## Introduction to Machine Learning for Power Engineers

October 7, 2018

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University of Luxembourg





What is a typical non-technical loss (NTL)?







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# Worldwide electric utilities lose \$96 billion USD (\*) annually to fraud/theft

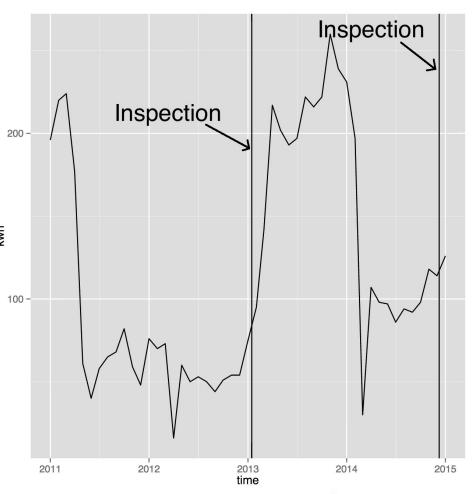
(\*) Electricity Theft and Non-Technical Losses: Global Market, Solutions and Vendors May 2017 | Northeast group, Ilc www.northeast-group.com

(\*) World Bank data





Example of NTL: Two assumed occurrences of NTL due to significant consumption drops followed by inspections (visualized by vertical bars).







## About us

- We work on real-world machine learning problems together with industry partners
- Recent research includes detection of electricity theft/non-technical losses, correction of biases in data and augmented reality









## About us

Published results in: IEEE Innovative Smart Grid Technologies (ISGT), Power and Energy Conference at Illinois (PECI), International Conference on Intelligent System **Applications to Power Systems** (ISAP), IEEE International Conference on Data Mining (ICDM), etc.









## Goals of this tutorial

- Providing an introduction to machine learning
- Understanding the three pillars of machine learning
- Knowing when to use which model
- Experiencing how to take the problem of NTL detection
- Providing a forum for discussions





## **Contents**

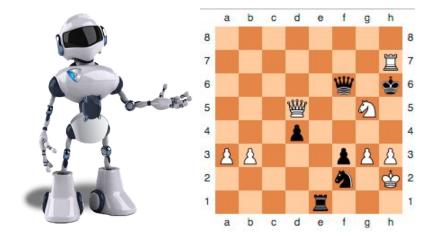
- Introduction
- Supervised learning
- Unsupervised learning
- Reinforcement learning
- Deep Learning
- Detection of non-technical losses (NTL)
- Conclusions





"Artificial intelligence is the science of knowing what to do when you don't know what to do." (Peter Norvig)

https://www.youtube.co m/watch?v=rtmQ3xlt-4A







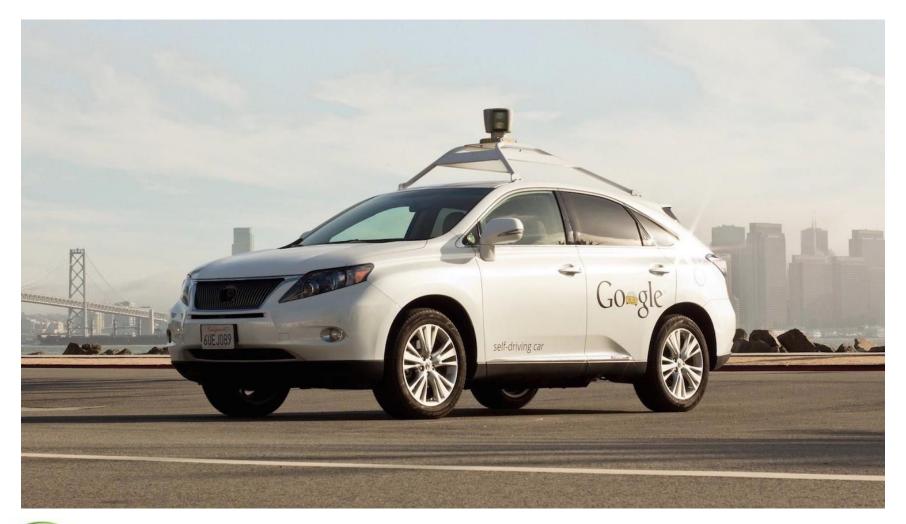


**Arthur Samuel (1959):** "Field of study that gives computers the ability to learn without being explicitly programmed".













#### What do customers buy after viewing this item?

#### **Best Selling**



Lenovo N22 11.6-Inch HD Chromebook Laptop (Black) -(Intel Celeron N3060, 2 GB RAM, 32 GB EMMC, Chrome OS)

**全全全**全全 271

£10999 **Prime** 

#### Top Rated



Inateck
13-13.3 Inch Macbook Air/
Macbook Pro / Pro Retina
Sleeve Case Cover
Protective Bag Ultrabook
Netbook Carrying Protector

£ 1699 **Prime** 











"Machine Learning is a subset of Artificial Intelligence techniques which use statistical models to enable machines to improve with experiences"

Use cases: data mining, autonomous cars, recommendation...





**Tom Mitchell (1998):** "A computer program is said to learn from **experience E** with respect to some **class of tasks T** and **performance measure P** if its **performance at tasks in T**, as **measured by P**, improves with **experience E**."





## Introduction: three pillars of machine learning

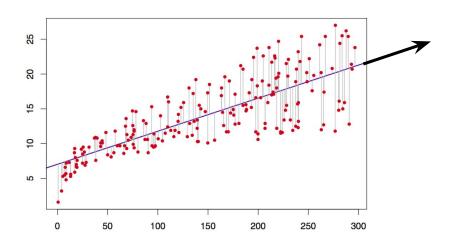
- Supervised learning: induce a function that maps from input to output.
- Unsupervised learning: find hidden structure in data.
- Reinforced learning: reward-based learning.





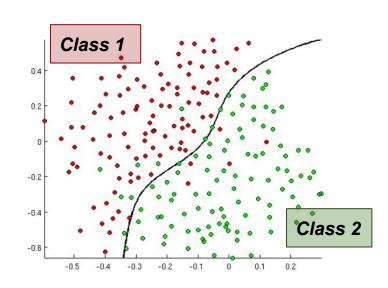
## Supervised learning

#### Regression



#### Continuous values

#### Classification



Discrete values (categories)





## Supervised learning: use cases

- Detection of anomalies
- Forecasting
- Medical diagnosis
- •





## Supervised learning: models

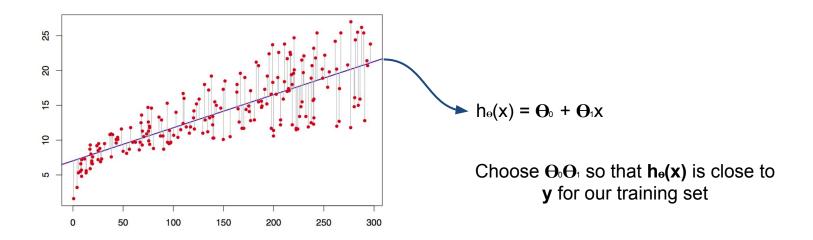
- Linear/logistic regression
- Decision tree, random forest
- Support vector machine
- •
- Neural networks, Deep Learning





## Supervised learning: regression

How to represent 'h' (hypothesis)



The idea is to minimize  $\Theta_0\Theta_1$ , so that  $h_0(x)$ -y tends to decrease.

Thus, we can define the cost function  $J(\Theta_0 \Theta_1)$  aiming to minimize  $\Theta_0 \Theta_1$ :

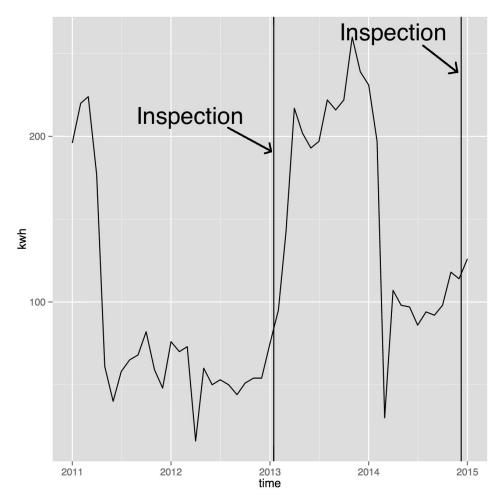
$$J(\Theta) = \frac{1}{2} \sum_{\alpha} (h_{\Theta}(x) - y)^{2}$$





## Supervised learning: classification

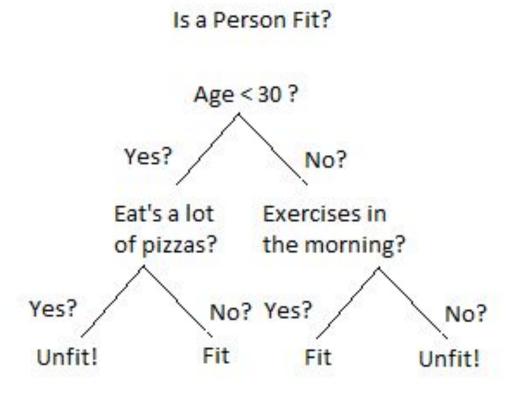
Example of nontechnical losses (NTL): Two assumed occurrences of NTL due to significant consumption drops followed by inspections (visualized by vertical bars).







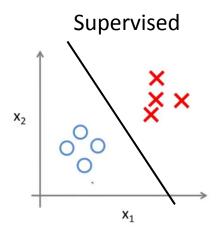
## Supervised learning: decision tree





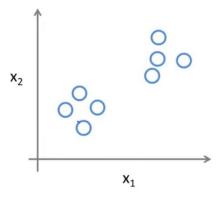


## Unsupervised learning



Known labels

Unsupervised



Unknown labels





## Unsupervised learning: use cases

- Market segmentation
- Clustering of customers, news, etc.
- Dimensionality reduction of data





## Unsupervised learning: models

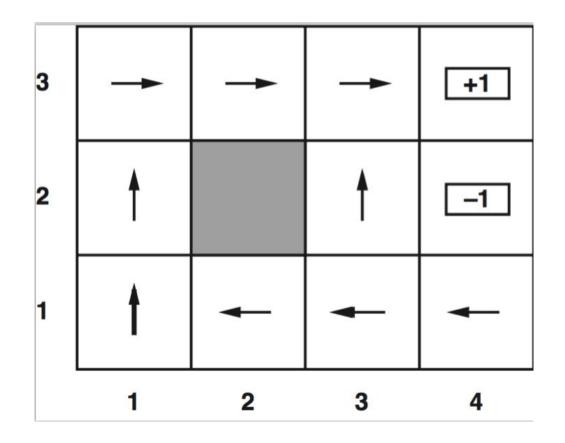
- k-means clustering
- Expectation-maximization clustering
- Principal component analysis

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## Reinforcement learning







## Reinforcement learning: use cases

- Planning
- Playing games, e.g. the game of Go

•





## Reinforcement learning: models

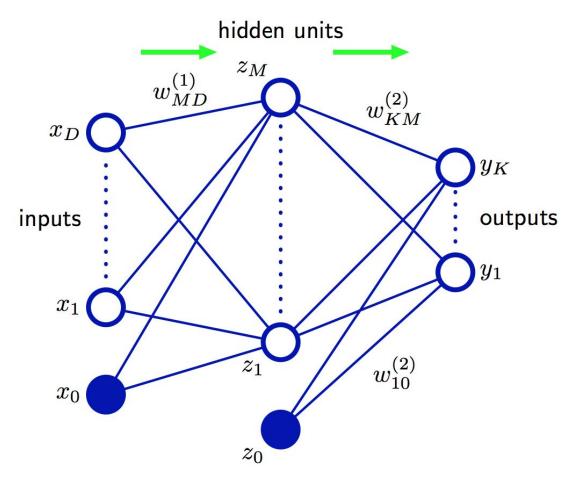
- Value/policy iteration
- Q-learning
- Deep reinforcement learning

•





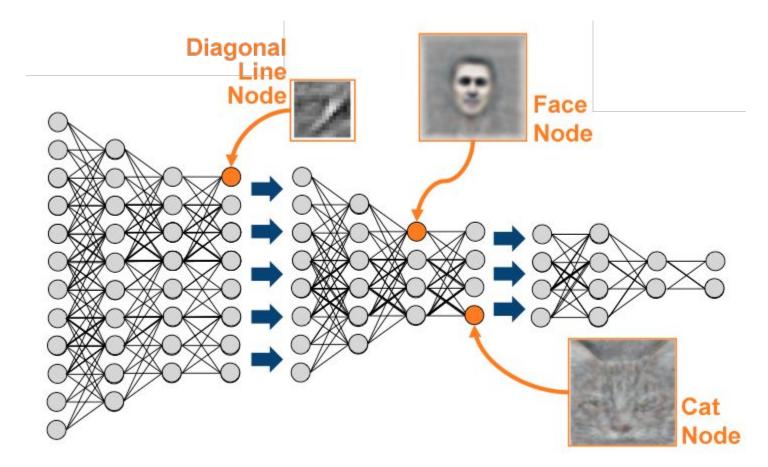
## Deep Learning: neural network







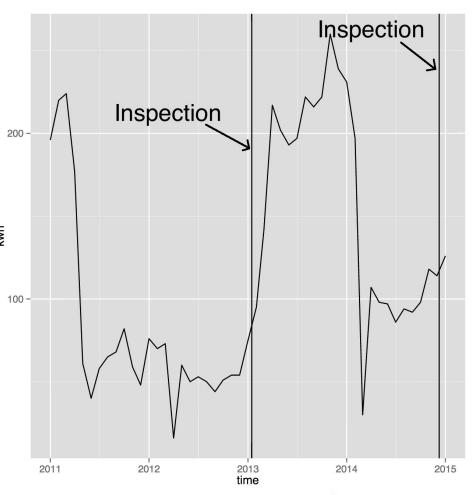
## Deep Learning







Example of NTL: Two assumed occurrences of NTL due to significant consumption drops followed by inspections (visualized by vertical bars).



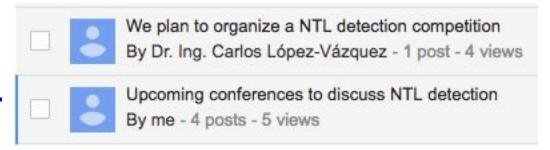




## Interested in NTL?

### Join our mailing list:

https://groups.goog le.com/d/forum/ntlcommunity







## Project overview

## Al could put a stop to electricity theft and meter misreadings



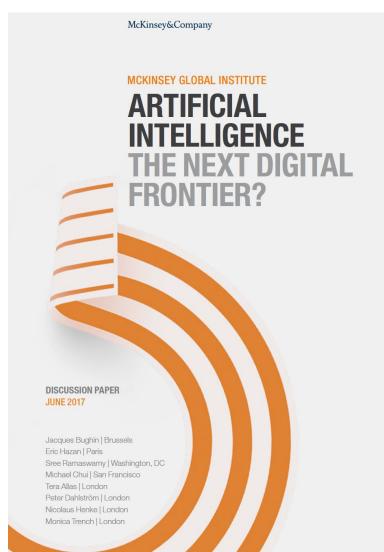
https://www.n
ewscientist.co
m/article/214
8308-ai-could
-put-a-stop-to
-electricity-th
eft-and-meter
-misreadings/





## Project overview

Cited in:







#### Introduction to NTL

- Losses in power systems:
  - Technical
  - Non-technical





# **Economic impact of NTL**

The Challenge of Non-Technical Loss Detection Using Artificial Intelligence: A Survey

Patrick Glauner 1, Jorge Augusto Meira 1, Petko Valtchev 12, Radu State 1, Franck Bettinger 3





#### Introduction to NTL

- Meter tampering in order to record lower consumptions
- Bypassing meters by rigging lines from the power source
- Arranged false meter readings by bribing meter readers





#### Introduction to NTL

- Faulty or broken meters
- Un-metered supply
- Technical and human errors in meter readings, data processing and billing





#### State of the art

#### The Challenge of Non-Technical Loss Detection Using Artificial Intelligence: A Survey

Patrick Glauner 1, Jorge Augusto Meira 1, Petko Valtchev 12, Radu State 1, Franck Bettinger 3

#### Published in:

International Journal of Computational Intelligence Systems (IJCIS), vol. 10, issue 1, pp. 760-775, 2017.





#### State of the art

- Features
- Models
- Comparison





- Monthly consumption:
  - Daily averages:

$$x_d^{(m)} = \frac{L_d^{(m)}}{R_d^{(m)} - R_{d-1}^{(m)}},$$

- Monthly consumption before the inspection
- Consumption in the same month in the year before
- Consumption in the past three months





- Monthly consumption:
  - The customer's consumption over the past 24 months
  - Average consumption
  - Maximum consumption
  - Standard deviation
  - Number of inspections
  - Average consumption of the residential area





- Smart meter consumption:
  - Consumption features from intervals of 15 or 30 minutes
  - The maximum consumption in any 15-minute window
  - Load factor is computed by dividing the demand contracted by the maximum consumption
  - Shape factors are derived from the consumption time series including the impact of lunch times, nights and weekends



- Smart meter consumption:
  - $-4 \times 24 = 96$  measurements are encoded to a 32-dimensional space:
    - Each measurement is 0 or positive
    - Next, it is then mapped to 0 or 1, respectively
    - Last, the 32 features are computed
    - A feature is the weighted sum of three subsequent values, in which the first value is multiplied by 4, the second by 2 and the third by 1





- Master data:
  - Location (city and neighborhood)
  - Business class (e.g. residential or industrial)
  - Activity type (e.g. residence or drugstore)
  - Voltage
  - Number of phases (1, 2 or 3)
  - Meter type





#### Master data:

- Demand contracted, i.e. the number of kW of continuous availability requested from the energy company and the total demand in kW of installed equipment of the customer
- Information about the power transformer to which the customer is connected to
- Town or customer in which the customer is located
  - Type of voltage (low, median or high)





- Master data:
  - Electricity tariff
  - Contracted power
  - Number of phases
  - Type of customer
  - Location
  - Voltage level
  - Type of climate (rainy or hot)
  - Weather conditions





- Credit worthiness ranking (CWR):
  - Computed from the electricity provider's billing system
  - Reflects if a customer delays or avoids payments of bills
  - CWR ranges from 0 to 5 where 5 represents the maximum score
  - It reflects different information about a customer such as payment performance, income and prosperity of the neighborhood in a single feature



#### State of the art: models

- Expert systems and fuzzy systems
- Neural networks
- Support vector machines
- Genetic algorithms
- Rough sets
- Various other methods: optimum path forest, linear regression, etc.





# State of the art: comparison

• Accuracy: 
$$\dfrac{tp+tn}{tp+tn+fp+fn}$$

• Precision: 
$$\frac{tp}{tp+fp}$$

• Recall: 
$$\frac{bp}{tp+fn}$$

• F1: 
$$2 \cdot \frac{\text{precision} \cdot \text{recall}}{\text{precision} + \text{recall}}$$





# State of the art: comparison

Ref.	Model	#Customers	Accuracy	Precision	Recall	AUC	NTL/theft proportion
1	SVM (Gauss)	< 400	0.86	-	0.77	-	-
7	SVM + fuzzy	100K	-	-	0.72	-	
16	Bool rules	700K	-	-	-	0.47	5%
16	Fuzzy rules	700K	-	-	-	0.55	5%
16	SVM (linear)	700K	-	-	-	0.55	5%
16	Bool rules	700K	-	-	-	0.48	20%
16	Fuzzy rules	700K	-	-	-	0.55	20%
16	SVM (linear)	700K	-	-	-	0.55	20%
17	SVM	< 400	-	-	0.53	-	-
18	Genetic SVM	1,171	-	-	0.62	-	-
19	Neuro-fuzzy	20K	0.68	0.51	-	-	-
22	NN	22K	0.87	0.65	0.29	-	-
23	Rough sets	N/A	0.93	-	-	-	_
24	SOM	2K	0.93	0.85	0.98	-	-





# State of the art: comparison

25	SVM (Gauss)	1,350	0.98	-	-	_	n=	
27	Regression	30	-	-	0.22	-	1%	
27	Regression	30		-	0.78	-	2%	
27	Regression	30	-	-	0.98	-	3%	
27	Regression	30	-:	-	1	_	4-10%	
29	SVM	5K	0.96	-	-	-	-	
29	KNN	5K	0.96	-	-	-	-	
29	NN	5K	0.94	-	-	-	-	
30	OPF	736	0.90	-	-	_	-	
30	SVM (Gauss)	736	0.89	-	-	-	-	
30	SVM (linear)	736	0.45	-	-	<b></b>	-	
30	NN	736	0.53	_	_	<u>.</u>	-	
33	Decision tree	N/A	0.99	-	-	_	-	





# Challenges

- Class imbalance and evaluation metric
- Feature description
- Data quality
- Covariate shift
- Scalability
- Comparison of different methods





- Imbalanced classes appear frequently in machine learning, which also affects the choice of evaluation metrics.
- Most NTL detection research do not address this property.





• In many papers, high accuracies or high recalls are reported:

Ref.	Model	#Customers	Accuracy	Precision	Recall
1	SVM (Gauss)	< 400	0.86	-	0.77
7	SVM + fuzzy	100K	-	-	0.72

 The following examples demonstrate why those performance measures are not suitable for NTL detection in imbalanced data sets.





- For a test set containing 1K customers of which 999 have regular use,
  - A classifier always predicting non-NTL has an accuracy of 99.9%
  - While this classifier has a very high accuracy and intuitively seems to perform very well, it will never predict any NTL.





- For a test set containing 1K customers of which 999 have regular use,
  - A classifier always predicting NTL has a recall of 100%.
  - While this classifier will find all NTL, it triggers many costly and unnecessary physical inspections by inspecting all customers.



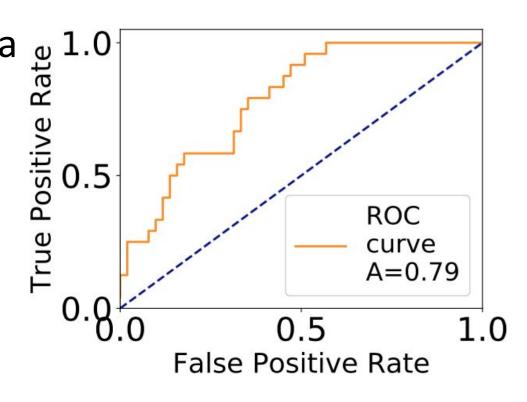


- This topic is addressed rarely in NTL literature.
- For NTL detection, the goal is to reduce the false positive rate (FPR) to decrease the number of costly inspections, while increasing the true positive rate (TPR) to find as many NTL occurrences as possible.





 We propose to use a receiver operating characteristic (ROC) curve, which plots the TPR against the FPR.







 The area under the curve (AUC) is a performance measure between 0 and 1, where any binary classifier with an AUC > 0.5 performs better than chance





# Large-Scale Detection of Non-Technical Losses in Imbalanced Data Sets

Patrick Glauner\*, Andre Boechat\*, Lautaro Dolberg\*, Radu State\*, Franck Bettinger<sup>†</sup>, Yves Rangoni<sup>†</sup> and Diogo Duarte<sup>†</sup>

#### **Published in:**

Proceedings of the Seventh IEEE Conference on Innovative Smart Grid Technologies (ISGT 2016), Minneapolis, USA, 2016.

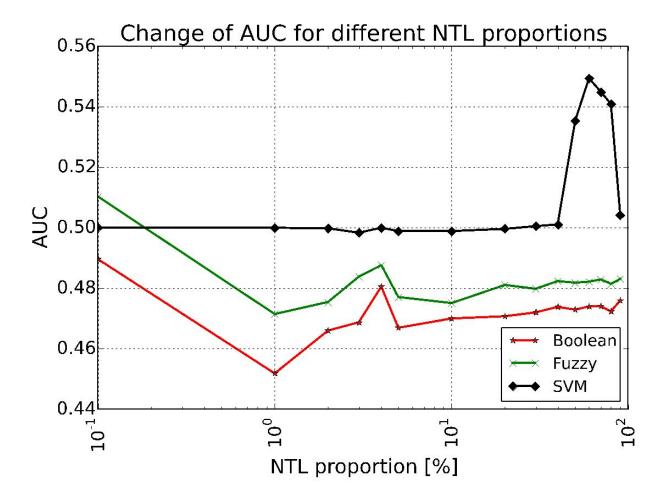




Ref.	Model	#Customers	Accuracy	Precision	Recall	AUC	NTL/theft proportion
1	SVM (Gauss)	< 400	0.86	-	0.77	-	-
7	SVM + fuzzy	100K	-	-	0.72	-	-
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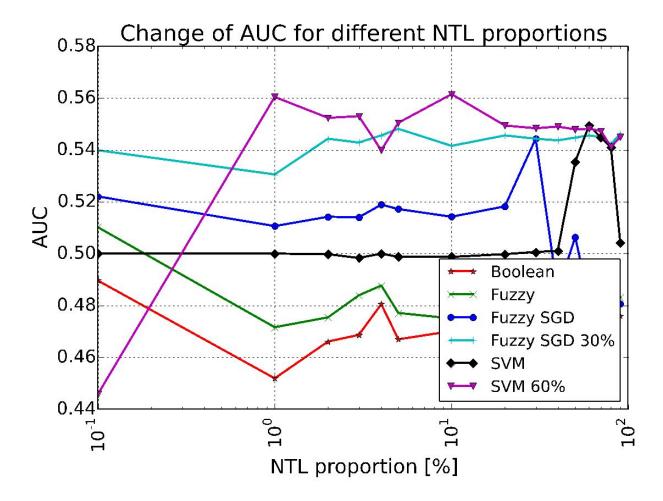
















- Generally, hand-crafting features from raw data is a long-standing issue in machine learning having significant impact on the performance of a classifier.
- Different feature description methods have been reviewed in the previous section.





- They fall into two main categories:
  - Features computed from the consumption profile of customers which are from:
    - Monthly meter readings
    - Or smart meter readings
  - And features from the customer master data.





- The features computed from the time series are very different for monthly meter readings and smart meter readings.
- The results of those works are not easily interchangeable. While electricity providers continuously upgrade their infrastructure to smart metering, there will be many remaining traditional meters. In particular, this applies to emerging countries.





- There are only few works on assessing the statistical usefulness of features for NTL detection.
- Almost all works on NTL detection define features and subsequently report improved models that were mostly found experiment ally without having a strong theoretical foundation.





# Data quality

- We noticed that the inspection result labels in the training set are not always correct and that some fraudsters may be labelled as non-fraudulent.
- The reasons for this may include bribing, blackmailing or threatening of the technician performing the inspection.
- Also, the fraud may be done too well and is therefore not observable by technicians.



# Data quality

- Another reason may be incorrect processing of the data. It must be noted that the latter reason may, however, also label nonfraudulent behavior as fraudulent.
- Most NTL detection research use supervised methods. This shortcoming of the training data and potential wrong labels in particular are only rarely reported in the literature.

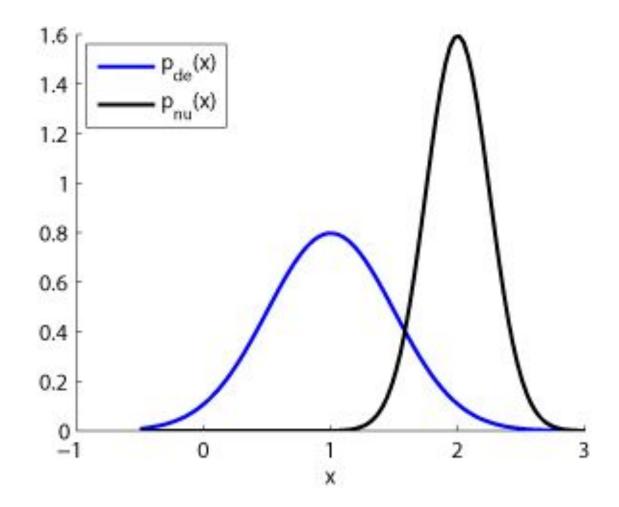




 Covariate shift refers to the problem of training data (i.e. the set of inspection results) and production data (i.e. the set of customers to generate inspections for) having different distributions.

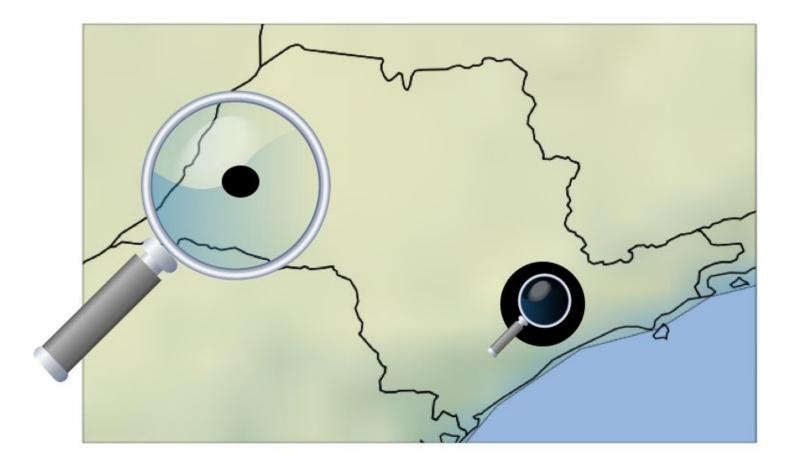
















The large city is close to the sea, whereas the small city is located in the interior of the country. The weather in the small city undergoes stronger changes during the year. The subsequent change of electricity consumption during the year triggers many inspections. As a consequence, most inspections are carried out in the small city. Therefore, the sample of customers inspected does not represent the overall population of customers.







- This fact leads to unreliable NTL predictors when learning from this training data.
- Historically, covariate shift has been a long-standing issue in statistics





- The Literary Digest sent out 10M questionnaires in order to predict the outcome of the 1936 US Presidential election.
- They received 2.4M returns.
- Predicted Alfred Landon to win.







- Nonetheless, the predicted result proved to be wrong.
- The reason for this was that they used car registrations and phone directories to compile a list of recipients.
- In that time, the households that had a phone or a car represented a biased sample of the overall population.





- In contrast, George Gallup only interviewed 3K handpicked people, which were an unbiased sample of the population.
- As a consequence, Gallup could predict the outcome of the election very well.





# Is Big Data Sufficient for a Reliable Detection of Non-Technical Losses?

Patrick Glauner\*, Angelo Migliosi\*, Jorge Augusto Meira\*, Petko Valtchev\*†, Radu State\* and Franck Bettinger‡

#### Published in:

Proceedings of the 19th International Conference on Intelligent System Applications to Power Systems (ISAP 2017), San Antonio, USA, 2017.





We propose a robust algorithm for measuring covariate shift in data sets.

#### Algorithm 1 Quantifying covariate shift.

```
1: result \leftarrow 0
 2: reliability \leftarrow 0
 3: selected \leftarrow train\ data.add\ feature(s,1)
 4: not\_selected \leftarrow prod\_data.add\_feature(s, 0)
 5: data \leftarrow selected \cup not\_selected
 6: folds \leftarrow cv\_folds(data, k)
 7: for model in get_model_candidates() do
        mccs \leftarrow list()
 8:
        for fold in folds do
 9:
             X_{train}, X_{test}, y_{train}, y_{test} \leftarrow fold
10:
             classifier \leftarrow DecisionTree(model)
11:
12:
             classifier.train(X_{train}, y_{train})
             y_{pred} \leftarrow classifier.predict(X_{test})
13:
             mccs.append(MCC(y_{test}, y_{pred}))
14:
        end for
15:
        mcc\_mean \leftarrow mean(mccs)
16:
        if mcc mean > result then
17:
             result \leftarrow mcc \ mean
18:
             reliability \leftarrow std(mccs)
19:
        end if
20:
21: end for
22: return result, reliability
```





#### ASSESSED FEATURES.

Feature	Possible values	
Class	Power generation infrastructure, residential,	
	commercial, industrial, public,	
	public illumination, rural, public service,	
	reseller	
Contract status	Active, suspended	
Location	Longitude and latitude	
Meter type	22 different meter types	
Number of wires	1, 2, 3	
Voltage	$\leq$ 2.3kV, $>$ 2.3kV	



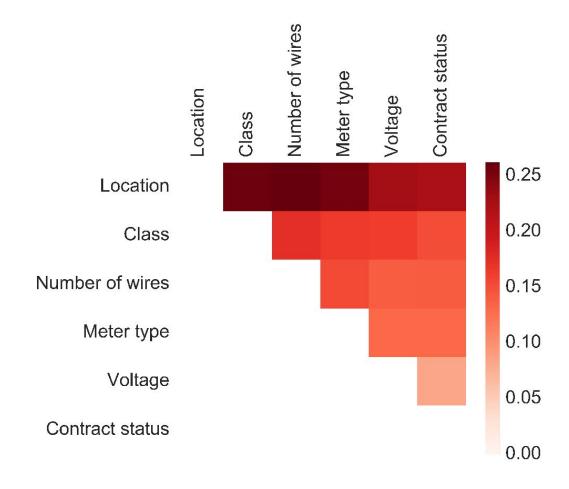


GLOBAL COVARIATE SHIFT OF SINGLE FEATURES.

Feature	$\overline{MCC}_{max}$	$\sigma$
Location	0.22367	0.03453
Class	0.16255	0.01371
Number of wires	0.14111	0.00794
Meter type	0.13158	0.00382
Voltage	0.07092	0.02375
Contract status	0.03744	0.09183



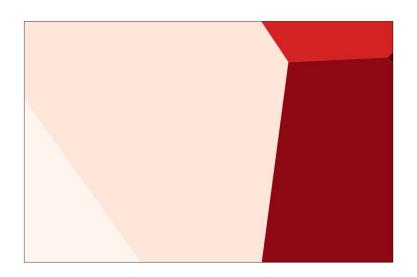








#### Regional level:

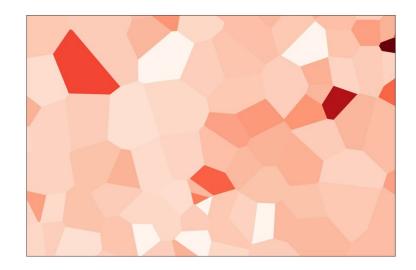








#### Municipal level:

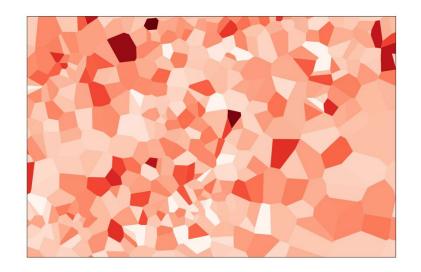








#### Local level:







 We have proposed new methods to detect NTL more reliably by reducing covariate shift among other biases.





# ON THE REDUCTION OF BIASES IN BIG DATA SETS FOR THE DETECTION OF IRREGULAR POWER USAGE

PATRICK GLAUNER and RADU STATE

PETKO VALTCHEV

DIOGO DUARTE

#### To appear in:

Proceedings of the 13th International FLINS Conference on Data Science and Knowledge Engineering for Sensing Decision Support (FLINS 2018), Belfast, UK, 2018.





# Impact of Biases in Big Data

Patrick Glauner<sup>1</sup>, Petko Valtchev<sup>2</sup> and Radu State<sup>1</sup>

#### Published in:

Proceedings of the 26th European Symposium on Artificial Neural Networks, Computational Intelligence and Machine Learning (ESANN 2018), Bruges, Belgium, 2018.





# Scalability

- The number of customers used throughout the research reviewed significantly varies.
- Some papers use less than a few hundred customers in the training.
- Some papers use SVMs with a Gaussian kernels. In that setting, training is only feasible in a realistic amount of time for up to a couple of tens of thousands of customers in current implementations.



# Scalability

 Another paper uses the Moore-Penrose pseudoinverse. This model is also only able to scale to up to a couple of tens of thousands of customers.

$$\widehat{R} = (H^T H)^{-1} H^T L \tag{4}$$

where

$$H = \begin{bmatrix} \frac{I_1(t_2)^3 - I_1(t_1)^3}{3s_{1,2}} & \frac{I_2(t_2)^3 - I_2(t_1)^3}{3s_{2,2}} & \dots & \frac{I_n(t_2)^3 - I_n(t_1)^3}{3s_{n,2}} & 1\\ \frac{I_1(t_3)^3 - I_1(t_2)^3}{3s_{1,3}} & \frac{I_2(t_3)^3 - I_2(t_2)^3}{3s_{2,3}} & \dots & \frac{I_n(t_3)^3 - I_n(t_2)^3}{3s_{n,3}} & 1\\ \dots & \dots & \dots & \dots & \dots & \dots\\ \frac{I_1(t_m)^3 - I_1(t_{m-1})^3}{3s_{1,m}} & \frac{I_2(t_m)^3 - I_2(t_{m-1})^3}{3s_{2,m}} & \dots & \frac{I_n(t_m)^3 - I_n(t_{m-1})^3}{3s_{n,m}} & 1 \end{bmatrix}$$

$$L = \begin{bmatrix} L_2 & L_3 & \dots & L_m \end{bmatrix}^T$$

$$\hat{R} = [\hat{R}_1 \quad \hat{R}_2 \quad \dots \quad \hat{R}_n \quad l_0]^T$$





# Scalability

- A few papers use up to hundreds of thousands or millions of customers.
- An important property of NTL detection methods is that their computational time should scale to large data sets of hundreds of thousands or millions of customers. Most works reported in the literature do not satisfy this requirement.





- Comparing the different methods reviewed in this paper is challenging because they are tested on different data sets.
- In many cases, the description of the data lacks fundamental properties such as the number of meter readings per customer, NTL proportion, etc.





- In order to increase the reliability of a comparison, joint efforts of different research groups are necessary.
- These efforts need to address the benchmarking and comparability of NTL detection systems based on a comprehensive freely available data set.





- Carlos López, Universidad
   ORT Uruguay, is planning
   A NTL detection challenge

  We plan to organize to proper to pro
- Project title: Objective comparison among NTL detection methods in houses

We plan to organize a NTL detection competition

1 post by 1 author 

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Hello everybody:

My name is Carlos López, and I am based in Universidad ORT Uruguay (Montevideo). As the subject states, we are applying to our NSF (named ANII) in order to fund a competition intended to objectively compare the performance of various NTL detection methods in a given dataset. Below you will find both the title and summary of the project. The project has been presented last year, and despite a good evaluation some weakness were noticed. ANII stated that we have no evidence that external researchers will be willing to participate in the competition. We kindly request your opinion on the initiative, and if you feel it is possible, send a formal letter stating that you are considering participate in the competition once it is launched (not before mid 2019). If you are interested in the details let me know.

Regards

Carlos





- Goal: Create a simulation environment in which competitors can objectively test and compare their NTL detection methods to the ones of others
- Currently looking for researchers interested in realizing the competition
- Carlos will apply for funding at Agencia
   Nacional de Investigación e Innovación (ANII)





- Have a look at our mailing list: <u>https://groups.google.com/d/forum/ntl-community</u>
- Details:
  - The comparison will be through a Monte Carlo simulation
  - Unlike typical competitions platforms (e.g. kaggle.com) which just require one classification, the algorithms should be run many times





- Challenges:
  - Derive suitable metrics to assess models
  - Get a sufficiently large dataset that can be put in the public domain





# Locality vs. similarity

Is it possible to provide an accurate detection of non-technical losses by using features only derived from provider-independent data?





# Challenge

A 100% automated tool





 How to improve targets selection by taking advantage of the domain expert experience?





# Identifying Irregular Power Usage by Turning Predictions into Holographic Spatial Visualizations

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 How to improve targets selection by taking advantage of the domain expert experience?



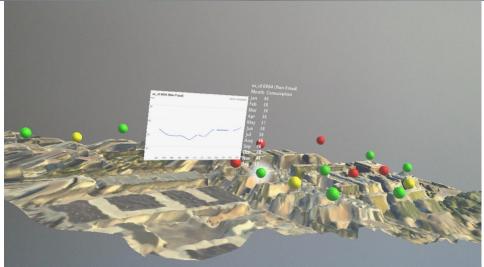


HoloLens



















#### Conclusions

- Machine Learning allows to learn complex statistical patterns from data
- Not much domain knowledge required
- Many applications in daily life
- Non-technical losses (NTL) cause major financial losses to electricity suppliers
- Detecting NTL thrives significant economic value





#### Interested in NTL?

#### Join our mailing list:

https://groups.goog le.com/d/forum/ntlcommunity







### References

- [1] T. Mitchell, "Machine learning", McGraw Hill, 1997.
- [2] C. Bishop, "Pattern recognition and machine learning", Springer, 2006.



