

MERO and ČEZ are working together to strengthen the energy security of the Czech Republic

*The Czech Republic will be independent of crude oil from Russia as early as 2025

* MERO ČR is working to expand the capacity of the TAL crude oil pipeline, which will begin delivering up to 8 million tons of crude oil to the Czech Republic from 2025, 4 million more than now

*Elevion Group, a subsidiary of ČEZ, is also involved in strengthening the capacity of TAL

*It is building gas cogeneration for the efficient drive of pumps in Italy along the TAL route

Last year, ČEZ contributed to the Czech Republic's gas supply by securing capacity at the LNG terminal in Eemshaven, the Netherlands. This year, it continues to help increase the energy security of the Czech Republic in the area of crude oil supplies by supporting the activities of the Czech Republic and MERO ČR aimed expanding the capacity of the TAL crude oil pipeline through the TAL-PLUS project. In northern Italy, ČEZ will provide access to newly built cogeneration units located parallel to the TAL route. These will produce electricity and heat used to increase the efficiency of the pipeline pumps and to achieve better transportation properties of the crude oil. The objective is to cut off the Czech Republic from Russian supplies via the Druzhba crude oil pipeline.

In the coming months, the ČEZ Group will build up to seven high-performance gas cogeneration units with a total output of up to 26 MW in northern Italy. Two cogeneration plants near Trieste are currently in operation. These energy sources will be operated by a joint venture between the Italian company EnerProject Srl and Elevion Group, a subsidiary of ČEZ focusing on providing services in the field of modern energy in the wider region of Central Europe. The cogeneration units capable of a quick start-up will be part of the new support infrastructure of the TAL crude oil pipeline. This crude oil pipeline begins in Trieste, Italy and supplies eight refineries in Austria, Germany, and the Czech Republic. Since 1995, Kralupy and Litvínov have also been included, thanks to the IKL branch. Although current supplies via TAL do not allow 100% coverage of the Czech Republic's needs, this situation should change within two years, mainly thanks to the expansion of the capacity of TAL through the ongoing TAL-PLUS project, which is being implemented by MERO ČR.

"In the past, the Czech Republic was compromised in terms of energy resources. We were dependent on Russia, which used these resources to advance its foreign policies. We had to change that. That is why we have significantly strengthened energy security over the past 18 months. We have managed the energy crisis, we have a clear plan for the development of nuclear energy and renewable sources, and we have succeeded in ridding ourselves of our dependence on Russian gas. The next logical step is to secure safe



supplies of oil in sufficient volumes. Thanks to our negotiations, a coordinated approach within the EU and the active approach of MERO, we believe that we will be completely independent of oil supplies from Russia by the end of next year at the latest. It is good that ČEZ is participating in the technical solution,” said **Prime Minister Petr Fiala**.

“The expansion of the capacity of the TAL crude oil pipeline, i.e., the TAL Plus project, was one of the first projects we began working on after the invasion of Ukraine as part of our efforts to be independent of energy from Russia. This is the only way to replace the oil imported through the Druzhba crude oil pipeline, through which only Russian oil flows to us. Therefore, I am glad that we will soon be able to complete the project because it will be a historic moment when we will be able to do without Russian oil for the first time. It is successful mainly thanks to the initiative of MERO and the use of the technical capabilities of ČEZ,” said **Jozef Síkela, Minister of Industry and Trade**.

“Thanks to the active approach of the Elevion Group, within a few months we will provide the pumps of the TAL crude oil pipeline with the necessary power from cogeneration units. Two of them, located next to the port of Trieste, are already in operation, and we are gradually building the rest along the route of the crude oil pipeline towards the Austrian border. After last year’s commissioning of the LNG terminal in Eemshaven, the Netherlands, this is another contribution of the ČEZ Group to ensuring the energy security and independence of the Czech Republic from Russian energy raw materials,” said **Daniel Beneš, CEO of ČEZ**.

“MERO ČR meets an important objective in the energy security and raw material self-sufficiency of the Czech Republic. We are working on the TAL-PLUS project, which will expand the capacity of the TAL crude oil pipeline. Thanks to the increase in its transport capacity, the Czech Republic will receive an additional 4 million tons of crude oil per year from the Italian port of Trieste, i.e., through the western route via the TAL and IKL crude oil pipelines. This will fully replace the supply of Russian crude oil that flows to the Czech Republic via the Druzhba crude oil pipeline. Thanks to this, the Czech Republic will be completely independent of Russian crude oil from 2025. Work on the TAL-PLUS project continues successfully. We have already selected suppliers of key components with which we will increase the capacity of the TAL crude oil pipeline. Technical modifications, which are unprecedented in the history of TAL, are awaiting us on the route of the crude oil pipeline. We are also planning major technical changes at the central crude oil tank farm in Nelahozevs. We need to prepare our infrastructure for much larger flows of new crude oil supplies, we are also considering strengthening the storage capacities of the central crude oil tank farm. I am glad that MERO consistently meets the agreed project schedule in all its activities,” said **Jaroslav Pantůček, CEO of MERO ČR**.

ČEZ Group will contribute to the optimization of TAL operation costs by deploying cogeneration units that will supply the electricity and heat needed to operate the crude oil pipeline. While the electricity will drive the pumps ensuring the movement of the oil in the pipeline system, the heat will be used to heat the oil and improve its flow in the pipeline system and make it easier to transport.

“Our strategy is to continuously strengthen our positions in advanced European markets with energy services in the ESCO sector. Thanks to this, we can maintain an overview of top technologies and procedures in our field. We mainly develop projects in the field of renewable resources, energy savings, and decentralized energy. Through the project to strengthen the capacities of the TAL crude oil pipeline, we are further expanding our activities in the field of cogeneration in northern Italy, where we are also preparing to convert several of our biogas stations to produce biomethane. In the future, the cogeneration units will be able to use this as fuel instead of natural gas, thereby becoming a green source of energy,” added **Jaroslav Macek, CEO of the Elevion Group**.

Did you know that...

- the total cost for the TAL-PLUS project, including the modification of the MERO Germany technology, the modification of the MERO Czech technology, and ancillary costs, is between 1.3 billion and CZK 1.6 billion CZK? If an increase in storage capacity will be necessary, the total estimated cost will be 2.3 billion CZK (at the exchange rate of 25 CZK /1 EUR)
- the financial costs of the project will be fully covered by MERO ČR, so there will be no additional costs for the state budget?
- the planned modifications and modernization of the TAL crude oil pipeline, which will be provided by MERO, are the largest in scope so far during its existence?
- thanks to technological modifications, the largest capacity of the TAL crude oil pipeline in its history will be achieved? The TAL crude oil pipeline is managed by the TAL Consortium, which consists of three companies - Società Italiana per l'Oleodotto Transalpino Sp.a (SIOT), Transalpine Ölleitung v Österreich Ges.m.b.H and Deutsche Transalpine Oelleitung GmbH
- TAL Group is owned by nine major oil processors?
- the total capacity of the TAL crude oil pipeline, through which light crude oil from Azerbaijan, the USA, or Libya, is imported by tankers to the port of Trieste, and further flows to Germany, is 43 million tons of crude oil per year?
- the branch in Vohburg in Bavaria is connected to the IKL pipeline with a pipe with a diameter of 700 mm, which supplies oil to the Czech refinery in Kralupy?
- the speed of oil flow in the pipeline is 0.5 - 1.2 m/s?