

# Enabling Better Decisions via The Weather Company's Probability Forecast Platform

—  
**The Weather Company, an IBM Business**

James Belanger, Ph.D.

*Senior Meteorological Scientist*



# Today's Talk

- How can probability forecasts be used in decision-making?
- What capabilities do we offer now?
- Lessons learned

# Key Points

- Probability forecasts can be used to optimize decisions
- Quantifying uncertainty increases user's confidence
- Statistical calibration is necessary to ensure forecasts are reliable and sharp

# Contributors to Probabilistic Offerings

## Global Forecasting Sciences

Peter Neilley

### Forecasting Sciences

John Williams  
James Belanger  
Todd Crawford  
Holly Hassenzahl  
Joe Koval  
Michael Ventrice  
Dana Winn

### Forecasting Technologies

Steve Marshall  
Jeff McDonald  
Chona Guiang

## Global Weather Solutions

Ian Miller

### Weather Systems

Operations  
Neil McGillis  
Paul Bayer  
Dave Faciane

## SUN

Amanda Taylor  
Mike Stern

## Consumer Products

Robyn Weeks  
Lindsay Howard  
Carol Bales  
Tim Bernas  
Jessica Gerson

## Design

Bob Gauvin

## Data Science

Harini Srinivasan

Alex Huang  
Jeremie Juban  
Rosha Pokharel

## Energy

Rob Boucher  
Eric Mikula

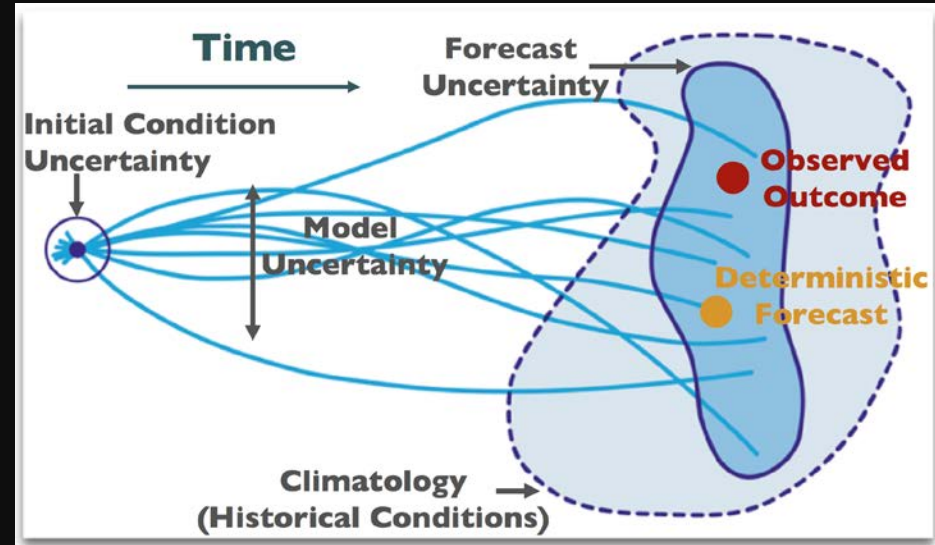
# Why Probabilistic?

The atmosphere is a nonlinear chaotic fluid (bifurcations, attractors, etc.)

**Chaos** → The present determines the future ... but the approximate present does not approximately determine the future

**Deterministic forecasts** represent one potential weather realization

**Probabilistic forecasts** represent a range of possible realizations (uncertainty)



Probabilistic forecasts can be used to **optimize**  
**decisions**

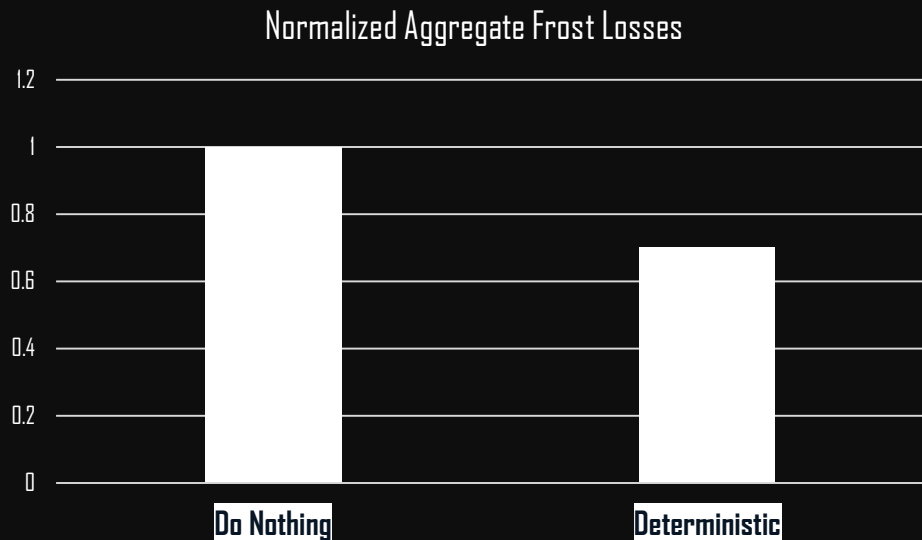
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# Example: Crop Frost Loss Mitigation

Consider a farmer making a decision to protect crops in the face of a (near-)freezing forecast.

- Protection is expensive
- But not protecting could lead to significant loss.

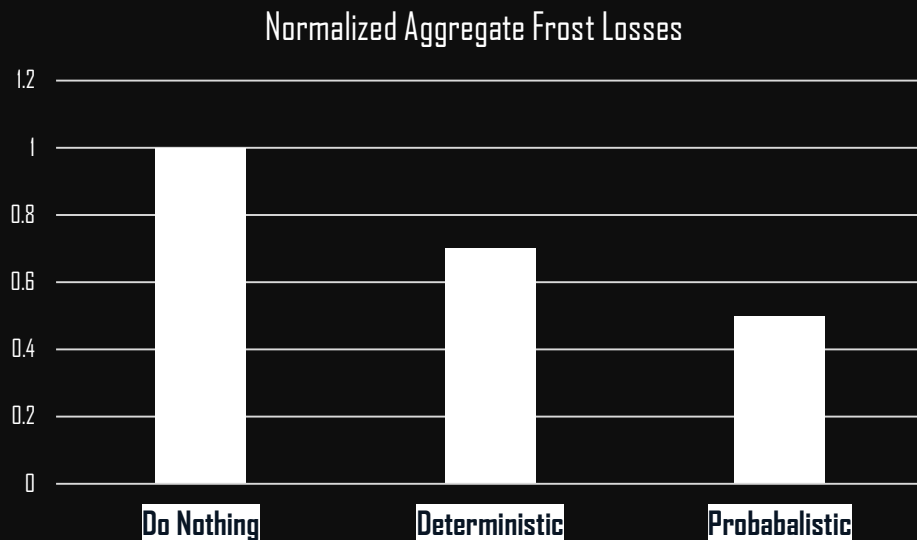
Using deterministic forecast of freezing conditions helps....



Using deterministic weather forecast to make frost protection decision mitigates losses by 30%.

# Example: Crop Frost Loss Mitigation (2)

... but using probabilistic forecasts in conjunction with cost-loss optimization further improves the net economic outcome.



Probabilistic-based protection decisions mitigate frost losses by 50%..

# Cost Breakdown

Available Actions

Possible Weather

	With Mitigation	No Mitigation
It freezes $P(Y) = 20\%$ $= 0.2$	Crop saved (-\$1,000)	Crop lost (-\$10,000)
It doesn't freeze $P(N) = 80\%$ $= 0.8$	Crop okay (-\$1,000)	Crop okay (\$0)
Expected value	<b>-\$1,000</b>	<b>-\$2,000</b>

**Optimal Decision:**  
Action with highest expected value (sum of Outcome Values x Probabilities) = use mitigation!

Action Impact  
Outcome Value



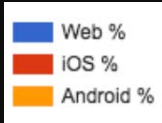
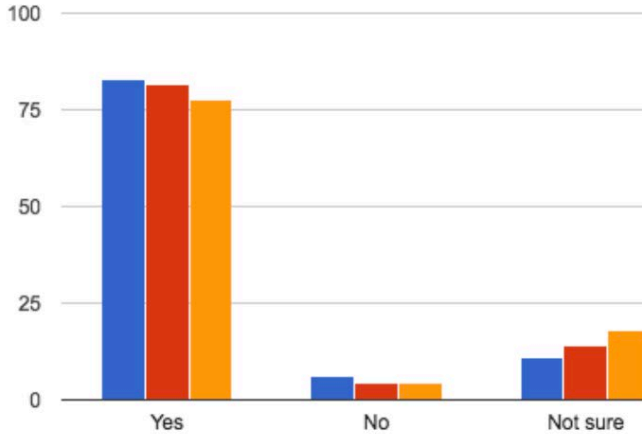


# Quantifying uncertainty increases user's confidence

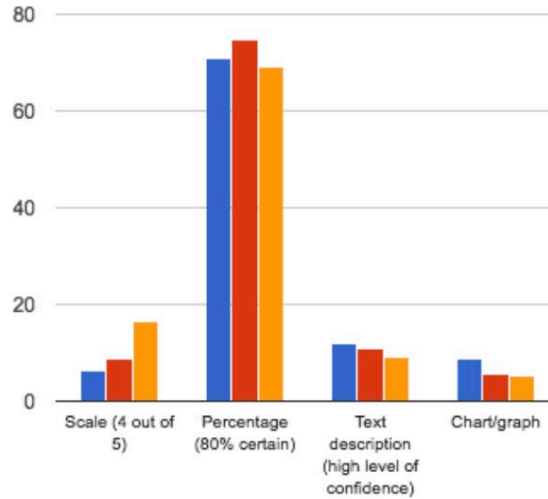
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# Consumer Product User Survey, January 2017

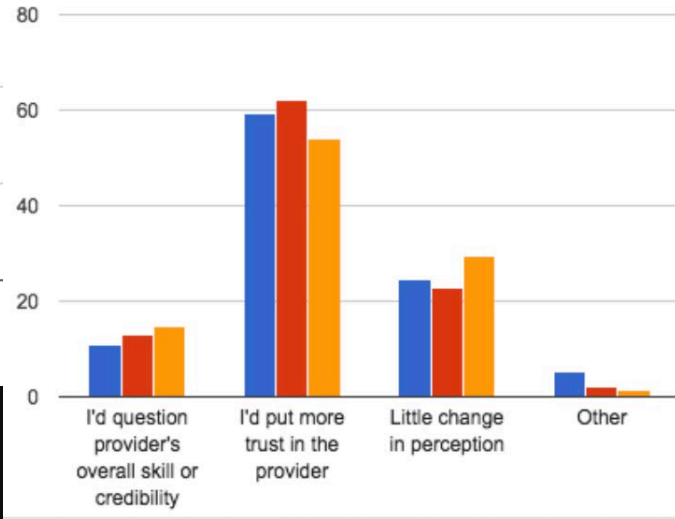
Would you find it useful to view information describing how confident or certain we are in a forecast?



Which format would be most useful for conveying level of forecast certainty / confidence?



Which best describes how a measure of forecast certainty / confidence would affect your perception of the weather provider?



# Consumer Snowfall - Vision Framing

## Problem Statement

Global users with snow perceive a mismatch of forecast and observed snowfall, eroding trust & relevance for the brand.

## Opportunity

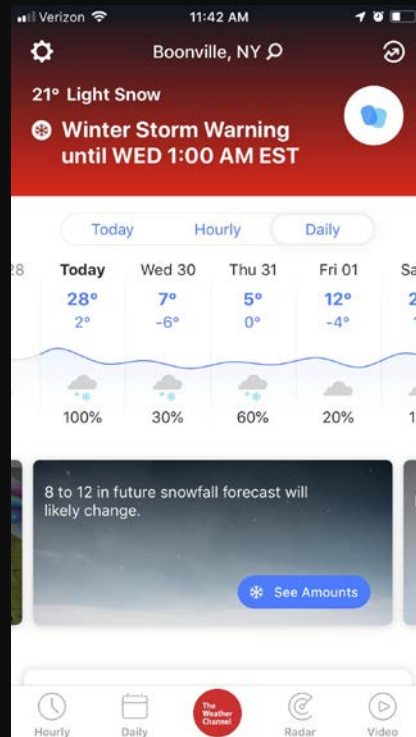
Knowing there's a high likelihood the forecast may change is almost as important as knowing the forecast itself.

Communicate certainty & uncertainty  
of snowfall forecasts

to increase understanding and confident decision making during winter weather events.

# Consumer Snowfall

- Snowfall forecasts derived from 154 models (EC ENS, GEFS, etc.)
- Snowfall forecasts calibrated via Logistic Regression + Bayesian Model Averaging using NHRSC analyses
- Arbitrates machine-generated forecasts with human influenced forecast to impart some consistency
- Calculate snowfall exceedance probabilities, boom and bust amounts, confidence metric



Live in Weather Channel iOS mobile application as of February 2019

# TWC's Probability Forecast Products

## 15-day Probabilistic (PFP)

SUN API available in PA

### Time resolution

Hourly or interval max, min, or sum

### Variables

Temperature	Precipitation	Dewpoint
	Relative Humidity	
Snowfall	Wind Speed	
Wind Direction	Wind Gust	
Ceiling	Visibility	

### Products (user specified)

Range probabilities  
Probability distributions  
Percentiles  
Forecast prototypes

## FOD 7-day Snowfall

SUN API for Consumer Product

### Time resolution

Morning and overnight dayparts  
Timespans: 12, 24, 36, 48, 72 h

### Variables

Snowfall accumulation  
*Incorporates forecaster input*

### Products

Probability of accumulation  
Interval probabilities  
Percentiles (10<sup>th</sup> and 90<sup>th</sup>)  
Confidence (of FOD interval)

## Seasonal Probabilistic

Point publishing via email, SOW  
Created on the 5<sup>th</sup> of each month

### Time resolution

Daily 0 – 6 months

### Variables

Daily min, mean, max temperature  
Daily precipitation  
Temperature and precip anomalies

### Products

Percentiles  
Forecast prototypes

## Tropical Cyclone

15-day intensity strike probabilities

SUN API available in Passport Advantage

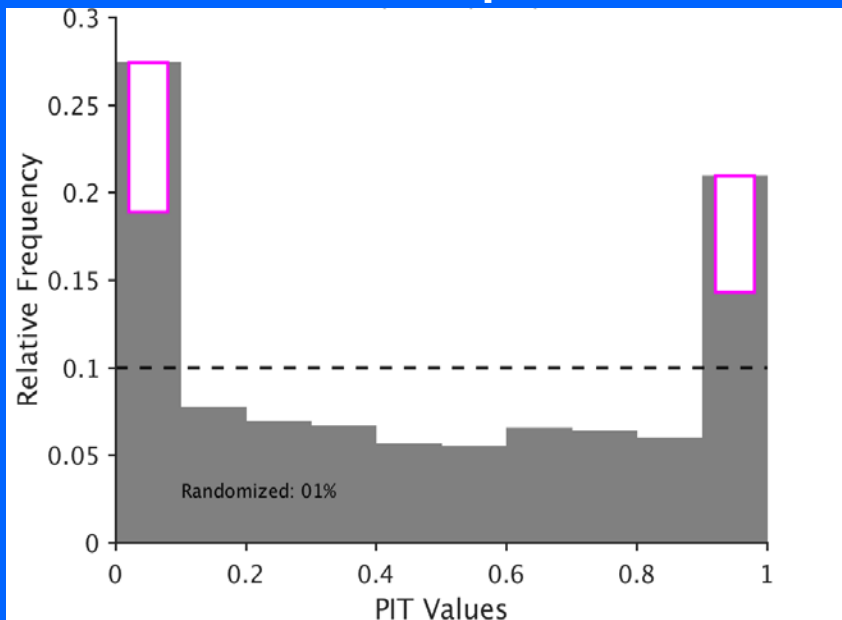
Statistical calibration is  
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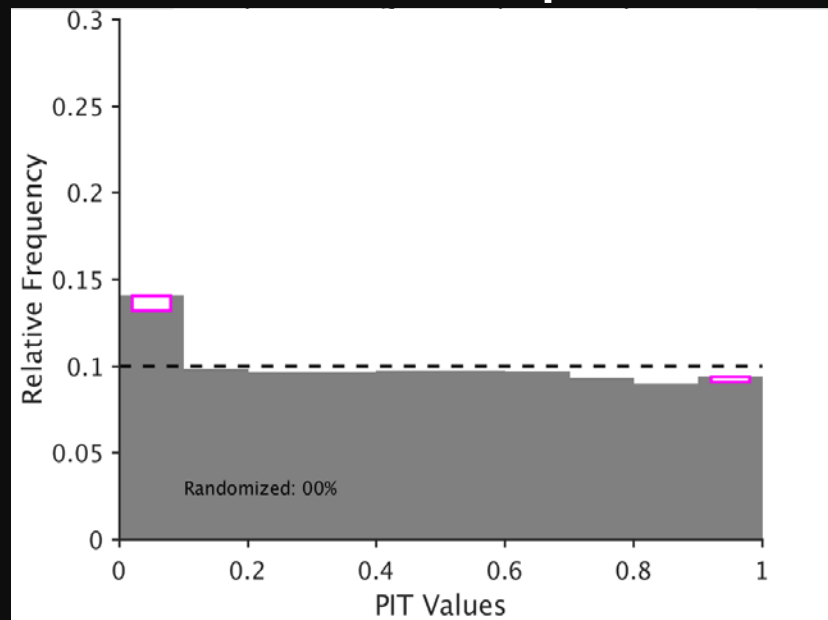
# Impact of Calibration on 2m Temperature

PIT = Probability Integral Transform, a histogram of observation percentiles

## Raw 2m Temperature



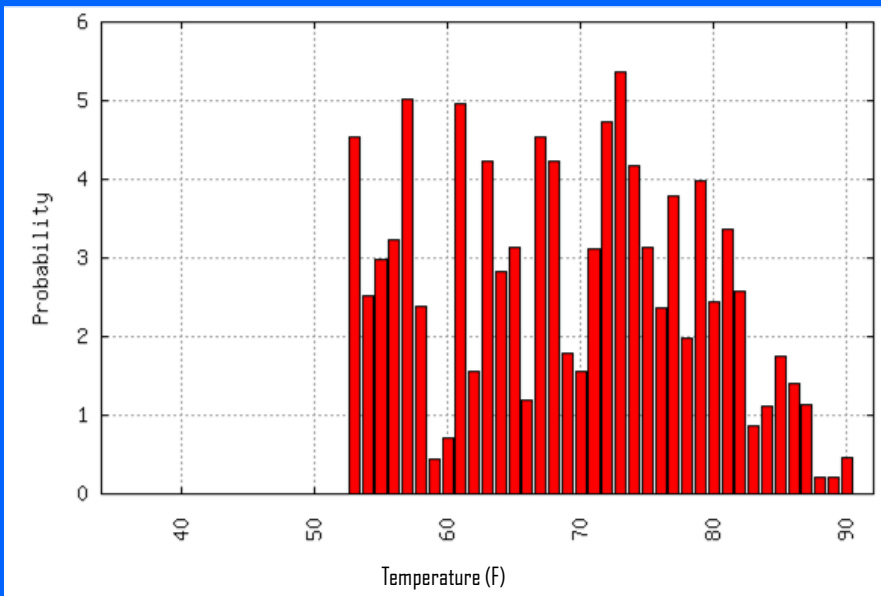
## Calibrated 2m Temperature



Cross-validation study | April 2017 – 15 September 2017  
2300 CONUS METAR locations, 48 hour forecast

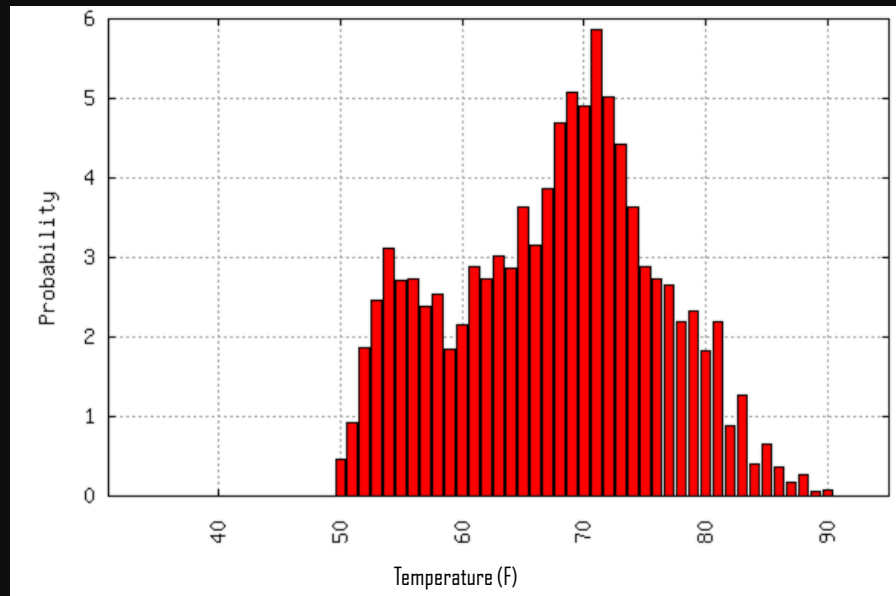
# Impact of Calibration on Discrete PDF

## Uncalibrated Percentiles



*“noisy” and difficult to interpret the raw multi-model ensemble distribution*

## Calibrated Percentiles

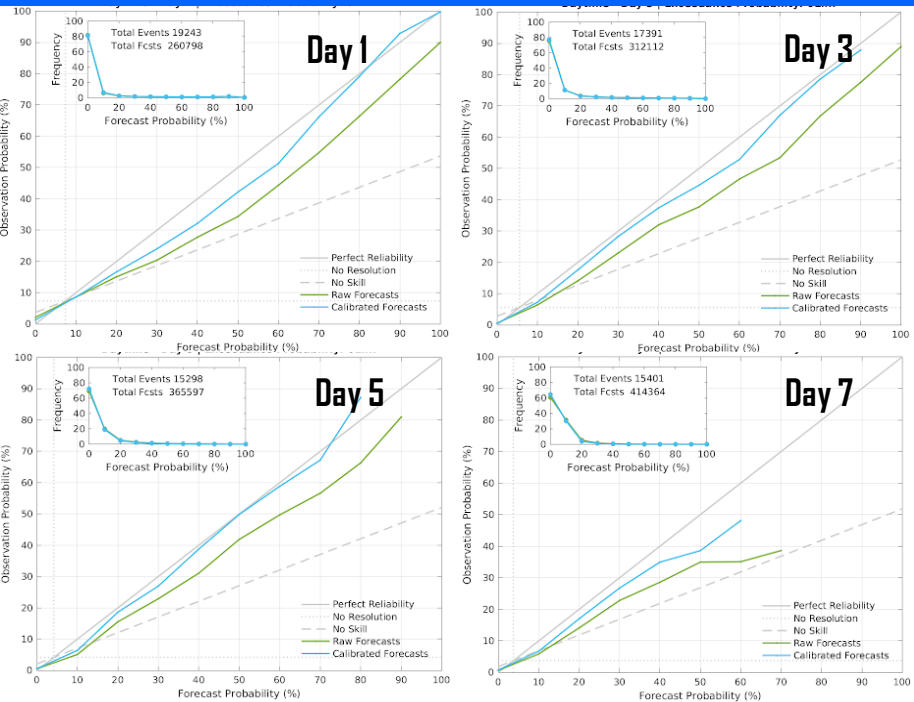


*bi-modal with higher probability for warmer temperatures*

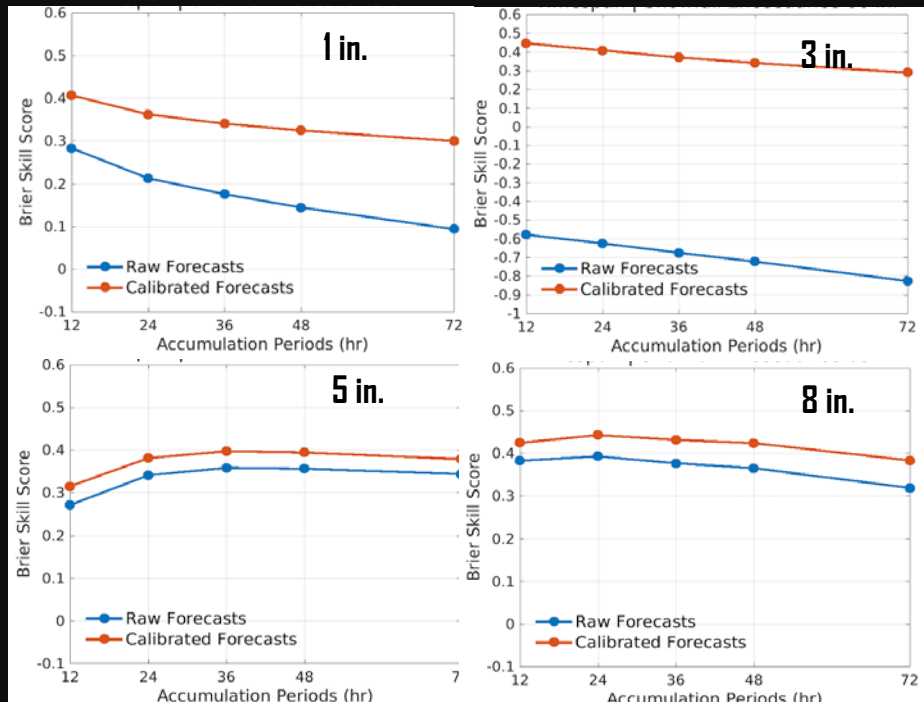


# Probabilistic Snowfall

## Reliability



## Skill



Cross-validation study | January – 30 April 2018  
2300 CONUS METAR locations



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**Thank You !**

[james.belanger@ibm.com](mailto:james.belanger@ibm.com)