WASHINGTON -- Senate Majority Tom Daschle, D-S.D., and Minority Leader Trent Lott, R-Miss., said Tuesday that Congress still has a slight chance to pass energy legislation this year despite an apparent impasse.

Energy-bill conferees have yet to meet publicly this week after reaching loggerheads last week on Arctic oil drilling and climate change, as well as major sticking points on electricity restructuring and renewable power. As negotiators met privately this week, lobbyists and other congressional observers said they haven't seen any signs of breakthrough.

"I would like to see an energy bill. I don't think there's any question," Daschle told reporters Tuesday afternoon. He added, however, that the legislation must include provisions to which conferees are adamantly opposed.

The Senate majority leader said he won't accept any bill that grants liability protection to producers of the petroleum-based gasoline additive MTBE - which has raised water-contamination concerns - nor a bill that allows oil and gas drilling in the Arctic National Wildlife Refuge.

House Republicans proposed last week giving MTBE producers liability protection similar to that proposed for ethanol producers in a Senate plan to mandate ethanol use in auto fuels. The House approved ANWR drilling, while the Senate rejected it.

If electricity restructuring, renewable power, climate change and MTBE liability waivers are left out of the bill, "The question then is, `Is there still enough policy there to salvage an energy bill?' and I would say that there still is," Daschle said.

The Senate majority leader helped write a provision in the energy bill that could more than double demand for corn-derived ethanol during the next 10 years by mandating renewable sources in auto fuels. The Senate ethanol plan would also phase out the use of MTBE.

For his part, Lott met Tuesday afternoon with energy bill conferees to see if it was worth continuing to negotiate the energy bill. Speaking to reporters ahead of the meeting, the Republican leader stopped short of writing off the legislation. "I'm just an incurable optimist," he said.

As progress slowed to a crawl last week, House Energy and Air Quality Subcommittee Chairman Joe Barton, R-Texas, a conferee, suggested passing a much smaller bill and shelving more controversial issues, such as power market restructuring and ANWR.

House Energy and Commerce Committee Chairman Billy Tauzin, R-La., who is managing the conference, had aimed to finish work this week before House lawmakers recess for midterm elections. But the chances of
meeting his goal appeared diminished late Tuesday, as conferees had yet to schedule another public meeting.

In a Tuesday-morning meeting, Daschle and Democratic conferees decided to continue working on a compromise bill, and Senate Energy and Natural Resources Committee Jeff Bingaman, D-N.M., later met Tauzin for more than an hour about the conference, said Bill Wicker, spokesman for the Senate committee.

Conference leaders aren't likely to call another public meeting until they agree on at least one major remaining issue, Wicker said.

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