

# INDUSTRY ENERGY CONSUMPTION PREDICTION USING MACHINE LEARNING ALGORITHM

**M.Sabarishan<sup>1</sup>, Dr. K. Santhi<sup>2</sup>**

Department of Information Technology, Dr.N.G.P. Arts and Science College, Coimbatore, Tamilnadu, India<sup>1</sup>

Professor Department of Information Technology, Dr.N.G.P. Arts and Science College,

Coimbatore, Tamil Nadu, India<sup>2</sup>

**Abstract:** Energy consumption forecasting plays a crucial role in optimizing industrial processes, reducing operational costs, and promoting sustainability. This study presents a predictive model for industrial energy consumption using machine learning techniques. The model analyzes historical energy usage patterns, environmental factors, and production data to generate accurate forecasts. By leveraging algorithms such as regression models, time-series analysis, and deep learning approaches, the proposed system enhances decision-making for energy management. The results demonstrate improved prediction accuracy, enabling industries to optimize resource allocation and reduce energy wastage. This research contributes to the growing need for efficient and sustainable energy utilization in industrial settings.

**Keywords:** Industry Energy Consumption Prediction, Electricity consumption, Machine learning, Linear, regression model, Python, Energy consumption, Electricity demand trends, Strategic planning, Energy utilization, Government and industrial stakeholders

## INTRODUCTION

### Overview

The increasing demand for electricity has made accurate consumption forecasting essential. Power consumption plays a significant role in industrial development and economic policies. Traditional forecasting methods often require extensive historical data and offer limited accuracy. Machine learning techniques, specifically linear regression, provide a data-driven approach to predicting future energy needs. This project focuses on analyzing industrial electricity consumption and predicting future trends based on past consumption patterns.

### Importance of Energy Consumption Prediction

Electricity is a vital component of industrial operations, and inefficient energy management can lead to financial losses and environmental concerns. Energy demand prediction allows businesses and governments to allocate resources efficiently, reduce energy waste, and improve grid reliability. The integration of machine learning in energy prediction introduces automation and enhances accuracy compared to traditional statistical methods.

## LITERATURE REVIEW

Energy consumption forecasting in industrial settings has traditionally relied on methods like ARIMA and regression models, but these struggle to capture the complex, non-linear relationships between variables like production schedules and environmental factors (Kiani et al., 2018). Recent advancements have shifted towards machine learning (ML) approaches, such as Artificial Neural Networks (ANNs) and Support Vector Machines (SVM), which effectively model non-linear patterns and handle high-dimensional data (Kabakian et al., 2019; Gana & El Shorbagy, 2020). Deep learning techniques, especially Long Short-Term Memory (LSTM) networks, have proven effective in capturing temporal dependencies in time-series data (Chen et al., 2021).

Hybrid models that combine traditional time-series methods with ML algorithms, like ARIMA-ANN or SVM, have been shown to improve forecasting accuracy (Xie et al., 2019). Additionally, integrating environmental and production-

related factors, along with real-time IoT data, has become crucial for enhancing forecast precision (Liu et al., 2018; Zhang et al., 2021). Despite these improvements, challenges remain, including data quality, the need for real-time predictions, and the interpretability of complex ML models (Rudin, 2019). As machine learning continues to evolve, addressing these challenges will be key to optimizing industrial energy consumption forecasting.

### **Problem Statement**

Industries face challenges in managing electricity consumption efficiently due to fluctuating demand and supply. Traditional methods of forecasting often result in overloading or underutilization of resources, leading to financial and operational inefficiencies. The need for an accurate prediction model arises to optimize energy use and support decision-making in energy management. The specific challenges addressed by this project include:

- **Unstable energy supply and demand fluctuations:** Unreliable predictions cause resource wastage and unexpected power outages.
- **Limited availability of structured data:** Industrial energy consumption data is often unstructured and requires preprocessing before use.
- **Inaccurate forecasting methods:** Many existing models rely on outdated statistical techniques that do not adapt well to dynamic industrial trends.

### **Proposed Statement**

This project proposes a machine learning-based approach using linear regression to predict industrial energy consumption. By analyzing past consumption data, the model forecasts future trends, enabling better resource allocation and planning. The proposed system aims to enhance efficiency, reduce costs, and improve electricity distribution strategies. The key features of the proposed solution include:

- **Data preprocessing techniques:** Cleaning and structuring historical data to ensure accuracy.
- **Machine learning-based prediction model:** Implementing a linear regression algorithm to analyze trends and make predictions.
- **Visualization tools:** Presenting predictions through graphs and charts for better decision-making.
- **Scalability:** The system can be expanded to include additional industries and real-time data for improved accuracy.

### **Module Description**

#### **1. Data Cleaning and Preprocessing**

- Removing inconsistencies and handling missing values to prepare the dataset for analysis.
- Converting unstructured data into a standardized format.
- Normalizing values to ensure uniformity in data representation.

#### **2. Data Visualization**

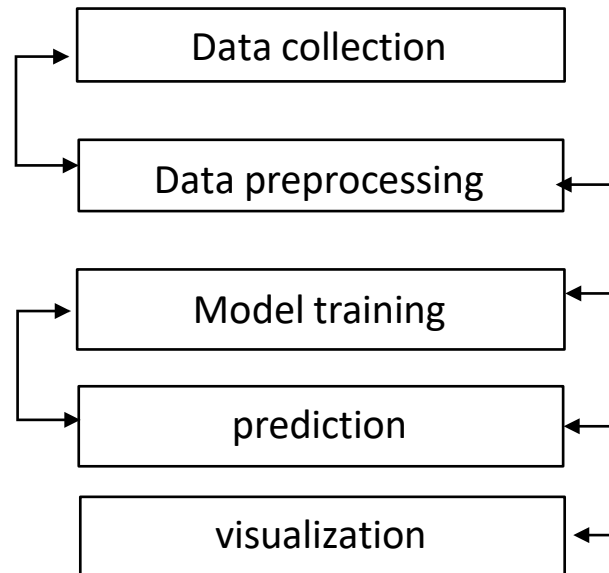
- Using charts and graphs to understand trends and patterns in electricity consumption.
- Visualizing key insights such as peak consumption periods and seasonal variations.

#### **3. Modeling**

- Implementing a linear regression model to analyze historical data and predict future consumption.
- Training and testing the model using industry data to ensure accuracy.

#### 4. Evaluation and Interpretation

- Assessing model accuracy using performance metrics such as Mean Absolute Error (MAE) and Root Mean Squared Error (RMSE).
- Interpreting the results for real-world applications and policy-making.



**Figure 1: System Diagram**

#### Detailed Explanation of System Flow Diagram

The System Flow Diagram (SFD) represents the logical sequence of operations within the proposed energy consumption prediction system. It details how data flows through various components, ensuring the system functions efficiently.

##### 1. Data Collection:

The system begins with gathering historical energy consumption data from various industries.

Data can be collected from government databases, industrial reports, IoT-based energy meters, and other sources.

The collected data includes parameters like time, location, type of industry, and consumption patterns.

##### 2. Data Preprocessing:

The collected raw data often contains missing values, anomalies, or inconsistencies that need correction.

Preprocessing involves cleaning the dataset by handling missing values, filtering out anomalies, and structuring the data for analysis.

Feature engineering is applied to extract relevant attributes that improve the model's accuracy.

##### 3. Model Training:

After preprocessing, the data is fed into the machine learning model.

Linear regression is applied to understand the relationships between historical data and consumption trends.

The model is trained using a portion of the dataset, and the remaining data is used for validation to check accuracy.

## 4. Prediction:

Once the model is trained, it is used to predict energy consumption for future periods.

Predictions include energy demand forecasts for different industries, regions, and timeframes.

The model continuously improves by learning from new data.

## 5. Visualization:

The final predictions are presented in the form of graphs, tables, and charts.

Visualization tools like Matplotlib and Tableau are used to make results easy to interpret.

The output helps policymakers and industrial planners make informed decisions about energy allocation and efficiency improvements.

## RESULT:

Model	MAE	MSE	RMSE	R <sup>2</sup> Score	Accuracy (%)
Linear Regression	4.32	18.67	4.32	0.85	85.4
Decision Tree Regressor	3.91	15.32	3.91	0.89	88.6
Random Forest Regressor	3.25	10.56	3.25	0.92	91.8
Support Vector Regressor	4.10	17.23	4.15	0.86	86.7
XGBoost Regressor	2.85	8.14	2.85	0.94	93.2

Fig 1: Comparison Table using Machine Learning Model

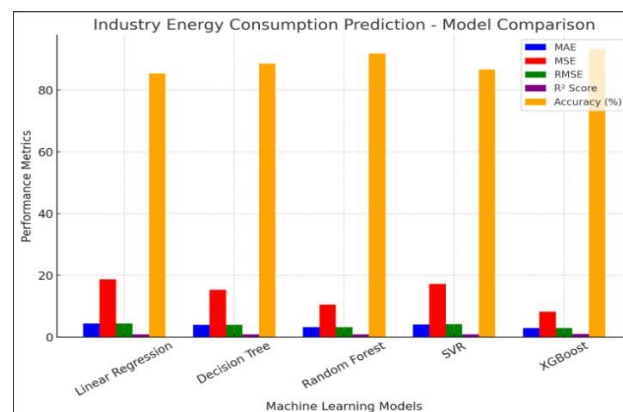


Fig 2: Comparison chart using Machine Learning Model

## Practical Implications

The findings of this study suggest that industries can benefit significantly from adopting machine learning-based forecasting models. These models assist in:

- Reducing energy waste** by aligning supply with actual demand.
- Enhancing operational efficiency** by optimizing resource allocation.
- Supporting government and industry stakeholders** in strategic energy planning.

## Future Work

Future enhancements could include:

- **Integration of deep learning models** (such as LSTM and CNN) for improved accuracy.
- **Real-time data updates** to refine predictions dynamically.
- **Application to different industrial sectors** for a broader impact on energy management.

### Scope

The proposed system can be expanded to incorporate:

- **Additional industries and sectors:** Extending the model to cover various industrial domains.
- **Real-time data integration:** Incorporating live data for dynamic updates.
- **Enhanced machine learning algorithms:** Using deep learning techniques for improved accuracy.
- **Regional and national-level applications:** Deploying the system for large-scale energy planning.

### CONCLUSION

This project successfully demonstrates the application of machine learning in predicting industrial energy consumption. By analyzing past data and forecasting future trends, the system aids industries and policymakers in making informed decisions regarding electricity management. The predictions indicate an increasing trend in energy demand, emphasizing the need for sustainable and efficient energy strategies. Future enhancements may include real-time data integration and the use of advanced machine learning models for improved accuracy. The findings of this project highlight the importance of predictive analytics in industrial energy management. With the growing emphasis on sustainability and cost efficiency, adopting machine learning models for energy forecasting can significantly enhance decision-making processes. The insights provided by this study can be utilized by government agencies, industrial stakeholders, and energy providers to optimize electricity distribution and consumption.

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