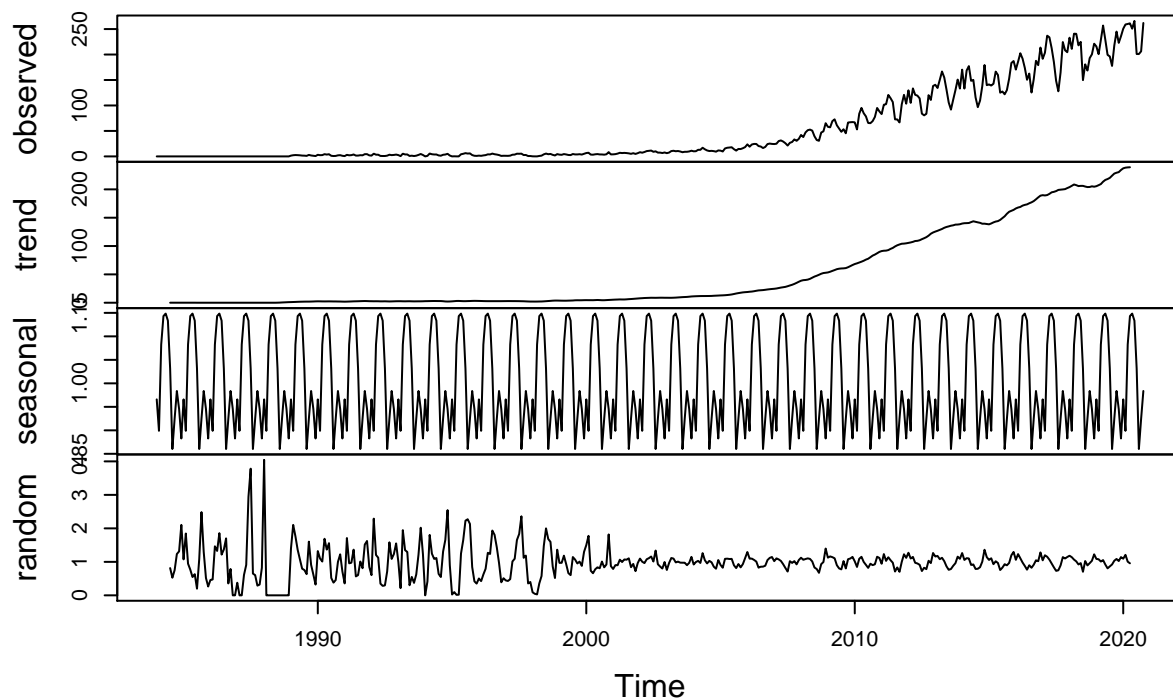
```
decompose_Solar_ts2 <- decompose(MonthlyData_subset_ts2[, "Solar"], "multiplicative")
plot(decompose_Solar_ts2)
```

Decomposition of multiplicative time series



```
#par(cex.lab=1.2)
decompose_Wind_ts2 <- decompose(MonthlyData_subset_ts2[, "Wind"], "multiplicative")
plot(decompose_Wind_ts2)
```

Decomposition of multiplicative time series



>The

random outputs are different from “additive” ones. The random pattern occur before 1990 for Solar, and occur before 2000 in Wind.

Q7

When fitting a model to this data, do you think you need all the historical data? Think about the data from 90s and early 20s. Are there any information from those year we might need to forecast the next six months of Solar and/or Wind consumption. Explain your response. >If there is a consistent pattern for all historical data, then it is useful to fit the model and predict the future trend. >For Solar and/or Wind consumption dataset, I think the data after 1990 in Solar and after 2000 in Wind should be use to forecast the next six month consumption.